

Draft Financial Statements

For the Year Ended June 30, 2022



Bashundhara Paper Mills Ltd.



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Independent Auditor's Report

To the Shareholders of Bashundhara Paper Mills Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bashundhara Paper Mills' Ltd. ("the Company"), which comprise the Statement of Financial Position as at 30 June 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2022, and its financial performance and its cash flow year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is produced in the context.

| Risk | Our response to the risk |
|--|--|
| <p>Property, plant and equipment (PP&E)</p> <p>The carrying value of PP&E as at 30 June 2022 was BDT. 23,025,591,008 Which is 66.06% of total assets.</p> <p>There are a number of areas where management judgment impacts the carrying value of PP&E, and the related depreciation profiles. These include:</p> <ul style="list-style-type: none"> • Determining which costs meet the criteria for capitalization; • The estimation of economic useful lives and residual values assigned to property, plant and equipment. <p>We identified the carrying value of property, plant</p> | <p>Our audit procedures to assess the carrying value of PP&E included the following:</p> <ul style="list-style-type: none"> • assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy of property, plant and equipment, including the key internal controls over the estimation of useful economic lives and residual values; • assessing, on a sample basis, costs capitalized during the year by comparing the costs |

| Risk | Our response to the risk |
|--|--|
| and equipment as a key audit matter because of the high level of management judgment involved and because of its significance to the financial statements. | <p>capitalized with the relevant underlying documentation, which included purchase agreements and invoices, and assessing whether the costs capitalized met the relevant criteria for capitalization; and</p> <ul style="list-style-type: none"> evaluating management's estimation of useful economic lives and residual values by considering our knowledge of the business. |
| See note no. 4.00 of the financial statements. | |
| Valuation of Inventory | |
| <p>The Company had inventory of BDT 8,269,900,957 at 30 June 2022, held and across multiple product lines. Inventories are carried at the lower of cost and net realizable value.</p> <p>Inventory valuation and existence was a key audit matter because of store/ location that inventory was held and the judgment applied in the valuation of inventory.</p> | <p>We performed a number of audit procedures for inventory valuation and existence. The procedure introduced any others the followings:</p> <ul style="list-style-type: none"> Evaluated and selected systems and processes for inventory and tested a sample of key controls for establishing volumes and cost; Evaluated the stocking process in the selected stores and undertook our own test of control; Tested, on a sample basis, stocks of raw materials to actual prices. Assessed the reasonableness of the product and service costing; Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; Participated in stock takes at a number of locations and tested the cut-off of deliveries in or out of inventory; and <p>Obtained the company's monitoring controls of slow movers and assessments of obsolescence as well as net selling prices.</p> |
| See note no. 9.00 to the financial statements | |
| Revenue recognition | |
| <p>At year end of the Company reported total revenue of BDT 11,237,967,247.</p> <p>The Company has multiple revenue units including Unit-1, Unit-2 & Unit-3. Since the company has complex terms of contracts which require significant management estimation and judgment in determining the timing of revenue recognition and measurement. Revenue is derived from several business segments and agreement with customers contain more than one performance obligation. Hence the management needs to determine the basis for allocating the consideration received between the separate performance obligations</p> | <p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> We evaluated the revenue recognition principles applied by the Company towards applicable accounting standards; We evaluated the revenue recognition of different segments of revenue in relation to the terms of the service terms; We tested the key controls over the calculation, authorization and approval of bills forwarded to customers and the capturing and recording of revenue transactions; We tested the timing of the revenue |

| Risk | Our response to the risk |
|--|--|
| based on relative standard selling price. This matter is considered a key audit matter due to the level of judgment required to determine the timing of revenue recognition and measurement. | <ul style="list-style-type: none"> recognition; We evaluated the appropriateness of the notes related to the Company's revenue; We critically assessed manual journals posted to revenue to identify unusual or irregular items; and Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards. |
| See note no. 26 of the financial statements | |

Reporting on Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would be reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations. We, as required by law, further report that:

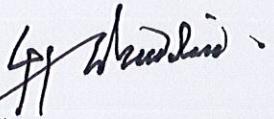
- We have obtained all the information and explanations which to the best of our knowledge and belief where necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts, records and other statutory books are required by law have been kept by the Company so far as it appeared from our examinations of those books ;
- The information and explanations required by us have been received and found satisfactory;



- d) The Statement of Financial Position, and the Statement of Profit or Loss and Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns; and
- e) The expenditure was incurred for the purpose of the Company's business.

28 October 2022
Dhaka

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants


Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrolment No.: 804
DVC# 2210310804AS347988

BASHUNDHARA PAPER MILLS LIMITED

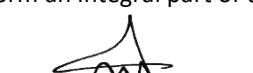
Statement of financial position

As at 30 June 2022

| | Notes | 30-Jun-22 | 30-Jun-21 |
|--------------------------------------|-------|-----------------------|-----------------------|
| | | Amount in Taka | |
| ASSETS | | | |
| Non-current assets | | 24,094,298,838 | 18,504,032,436 |
| Property, plant and equipment, net | 4 | 23,025,591,008 | 17,196,152,412 |
| Intangible Assets, net | 5 | 156,255,465 | 150,790,856 |
| Right-of-use assets | 6 | 15,293,590 | 27,166,916 |
| Capital work-in-progress | 7 | 632,158,774 | 864,922,251 |
| Investment | 8 | 265,000,000 | 265,000,000 |
| Current assets | | 10,759,811,898 | 10,234,777,984 |
| Inventories | 9 | 8,269,900,957 | 7,865,259,218 |
| Trade and other receivables | 10 | 1,014,646,121 | 766,820,718 |
| Advances, deposits and prepayments | 11 | 695,779,620 | 750,153,312 |
| Advance income tax | 12 | 366,547,565 | 436,146,583 |
| Cash and bank equivalents | 13 | 412,937,636 | 416,398,153 |
| Total assets | | 34,854,110,736 | 28,738,810,420 |
| EQUITY AND LIABILITIES | | | |
| Capital and reserves | | 13,070,441,273 | 8,364,957,712 |
| Share capital | 14 | 1,737,914,410 | 1,737,914,410 |
| Share premium | 15 | 1,739,583,292 | 1,739,583,292 |
| Revaluation reserve | 16 | 6,699,420,709 | 2,306,671,844 |
| Retained earnings | 17 | 2,893,522,862 | 2,580,788,166 |
| Liabilities | | | |
| Non-current Liability | | 14,469,418,737 | 14,212,381,964 |
| Long term borrowings | 18 | 13,375,182,257 | 13,073,901,189 |
| Lease Liabilities | 19 | - | 207,593,665 |
| Deferred tax liability | 20 | 1,094,236,481 | 930,887,110 |
| Current liabilities | | 7,314,250,726 | 6,161,470,744 |
| Long term borrowings-current portion | 21 | 1,997,367,081 | 2,156,870,384 |
| Short term borrowings | 22 | 3,993,660,017 | 2,634,775,834 |
| Trade and other payables | 23 | 1,198,790,267 | 1,144,864,139 |
| Provision for expenses | 24 | 1,161,873 | 51,743,762 |
| Income tax provision | 25 | 123,271,488 | 173,216,625 |
| Total liabilities | | 21,783,669,464 | 20,373,852,708 |
| Total equity and liabilities | | 34,854,110,736 | 28,738,810,420 |
| Net Asset Value Per Share | 41 | 74.31 | 47.26 |

The annexed notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Managing Director

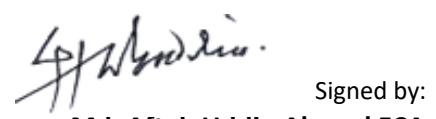

Director


Chairman

As per our report of same date

Dated, Dhaka
28 October 2022

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

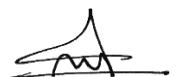

Signed by:
Md. Aftab Uddin Ahmed FCA
Senior Partner
ICAB Enrolment No.: 804
DVC# 2210310804AS347988

BASHUNDHARA PAPER MILLS LIMITED
Statement of profit or loss and other comprehensive income
for the year ended 30 June 2022

| | Notes | 01-Jul-2021 to 30-Jun-2022 | 01-Jul-2020 to 30-Jun-2021 |
|---|-------|-------------------------------|-------------------------------|
| | | Amount in Taka | |
| Revenue, net | 26 | 11,237,967,247 | 9,282,857,069 |
| Cost of sales | 27 | (8,987,615,099) | (7,360,026,462) |
| Gross profit | | 2,250,352,148 | 1,922,830,607 |
| Other income | 28 | 156,402,602 | 67,601,288 |
| Administrative expenses | 29 | (351,413,590) | (368,168,177) |
| Selling & distribution expenses | 30 | (199,034,321) | (196,999,041) |
| Finance costs | 31 | (1,153,329,704) | (999,856,244) |
| Profit before distribution of WPP & WF | | 702,977,135 | 425,408,433 |
| Workers' profit participation & welfare fund | | (35,148,857) | (21,270,422) |
| Profit before tax | | 667,828,278 | 404,138,012 |
| Income tax expenses | 32 | (159,980,139) | 7,052,093 |
| Current tax (expense)/income | | (132,904,536) | 1,596,543 |
| Deferred tax (expense)/income | | (133,565,656) | (90,931,052) |
| Deferred tax income resulting from reduction in tax rate | | 106,490,052 | 96,386,602 |
| Profit after tax | | 507,848,139 | 411,190,105 |
| Other comprehensive income | | 4,406,185,151 | - |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Gain on revaluation of land | | 4,542,458,919 | - |
| Less: Related tax | | (136,273,768) | - |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Total Comprehensive Income for the year | | 4,914,033,290 | 411,190,105 |
| Earnings per share | | | |
| Basic earnings per share (per value of Tk. 10) | 33 | 2.92 | 2.37 |

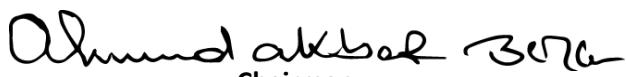
The annexed notes form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

As per our report of same date

Dated, Dhaka
28 October 2022

Signed for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants

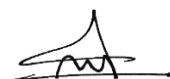

Signed by:
Md. Aftab Uddin Ahmed FCA
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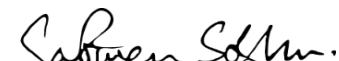
BASHUNDHARA PAPER MILLS LIMITED

Statement of changes in equity for the year ended 30 June 2022

| | Share Capital | Share Premium | Revaluation Reserve | Retained Earnings | Total Equity |
|---|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Amount in Taka | | | | | |
| Balance as on 01 July 2020 | 1,737,914,410 | 1,739,583,292 | 2,072,945,224 | 2,176,583,610 | 7,727,026,536 |
| Transfer to retained earnings | - | - | (19,772,743) | 19,772,743 | - |
| Payment of cash dividend | - | - | - | (26,041,666) | (26,041,666) |
| Total Comprehensive Income for the year | - | - | - | 411,190,105 | 411,190,105 |
| Balance as at 30 June 2021 (Reported) | 1,737,914,410 | 1,739,583,292 | 2,053,172,481 | 2,581,504,792 | 8,112,174,975 |
| Transfer to retained earnings | - | - | 716,627 | (716,627) | - |
| Adjustment of deferred tax on revaluation reserve | - | - | 252,782,737 | - | 252,782,737 |
| Balance as at 30 June 2021 (Restated) | 1,737,914,410 | 1,739,583,292 | 2,306,671,844 | 2,580,788,165 | 8,364,957,712 |
| | | | | | |
| Balance as at 01 July 2021 | 1,737,914,410 | 1,739,583,292 | 2,306,671,844 | 2,580,788,165 | 8,364,957,712 |
| Transfer to retained earnings | - | - | (13,436,286) | 13,436,286 | - |
| Payment of cash dividend | - | - | - | (208,549,729) | (208,549,729) |
| Total Comprehensive Income for the year | - | - | 4,406,185,151 | 507,848,139 | 4,914,033,290 |
| Balance as at 30 June 2022 | 1,737,914,410 | 1,739,583,292 | 6,699,420,709 | 2,893,522,861 | 13,070,441,273 |


Chief Financial Officer


Company Secretary


Managing Director


Director


Chairman

BASHUNDHARA PAPER MILLS LIMITED

Statement of cash flows

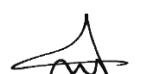
for the year ended 30 June 2022

| | Notes | 01-Jul-2021 to 30-Jun-2022 | 01-Jul-2020 to 30-Jun-2021 |
|--|-------|-------------------------------|-------------------------------|
| | | Amount in Taka | |
| A) Cash flows from operating activities | | | |
| Receipts from customers | | 11,663,378,917 | 10,537,664,394 |
| Receipts from other income | | 180,883,012 | 67,335,200 |
| Payment to suppliers, employees & others | | 11,844,261,929 | 10,604,999,594 |
| Cash generated from operations | | (9,037,425,875) | (7,896,741,641) |
| VAT paid | 26 | 2,806,836,054 | 2,708,257,953 |
| SD Paid | 26 | (655,017,487) | (584,462,666) |
| Income taxes paid | 12 | (42,699,995) | (27,643,490) |
| Bank charges and commission | 31 | (113,250,655) | (93,885,180) |
| Net cash (used in)/ generated by operating activities | | (5,359,177) | (7,400,395) |
| | | 1,990,508,740 | 1,994,866,222 |
| B) Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (965,568,797) | (569,605,882) |
| Payments for intangible assets | | (12,644,173) | - |
| Adjustment/ transfer of intangible assets | | 12,244,173 | (735,423) |
| Adjustment/ transfer for property, plant and equipment | | 319,102 | (1,167,394) |
| Receipts/ transfer of capital work-in-progress | | (964,867,587) | (1,717,230,301) |
| Net cash (used in)/ generated by investing activities | | (1,930,517,282) | (2,288,739,000) |
| C) Cash flows from financing activities | | | |
| Received/ (repayment) of short term borrowings | | 1,358,884,183 | (491,846,540) |
| Payments of Bank interest and other charges | | (1,147,970,527) | (992,455,849) |
| Payments of dividends to owners of the company | | (208,549,729) | (26,041,666) |
| Received/ (repayment) of lease liabilities | | (207,593,665) | (135,443,211) |
| Received/ (repayment) of long term borrowings | | 141,777,765 | 2,075,067,956 |
| Net cash (used in)/ generated by financing activities | | (63,451,974) | 429,280,690 |
| D) Net increase in cash and cash equivalents (A+B+C) | | (3,460,517) | 135,407,912 |
| E) Cash and cash equivalents at the beginning | 13 | 416,398,153 | 280,990,242 |
| F) Cash and cash equivalents at the end (D+E) | 13 | 412,937,636 | 416,398,153 |
| Net Operating Cash Flows per share | 42 | 11.45 | 11.48 |

The annexed notes form an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Managing Director



Director



Chairman

BASHUNDHARA PAPER MILLS LIMITED

Notes to the financial statements

As at and for the year ended 30 June 2022

1 REPORTING ENTITY

1.1 COMPANY PROFILE

Bashundhara Paper Mills Limited (hereinafter referred to as "BPML"/" the Company") is a public limited company by shares is domiciled in Bangladesh which was incorporated on 28 September 1993 vide registration no.C-24705(539)/93 under the Companies Act 1913, subsequently replaced by Companies Act 1994. The Company has been listed to both the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on 19 June 2018. Trading of the shares of the company started in two stock exchanges from 02 July 2018.

1.2 ADDRESS OF REGISTERED OFFICE AND FACTORIES

The registered office of the company is situated at 125/A, Basahundhara R/A, Block-A, Baridhara, Dhaka-1212, Bangladesh. Corporate office address is Bashundhara Industrial Headquarters-2, Plot# 56/A, Block# C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229, Bangladesh. The industrial units 1 and 2 are established at New town, Meghna Ghat, Sonargoan, Narayangonj and Unit-3 is Anarpura, Gazaria, Munshigonj.

1.3 NATURE OF BUSINESS

The company is engaged in manufacturing and marketing of all kinds of paper products, tissue products, Hygienic products, feeding bottle, facial mask, paper sack and other consumer brand items. The enterprise, since its inception, is helping the nation save huge amount of hard-earned foreign exchange by cutting dependence on imported paper products.

2 SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The specific Accounting Policies selected and applied by the company's management for significant transactions and events that have a material effect within the framework of IAS-1 Presentation of Financial Statements in preparation and presentation of financial statements. Compared to the previous year, there were no significant changes in the accounting and valuation principals affecting the financial position and performance of the company. Accounting and valuation methods are disclosed for reasons of clarity.

2.1 BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

2.1.1 Accounting standards

The financial statements of the company have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.1.2 Accounting Convention

The financial statements are prepared under the historical cost convention except items of fixed assets revalued in 2010, 2015 and 2022. The company classified the expenses using the function of expenses method as per IAS-1.

2.1.3 Statement of compliance

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

As required, Bashundhara Paper Mills Limited complies with the following major legal provisions and other applicable laws and regulations:

- / The Companies Act 1994
- / The Securities and Exchange Rules, 1987
- / The Securities & Exchange Ordinance, 1969
- / The Income Tax Ordinance, 1984
- / The Income Tax Rules, 1984
- / The Value Added Tax and Supplementary Duty Act, 2012
- / The Customs Act, 1969
- / The Bangladesh Labor (Amendment) Act 2013, 2006
- / International Valuation Standards (IVS)
- / International Accounting Standards (IAS)
- / International Financial Reporting Standards (IFRS)
- / The Listing Regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.

2.2 FUNCTIONAL AND PRESENTATIONAL CURRENCY

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.) currency, which is the company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka.

2.3 USE OF ESTIMATES AND JUDGMENT

The preparation of these financial statements is in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the following notes:

| | |
|----------|--|
| Note 19: | Finance lease obligations (classification and measurement) |
| Note 20: | Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities) |
| Note 26: | Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered) |
| Note 32: | Income tax expenses |

| Topic | Policy No. | Note No. |
|---|------------|----------|
| Property, plant & equipment-Cost | 3.1.1 | 4.00 |
| Property, plant & equipment-Depreciation | 3.1.3 | 4.00 |
| Valuation of inventories | 3.6 | 9.00 |
| Deferred tax | 3.10.2 | 20.00 |
| Impairment of property, plant & equipment | 3.1.9 | N/A |

2.4 PRESENTATION OF FINANCIAL STATEMENTS

The presentation of these financial statements is in accordance with the guidelines provided by IAS

1: Presentation of Financial Statements, The Financial Statements comprises:

- / a statement of financial position;
- / a statement of profit or loss and other comprehensive income;
- / a statement of changes in equity;
- / a statement of cash flows; and
- / notes, comprising a summary of significant accounting policies and explanatory information.

2.5 CURRENT VS. NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in statement of financial position based on current/noncurrent classification.

An asset is current when it is:

- a) expected to be realized or intended to be sold or consumed in normal operating cycle
- b) held primarily for the purpose of trading
- c) expected to be realized within twelve months after the reporting period or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

- a) expected to be settled in normal operating cycle
- b) held primarily for the purpose of trading
- c) due to be settled within twelve months after the reporting period or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

2.6 COMPLIANCE WITH THE REQUIREMENTS OF NOTIFICATION OF THE SECURITIES AND EXCHANGE COMMISSION DATED 04.06.2008 under Ref. # SEC/CMMRPC/2008-81/53/Adm/03/28

- 2.6.1 Notes to the financial statements marked from 3.00 to 3.30 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
- 2.6.2 The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.30
- 2.6.3 The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

The following IASs and IFRSs are applicable for the preparation of financial statements for the year under review:

| | |
|---------|---|
| IAS 1 | Presentation of Financial Statements |
| IAS 2 | Inventories |
| IAS 7 | Statement of Cash Flows |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| IAS 10 | Events After the Reporting Period |
| IAS 12 | Income Taxes |
| IAS 16 | Property, Plant and Equipment |
| IAS 19 | Employee Benefits |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates |
| IAS 23 | Borrowing Costs |
| IAS 24 | Related Party Disclosures |
| IAS 33 | Earnings Per Share |
| IAS 34 | Interim Financial Reporting |
| IAS 36 | Impairment of Assets |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets |
| IAS 38 | Intangible Assets |
| IFRS 7 | Financial Instruments: Disclosures |
| IFRS 8 | Operating Segments |
| IFRS 9 | Financial Instruments |
| IFRS 12 | Disclosure of Interests in Other Entities |
| IFRS 13 | Fair Value Measurement |
| IFRS 15 | Revenue from Contracts with Customers |
| IFRS 16 | Leases |

2.7 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

IFRS 16 eliminates the earlier operating/finance lease dual accounting model for leases. The change interprets a single accounting model on balance sheet, similar to current finance lease accounting. Issued in January 2016, the new IFRS is replaced the existing guidance in IAS 17 Leases. IFRS 16 is effective from or after 1 January 2019.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to

ownership of the underlying asset to the Company. Under IFRS 16, BPML recognises right-of-use assets and lease liabilities for all leases.

2.8 REPORTING PERIOD

The financial period of the Company covers from 01 July to 30 June. The Company follows its reporting period from 01 July to 30 June in order to comply with the provision of section 9 of the Finance Act, 2015 and interpretations and implementation of Bangladesh Securities and Exchange Commission Directive No. SEC/SRMIC/2011/1240/445 dated April 27, 2016 concerning uniform income year. However, the company was followed its reporting period from 01 January to 31 December up to 30 June 2016.

2.9 DATE OF AUTHORIZATION FOR ISSUE

The audited financial statements for the year ended 30 June 2022 were authorised by the Board of Directors on 28 October 2022 for publication.

2.10 BOOKS OF ACCOUNTS

The Company maintains its books of accounts for main business in electronic form through its own customized software. Besides, the Company using SAP software which under process of full implementation. SAP ERP is enterprise resource planning software developed by the German company SAP SE. Business Processes included in SAP ERP include Operations (Sales & Distribution, Materials Management, Production Planning, Logistics Execution, and Quality Management), Financials (Financial Accounting, Management Accounting and Financial Supply Chain Management) and Human Capital Management (Payroll).

2.11 COMPARATIVE INFORMATION AND REARRANGEMENT THEREOF

Comparative information for the financial position has been disclosed in respect of the year ended June 30, 2021 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year ended June 30, 2021 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 PROPERTY, PLANT AND EQUIPMENT

3.1.1 Recognition and Measurement

Land, building, plant and machinery, furniture, fixtures and equipments held for use in the production or supply of goods and services, or for administrative purposes, are stated in the statement of financial position at their cost and revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of June 30, 2022 and these are stated at cost. Revaluations are performed with sufficient regulatory such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the company's accounting policy. Such properties are classified to the appropriated categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3.1.2 Subsequent Costs and Maintenance Activities

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit or loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.1.3 Depreciation

Depreciation is recognized so as to write off the cost or valuation of assets, less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed for the 1st time at end of 2010 by SGS Bangladesh Limited, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation on revalued buildings, plant and machinery, furniture, fixtures and equipments is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Freehold land is not depreciated.

Depreciation begins when the asset is available for use and continues until the asset is derecognized. All items of property, plant and equipment have been depreciated on straight line basis over the estimated useful lives of property, plant & equipment as under:

| Category | Useful life (Year) |
|-----------------------------------|--------------------|
| Land and Land Development** | Nil |
| Building and other constructions | 10-50 |
| Furniture & Fixtures | 5-15 |
| Office Equipment | 3-15 |
| Motor Vehicle | 2-10 |
| Plant & Machinery | 2-20 |
| Sundry Assets | 5-15 |
| Factory apparatus and Loose Tools | 2-20 |

***Land is not depreciated as it deemed to have an infinitive life.*

3.1.4 Derecognition of Property, Plant and Equipment

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.1.5 Revaluation

The fixed assets as at 31 December 2010 were 1st time revalued to their fair market value as per decisions of the Board of Directors. All fixed assets under property, plant and equipment available on the cut-off date 31 December 2010 were revalued by an independent valuer S. F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh) and the revaluation surplus has been incorporated in the financial statements as on 31 December 2010.

Further as per decision of the Board of Directors (BoD) of the Company has revalued its freehold land to determination of current fair market value to be used to show the actual picture of the company in the Financial Statements in 2015 by an independent valuer Mahfel Huq & Co.; Chartered Accountants dated 16 May 2015. As per BoD meeting dated 05 July 2015, the Board of Directors has accepted the revaluation report and agreed to effect revaluation surplus amount in the accounts of BPML by following necessary accounting policies.

In the year 2021-2022 the Board of Directors made a decision to ascertain the current estimated market value of the lands to be incorporated in the financial statements. In this regard, the management has engaged Ahmed Zaker & Co., Chartered Accountants an exclusive independent member firm of Geneva Group International (GGI) on February 10, 2022 for revaluation of the Company's freehold land as on March 31, 2022 (Cut Off date). The revaluation report is accepted by the Board of Directors on June 29, 2022 and subsequently outcome of the revaluation surplus amount incorporated in the financial statements by complying necessary rules, regulations and accounting policies.

| Location | Land area (Acre) | Book Value | Fair value/Market Value | Fair Value Adjustments/ Revaluation surplus |
|--|------------------|--------------------|-------------------------|---|
| Meghnaghat, Baranagar, Sonargaon, Narayanganj | 13.4211 | 356,961,415 | 2,539,836,550 | 2,182,875,135 |
| Meghnaghat, Newtown, Sonargaon, Narayanganj | 12.9600 | 86,439,658 | 2,527,200,000 | 2,440,760,342 |
| Anarpura, under Gazaria, Munshiganj | 11.8940 | 173,930,960 | 2,200,390,000 | 2,026,459,040 |
| Total as on March 31, 2022 | 38.2751 | 617,332,033 | 7,267,426,550 | 6,650,094,517 |
| Previous Revaluation Surplus as on December 31, 2014 | | | | 2,107,635,598 |
| Current Increase in Revaluation Surplus | | | | 4,542,458,919 |

Any revaluation increase arising on the revaluation of such land, buildings, plant and machinery, furniture, fixtures and equipments is recognized in other comprehensive income and accumulated in equity as revaluation reserve, except to the extent that it reverses a revaluation decreases for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent if the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such Land, building, plant and machinery, furniture, fixtures and equipments is recognized in profit or loss to the extent that it exceeds the credit balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

3.1.6 Software

Software is generally charged off as revenue expenditure. Customized software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Acquired computer software's capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

3.1.7 Disposal of Fixed Assets

On Disposal of Fixed Assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.1.8 Maintenance Activities

The company incurs maintenance cost for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.1.9 Impairment

The carrying value of the Company's assets other than inventories, are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the assets or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income in the year concerned.

3.2 INTANGIBLE ASSETS

3.2.1 Recognition

The recognition of an item as an intangible asset requires to demonstrate that the item meets the definition of an intangible asset and the recognition criteria. An intangible asset is recognized as an asset if, and only if:

- / it is probable that expected future economic benefits that are attributable to the asset will flow to the company; and
- / the cost of the item can be measured reliably.

3.2.2 Measurement

An intangible asset is measured at cost less any accumulated amortization and any accumulated impairment losses. Subsequent expenditures are likely to maintain the expected future economic benefits embodied in an existing intangible asset rather than meet the definition of an intangible asset and the recognition criteria. In addition, it is often difficult to attribute subsequent expenditure directly to a particular intangible asset rather than to the business as a whole. Therefore, expenditure incurred after the initial recognition of an acquired intangible asset or after completion of an internally generated intangible asset is usually recognised in profit or loss as incurred. This is because such expenditure cannot be distinguished from expenditure to develop the business as a whole.

3.2.3 Separately Acquired Intangibles Assets

The cost of a separately acquired intangible asset comprises:

- / its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- / and any directly attributable cost of preparing the asset for its intended use.

3.2.4 Internally Generated Intangible Assets

The cost of an internally generated intangible asset is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

3.2.5 Research Phase

No intangible asset arising from research (or from the research phase of an internal project) is recognised. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

3.2.6 Development Phase

An intangible asset arising from development (or from the development phase of an internal project) is recognised in IAS-38: Intangible asset. The company's intangible assets include computer software development (SAP), Design, construction and development of products, Augmented Reality. Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

3.2.7 Recognition of an Expense

Income cases, expenditure are incurred to provide future economic benefits to an entity, but no intangible asset or other asset is acquired or created that can be recognised. For example, expenditure on research is recognised as an expense when it is incurred, except when it is acquired as part of a business combination. Other examples of expenditure that is recognised as an expense when it is incurred include:

- / expenditure on start-up activities i.e. start-up costs/ pre-operating cost.
- / expenditure on training activities.
- / expenditure on advertising and promotional activities.
- / expenditure on relocating or reorganising part or all of an entity.

3.2.8 Past Expenses

Expenditure on an intangible item that was initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

3.2.9 Revaluation of Intangibles

The revaluation model requires an intangible asset shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated amortisation and any subsequent accumulated impairment losses. However, fair value shall be measured by reference to an active market. The revaluation model does not allow the revaluation of intangible assets that have not previously been recognised as assets; or the initial recognition of intangible assets at amounts other than cost.

3.2.10 Amortization

The amortization amount of an intangible asset with a finite useful life shall be allocated on a systematic basis over its useful life. Amortisation begin when the asset is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Amortisation cease at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognised. An intangible asset with an indefinite useful life is not amortised.

| Sl no | Category | Useful lives |
|-------|-----------------|--------------|
| 1 | SAP Software | 25 |
| 2 | Others Software | 5-10 |

3.2.11 Derecognition of Intangible Assets

The carrying amount of an item of intangible assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of intangible assets is included as other income in profit or loss when the item is derecognised. When the revalued assets are disposed off, the respective revaluation surplus is transferred to retained earnings.

3.3 RIGHT-OF-USE ASSET

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

3.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

3.4.1 Recognition and initial measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.4.2 Classification and subsequent measurement

Financial assets – Policy applicable from 1 July 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment- by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

i. *Financial assets – Business model assessment: Policy applicable from 1 July 2018*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets at FVTPL

- These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

- These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

- These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

- These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

c) Short-term investment

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried as financial assets at amortised cost. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

ii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include loans and borrowings, finance lease obligation, accounts payables and other payables

a) Finance lease obligation

Leases in terms of which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Incremental borrowing rate has been used to calculate the present value of minimum lease payments.

b) Loans and borrowings

Principal amounts of the loans and borrowings are stated at their amortised amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

c) Trade and other payables

The Company recognises a trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

3.5 IMPAIRMENT OF FINANCIAL ASSETS

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

a) Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The Company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and

supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Company's historical experience and informed credit assessment and including forward-looking information.

BPML considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by BPML to actions such as realising security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

b) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 INVENTORIES

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on normal operation capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventory losses and abnormal losses are recognized as expenses. Basis for valuation of inventories are as under:

| Category | Basis of valuation |
|---------------------------|--|
| Finished goods and | At the lower of cost and net realizable value. The cost includes |
| Work-in-process | expenditure incurred in acquiring the inventories, production or |

| | |
|--|--|
| | conversion costs and other costs incurred in bringing them to their existing location and condition. |
| Raw and packing materials | At the lower of cost and net realizable value. |
| Stores and spares | At the lower of weighted average cost and net realizable value. |
| Materials and stores in-transit | At cost including related charges. |

3.7 CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is recorded at cost to the extent of expenditure incurred up to the date of statements of Financial Position. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalised borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

3.8 PROVISION

Provisions are recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.9 CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent assets are not recognized or disclosed in these financial statements. Details are given in note: 34 and 35.

3.10 INCOME TAX EXPENSES

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income account except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.10.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the company is 20% (2020-2021: 22.5%). Provision for taxation has been made on the basis of the Finance Act, 2022.

3.10.2 Deferred Tax

Deferred tax is recognized using the balance sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transactions recognized in the income statement. A temporary difference is the difference between the tax bases of an asset or liability and its carrying amount/reported amount in the balance sheet. Deferred tax asset or liability is the amount of income tax recoverable or payable in future period's recognized in the current period. The deferred tax asset /income or liability/expense does not create a legal liability/recoverability to and from the income tax authority. The Company recognized deferred tax on temporary difference arose from depreciation on property, plant & equipment, difference for vehicle, intangible assets and pre-operating expenses.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 EMPLOYEE BENEFIT

3.11.1 Defined contribution plan (provident fund)

Defined contribution plan is a post-employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognized by the National Board of Revenue (NBR) vide Letter No. ভবিঃতঃঅনুঃ(বসুক্রা)/ব্রকইউ/২০১৫-২০১৬/২৩১২(৩) dated 29 February 2016. The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

3.11.2 Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees. This fund is recognized by the National Board of Revenue (NBR) vide স্মারক নং- ০৮.০১.০০০০.০৩৫.০২.০০২২, ২০১৭/৭৫ তারিখঃ ০৭/০৯/২০১৭ খ্রি. The net defined benefit liability (asset) is made up of:

- a) the present value of defined benefit obligation; less
- b) the fair value of plan assets; adjusted for
- c) any effect of limiting a net defined benefit asset to the asset ceiling.

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

The expected cost of this benefit is included in respective annual statement of profit or loss and other comprehensive income over the period of employment.

3.11.3 Group insurance scheme

The Company operates a group insurance scheme for its permanent employees. Insurance premium is being charged to statement of profit or loss and other comprehensive income.

3.11.4 Short-term employee Benefits

Short-term employee benefits include salaries, bonuses etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

3.12 WORKERS' PROFIT PARTICIPATION AND WELFARE FUND

This is made in terms of section 234(1)(b) of Bangladesh Labour Law (Amendment) Act 2013, 5% of the net profit of each year, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10:10. 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006.

3.13 FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transactions date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchange ruling at that date. Exchange differences are charged off as revenue expenditure/ income in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.14 REVENUErecognition

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

3.14.1 *Sales of goods*

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

Revenue will be recognised for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

Based on the Company's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

3.14.2 *Rendering of services*

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

Based on the Company's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, the Company does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these services.

3.14.3 Construction contracts

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date.

Under IFRS 15, claims and variations will be included in the contract accounting when they are approved.

The Company does not expect the application of IFRS 9 and IFRS 15 to have a significant impact on its financial statements.

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

Interest income on bank deposits and short-term investments is recognized on accrual basis.

Other income is recognized on receipt or due basis.

3.15 BORROWING COSTS

Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the year in which they incurred unless the activities that are necessary to prepare the qualifying assets for its intended use are in progress. Finance expenses comprise interest expense on bank loan, finance lease and other borrowings. All borrowing costs are recognized in the statement of profit or loss and other comprehensive income using effective interest method. Expenses capitalized also include applicable borrowing cost considering the requirement of IAS 23: Borrowing Costs.

3.15.1 Recognition

The company capitalises borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. BPML recognises other borrowing costs as an expense in the year in which it incurs them.

3.15.2 Borrowing Costs Eligible for Capitalization

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

To the extent that the company borrows funds specifically for the purpose of obtaining a qualifying asset, BPML determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any investment income on the temporary investment of those borrowings.

3.15.3 Commencement of Capitalization

BPML begins capitalising borrowing costs as part of the cost of a qualifying asset on the commencement date. The commencement date for capitalisation is the date when the company first meets all of the following conditions:

- / it incurs expenditures for the asset;
- / it incurs borrowing costs; and
- / it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Cessation of capitalization

BPML ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3.16 SHARE CAPITAL

Proceeds from issuance of ordinary shares are recognized as share capital in equity when there is no contractual obligation to transfer cash or other financial assets.

3.17 DIVIDEND TO THE EQUITY HOLDERS

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.18 STATEMENT OF CASH FLOWS

Statement of Cash Flows has been prepared in accordance with International Accounting Standards IAS-7: Statement of Cash Flows". Cash flow from operating activities has been presented under direct method.

3.19 STATEMENT OF CHANGES IN EQUITY

Statement of changes in equity has been prepared in accordance with International Accounting Standards IAS-1: Presentation of Financial Statements.

3.20 EARNINGS PER SHARE

The Company presents its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders.

No. of Ordinary shares (Denominator)

This represents weighted average number of ordinary share outstanding during the year.

Diluted Earnings per Share

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.21 RELATED PARTY TRANSACTIONS

As per International Accounting Standards IAS-24: Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in note no. 38.00.

3.22 SEGMENT REPORTING

A segment is a distinguishable component of the Company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company's primary format for segment is based on business segments.

3.23 OFFSETTING

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends either to settle on a net basis, or to realize the assets and to settle the liabilities simultaneously.

3.24 MATERIALITY AND AGGREGATION

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.25 GOING CONCERN

The Board of Directors are convinced after making appropriate enquiries at the time of approving the financial statements the company has adequate resources to carry out its operational existence for the foreseeable future. It is therefore appropriate to adopt going concern basis in preparing the financial statements.

The management do not see any issue with respect to going concern due to Russian invasion of Ukraine and COVID-19 pandemic (See Note: 51). Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

3.26 ACCRUAL BASIS OF ACCOUNTING

BPML prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the Framework.

3.27 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

The effect of change in an accounting estimate shall be recognised prospectively by including it in profit or loss in:

- / the period of the change, if the change affects that period only; or
- / the period of the change and future periods, if the change affects both.

To the extent that a change in an accounting estimate gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change.

Changes in accounting policies and material prior period errors shall be retrospectively corrected in the first financial statements authorized for issue after their discovery by:

- / restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- / if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

3.28 RESPONSIBILITY FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENT

The Board of Directors is responsible for the preparation and presentation of Financial Statements under section 183 of the Companies Act 1994 and as per provision of “The Framework for the Preparation and Presentation of Financial Statements” issued by the International Accounting Standard Committee (IASC).

3.29 EVENTS AFTER REPORTING PERIOD

In compliance with the requirements of IAS-10: Events after the Reporting Period, post statement of financial position events that provide additional information about the company's position at the statement of financial position date are reflected in the financial statement and events after the statement of financial position date that are not adjusting event are disclosed in the notes when material.

3.30 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT

- 3.30.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith;
- 3.30.2 Figures appearing in these accounts have been rounded off to the nearest taka;
- 3.30.3 Previous year's figures and account titles in the financial statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, without, however, creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current year.

Bashundhara Paper Mills Limited

Notes to the financial statements

As at and for the year ended 30 June 2022

| 04.00 | PROPERTY, PLANT AND EQUIPMENT | Amount in Taka | |
|--|-------------------------------|-----------------------|-----------|
| | | 30-Jun-22 | 30-Jun-21 |
| <u>1. Based on Cost:</u> | | | |
| A. Cost: | | | |
| Opening Balance | 21,013,366,991 | 18,268,629,413 | |
| Less: Transfer/ Disposal/ Reclassification during the year | (585,942) | (7,162,607) | |
| Add: Addition during the year | 2,155,677,132 | 2,751,900,186 | |
| Closing Balance | 23,168,458,181 | 21,013,366,991 | |
| B. Accumulated depreciation: | | | |
| Opening Balance | 6,345,803,676 | 5,414,030,981 | |
| Less: Transfer/ Disposal/ Reclassification during the year | (266,840) | (3,848,358) | |
| Add: Charged during the year | 851,582,995 | 935,621,053 | |
| Closing Balance | 7,197,119,831 | 6,345,803,677 | |
| C. Written down value on cost (A-B) | 15,971,338,350 | 14,667,563,315 | |
| <u>2. Based on Revaluation:</u> | | | |
| A. Cost: | | | |
| Opening Balance | 2,848,337,977 | 2,848,337,977 | |
| Less: Transfer/ Disposal during the year | - | - | |
| Add: Addition during the year | 4,542,458,919 | - | |
| Closing Balance | 7,390,796,896 | 2,848,337,977 | |
| B. Accumulated depreciation: | | | |
| Opening Balance | 319,748,880 | 295,160,343 | |
| Less: Transfer/ Disposal during the year | - | - | |
| Add: Charged during the year | 16,795,358 | 24,588,537 | |
| Closing Balance | 336,544,238 | 319,748,880 | |
| C. Written down value on revaluation (A-B) | 7,054,252,659 | 2,528,589,097 | |
| 3. Written down value on cost and revaluation (1+2) | 23,025,591,008 | 17,196,152,412 | |

Details of property, plant & equipment are shown in 'Annexure-A'

4.01 During the year management of the Company carried out a review of the recoverable amount of the manufacturing plant and other related assets. The review does not led to an impairment loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use.

4.02 The company has been availing long term lease facility against use of 18.7709 acres land from East West Property Development (Pvt.) Limited. All maintenance cost incurred during the year for the said land bear by BPML but rent or any other cost regarding the use of land has not been bear in current or prior year's as per decision of the both Companies management. During the year the Company has purchased/ transferred 7.249 acre of land out of 18.7709 acre in the name of Bashundhara Paper Mills Ltd. and remaning 11.5219 acre will be transferred soon.

4.03 Depreciation begins when the asset is available for use and continues until the asset is derecognized.

4.04 The Company has carried out valuation of land of the Company. Details of which disclosed in policy note no. 3.1.5

| 05.00 | INTANGIBLE ASSETS | | |
|--|--------------------|--------------------|-------------|
| | | 189,627,705 | 189,627,705 |
| A. Cost: | | | |
| Opening Balance | 189,627,705 | 189,627,705 | |
| Less: Transfer/ Disposal during the year | - | - | |
| Add: Addition during the year | 12,644,173 | - | |
| Closing Balance | 202,271,878 | 189,627,705 | |

| | <i>Amount in Taka</i> | |
|--|-----------------------|--------------------|
| | 30-Jun-22 | 30-Jun-21 |
| B. Accumulated amortization: | | |
| Opening Balance | 38,836,848 | 30,833,113 |
| Less: Transfer/ Disposal during the year | - | - |
| Add: Charged during the year | 7,179,564 | 8,003,735 |
| Closing Balance | 46,016,412 | 38,836,848 |
| C. Written down value (A-B) | 156,255,465 | 150,790,856 |

Details of Intangible assets are shown in 'Annexure- B'

06.00 RIGHT-OF-USE ASSETS

A. Cost:

| | | |
|-------------------------------|--------------------|--------------------|
| Opening Balance | 111,791,600 | 111,791,600 |
| Add: Addition during the year | - | - |
| Closing Balance | 111,791,600 | 111,791,600 |

B. Accumulated amortization:

| | | |
|------------------------------------|-------------------|-------------------|
| Opening Balance | 84,624,684 | 70,622,580 |
| Add: Charged during the year | 11,873,326 | 14,002,104 |
| Closing Balance | 96,498,010 | 84,624,684 |
| C. Written down value (A-B) | 15,293,590 | 27,166,916 |

Details of right of use of assets are shown in 'Annexure- C'

07.00 CAPITAL WORK-IN-PROGRESS

A. Plant and machinery:

| | | |
|--|----------------------|------------------------|
| Opening balance | 439,436,688 | 945,637,747 |
| Add: Addition made during the year | 630,426,268 | 932,102,605 |
| Less: Adjustment/transfer to appropriate asset category | (654,169,238) | (1,438,303,663) |
| Closing balance | 415,693,718 | 439,436,688 |

B. Factory building and other constructions:

| | | |
|--|----------------------|----------------------|
| Opening balance | 413,241,390 | 371,055,224 |
| Add: Addition made during the year | 334,441,319 | 785,127,696 |
| Less: Adjustment/transfer to appropriate asset category | (531,217,652) | (742,941,530) |
| Closing balance | 216,465,056 | 413,241,390 |

C. Intangible assets:

| | | |
|--|---------------------|--------------------|
| Opening balance | 12,244,173 | 11,508,750 |
| Add: Addition made during the year | 200,000 | 229,820 |
| Less: Adjustment/transfer to appropriate asset category | (12,444,173) | 505,603 |
| Closing balance | - | 12,244,173 |
| D. Total (A+B+C) | 632,158,774 | 864,922,251 |

07.01 All the amount of capital work-in-progress for acquisition of plant & machinery which are not ready for use and construction work is underway for factory building. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed for use.

08.00 INVESTMENT

| | | |
|---------------------------------|--------------------|--------------------|
| Investment in shares (unquoted) | 265,000,000 | 265,000,000 |
| Total | 265,000,000 | 265,000,000 |

08.01 This represents investments of 26,500,000 Ordinary Share @ Tk. 10/- each in Bashundhara Industrial Complex Limited, being sister concern of the company, is the owner of 6.63% shares of the company.

| 09.00 | INVENTORIES | Amount in Taka | |
|------------------------|-------------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| Raw material | | 3,898,770,328 | 3,987,540,727 |
| Finished goods | | 1,215,595,253 | 1,114,965,573 |
| Stores and spare parts | | 1,308,267,084 | 998,035,751 |
| Work-in-process | | 1,473,807,724 | 1,454,530,838 |
| Material in transit | | 373,460,567 | 310,186,329 |
| Total | | 8,269,900,957 | 7,865,259,218 |

09.01 All stocks are good and it does not include any wastage and defective materials.

09.02 Management has been carried out a stock taking as on the close of the year and found all right in terms of quality and weight.

09.03 The cost of inventories recognized as an expense during the year in Statement of profit or loss and other comprehensive income .

08.04 Inventories are valued at lower of cost or net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale .

10.00 TRADE & OTHER RECEIVABLES

| | | | |
|--|-------------|----------------------|--------------------|
| Trade receivables | NOTE:10.01 | 722,461,018 | 654,624,734 |
| Other receivables | NOTE: 10.02 | 292,185,103 | 112,195,985 |
| Total | | 1,014,646,121 | 766,820,718 |
| 10.01 <i>Trade receivables:</i> | | 722,461,018 | 654,624,734 |
| Hygiene product | | 20,019,068 | 27,129,200 |
| Paper product | | 333,146,678 | 123,247,913 |
| Demy paper | | - | 1,912,635 |
| Paper sack product | | 13,773,591 | 148,941,075 |
| Tissue products | | 149,692,851 | 213,552,515 |
| Export | | 205,828,830 | 139,841,397 |
| 10.02 <i>Other receivables:</i> | | 292,185,103 | 112,195,985 |
| Other receivables | | 196,201,164 | 40,692,456 |
| Cash incentive receivables | | 95,983,938 | 71,503,528 |

10.03 Age of trade receivables that are past due but not impaired based on products basis are shown under:

| 30-Jun-22 | 0-90 days past due | 90-180 days past due | Dues over 6 months | Total |
|---------------------|--------------------|----------------------|--------------------|--------------------|
| Paper products | 143,893,836 | 98,231,109 | 91,021,733 | 333,146,678 |
| Tissue products | 110,315,202 | 18,167,252 | 21,210,397 | 149,692,851 |
| Hygiene products | 13,551,893 | 403,330 | 6,063,845 | 20,019,068 |
| Paper sack products | 3,189,716 | 1,470,655 | 9113220.25 | 13,773,591 |
| Export | 208,252,172 | 3,209,758 | (5,633,101) | 205,828,830 |
| Total | 479,202,819 | 121,482,104 | 121,776,094 | 722,461,018 |

| 30-Jun-21 | 0-90 days past due | 90-180 days past due | Dues over 6 months | Total |
|---------------------|--------------------|----------------------|--------------------|--------------------|
| Paper products | 121,968,177 | 117,517,213 | (114,324,842) | 125,160,548 |
| Tissue products | 109,856,091 | 42,832,763 | 60,863,662 | 213,552,516 |
| Hygiene products | 17,501,764 | 2,232,346 | 7,395,089 | 27,129,200 |
| Paper sack products | 6,382,000 | 3,512,030 | 139,047,045 | 148,941,075 |
| Export | 67,562,395 | 63,611,708 | 8,667,293 | 139,841,397 |
| Total | 323,270,427 | 229,706,061 | 101,648,247 | 654,624,734 |

10.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994

Maturity within 3 months
 Maturity over 3 months but within 6 months
 Maturity more than 6 months
Total

| <i>Amount in Taka</i> | |
|-----------------------|--------------------|
| 30-Jun-22 | 30-Jun-21 |
| 479,202,819 | 323,270,427 |
| 121,482,104 | 229,706,061 |
| 121,776,094 | 101,648,247 |
| 722,461,018 | 654,624,734 |

Debts considered Good & Secured
 Debts considered Good without security
 Debts considered doubtful & bad
 Debts due by directors or other officers & staffs
 Debts due from companies under same management
 Maximum debt due by directors or officers & staffs at any time
Total

| | |
|--------------------|--------------------|
| 589,000,177 | 521,163,893 |
| - | - |
| - | - |
| - | - |
| 133,460,841 | 133,460,841 |
| 722,461,018 | 654,624,734 |

10.05 All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.
 10.06 There is no such trade receivable due by or to directors or other officers of the Company.

11.00 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances:

Advance against advertisement
 Advance against Legal and consultancy
 Advance against insurance premium
 Advance against land and land development
 Advance against motor vehicle
 Advance to employee
 Advance to other expense
 Advance to suppliers
 SD current account
 VAT current account
Total advance

| | |
|--------------------|--------------------|
| 3,194,721 | 785,000 |
| 1,080,000 | 3,180,000 |
| 105,544 | 111,620 |
| 47,101,339 | 55,801,339 |
| 4,420,513 | 2,228,879 |
| 1,510,540 | 1,210,740 |
| 14,346,146 | 57,966,912 |
| 121,277,349 | 248,419,122 |
| 80,784 | 49,361 |
| 38,754,057 | 9,223,195 |
| 231,870,993 | 378,976,167 |

Deposit:

Bank guarantee margin
 Deposit to Bangladesh Bank
 L/C margin deposit
 Security deposit
Total deposits

| | |
|--------------------|--------------------|
| 17,459,335 | 18,334,015 |
| 150,000,000 | 150,000,000 |
| 213,556,112 | 121,200,853 |
| 82,893,179 | 81,642,276 |
| 463,908,627 | 371,177,145 |
| 695,779,620 | 750,153,312 |

11.01 These include dues realizable/adjustable within one year from the balance sheet date
 11.02 These include aggregate amount due by, executives, managers, officers and staffs
 11.03 The maximum aggregated amount due by executives, managers, officers and staffs of the company at the end of any month during the year
 11.04 Advance recoverable in cash
 11.05 Advance outstanding for a year exceeding six months

| | |
|-------------|-------------|
| 184,769,654 | 323,174,828 |
| 1,510,540 | 1,210,740 |
| 400,000 | 646,092 |
| 1,510,540 | 1,210,740 |
| 47,101,339 | 55,801,339 |

11.06 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994

Advance, deposits & prepayments considered good & secured
 Advance, deposit & prepayments considered Good without security
 Advance, deposit & prepayments considered doubtful & bad
 Advance, deposit & prepayments due by directors or other officers & staffs
 Advance, deposit & prepayments due from companies under same management
 Maximum advance due by directors or officers & staffs at any time
Total

| | |
|--------------------|--------------------|
| 693,869,080 | 748,296,479 |
| - | - |
| - | - |
| 1,510,540 | 1,210,740 |
| - | - |
| 400,000 | 646,092 |
| 695,779,620 | 750,153,312 |

11.07 All advances and deposits amount are considered good and recoverable. There is no agreement amount due from directors or officers of the Company.

11.08 This represent advance paid for earth and sand filing and land purchase. The procured land will be transferred to PPE when the registration will be completed.

11.09 Advance to suppliers due to advances given to suppliers for packing materials, spare parts, construction materials etc.

11.10 The company has no pending current liability for VAT and SD. VAT and SD current account showed positive balance (advance payment) as of 30 June 2022.

11.11 This represents the guarantee margins with different banks against guarantee provided by them favoring suppliers and other parties.

11.12 Deposit to Bangladesh Bank represents amount of Tk. 150,000,000 (Fifteen Crore) paid in favour of the Government of the Peoples Republic of Bangladesh during the Care Taker Government. A writ petition (no # 8603 of 2009) was filed in this regard claiming the deposited money back in the High Court Division of the Hon'ble Supreme court of Bangladesh. The Hon'ble Court was satisfied and issued a Rule Nisi on 31.12.2009 calling upon the respondents including Bangladesh Bank to show cause as to why the claim of the respondent should not be declared to have been passed without lawful authority and why the respondents should not be directed to refund Tk. 15 crore in the bank account of BPML. The rule was made returnable within four weeks but the respondents did not return back within the stipulated time.

However, the respondents made a civil petition for leave to appeal (Ref: appeal no# 1174/ 2014) for stay operation of the judgment and order dated 29.08.2012 passed by High Court Division in Write Petition No.8603 of 2009 till hearing of the leave petition by the Governor of Bangladesh Bank to Appellate Division of the Hon'ble Supreme Court. The Appellate Division of the Hon'ble Supreme Court granted the prayer of Bangladesh Bank and stays the order accordingly.

In the year 2017 the Supreme Court upheld the High Court verdict that asked the Government to return the said money collected during the army-led caretaker government. A four-member Supreme Court bench headed by chief Justice passed the order, after dismissing appeals of Bangladesh Bank challenging the HC verdict on March 16, 2017.

11.13 Break up of L/C margin deposit:

Shahjalal Islami Bank Ltd.
Social Islami Bank Ltd.
Janata Bank
First Security Islami Bank Ltd.
South East Bank Ltd.
National Bank Ltd.

| Amount in Taka | |
|--------------------|--------------------|
| 30-Jun-22 | 30-Jun-21 |
| 7,802,408 | 6,660,337 |
| - | 950,000 |
| 94,706,860 | 29,477,265 |
| 39,325,454 | 21,693,059 |
| 38,821,432 | 30,175,548 |
| 32,899,959 | 32,244,645 |
| 213,556,112 | 121,200,853 |

11.14 Break up of Security Deposit:

| Name of Company/ Party | Purpose | 30-Jun-22 | 30-Jun-21 |
|------------------------------------|-------------------------|-------------------|-------------------|
| Titas Gas Co. Ltd. | Supply of GAS | 70,134,867 | 70,134,867 |
| DESA | Supply of Electricity | 3,600,000 | 3,600,000 |
| BTCL | Telephone line | 125,000 | 125,000 |
| Rent-A-Car | Transport support | 152,000 | 152,000 |
| Narayanganj Polli Bidyut Samity | Supply of Electricity | 464,000 | 464,000 |
| Comilla polly Biddut Samity-1 | Supply of Electricity | 2,534,400 | 2,534,400 |
| CSD Filling Station | Gas filling for vehicle | 75,000 | 75,000 |
| Bangladesh Oxygen Ltd. | Supply of Oxygen | 40,000 | 40,000 |
| Pacific Bangladesh Telecom Limited | Telecom Service | 2,500 | 2,500 |
| Ansar & VDP Munshigonj | Security Service | 490,134 | 490,134 |
| Aktel | Mobile Service | 82,062 | 82,062 |
| Different Institution | Tender purpose | 5,193,216 | 3,942,313 |
| Total | | 82,893,179 | 81,642,276 |

| | | <i>Amount in Taka</i> | |
|--------------|---|-----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| 12.00 | ADVANCE INCOME TAX | | |
| | Opening balance | 436,146,583 | 483,959,471 |
| | Add: addition during the year, on: | 113,250,655 | 93,885,180 |
| | Import of raw materials and machineries | 41,445,734 | 46,910,614 |
| | Interest income | 77,058 | 65,404 |
| | Sales | 54,920,927 | 34,937,521 |
| | License, renewal and registration | 7,864,487 | 5,307,500 |
| | Others | 8,942,449 | 6,664,142 |
| | Less: adjusted during the year | (182,849,673) | (141,698,068) |
| | Closing balance | 366,547,565 | 436,146,583 |

12.01 Advance income tax paid during the year represents income tax deducted by customs authority on purchase of raw materials, tax deducted by customers on bill for goods and service supply, tax deducted at source from export sales, tax deducted at source from interest income etc.

12.02 Advance income tax paid will be setoff with provision for corporate tax to comply with IAS 1 and IAS 12 as and when the assessment is completed.

13.00 CASH AND BANK EQUIVALENTS

For the purposes of the statement of cash flows, cash and bank equivalents include cash on hand and in banks. Cash and bank equivalents at the end of the reporting year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

| | | |
|--|--------------------|--------------------|
| Cash in hand | 9,615,316 | 24,271,502 |
| Bkash Account | 63,485 | 16,060 |
| Cash at bank | 403,258,835 | 392,110,591 |
| Current deposit | 335,995,821 | 372,591,997 |
| Short term bank deposits (STD) | 67,263,014 | 19,518,595 |
| Cash and bank balances in the statement of cash flows | 412,937,636 | 416,398,153 |

14.00 SHARE CAPITAL

As per the disclosure requirements laid down in schedule under the rule 12(2) of the Securities and Exchange Rules 1987, the followings are the part and parcel of share capital:

Authorized share capital:

500,000,000 nos. ordinary shares of Taka 10 each.

5,000,000,000

Issued, subscribed & paid up:

173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.

1,737,914,410

Total

1,737,914,410

14.01 Movement of share capital:

Opening balance

Issuance of ordinary shares during the year

1,737,914,410

Closing balance

1,737,914,410

14.02 Position of shareholding

14.02.1 Percentage of Shareholders

| Name of shareholders | 30-Jun-22 | | 30-Jun-21 | |
|---------------------------------------|--------------------|-------------------------|--------------------|-------------------------|
| | Nos. of Shares | Percentages of holdings | Nos. of Shares | Percentages of holdings |
| Mr. Ahmed Akbar Sobhan | 4,000,000 | 2.30% | 4,000,000 | 2.30% |
| Mrs. Afroza Begum | 5,885,200 | 3.39% | 5,885,200 | 3.39% |
| Mr. Sadat Sobhan | 8,203,000 | 4.72% | 8,203,000 | 4.72% |
| Mr. Shafiat Sobhan | 8,203,000 | 4.72% | 8,203,000 | 4.72% |
| Mr. Sayem Sobhan | 8,203,000 | 4.72% | 8,203,000 | 4.72% |
| Mr. Safwan Sobhan | 8,203,000 | 4.72% | 8,203,000 | 4.72% |
| Mr. Md. Imrul Hassan | 4,002,000 | 2.30% | 4,002,000 | 2.30% |
| East West Property Development (Pvt.) | | | | |
| Ltd. Represented by-Mr. Md. Nazmul | 101,050,575 | 58.14% | 101,050,575 | 58.14% |
| Alam Bhuiyan | | | | |
| General public and institutions | 26,041,666 | 14.98% | 26,041,666 | 14.98% |
| Total | 173,791,441 | 100% | 173,791,441 | 100% |

14.02.2 Classification of shareholder's by holding range

| | No of Share holders | | No of shares | |
|-----------------------------------|---------------------|---------------|--------------------|--------------------|
| | 30-Jun-22 | 30-Jun-21 | 30-Jun-22 | 30-Jun-21 |
| 1-500 shares | 7,052 | 7,911 | 1,145,836 | 1,237,901 |
| 501 to 5,000 shares | 2,656 | 2,746 | 4,848,491 | 4,804,168 |
| 5,001 to 10,000 shares | 391 | 314 | 2,965,359 | 2,382,156 |
| 10,001 to 20,000 shares | 219 | 172 | 3,100,981 | 2,481,926 |
| 20,001 to 30,000 shares | 86 | 80 | 2,115,205 | 1,928,656 |
| 30,001 to 40,000 shares | 36 | 24 | 1,244,086 | 829,785 |
| 40,001 to 50,000 shares | 29 | 25 | 1,326,059 | 1,149,649 |
| 50,001 to 100,000 shares | 35 | 28 | 2,559,279 | 2,143,557 |
| 100,001 to 1,000,000 shares | 28 | 36 | 6,736,370 | 7,644,148 |
| 1,000,001 to 1,000,000,000 shares | 7 | 8 | 147,749,775 | 149,189,495 |
| Total | 10,539 | 11,344 | 173,791,441 | 173,791,441 |

15.00 SHARE PREMIUM

| | | |
|----------------------------------|----------------------|----------------------|
| Opening Balance | 1,739,583,292 | 1,739,583,292 |
| Add: Addition during the year | - | - |
| Less: Adjustment during the year | - | - |
| Closing Balance | 1,739,583,292 | 1,739,583,292 |

15.01 In the year 2017-18 the Company issued 26,041,666 ordinary shares, from which 60% i.e. 15,625,000 ordinary shares for Eligible Investors (EIs) at cut-off price of Tk. 80.00 at a premium Tk. 70 and remaining 40% i.e 10,416,667 ordinary shares at a 10% discounted from the cut-off price of Tk. 72.00 per share at a premium Tk. 62 for General Public including NRB and Others totaling Tk. 2,000,000,000 (approx.)

| 16.00 REVALUATION RESERVE | Amount in Taka | | |
|---|----------------------|----------------------|----------------------|
| | 30-Jun-22 | 30-Jun-21 | |
| | | Restated | Reported |
| Opening Balance | 2,306,671,844 | 2,072,945,223 | 2,072,945,223 |
| Add: Addition during the year | 4,406,185,151 | - | - |
| Increase arising on revaluation of freehold land | 4,542,458,919 | - | - |
| Related tax | (136,273,768) | - | - |
| NOTE 16.01 | | | |
| Adjustment of deferred tax on revaluation reserve | - | 252,782,737 | - |
| Less: Transferred to retained earnings | (13,436,286) | (19,056,116) | (19,772,743) |
| Depreciation on revaluation reserve | (16,795,358) | (24,588,537) | (19,772,743) |
| Deferred tax on revaluation reserve | 3,359,072 | 5,532,421 | - |
| Closing Balance | 6,699,420,709 | 2,306,671,844 | 2,053,172,481 |

16.01 Tax rate, as per Section 53H of the Income Tax Ordinance 1984 read with Income Tax Rule 17II

| <i>Amount in Taka</i> | | | |
|---|--|--|--|
| | 30-Jun-22 | 30-Jun-21 | |
| | | Restated | Reported |
| 17.00 RETAINED EARNINGS | | | |
| Opening balance | 2,580,788,166 | 2,176,583,611 | 2,176,583,611 |
| Add: Profit attributable to the owners of the Company | 507,848,139 | 411,190,105 | 411,190,105 |
| Transferred from properties revaluation reserve | 13,436,286 | 19,056,116 | 19,772,743 |
| Less: Payment of dividend | (208,549,729) | (26,041,666) | (26,041,666) |
| Closing balance | 2,893,522,862 | 2,580,788,166 | 2,581,504,792 |
| 18.00 LONG TERM BORROWINGS | | | |
| Long term borrowings | 14,520,511,661 | 14,012,129,960 | 14,012,129,960 |
| Other Finance | 835,884,312 | 1,069,789,779 | 1,069,789,779 |
| Total Long Term borrowings | 15,356,395,973 | 15,081,919,739 | 15,081,919,739 |
| Less: Current portion of long term borrowings | (1,981,213,717) | (2,008,018,551) | (2,008,018,551) |
| Due after one year | 13,375,182,257 | 13,073,901,189 | 13,073,901,189 |
| 18.01 The details of bank loan arrangement is enumerated below: | | | <i>Limit in Crore</i> |
| Type of loan | Limit | Purpose | Security |
| Project loan | 31.21 | To establish and support the project. | 1. 737.75 decimal of project land at Anarpura, Gazaria, Munshigonj. 2. 1,258.50 decimal of land at Char Ramzan Shonaullah, Narayanganj. 3. 60.51 decimal land of Bashundhara R/A and Stock under pledge godown. |
| Term loan | 1,597.55 | 1. Importation of raw materials and spare parts. 2. To retire import documents. 3. To meet working capital requirements. | 1. 4133.65 decimal plant land. 2. 2738.96 decimal land at Bashundhara Baridhara Project. 3. 1,195.69 decimal of land at Bashundhara Riverview project. 4. 1,48,556.27sft. Floor space at Bashundhara City Development Ltd. 5. Project plant & machineries. |
| Lease | 5.12 | Machinery and Vehicle | Machinery and Vehicle title/ownership. |
| 19.00 LEASE LIABILITIES | | | |
| Islamic Finance & Investment Ltd. | | 16,153,364 | 27,132,747 |
| First Security Islami Bank Ltd. | | - | 329,312,751 |
| Total lease liabilities | | 16,153,364 | 356,445,498 |
| Less: Current portion of lease liabilities | | (16,153,364) | (148,851,833) |
| Due after one year | | - | 207,593,665 |
| 19.01 | The company has been forming working capital from its scheduled bank. Interest rates underlying all obligations under these borrowings are fixed at respective contract dates. | | |
| 20.00 DEFERRED TAX (ASSETS) / LIABILITIES | | | |
| Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position: | | | |
| Opening balance | | 930,887,110 | 1,189,125,397 |
| Provided during the year: | | 163,349,371 | (5,455,550) |
| Deferred tax income | | (110,462,244) | (171,530,158) |
| Deferred tax expense | | 380,301,667 | 262,461,210 |
| Deferred tax income resulting from reduction in | | (106,490,052) | (96,386,602) |
| Adjustment made during the year | | - | (252,782,737) |
| Closing balance | | 1,094,236,481 | 930,887,110 |
| | | | 1,183,669,847 |

| 20.01 Temporary timing difference: | | Accounting base Carrying Amount | Tax base Carrying Amount | Temporary Difference |
|---|-----------------------|------------------------------------|-----------------------------|-------------------------|
| As at June 30, 2022 | | | | |
| Property, Plant and equipment | 15,564,035,688 | (8,472,646,171) | 7,091,389,518 | |
| Right-of-use assets | 15,293,590 | (21,611,286) | (6,317,696) | |
| Intangible assets | 156,255,465 | (111,453,604) | 44,801,861 | |
| Pre-operating expenses | - | (51,299,323) | (51,299,323) | |
| Unused tax loss carry forward | - | (2,148,409,933) | (2,148,409,933) | |
| Difference for vehicle | - | (2,734,051) | (2,734,051) | |
| Net taxable temporary difference | 15,735,584,744 | (10,808,154,368) | 4,927,430,376 | |
| Applicable tax rate | | | 20% | |
| Deferred tax liability-30 June 2022 | | | 985,486,075 | |
| Deferred tax liability-30 June 2021 | | | (958,410,472) | |
| Adjustment to opening deferred tax liability resulting from reduction in tax rate @ 2.50% | | | 106,490,052 | |
| Deferred tax expense/ (income) for the year | | | 133,565,656 | |
| As at June 30, 2021 | | Accounting base Carrying Amount | Tax base Carrying Amount | Temporary Difference |
| Property, Plant and equipment | 14,514,399,271 | (8,634,050,296) | 5,880,348,975 | |
| Right-of-use assets | 27,166,916 | (27,014,107) | 152,809 | |
| Intangible assets | 150,790,856 | (111,704,473) | 39,086,383 | |
| Pre-operating expenses | - | (53,999,288) | (53,999,288) | |
| Unused tax loss carry forward | - | (1,602,569,219) | (1,602,569,219) | |
| Difference for vehicle | - | (3,417,563) | (3,417,563) | |
| Net taxable temporary difference | 14,692,357,043 | (10,432,754,946) | 4,259,602,098 | |
| Applicable tax rate | | | 22.5% | |
| Deferred tax liability-30 June 2021 | | | 958,410,472 | |
| Less: Deferred tax liability-30 June 2020 | | | (963,866,022) | |
| Adjustment to opening deferred tax liability resulting from reduction in tax rate @ 2.50% | | | 96,386,602 | |
| Deferred tax expense/ (income) for the year | | | 90,931,052 | |

20.02 Deferred tax (assets)/ liabilities in relation to:

| Year | Particulars | Opening balance | Recognized in profit & loss | Recognized in Other Comprehensive Income | Closing balance |
|--------------|-----------------------------|--------------------|--------------------------------|--|----------------------|
| 30-Jun-22 | Property, plant & equipment | 1,232,326,089 | 95,199,384 | - | 1,327,525,473 |
| | Difference for vehicle* | (768,952) | 222,142 | - | (546,811) |
| | Intangible assets | 8,794,437 | 165,936 | - | 8,960,373 |
| | Pre-operating expenses | (12,149,839) | 1,889,975 | - | (10,259,864) |
| | Unused tax loss | (360,578,074) | (69,103,912) | - | (429,681,987) |
| | Right-of-use assets | 34,382 | (1,297,921) | - | (1,263,539) |
| | Revaluation | 63,229,068 | - | 136,273,768 | 199,502,835 |
| Total | 930,887,110 | 27,075,603 | | | 1,094,236,481 |
| 30-Jun-21 | Property, plant & equipment | 1,089,740,667 | 142,585,422 | - | 1,232,326,089 |
| | Difference for vehicle | (1,067,989) | 299,037 | - | (768,952) |
| | Intangible assets | 8,666,290 | 128,146 | - | 8,794,437 |
| | Pre-operating expenses | (14,210,338) | 2,060,499 | - | (12,149,839) |
| | Unused tax loss | (211,865,385) | (148,712,689) | - | (360,578,074) |
| | Right-of-use assets | 1,850,347 | (1,815,965) | | 34,382 |
| | Revaluation | 63,229,068 | - | - | 63,229,068 |
| Total | 936,342,660 | (5,455,550) | | | 930,887,110 |

| Year | Particulars | Opening balance | Recognized in profit & loss | Recognized in Other Comprehensive Income | Closing balance |
|--------------|-----------------------------|----------------------|-----------------------------|--|----------------------|
| 30-Jun-21 | Property, plant & equipment | 1,180,493,096 | 142,585,422 | - | 1,323,078,518 |
| | Difference for vehicle | (1,067,989) | 299,037 | - | (768,952) |
| | Intangible assets | 8,666,290 | 128,146 | - | 8,794,436 |
| | Pre-operating expenses | (14,210,338) | 2,060,499 | - | (12,149,839) |
| | Unused tax loss | (211,865,385) | (169,899,228) | - | (381,764,613) |
| | Right-of-use assets | 1,850,347 | (1,630,930) | | 219,417 |
| | Revaluation | 225,259,375 | - | - | 225,259,375 |
| Total | | 1,189,125,396 | (26,457,054) | - | 1,162,668,343 |

20.03 Difference for vehicle

This represents the permanent difference related to sedan cars, not plying for hire, owned by Bashundhara Paper Mills Limited. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently Tk. 2,500,000 per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

| 21.00 | LONG TERM BORROWINGS-CURRENT PORTION | Amount in Taka | |
|-------|--------------------------------------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 |
| | Bank loan | 1,981,213,717 | 2,008,018,551 |
| | Finance Lease obligation | 16,153,364 | 148,851,833 |
| | Total | 1,997,367,081 | 2,156,870,384 |

21.01 This represents the amount will be payable in the next financial year was made in accordance with Para 60(b) of IAS-1: "Presentation of Financial Statements".

22.00 SHORT TERM BORROWINGS

| | | |
|-----------------------|----------------------|----------------------|
| Short term borrowings | 3,993,660,017 | 2,634,775,834 |
| Total | 3,993,660,017 | 2,634,775,834 |

22.01 The details of bank loan arrangement is enumerated below:

| Type of loan | Limit | Purpose | Security |
|-----------------------------------|----------|--|---|
| Overdraft | 181.78 | 1. Importation of raw materials and spare parts. | 1. 4,133.65 decimal plant land. |
| Demand/ Force loan/ UPAS/ LC/ ABP | 1,820.00 | 2. To retire import documents. | 2. 2,738.96 decimal land at Bashundhara Baridhara Project. |
| | | 3. To meet working capital requirements. | 3. 1,195.69 decimal of land at Bashundhara Riverview project. |
| LTR | 132.44 | | 4. 1,48,556.27sft. Floor space at Bashundhara City Development Ltd. |
| | | | 5. Project plant & machineries. |

23.00 TRADE AND OTHER PAYABLES

| | | | |
|---------------|------------|----------------------|----------------------|
| Trade Payable | NOTE 23.01 | 519,303,468 | 472,184,455 |
| Other Payable | NOTE 23.02 | 679,486,799 | 672,679,684 |
| Total | | 1,198,790,267 | 1,144,864,139 |

23.01 Trade Payables

| | | |
|--------------|--------------------|--------------------|
| Unit - 1 | 276,746,149 | 286,461,028 |
| Unit - 2 | 20,871,719 | 40,462,574 |
| Unit - 3 | 221,685,600 | 145,260,853 |
| Total | 519,303,468 | 472,184,455 |

23.1.1 This represents amount payable to regular suppliers of raw materials, chemicals, packing materials, spare parts etc. All suppliers were paid on a regular basis. No interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

23.1.2 The carrying values of trade payables are considered to be a reasonable approximation of fair value.

| | Amount in Taka | |
|--|--------------------|--------------------|
| | 30-Jun-22 | 30-Jun-21 |
| Payable for advertisement | 102,009,054 | 70,556,295 |
| Payable for C & F bill | 28,526,778 | 28,522,964 |
| Payable for consultancy | 857,500 | 367,500 |
| Payable for director remuneration | 5,333,542 | 7,000,000 |
| Payable for expenses | 32,188,963 | 42,754,722 |
| Payable for insurance premium | 1,309,422 | 1,400,174 |
| Payable for motor vehicle | 2,091,278 | 3,878,199 |
| Payable for office rent | 1,980,600 | 1,697,000 |
| Payable for provident fund | 2,930,156 | 5,073,220 |
| Payable for tax & VAT at source | 2,114,993 | 1,300,189 |
| Payable for VAT | 4,999,365 | 19,125,711 |
| Payable for transportation | 171,905 | 407,905 |
| Payable for workers' profit participation & welfare fund | 80,088,733 | 70,068,580 |
| Payable to carrying contractor | 43,606,344 | 80,115,999 |
| Payable to contractors | 103,128 | 3,862,901 |
| Payable for Electric bill | 914,570 | 2,184,375 |
| Payable for Gas bill | 204,631,440 | 171,815,088 |
| Payable for Labor & wages | 21,265,490 | 25,685,354 |
| Payable for Salary and allowances | 136,800,710 | 128,375,561 |
| Unclaimed Dividend Account | NOTE: 23.2.5 | 3,373,341 |
| Unclaimed Subscription | | 301,054 |
| Security deposit dealer/ distributor | | 3,888,434 |
| Total | 679,486,799 | 672,679,684 |

23.2.1 All accrued expenses are paid on regular basis.

23.2.2 Liabilities have arisen in the continuous process in course of business transactions and are either payable or adjustable within very shortly from date of the Financial Position.

23.2.3 Salary and allowances for the month of June 2022 has been paid in subsequent month.

23.2.4 All the utility bills like gas, electricity and others for the month of June 2022 has been paid to the subsequent month.

23.2.5 Unclaimed Dividend Account year wise breakup is as follows:

| Year | Dividend Rate | Gross Dividend Amount | Net Dividend Amount | Unclaimed Amount | Remarks |
|-----------|---------------|-----------------------|---------------------|------------------|---------------|
| 2018-2019 | 20% | 347,582,882 | 290,094,559 | 246,852,183 | Cash Dividend |
| 2019-2020 | 15% | 39,062,499 | 33,319,400 | 252,614,049 | Cash Dividend |
| 2020-2021 | 10% | 26,041,666 | 22,347,982 | 3,516,280 | Cash Dividend |
| 2021-2022 | 12% | 208,549,729 | 174,210,466 | 3,373,341 | Cash Dividend |

24.00 PROVISION FOR EXPENSES

| | | |
|---------------|------------------|-------------------|
| Audit fees | 460,000 | 273,913 |
| Other expense | 701,873 | 49,874,767 |
| Gas bill | - | 1,595,082 |
| Total | 1,161,873 | 51,743,762 |

25.00 INCOME TAX PROVISION

| | | |
|---|--------------------|--------------------|
| Opening balance | 173,216,625 | 316,511,236 |
| Add: Current tax expense in respect of the current year | 67,569,788 | 55,701,700 |
| Less: Adjustment made during the year | (117,514,925) | (198,996,311) |
| Closing balance | 123,271,488 | 173,216,625 |

25.01 *Income tax adjustment of prior years*

| Income Year | Income Tax as per Accounts | Income Tax as per Assessment | Adjustment made | | |
|--------------|----------------------------|------------------------------|--|--------------------|----------------------|
| | | | (Over)/under provision adjusted with retained earnings | AIT | Income tax provision |
| 2018-2019 | 66,235,531 | 72,814,525 | 6,578,994 | 70,831,934 | 66,235,531 |
| 2019-2020 | 51,279,394 | 110,035,148 | 58,755,754 | 109,262,362 | 51,279,394 |
| Total | 117,514,925 | 182,849,673 | 65,334,748 | 180,094,296 | 117,514,925 |

25.02 *Provision for Current Tax of the Company are as under:*

| Accounting year | Assessment year | Assessment Under Section of ITO 1984 | Status | Tax Demand/(Refundable) | Cumulative provision for current tax |
|-----------------|-----------------|--------------------------------------|------------------------|-------------------------|--------------------------------------|
| 2021-2022 | 2022-2023 | - | Current year | - | 123,271,488 |
| 2020-2021 | 2021-2022 | 83(2) | Assessment is underway | 1,029,584 | 55,701,700 |

26.00 **REVENUE FROM CONTRACTS WITH CUSTOMERS**

| | Amount in Taka | |
|--------------------|-----------------------|----------------------|
| | 2021-2022 | 2020-2021 |
| Gross Sales | 10,738,283,918 | 8,882,946,587 |
| VAT | (655,017,487) | (584,462,666) |
| SD | (42,699,995) | (27,643,490) |
| Sales Local | 10,040,566,435 | 8,270,840,431 |
| Sales Export | 1,197,400,812 | 1,012,016,638 |
| Total | 11,237,967,247 | 9,282,857,069 |

26.01 *Segment revenues:*

The following is an analysis of the Company's gross revenue including export sales from operations of its major products and services by reportable segment for the year ended June 30, 2022:

| Products | UNIT-1 | UNIT-2 | UNIT-3 | Total |
|--------------------|----------------------|-------------------|----------------------|-----------------------|
| Paper product | 3,450,719,156 | 29,074,498 | 945,210,293 | 4,425,003,947 |
| Tissue product | 475,406,156 | - | 3,894,923,627 | 4,370,329,783 |
| Paper Sack product | 56,789,834 | - | - | 56,789,834 |
| Hygiene product | 23,897,507 | - | 1,862,262,845 | 1,886,160,353 |
| Local Sales | 4,006,812,653 | 29,074,498 | 6,702,396,766 | 10,738,283,918 |
| Export Sales | 953,189,272 | - | 244,211,540 | 1,197,400,812 |
| Total | 4,960,001,925 | 29,074,498 | 6,946,608,306 | 11,935,684,729 |

| 26.02 | Revenue from export | In USD (\$) | | In BDT | |
|-------|----------------------|-------------------|-------------------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 | 30-Jun-22 | 30-Jun-21 |
| | Paper product | 3,255,423 | 2,189,782 | 281,089,511 | 185,803,045 |
| | Tissue paper product | 10,612,210 | 9,737,015 | 916,311,301 | 826,185,706 |
| | Hygiene product | - | 329 | - | 27,887 |
| | Total | 13,867,633 | 11,927,126 | 1,197,400,812 | 1,012,016,638 |

Proceeds from export sales are recognized in net off balance received through bank. Export Gain/ Loss on foreign currency transactions are considered on realized basis.

27.00 **COST OF SALES**

| | | | |
|---|------------|-----------------------|----------------------|
| Opening stock of finished goods | NOTE 27.01 | 1,114,965,573 | 1,205,490,807 |
| Add: Cost of goods manufactured | | 9,088,244,780 | 7,269,501,228 |
| Cost of goods available for sale | | 10,203,210,352 | 8,474,992,035 |
| Less: Closing stock of finished goods | | (1,215,595,253) | (1,114,965,573) |
| Cost of Sales | | 8,987,615,099 | 7,360,026,462 |

27.01 Cost of goods manufactured

Material Consumption

Opening stock
Add: Purchase during the year
Less: Closing stock

Factory overhead

Salary and allowances
Gas bill
Electricity bill
Labour and wages
Repair and maintenance
Other direct expenses
Depreciation

Add: Opening work in process

Less: Closing work in process

Total

| Amount in Taka | |
|------------------------|------------------------|
| 2021-2022 | 2020-2021 |
| 6,588,543,229 | 4,941,642,423 |
| 3,987,540,728 | 3,806,453,628 |
| 6,499,772,830 | 5,122,729,522 |
| (3,898,770,328) | (3,987,540,727) |
| 2,518,978,438 | 2,599,959,486 |
| 634,411,886 | 694,224,280 |
| 719,530,341 | 669,227,768 |
| 15,108,111 | 22,458,698 |
| 152,097,492 | 136,043,755 |
| 101,051,018 | 110,715,324 |
| 60,540,495 | 41,788,552 |
| 836,239,095 | 925,501,109 |
| 1,454,530,838 | 1,182,430,157 |
| (1,473,807,724) | (1,454,530,838) |
| 9,088,244,780 | 7,269,501,228 |

Annex.-A

27.1.1 Other direct expenses

Carriage inwards
Conveyance
Entertainment
License, renewal and registration
Office expense
Office repair & maintenance
Vehicle Oil, fuel, CNG, lubricant & maintenance
Company's contribution to PF
Postage, telephone and fax
Rent, rates & taxes
Stationery
Utility bill

| | |
|-------------------|-------------------|
| 18,456,298 | 1,419,338 |
| 646,991 | 577,113 |
| 7,797,487 | 1,222,974 |
| 3,166,198 | 4,219,072 |
| 1,605,416 | 2,815,014 |
| 1,675,031 | 316,477 |
| 13,665,810 | 16,828,519 |
| 11,038,906 | 9,837,514 |
| 1,739,611 | 2,182,139 |
| 676,410 | 1,451,350 |
| 72,338 | 54,833 |
| - | 864,210 |
| 60,540,495 | 41,788,552 |

27.02 Analysis of materials consumed

| Category | Unit | Quantity | | Value | |
|-------------------|---------|---------------|----------------|----------------------|----------------------|
| | | 30-Jun-22 | 30-Jun-21 | 30-Jun-22 | 30-Jun-21 |
| Raw materials | MT | 83,001 | 98,517 | 5,742,192,670 | 4,095,774,572 |
| Chemicals | MT | 3,497 | 4,162 | 512,170,551 | 718,119,936 |
| Packing materials | Various | - | - | 334,180,008 | 127,747,915 |
| Total | | 86,498 | 102,679 | 6,588,543,229 | 4,941,642,423 |

27.03 Quantitative details of raw materials

| Description | Unit | Opening Stock | Purchase | Consumption | Closing Stock |
|---------------|------|---------------|----------|-------------|---------------|
| 30-Jun-22 | | | | | |
| Raw materials | MT | 19,767 | 97,388 | 83,001 | 34,155 |
| Chemicals | MT | 4,184 | 2,657 | 3,497 | 3,344 |

| Description | Unit | Opening Stock | Purchase | Consumption | Closing Stock |
|---------------|------|---------------|----------|-------------|---------------|
| 30-Jun-21 | | | | | |
| Raw materials | MT | 19,192 | 99,092 | 98,517 | 19,767 |
| Chemicals | MT | 5,369 | 2,976 | 4,162 | 4,184 |

***Packing materials quantities are not given due to its units are different like Pkt, Pcs, MT, Kgs etc.*

27.04 Quantitative details of finished goods

| Description | Unit | Opening Stock | Production | Sales | Closing Stock |
|-----------------------------------|------|---------------|--------------|--------------|---------------|
| 30-Jun-22 | | | | | |
| White writing & printing | MT | 1,252.04 | 21,295.54 | 21,906.84 | 640.74 |
| Bidi paper | MT | 0.60 | 1,745.35 | 1,744.01 | 1.94 |
| BBS | MT | 425.52 | 6,350.42 | 6,545.06 | 230.88 |
| Coated paper | MT | 52.55 | 1,050.72 | 1,084.03 | 19.23 |
| Newsprint | MT | 136.41 | 1,897.86 | 1,971.57 | 62.70 |
| Carbon less coating paper | MT | 129.78 | 2,290.34 | 2,408.12 | 12.00 |
| Glassine paper/Color/Ledger | MT | 115.52 | - | 6.28 | 109.23 |
| White Liner Paper | MT | 12.07 | - | - | 12.07 |
| Packaging Paper | MT | 411.53 | 4,901.20 | 5,040.03 | 272.69 |
| Medium Paper/Art Card | MT | - | 2,498.02 | 2,446.25 | 51.77 |
| Cupstok Paper | MT | - | 1,478.59 | 1,442.63 | 35.96 |
| Sticker Paper | MT | - | 105.29 | 98.97 | 6.32 |
| Paper Sack | MT | 13.17 | 27.63 | 27.63 | 13.17 |
| Tissue product | MT | 1,316.15 | 27,223.05 | 26,411.38 | 2,127.82 |
| Monalisa Sanitary Napkin | KG | 25,978.41 | 93,571.00 | 96,336.00 | 23,213.41 |
| Tooth pick, cotton buds, straw et | PKT | 1,201.00 | 1,084,476.00 | 1,079,005.00 | 6,672.00 |
| Baby Diaper | KG | 50,108.07 | 131,800.00 | 158,771.00 | 23,137.07 |
| Baby Diaper loose | KG | 7,373.01 | 9,286.00 | 12,882.00 | 3,777.01 |
| Baby Diapant | KG | 360,885.70 | 3,237,935.00 | 3,294,480.00 | 304,340.70 |
| Baby wet wipes | KG | 21,359.59 | 1,907,346.00 | 1,868,082.00 | 60,623.59 |
| Wet Tissue | PKT | 5,000.15 | 28,008.00 | 21,880.00 | 11,128.15 |
| Hand Gloves | PKT | 10,502.00 | - | - | 10,502.00 |
| Feeding Bottle | PKT | 83,804.00 | 1,348,039.00 | 1,357,068.00 | 74,775.00 |
| Air Freshener | PCS | - | 13,114.00 | 12,769.00 | 345.00 |
| Xtreme Mosquito Coil | PCS | 245,242.00 | 3,826,716.00 | 3,761,060.00 | 310,898.00 |

| Description | Unit | Opening Stock | Production | Sales | Closing Stock |
|-----------------------------------|------|---------------|--------------|--------------|---------------|
| 30-Jun-21 | | | | | |
| White writing & printing | MT | 2,143.26 | 18,914.52 | 19,805.74 | 1,252.04 |
| Bidi paper | MT | 79.95 | 1,063.60 | 1,142.95 | 0.60 |
| BBS | MT | 891.43 | 3,098.68 | 3,564.59 | 425.52 |
| Coated paper | MT | 87.59 | 4,936.61 | 4,971.65 | 52.55 |
| Newsprint | MT | 85.40 | 12,010.74 | 11,959.74 | 136.40 |
| Carbon less coating paper | MT | 77.66 | 2,591.64 | 2,539.52 | 129.78 |
| Glassine paper/Color/Ledger | MT | 123.10 | - | 7.58 | 115.52 |
| Liner Paper | MT | 498.97 | 142.98 | 641.96 | - |
| White Liner Paper | MT | 12.37 | - | 0.30 | 12.07 |
| Packaging Paper | MT | 307.67 | 3,163.03 | 3,059.17 | 411.53 |
| Simplex Paper | MT | - | 0.05 | 0.05 | - |
| Sludge Board | MT | - | 132.00 | 132.00 | - |
| Paper Sack | MT | 8.50 | 597.07 | 592.40 | 13.17 |
| Tissue product | MT | 1,546.56 | 30,629.46 | 30,859.87 | 1,316.15 |
| Monalisa Sanitary Napkin | KG | 32,820.04 | 123,270.37 | 130,112.00 | 25,978.41 |
| Tooth pick, cotton buds, straw et | PKT | 6,007.00 | 228,317.00 | 233,123.00 | 1,201.00 |
| Baby Diaper | KG | 28,407.08 | 204,438.41 | 182,737.42 | 50,108.07 |
| Baby Diaper loose | KG | 5,373.52 | 30,726.42 | 28,726.93 | 7,373.01 |
| Baby Diapant | KG | 364,589.50 | 2,804,767.46 | 2,808,471.26 | 360,885.70 |
| Baby wet wipes | KG | 38,094.69 | 481,062.35 | 497,797.44 | 21,359.59 |
| Wet Tissue | PKT | 10,000.15 | - | 5,000.23 | 4,999.92 |
| Hand Gloves | PKT | 10,502.00 | - | - | 10,502.00 |
| Feeding Bottle | PKT | 57,412.00 | 1,539,547.00 | 1,513,155.00 | 83,804.00 |
| Xtreme Mosquito Coil | PCS | 104,921.00 | 7,086,532.00 | 6,946,211.00 | 245,242.00 |

| | Amount in Taka | |
|--------------------------------|--------------------|-------------------|
| | 2021-2022 | 2020-2021 |
| Scrap sales & other recoveries | 22,867,472 | - |
| Cash Incentive | 127,603,270 | 66,641,712 |
| Foreign Exchange gain | 4,829,587 | - |
| Other Income | 305,622 | 200,000 |
| Interest income | 796,650 | 759,576 |
| Total | 156,402,602 | 67,601,288 |

| | Amount in Taka | |
|--|--------------------|--------------------|
| | 2021-2022 | 2020-2021 |
| Audit fee | 575,000 | 453,500 |
| Credit Ratings Fees | 300,000 | 322,500 |
| Salaries and allowances | 193,856,859 | 191,913,943 |
| Director remuneration | 18,000,000 | 36,000,000 |
| Entertainment | 3,436,280 | 3,254,935 |
| Insurance premium | 15,695,074 | 16,530,551 |
| Advisory, legal and consultancy | 881,270 | 54,656 |
| License, renewal and registration | 7,500,087 | 2,264,019 |
| Corporate and Social responsibility expenses | 10,253,917 | 8,108,407 |
| Rent and rates | 8,306,339 | 7,837,118 |
| Office repair and maintenance | 7,745,161 | 8,260,985 |
| IT & computer expense | 1,399,247 | 970,765 |
| Annual General Meeting expense | 656,555 | 1,204,687 |
| Postage, telegram and fax | 1,354,949 | 527,941 |
| Company's contribution to PF | 5,396,567 | 5,584,355 |
| Stationery | 49,926 | 892,579 |
| Telecommunication expense | 6,512,052 | 6,880,740 |
| Travelling and Conveyance | 1,280,654 | 2,770,435 |
| Utilities | 5,766,322 | 7,356,431 |
| Vehicle running and maintenance | 5,153,863 | 3,991,843 |
| Vehicle oil, fuel & lubricant | 6,101,320 | 6,273,468 |
| Depreciation | 44,012,584 | 48,710,585 |
| Amortisation of intangible assets | 7,179,564 | 8,003,735 |
| Total | 351,413,590 | 368,168,177 |

29.01 Director Remuneration for the year

| Name | Position held | Gross Remuneration | Income Tax Deducted | Net Paid |
|-----------------------------|----------------------|--------------------|---------------------|-------------------|
| Mr. Ahmed Akbar Sobhan | Chairman | - | - | - |
| Mr. Md. Imrul Hassan | Director | - | - | - |
| Mr. Md. Nazmul Alam Bhuiyan | Nominated Director | - | - | - |
| Mr. Khawaja Ahmedur Rahman | Independent Director | - | - | - |
| Mr. Safwan Sobhan | Managing Director | 18,000,000 | 3,660,207 | 14,339,793 |
| Total | | 18,000,000 | 3,660,207 | 14,339,793 |

30.00 SELLING AND DISTRIBUTION EXPENSES

| | | | Amount in Taka | |
|------------------------------|--|--|--------------------|--------------------|
| | | | 2021-2022 | 2020-2021 |
| Salaries and allowances | | | 170,978,360 | 160,850,639 |
| Advertisement | | | 12,253,954 | 12,624,856 |
| Carriage outwards | | | 6,276,788 | 8,570,666 |
| Company's contribution to PF | | | 184,280 | 125,900 |
| Foreign Exchange loss | | | - | 1,128,103 |
| Commission on sales | | | 8,275,531 | 13,142,246 |
| Conveyance | | | 1,065,408 | 556,630 |
| Total | | | 199,034,321 | 196,999,041 |

| | <i>Amount in Taka</i> | |
|---|-----------------------|--------------------|
| | 2021-2022 | 2020-2021 |
| 31.00 FINANCE COSTS | | |
| Interest on bank overdrafts and loans | 1,129,804,948 | 937,284,789 |
| Bank charges and commission | 5,359,177 | 7,400,395 |
| Interest on obligations under finance lease | 18,165,579 | 55,171,060 |
| Total financial expense | 1,153,329,704 | 999,856,244 |
| Less: Amounts included in the cost of qualifying assets | - | - |
| Total | 1,153,329,704 | 999,856,244 |

32.00 INCOME TAX EXPENSE

In compliance with the requirements of Para 79 of IAS-12: Income Tax, the major components of tax expenses are given below:

a. Current tax expense:

Current tax expense in respect of the current year
Adjustments recognized in the current year in relation to the current tax of prior year's

| | |
|-------------|--------------|
| 132,904,536 | (1,596,543) |
| 67,569,788 | 55,701,700 |
| 65,334,748 | (57,298,243) |

b. Deferred tax expense/ (income):

Deferred tax expenses recognized in the year
Adjustments to deferred tax attributable to changes in tax rates and laws

| | |
|---------------|--------------|
| 27,075,603 | (5,455,550) |
| 133,565,656 | 90,931,052 |
| (106,490,052) | (96,386,602) |

c. Total income tax expense recognized in the current year (a+b)

| | |
|--------------------|--------------------|
| 159,980,139 | (7,052,093) |
|--------------------|--------------------|

32.01 The income tax expense for the year can be reconciled to the accounting profit as follows:

In compliance with the requirements of para-81 (c) of IAS-12: (Income tax), the reconciliation of tax expense and product of accounting profit are given below:

Accounting profit for the year
Less: Share of profit of equity

| | |
|-------------|-------------|
| 667,828,278 | 404,138,012 |
| - | - |

Tax on accounting profits @ 20% (2020-2021 @ 22.5%)

| | |
|-------------|-------------|
| 667,828,278 | 404,138,012 |
| 133,565,656 | 90,931,053 |

Effect of income that is exempt from taxation

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of expenses that are not deductible in determining taxable profit

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of concessions (research and development and other allowances)

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Impairment losses on goodwill that are not deductible

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of minimum tax

| | |
|------------|------------|
| 67,569,788 | 55,701,700 |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of unused tax losses and tax offsets not recognized as deferred tax assets

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of different tax rates of subsidiaries operating in other jurisdictions

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Effect on deferred tax balances due to the change in income tax rate

| | |
|---------------|--------------|
| (106,490,052) | (96,386,602) |
| - | - |
| - | - |
| - | - |
| - | - |

Effect of unused tax credits

| | |
|---|---|
| - | - |
| - | - |
| - | - |
| - | - |
| - | - |

Adjustments recognized in the current year in relation to the current tax of prior years

| | |
|------------|--------------|
| 65,334,748 | (57,298,243) |
| - | - |
| - | - |
| - | - |
| - | - |

Income tax expense recognized in profit or loss

| | |
|--------------------|--------------------|
| 159,980,139 | (7,052,092) |
| - | - |
| - | - |
| - | - |
| - | - |

| | *Amount in Taka* | |
| --- | --- | --- |
| 2021-2022 | 2020-2021 |

</tbl_r

33.02 *Diluted Earnings Per Share:*

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

33.03 *Weighted average number of ordinary shares*

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

33.4 *Total Number of Ordinary Share outstanding*

Opening number of shares outstanding
Add: Ordinary shares issued during the year
Total

| Amount in Taka | |
|--------------------|--------------------|
| 30-Jun-22 | 30-Jun-21 |
| 173,791,441 | 173,791,441 |
| - | - |
| 173,791,441 | 173,791,441 |

34.00 **CAPITAL COMMITMENT**

None, except for letter of credit for importation of plant & machinery as shown under contingent liabilities.

| | |
|---|---|
| - | - |
|---|---|

35.00 **CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Contingent Liabilities and assets as on the date of Statement of Financial Position were as under:

| | | |
|---|----------------------|----------------------|
| Letter of credit for importation of raw materials. | 2,135,561,124 | 1,212,008,530 |
| VAT claimed which is under jurisdiction of Hon'ble Supreme Court. | 20,752,670 | 20,752,670 |
| Claim of income tax against the company. | 1,029,584 | 5,974,684 |
| Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company. | 174,593,359 | 183,340,152 |
| Claims against the Company acknowledge as debts. | - | - |
| Total | 2,331,936,737 | 1,422,076,036 |
| Capital commitment and Contingent liabilities | 2,331,936,737 | 1,422,076,036 |

35.01 *L/C (Sight/UPAS/Deferred) Liabilities*

| | | |
|---------------------------------|----------------------|----------------------|
| Shahjalal Islami Bank Ltd. | 78,024,085 | 66,603,372 |
| Social Islami Bank Ltd. | - | 9,500,000 |
| Janata Bank | 947,068,598 | 294,772,645 |
| First Security Islami Bank Ltd. | 393,254,536 | 216,930,591 |
| South East Bank Ltd. | 388,214,315 | 301,755,476 |
| National Bank Ltd. | 328,999,590 | 322,446,446 |
| Total | 2,135,561,124 | 1,212,008,530 |

35.02 *Bank Guarantee*

| | | |
|----------------------------|--------------------|--------------------|
| Social Islami Bank Ltd. | 13,312,030 | 13,312,030 |
| Mercantile Bank Ltd. | 300,000 | 300,000 |
| Southeast Bank Ltd. | 129,440,000 | 137,320,000 |
| Shahjalal Islami Bank Ltd. | 31,541,329 | 32,408,123 |
| Total | 174,593,359 | 183,340,152 |

35.03 There are contingent liabilities in respect of certain tax claims made against the Company. However, these are being vigorously defended by the Company and the Board of Directors do not consider it is appropriate to make provision in respect of any of these claims.

36.00 **STATEMENTS OF CASH FLOWS**

The statement cash flows shows the company's cash and cash equivalents changed during the year through inflows and outflows. The statement of cash flows has been prepared as per IAS-7 using the Direct Method.

Net cash inflow from operating activities arrived after adjusting operating expenses, interest and taxes paid during the year.

Net cash used in investing activities includes cash outflow for purchase of property, plant and equipment after adjusting sale proceeds.

Net cash inflow from financing activities mainly resulted from repayment of long term loan as well as received from short term loan.

36.01 Cash receipts from customers and others:

Gross cash received from customers arrived at after adjusting accounts receivables with revenue for the year. The make-up of :

| | Amount in Taka | |
|--|-----------------------|-----------------------|
| | 30-Jun-22 | 30-Jun-21 |
| Opening trade and other receivables | 766,820,718 | 1,404,774,156 |
| Add: Sales during the year | 11,935,684,729 | 9,894,963,225 |
| Closing trade and other receivables except receivable against cash Incentive | (1,039,126,531) | (762,072,987) |
| Total | 11,663,378,917 | 10,537,664,394 |

36.02 Receipts from other income:

| | | | |
|-----------------------------|-------------|--------------------|-------------------|
| Other income | NOTE: 28.00 | 156,402,602 | 67,601,288 |
| Less: Incentive receivables | | 24,480,410 | (266,089) |
| Total | | 180,883,012 | 67,335,200 |

36.03 Cash payment to suppliers, employees and others:

| | | |
|--|----------------------|----------------------|
| Purchase of raw materials | 6,499,772,830 | 5,122,729,522 |
| Administrative expense | 351,413,590 | 368,168,177 |
| Workers' profit participation & welfare fund | 35,148,857 | 21,270,422 |
| Selling & distribution expense | 199,034,321 | 196,999,041 |
| Factory overhead | 2,518,978,438 | 2,599,959,486 |
| Increase/ (decrease) in material in transit | 63,274,238 | 38,311,329 |
| Increase/ (decrease) in Stores and spare parts | 310,231,334 | (457,058) |
| (Increase)/ decrease in trade payables and other payable | (55,713,050) | 434,431,972 |
| (Increase)/ decrease in provision for expense | 50,581,889 | 58,335,086 |
| Increase/ (decrease) in advance, deposit & prepayments | (47,865,327) | 39,209,096 |
| Adjustment for non-cash item: | | |
| Amortization of intangible assets | (7,179,564) | (8,003,735) |
| Depreciation expense | (880,251,679) | (974,211,694) |
| Total | 9,037,425,874 | 7,896,741,641 |

37.00 SEGMENT REPORTING

BPML essentially provides similar products and services to customers across the country and its products and services essentially have similar risk profile. BPML's business is not organized in product or geographical components and its operating result is reviewed as a whole by its management. Hence, segment information is not relevant. However, based on the business segment, segment result for the year ended June 30, 2022 and segment assets and liabilities as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results is as follows:

| Particulars | 2021-2022 | 2020-2021 |
|---------------------|----------------------|----------------------|
| Revenue, net of VAT | 11,237,967,247 | 9,282,857,069 |
| Cost of sales | 8,987,615,099 | 7,360,026,462 |
| Gross Profit | 2,250,352,148 | 1,922,830,607 |

Assets and Liabilities

| | | |
|---|----------------|----------------|
| Segment Assets excludes Cash & Cash Equivalents | 34,441,173,100 | 28,322,412,267 |
| Segment Liabilities excludes tax liabilities | 21,660,397,975 | 20,200,636,083 |

38.00 RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its sister concern, and shareholders, which are related parties of the company, have been eliminated are not disclosed in this note. Details of transactions between the Company and other related parties are disclosed below:

38.01 Loans to/from related parties:

| Name of related Companies | Relationship | Nature of transaction | 30-Jun-22 | Compensation |
|---|------------------------------|-----------------------|-----------------|--------------|
| East West Property Development (Pvt.) Ltd. | Shareholder & Sister Concern | Long term Loan | (1,080,664,726) | Market Price |
| East West Media Group Ltd. | Sister Concern | Short term Loan | 156,078,846 | Market Price |
| Bashundhara Steel and Engineering Ltd. | Sister Concern | Short term Loan | 56,790,293 | Market Price |
| Bashundhara Multi-Paper Industries Ltd. | Sister Concern | Short term Loan | (271,910,559) | Market Price |
| Bashundhara Infrastructure Development Ltd. | Sister Concern | Short term Loan | 3,281,222 | Market Price |
| Bashundhara Industrial Complex Ltd. | Sister Concern | Short term Loan | (170,566,492) | Market Price |
| Bashundhara Industrial Complex Ltd. | Sister Concern | Investment | 265,000,000 | Market Price |
| Bashundhara Cement Industries Ltd. | Sister Concern | Short term Loan | (1,681,564) | Market Price |
| Sundarban Industrial Complex Ltd. | Sister Concern | Short term Loan | 25,417,465 | Market Price |
| Bashundhara Food & Beverage Industries L | Sister Concern | Short term Loan | (10,434,169) | Market Price |
| Bashundhara Packaging & Accessories Industries Ltd. | Sister Concern | Short term Loan | 1,371,500 | Market Price |
| Bashundhara LP Gas Ltd. | Sister Concern | Short term Loan | (189,475,479) | Market Price |
| Bashundhara Airways Ltd. | Sister Concern | Short term Loan | 211,253,021 | Market Price |
| Bashundhara Amusement Park Ltd. | Sister Concern | Short term Loan | 22,897,872 | Market Price |
| Meghna Cement Mills Limited | Sister Concern | Short term Loan | 54,363,621 | Market Price |
| Bashundhara Industrial Economic Zone | Sister Concern | Short term Loan | 192,989,776 | Market Price |
| Bashundhara Chemical Industries Ltd. | Sister Concern | Short term Loan | 30,720,000 | Market Price |
| Toggi Services Ltd. | Sister Concern | Short term Loan | 72,300,000 | Market Price |
| Toggi Real Estate & Construction Ltd. | Sister Concern | Short term Loan | 2,897,000 | Market Price |
| Bashundhara Multi Trading Ltd. | Sister Concern | Short term Loan | (2,218,218) | Market Price |
| Bashundhara Multi Steel Industries Ltd. | Sister Concern | Short term Loan | 60,706,280 | Market Price |

38.1.1 The movement during the year under review is enumerated below:

| Name of related Companies | Transaction during the year | | 30-Jun-22 | 30-Jun-21 |
|---|-----------------------------|-------------|-----------------|-----------------|
| | Provided | Adjusted | | |
| East West Property Development (Pvt.) Ltd. | 205,389,584 | 259,672,000 | (1,080,664,726) | (1,026,382,310) |
| East West Media Group Ltd. | 15,000,000 | - | 156,078,846 | 141,078,846 |
| Bashundhara Steel and Engineering Ltd. | - | 200,000 | 56,790,293 | 56,990,293 |
| Bashundhara Multi-Paper Industries Ltd. | 88,900,000 | 23,000,000 | (271,910,559) | (337,810,558) |
| Bashundhara Infrastructure Development Ltd. | - | - | 3,281,222 | 3,281,222 |
| Bashundhara Industrial Complex Ltd. | - | 5,600,000 | (170,566,492) | (164,966,492) |
| Bashundhara Industrial Complex Ltd. | - | - | 265,000,000 | 265,000,000 |
| Bashundhara Cement Industries Ltd. | - | - | (1,681,564) | (1,681,564) |
| Sundarban Industrial Complex Ltd. | 28,400,000 | 10,200,000 | 25,417,465 | 7,217,465 |
| Bashundhara Food & Beverage Industries L | 150,000 | 11,400,000 | (10,434,169) | 815,831 |
| Bashundhara Packaging & Accessories Industries Ltd. | - | - | 1,371,500 | 1,371,500 |
| Bashundhara Airways Ltd. | 44,076,875 | - | 211,253,021 | 167,176,147 |
| Bashundhara Amusement Park Ltd. | - | - | 22,897,872 | 22,897,872 |
| Bashundhara LP Gas Ltd. | - | - | (189,475,479) | (189,475,479) |
| Meghna Cement Mills Limited | - | - | 54,363,621 | 54,363,621 |
| Bashundhara Industrial Economic Zone | 80,000,000 | - | 192,989,776 | 112,989,776 |
| Bashundhara Chemical Industries Ltd. | - | - | 30,720,000 | 30,720,000 |
| Toggi Services Ltd. | - | - | 72,300,000 | 72,300,000 |
| Toggi Real Estate & Construction Ltd. | 675,000 | - | 2,897,000 | 2,222,000 |
| Bashundhara Multi Trading Ltd. | 23,736,010 | 112,050,000 | (2,218,218) | 86,095,772 |
| Bashundhara Multi Steel Industries Ltd. | 107,700,000 | 68,000,000 | 60,706,280 | 21,006,280 |
| Toggi Shipping & Logistics Ltd. | 210,000,000 | 60,000,000 | - | (150,000,000) |
| Millennium Media Ltd. | 11,880,000 | 31,880,000 | - | 20,000,000 |

38.02 Trading transactions:

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on an arms' length basis. The name of related parties, nature of these transactions and their outstanding amount have been set out in accordance with the provisions of IAS 24 : Related Party Disclosure.

| Name of related Companies | Relationship | Nature of transaction | 30-Jun-22 | 30-Jun-21 |
|--|-----------------------------|---------------------------|---------------|-------------|
| East West Property Development Ltd. | Shareholder/ Sister Concern | Trade payable/ receivable | (19,760,711) | 19,503,639 |
| Bashundhara Airways Ltd. | Sister Concern | Do | 4,424,407 | 6,409,736 |
| Bashundhara Amusement park Ltd. | Sister Concern | Do | 9,600,614 | 7,141,204 |
| Bashundhara LP Gas Ltd. | Sister Concern | Do | (131,702,567) | (3,173,712) |
| Bashundhara Logistics Ltd. | Sister Concern | Do | - | 1,281,536 |
| Bashundhara Oil & Gas Company Ltd. | Sister Concern | Do | 11,041 | 300,812 |
| Bashundhara Steel and Engineering Ltd. | Sister Concern | Do | - | 117,738 |
| Bashundhara Multi-Paper Industries Ltd. | Sister Concern | Do | (154,132,864) | 153,884,277 |
| East West Media Group Ltd. | Sister Concern | Do | (3,722,980) | (532,029) |
| Sundarban Industrial Complex Ltd. | Sister Concern | Do | 525,674 | (92,866) |
| Meghna Cement Mills Ltd. | Sister Concern | Do | - | 8,651,204 |
| Bashundhara Cement Industries Ltd. | Sister Concern | Do | - | 411,600 |
| International Convention City Bashundhara | Sister Concern | Do | (7,660) | 1,395,860 |
| Bashundhara Food & Beverage Industries Ltd. | Sister Concern | Do | 25,688,566 | 7,918,095 |
| Bashundhara Infrastructure Development Ltd. | Sister Concern | Do | 106,540 | 826,181 |
| Toggi Services Ltd. | Sister Concern | Do | 7,512,096 | (154,789) |
| Bashundhara Industrial Complex Ltd. | Sister Concern | Do | (95,288) | 226,463,603 |
| Bashundhara Multi Food Industries Ltd. | Sister Concern | Do | 6,087,723 | 5,298,047 |
| Toggi Services Ltd. | Sister Concern | Do | (189,285) | (91,553) |
| Bashundhara Technologies Ltd. | Sister Concern | Do | - | 14,000 |
| Bashundhara Industrial Economic Zone | Sister Concern | Do | 14,282,163 | (559,164) |
| Bashundhara Chemical Industries Ltd. | Sister Concern | Do | 28,059,777 | 1,807,718 |
| Toggi Real Estate Company Limited | Sister Concern | Do | 2,823,202 | 72,936 |
| Bashundhara Multi Trading Ltd. | Sister Concern | Do | 3,358,847 | 1,040,832 |
| Bashundhara Multi Steel Industries Ltd. | Sister Concern | Do | 222,804,299 | 2,000 |
| Toggi Shipping & Logistics Ltd. | Sister Concern | Do | 530,255 | 2,000 |
| Millennium Media Ltd. | Sister Concern | Do | (54,298,415) | 187,007 |
| Bashundhara Readymix & Construction Ltd | Sister Concern | Do | 36,852,849 | - |
| Bashundhara Prefabricated Building Manufacturing Industries Ltd. | Sister Concern | Do | 1,127,349 | 1,120,749 |

38.03 As per Company Act, 1994 part-II, Schedule-XI(4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:-

| | | |
|---|------------|------------|
| Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager | 18,000,000 | 36,000,000 |
| Expenses reimbursed to Managing Agent | - | - |
| Commission or Remuneration payable separately to a managing agent or his associate | - | - |
| Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company | - | - |
| The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year. | - | - |
| Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable. | - | - |
| Other allowances and commission including guarantee commission Pensions etc. | - | - |
| (i) Pensions | - | - |
| (ii) Gratuities | - | - |
| (iii) Payments from a provident funds, subscription and interest thereon | - | - |
| (iv) Share Based payments | - | - |

| | <i>Amount in Taka</i> | |
|--------------------------|-----------------------|-------------------|
| | 2021-2022 | 2020-2021 |
| Short-term benefits | 18,000,000 | 36,000,000 |
| Post-employment benefits | - | - |
| Other long term benefits | - | - |
| Termination benefits | - | - |
| | 18,000,000 | 36,000,000 |

38.02 Compensation of key management personnel during the year as follows:

Short-term benefits
Post-employment benefits
Other long term benefits
Termination benefits

| | 2021-2022 | 2020-2021 |
|--------------------------|-------------------|-------------------|
| Short-term benefits | 18,000,000 | 36,000,000 |
| Post-employment benefits | - | - |
| Other long term benefits | - | - |
| Termination benefits | - | - |
| | 18,000,000 | 36,000,000 |

38.03 Disclosure requirements of IAS 24, Para 18 minimum disclosure shall include

| | | |
|---|--|--|
| a) The amount of transaction | 18,000,000 | 36,000,000 |
| b) The amount of outstanding balance, including commitments, and: | (552,884,311) | (768,789,779) |
| i) Their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement; and | Remuneration, Working Capital Management | Remuneration, Working Capital Management |
| ii) details of any guarantee given or received | Nil | Nil |
| c) Provisions for doubtful debts related to the amount of outstanding balances; and | Nil | Nil |
| d) The expenses recognized during the year in respect of bad or doubtful debts due from related parties | Nil | Nil |

38.06 Aggregated amount of Remuneration, Fess, Salary & Wages of employees are given below:

| | | |
|-------------------------------|----------------------|----------------------|
| Directors Remuneration | 18,000,000 | 36,000,000 |
| Board Meeting Attendance Fees | - | - |
| Wages & Allowance | 152,097,492 | 136,043,755 |
| Salary & Allowance | 999,247,105 | 1,046,988,861 |
| Total | 1,169,344,597 | 1,219,032,616 |

38.07 Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.

38.08 Sales of goods to related parties were made at the Company's usual list price. Purchases were made at market price discounted to reflect the quantity of goods purchased and the relationships between the parties.

38.09 The amounts outstanding are unsecured and will be settled in cash without any appalling experience. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by the Company and its related parties.

39.00 EMPLOYEES

| | | |
|---|--------------|--------------|
| Number of employees whose salary below Tk 3,000 per month | - | - |
| Number of employees whose salary above Tk 3,000 per month | 3,670 | 3,633 |
| Total | 3,670 | 3,633 |

40.00 PRODUCTION CAPACITY & UTILIZATION

Machine production capacity and its utilization as on June 30, 2022 is as follows:

| Product | UoM | Machine Origin Capacity | Machine Installed Capacity | Actual Production | Capacity utilized |
|---------------------------|------|-------------------------|----------------------------|-------------------|-------------------|
| Paper & Tissue | MT | 133,100 | 87,480 | 67,561 | 77% |
| Paper & Tissue-Converting | MT | 70,260 | 70,254 | 39,648 | 56% |
| Sack Bag | MT | 10,809 | 10,809 | 1,764 | 16% |
| Sludge Board | MT | 1,667 | 1,667 | 630 | 38% |
| Paper Core | Inch | 36,288,000 | 36,288,000 | 10,870,992 | 30% |
| Monalisa Sanitary Napkin | KG | 1,550,016 | 1,550,016 | 93,571 | 6% |
| Baby Diaper | KG | 1,509,581 | 1,509,581 | 141,086 | 9% |
| Baby Diapant | KG | 5,443,200 | 5,443,200 | 3,237,935 | 59% |
| Wet Tissue | PKT | 6,739,200 | 6,739,200 | 28,008 | 0.4% |
| Wet Wipes | KG | 3,369,600 | 3,369,600 | 1,907,346 | 57% |
| Face Mask | Box | 1,440,000 | 1,440,000 | 1,084,476 | 75% |

41.00 NET ASSET VALUE (NAV) PER SHARE

| | | |
|--|-----------------------|----------------------|
| Total Assets | 34,854,110,736 | 28,738,810,420 |
| Less: Intangible Assets | (156,255,465) | (150,790,856) |
| Total Liabilities | (21,783,669,464) | (20,373,852,708) |
| Net Asset Value (NAV) | 12,914,185,807 | 8,214,166,855 |
| Weighted Average Number of Ordinary shares outstanding during the year | 173,791,441 | 173,791,441 |
| Net Asset Value (NAV) Per Share (per value Tk. 10 each) | 74.31 | 47.26 |

Amount in Taka

| | 30-Jun-22 | 30-Jun-21 |
|--|-----------------------|----------------------|
| Total Assets | 34,854,110,736 | 28,738,810,420 |
| Less: Intangible Assets | (156,255,465) | (150,790,856) |
| Total Liabilities | (21,783,669,464) | (20,373,852,708) |
| Net Asset Value (NAV) | 12,914,185,807 | 8,214,166,855 |
| Weighted Average Number of Ordinary shares outstanding during the year | 173,791,441 | 173,791,441 |
| Net Asset Value (NAV) Per Share (per value Tk. 10 each) | 74.31 | 47.26 |

42.00 NET OPERATING CASH FLOW (NOCFPS) PER SHARE

| | | |
|---|---------------|---------------|
| Net Operating Cash Flows | 1,990,508,740 | 1,994,866,222 |
| Weighted Average Number of Ordinary shares outstanding | 173,791,441 | 173,791,441 |
| Net Operating Cash Flows per share (per value Tk. 10 each) | 11.45 | 11.48 |

| | 30-Jun-22 | 30-Jun-21 |
|---|---------------|---------------|
| Net Operating Cash Flows | 1,990,508,740 | 1,994,866,222 |
| Weighted Average Number of Ordinary shares outstanding | 173,791,441 | 173,791,441 |
| Net Operating Cash Flows per share (per value Tk. 10 each) | 11.45 | 11.48 |

43.00 RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT

Net Profit after tax

| | |
|----------------------|----------------------|
| 507,848,139 | 411,190,105 |
| 159,980,139 | (7,052,093) |
| 35,148,857 | 21,270,422 |
| 7,179,564 | 8,003,735 |
| 880,251,679 | 974,211,694 |
| 1,590,408,378 | 1,407,623,863 |

Adjustment for separate consideration

| | |
|---------------|-------------|
| 1,147,970,527 | 992,455,849 |
|---------------|-------------|

Movements in working capital:

| | | |
|--|---------------|---------------|
| (Increase)/decrease in inventories | (404,641,739) | (400,516,815) |
| (Increase)/decrease in trade and other receivables | (247,825,402) | 642,435,081 |
| (Increase)/decrease in advance, deposit and prepayment | 47,865,327 | (39,209,096) |
| Increase/(decrease) in trade payables & other payables | 20,564,193 | (455,702,394) |
| Increase/(decrease) in provision for expense | (50,581,889) | (58,335,086) |

Cash generated from operations

| | |
|---------------|---------------|
| (634,619,511) | (311,328,311) |
| (113,250,655) | (93,885,180) |

Net cash (used in)/ generated by operating activities

| | |
|----------------------|----------------------|
| 1,990,508,740 | 1,994,866,221 |
|----------------------|----------------------|

44.00 SIGNIFICANT DEVIATIONS*Earnings per share (EPS):*

Net profit after tax increased same year of previous year. Increase in profit is driven by decent revenue growth during the year ended on 30 June 2022. Management of the Company has taken responsive business strategy as a result sales increased by 21.06% which resulting increase in earnings per share from Tk. 2.37 to TK. 2.92. Paper demand is expected to continue to rebound through the year as people return to schools and offices. However, reduction of corporate tax rate from 22.5% to 20% is also made an positive impact on increase in profitability and EPS as well from the same year of previous year.

45.00 DIRECTOR'S RESPONSIBILITY ON STATEMENT

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

46.00 DIRECTORS' INTEREST IN CONTRACTS WITH THE COMPANY

There was no transaction resulting in Directors' interest with the company and no leasing facilities have been made available to the Directors.

47.00 RECEIVABLE FROM DIRECTORS

No amount is lying as receivable from the Directors.

48.00 FOREIGN REMITTANCES

No remittances were made in foreign currency on account of dividend, royalty, technical experts, professional advisor fees, interest, etc.

49.00 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on 28 October 2022 approved the financial statements of the company for the year ended 30 June 2022 and authorised the same for issue. The Board of Directors also recommended cash dividend @10% for the year ended June 30, 2022 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

No circumstances have arisen since the date of statement of financial position, which would require adjustment to or disclosure in the financial statement or notes thereto.

50.00 STATUS OF INCOME TAX ASSESSMENT

From the inception of the Company to the income Year 2019-2020 (Assessment year 2020-2021) has been completed. The status of income tax assessment of the Company is as under:

| Income Year | Assessment Year | Demand/ (Refund) | Assessment completed U/S of ITO 1984 | Status |
|-------------|-----------------|---------------------|---|---|
| 2020-2021 | 2021-2022 | 1,029,584 | 83(2) | The DCT has completed the assessment on 03 February 2022 against which the Company filed an appeal to the Commissioner of Taxes Appeals (CAT) |

51.00 GOING CONCERN BASIS OF ACCOUNTING

The economic impact of the 2022 Russian invasion of Ukraine began in late February 2022, in the days after Russia recognized two breakaway Ukrainian republics and launched an invasion of Ukraine. The subsequent economic sanctions have targeted large parts of the Russian economy, Russian oligarchs, and members of the Russian government. Both the conflict and the sanctions have had a strongly negative impact on the world economic recovery during the COVID-19 recession. Solid demand and supply chain disruptions in the post-COVID-19 environment before Russia's invasion of Ukraine contributed to substantial increases in commodity prices and input costs. Subsequently, increasing inflation pressures prompted a number of central banks to begin to unwind their asset purchasing programmes and increase their policy rates.

Nevertheless, developments are set against a backdrop of deteriorating economic and financial conditions in China, with renewed lockdown measures and surging COVID-19 cases, and long-standing vulnerabilities. According to recent World Bank estimates, Economic activity will remain deeply depressed through next year, with minimal growth of 0.3% expected in 2023, as energy price shocks continue to impact the all over the world.

The Board of Directors have reviewed the Company's current financial position and performance, including consideration of the anticipated impact of the Russian invasion of Ukraine and COVID-19 and the other principal risks which may impact the Company's performance in the near term. The Board of Directors are confident that the Company will continue to demonstrate its resilience and remaining well-positioned when the recovery takes place.

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 18, 19 and 22 respectively.

The Companies retained earning stand at Tk. 2,893,522,862 as on June 30, 2022 which includes Tk.507,848,139 net profit after tax of for the year and, as at that date, current assets exceed current liabilities. Besides that the company has sustainable products, debts with excellent repayment records, bright operating cash flows, positive key financial ratios, reliability in payment of obligations, excellent corporate environment and employee satisfaction.

Management acknowledges that uncertainty remains over the Company's ability to meet its funding requirements and to refinance or repay its banking facilities as they fall due. In that particular circumstance, management has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

52.00 FINANCIAL RISK MANAGEMENT

52.01 Basis of fair value measurement

As fair value is a market - based measurement, when measuring the fair value of an asset or a liability, BPML uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfil a liability is not relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

BPML recognises transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

52.02 Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

| Reconciliation of carrying amount | Note | Carrying amount | | | | | | | | Fair value | | | | |
|---|------|------------------|--------------------------|----------------------------------|-------------------|-----------------------|--------------------|-----------------------------|----------------------|------------|---------|---------|-------|--|
| | | Held for trading | Designated at fair value | Fair value - hedging instruments | Held -to-maturity | Loans and receivables | Available for sale | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total | |
| 30 June 2022: | | | | | | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | | | | | | | |
| Trade receivables and Other receivables | 10 | - | - | - | - | 1,014,646,121 | - | - | 1,014,646,121 | - | - | - | - | |
| Advances, deposits and prepayments | 11 | - | - | - | - | 695,779,620 | - | - | 695,779,620 | - | - | - | - | |
| Cash and cash equivalents | 13 | - | - | - | - | 412,937,636 | - | - | 412,937,636 | - | - | - | - | |
| | | - | - | - | - | 2,123,363,376 | - | - | 2,123,363,376 | - | - | - | - | |
| Financial liabilities measured at fair value | | | | | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | | |
| Long term borrowings-current portion | 21 | - | - | - | - | - | - | 1,997,367,081 | - | - | - | - | - | |
| Short term borrowings | 22 | - | - | - | - | - | - | 3,993,660,017 | - | - | - | - | - | |
| Trade and other payables | 23 | - | - | - | - | - | - | 1,198,790,267 | - | - | - | - | - | |
| | | - | - | - | - | 7,189,817,364 | - | - | 7,189,817,364 | - | - | - | - | |
| 30 June 2021: | | | | | | | | | | | | | | |
| Financial assets measured at fair value | | | | | | | | | | | | | | |
| Financial assets not measured at fair value | | | | | | | | | | | | | | |
| Trade receivables and Other receivables | 10 | - | - | - | - | 766,820,718 | - | - | 766,820,718 | - | - | - | - | |
| Advances, deposits and prepayments | 11 | - | - | - | - | 750,153,312 | - | - | 750,153,312 | - | - | - | - | |
| Cash and cash equivalents | 14 | - | - | - | - | 416,398,153 | - | - | 416,398,153 | - | - | - | - | |
| | | - | - | - | - | 1,933,372,183 | - | - | 1,933,372,183 | - | - | - | - | |
| Financial liabilities measured at fair value | | | | | | | | | | | | | | |
| Financial liabilities not measured at fair value | | | | | | | | | | | | | | |
| Long term borrowings-current portion | 23 | - | - | - | - | - | - | 2,156,870,384 | - | - | - | - | - | |
| Short term borrowings | 24 | - | - | - | - | - | - | 2,634,775,834 | - | - | - | - | - | |
| Trade and other payables | 25 | - | - | - | - | - | - | 1,144,864,139 | - | - | - | - | - | |
| | | - | - | - | - | 5,936,510,357 | - | - | 5,936,510,357 | - | - | - | - | |

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, trade and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.

52.03 Financial Risk Management

The Company has exposure to the following risks:

- Credit risk
- liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework:

The Company's Board of Directors has overall responsibility for the establishment, developing, oversight and monitoring of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and system are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has established Internal Audit Department to oversee how management monitors compliance with the Company's risk management policies and procedures, compliance with operational and legal requirements, identification of foreseeable trends and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

The Company's financial liabilities mainly comprise trade and other payables and short term running finance. The main purpose of financial liabilities is to raise finance for the Company's operation. The Company's financial assets comprise loans to employees, trade and other receivables, bank balances. The Company is exposed to credit risk, liquidity risk and market risk.

52.3.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. The management of the Company has established a credit policy under which each new customer is analyzed individually creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limit are established for each customer, which represents the maximum open amount without requiring approval from the concerned authority; these limits are reviewed twice a year. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. More than 80 percent of the Company's customers have been transacting with the Company since long, and no impairment loss has been recognized against these customers. Trade and other receivable relate mainly to the Company's Wholesale customer. The Company's maximum exposure to credit risk at the reporting date is as follows:

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

a) Exposure to credit risk:

| | Amount in Taka | |
|---|----------------|-----------------|
| | 30-Jun-22 | 30-Jun-21 |
| Trade receivables | | |
| Local customer | 516,632,188 | 514,783,337 |
| Foreign customer | 205,828,830 | 139,841,397 |
| Advance, deposit and prepayments | 695,779,620 | 750,153,312 |
| Due/ (payable) from/to inter companies | (835,884,312) | (1,069,789,779) |
| Cash and bank balances | 412,937,636 | 416,398,153 |

The maximum exposure to credit risk for accounts receivable by geographic regions was:

| | | |
|---------------|-------------|-------------|
| Bangladesh | 516,632,188 | 514,783,337 |
| Asia | 197,195,913 | 101,620,002 |
| Europe | 211,500 | 33,406,689 |
| Australia | 186,373 | (1,223,164) |
| Africa | 8,178,890 | 5,981,715 |
| North America | 56,154 | 56,154 |

b) The aging of trade receivables other than other product and services at the reporting date is as follows:

| | Amount in Taka | |
|-------------------------|--------------------|--------------------|
| | 30-Jun-22 | 30-Jun-21 |
| Trade receivables | | |
| 0-90 days past due | 479,202,819 | 323,270,427 |
| 90-180 days past due | 121,482,104 | 229,706,061 |
| above 180 days past due | 121,776,094 | 101,648,247 |
| | 722,461,018 | 654,624,734 |

c) Credit exposure by credit rating:

| | | |
|----------------------------------|-------------|-------------|
| Trade receivables | 722,461,018 | 654,624,734 |
| Advance, deposit and prepayments | 695,779,620 | 750,153,312 |
| Other receivables | 292,185,103 | 112,195,985 |

Cash and Bank balances:

| | | |
|---------------|-----------|------------|
| Cash in hand | 9,615,316 | 24,271,502 |
| Bkash Account | 63,485 | 16,060 |

Cash at bank:

| Bank name & branch | Account No. | 403,258,835 | 392,110,591 |
|--|-----------------------------|-------------|-------------|
| Agrani Bank Ltd., Principal Branch, Dhaka | CD: 11217-8 | 486,655 | 20,505 |
| Al-Arafa Islami Bank Ltd., Motijheel Branch, Dhaka | CD-3059 | 11,303 | 11,993 |
| Bank Asia Ltd., Bashundhara Branch | CD: 404, 568, 569 | 135,209,647 | 132,975,859 |
| Bank Asia Ltd., Bashundhara Branch | SND: 0135 | 3,493,529 | 3,585,718 |
| Bank Asia Ltd., Principal Branch | CD: 00333005904 | 305,103 | 166,569 |
| Basic Bank Ltd., Bashundhara Br. | STD: 057 | 82,252 | 237,097 |
| Dutch Bangla Bank Ltd., Bashundhara Branch | SND: 147.120.1895 | 44,557,173 | 77,349,851 |
| Dutch Bangla Bank Ltd., Local Office | CD: 10111012348 | 1,892,091 | 15,638,366 |
| First Security Islami Bank Ltd., Banani Branch | CD: 2215 | 383 | 942,918 |
| Islami Bank Bangladesh Ltd., Head Office Complex Br. | CD: 87816 | 10,095,626 | 11,875,051 |
| Janata Bank Ltd., Helatola Branch, Khulna | CD:001039442 | - | 3,332 |
| Janata Bank Ltd., Janata Bhaban Corp. Br. | STD: 004001006 | 95,163 | 97,370 |
| Janata Bank Ltd., JBCB,Dhaka | CD: 001022542 | 28,622,550 | 22,154,617 |
| Janata Bank Ltd., JBCB,Dhaka | FC: 402000464 | 1,436,689 | 1,436,689 |
| Mercantile Bank Ltd., Main Branch, Dhaka | CD: 81042 | 4,957,836 | 3,951,691 |
| Mutual Trust Bank Ltd., Bashundhara City Br. | CD: 15608,1015, 15617 | 15,692,823 | 13,472,617 |
| Mutual Trust Bank Ltd., Sonargoan Branch | CD: 10258,10427,10294,10267 | 43,506 | 76,466 |
| Mutual Trust Bank Ltd., Sonargoan Branch | CD: | 11,923 | - |
| National Bank Ltd., Dilkusha Branch | CD: 233137485 | 8,601,431 | 8,560,483 |
| National Bank Ltd.- | SND accounts | 187,383 | 186,332 |
| NCC Bank Ltd., Motijheel Branch | CD: 22785 | 9,244 | 9,388 |
| The Premier Bank Ltd., Banani Branch | CD: 1604-0 | - | 3,565 |
| The Premier Bank Ltd.-Dilkusha Branch | CD: 019010 | 2,355 | 3,045 |
| Prime Bank Ltd. Gulshan Br. | CD: 2118116023883 | 10,000 | 10,000 |
| Rupali Bank Ltd.-Local Office, Dhaka. | CD: 0018020010093 | 15,269 | 126,139 |
| Shahjalal Islami Bank Ltd., Gulshan Branch | CD: 4061 | 4,886,939 | 3,152,742 |
| Sonali Bank Ltd. | SND: 000025 | 5,129,262 | 3,773,755 |
| Social Islami Bank Ltd., Bashundhara Branch | CD: 1330000079 | 21,954,773 | 15,197,799 |
| Social Islami Bank Ltd., Panthapath Branch | CD: 12885, 16735,16741 | 30,435,593 | 38,274,588 |
| Social Islami Bank Ltd., Sonargoan Branch | CD: 64,6459, 6718,6661 | 354,588 | 2,703,697 |
| Southeast Bank Ltd., Principal Branch, Dhaka | CD: 7935 | 1,867,887 | 46,288 |
| Southeast Bank Ltd., Principal Branch, Dhaka | FC: 0462 | 1,241,997 | 1,534,628 |
| Southeast Bank Ltd., Principal Branch, Dhaka | DAD Account-588 | 7,358,370 | 9,648,700 |
| Southeast Bank Ltd., Principal Branch, Dhaka | IPO_BDT_197 | 9,178 | 10,706 |
| Southeast Bank Ltd., Principal Branch, Dhaka | IPO_GBP_552 | 14,162 | 13,504 |
| Southeast Bank Ltd., Principal Branch, Dhaka | IPO_USD_066 | 265,096 | 236,367 |
| Standard Bank Ltd., Principal Branch | CD: 00233009262 | 83,829 | 15,625 |
| Standard Bank Ltd., Principal Branch | STD: 00236001976 | 43,539 | 44,119 |
| Trust Bank Ltd., Senakallyan Bhaban Branch | CD: 0003-0210011205 | 269,103 | 270,690 |
| Union Bank Ltd., Gulshan Branch | CD: 1623 | 82,871 | 83,676 |
| United Commercial Bank Ltd., Bashundhara Br. | STD: 119/198 | 67,085,599 | 19,184,127 |
| United Commercial Bank Ltd., Gulshan Branch | CD: 1360 | 6,356,118 | 5,023,921 |

The Company's maximum exposure to credit risk at the reporting date is trade receivable. To mitigate the credit risk against trade receivables, the Company has a system of specific credit line year to the distributor which is regularly monitored.

52.3.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Therefore, managing sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk. The Company's maximum exposure to financial liabilities as at the reporting date is as follows:

| Non-derivative financial liabilities | Year | Carrying Amount | Contractual Cash Flows | | |
|--------------------------------------|---------|-----------------|------------------------|----------------|-------------------|
| | | | Within 12 months | 1 to 5 years | More than 5 years |
| Finance Lease | | 16,153,364 | 16,153,364 | - | - |
| Long term bank loan | | 14,520,511,661 | 1,981,213,717 | 12,539,297,945 | - |
| Short term bank loan | 2021-22 | 5,991,027,098 | 5,991,027,098 | - | - |
| Trade and other payables | | 1,198,790,267 | 1,198,790,267 | - | - |
| Provision for expenses | | 1,161,873 | 1,161,873 | - | - |
| Finance Lease | | 356,445,498 | 148,851,833 | 207,593,665 | - |
| Long term bank loan | | 14,012,129,960 | 2,008,018,551 | 12,004,111,409 | - |
| Short term bank loan | 2020-21 | 4,791,646,218 | 4,791,646,218 | - | - |
| Trade and other payables | | 1,144,864,139 | 1,144,864,139 | - | - |
| Provision for expenses | | 51,743,762 | 51,743,762 | - | - |

52.3.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the

a) Currency risk:

The company is exposed to currency risk on sales, purchase that are denominated in a currency other than the respective functional currencies of the entities BDT Tk. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to Company's operating activities with the foreign suppliers.

i) Exposure to currency risk:

| Foreign currency monetary assets and liabilities: | Amount in Taka | |
|---|------------------|------------------|
| | 30-Jun-22 (U\$D) | 30-Jun-21 (U\$D) |
| Assets: | | |
| Trade receivables | 2,383,796 | 1,647,131 |
| Cash at bank | 16,639 | 16,922 |
| Liabilities: | | |
| Trade and other payables | - | - |
| Net exposure: | | |
| The following significant average exchange rates are applied during the year: | | |
| Exchange rate of US Dollar | \$ 86.35 | \$ 84.90 |

(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures:

A strengthening or weakening of the Taka, as indicated below, against the U\$D at 30 June 2022 would have increased/(decreased) equity and profit or loss. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant.

| b) Interest rate risk: | c) Other price risk: |
|---|---|
| <p>The Company ensuring that between 45 and 65 percent of its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates. The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to Company's short-term deposits and running finance.</p> | <p>Equity price risk arises from available-for-sale equity securities held for meeting partially the unfunded portion of the Company's defined benefit pension obligations as well as investments at fair value through profit and loss (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares and also to commodity price risk.</p> |

53.00 CAPITAL MANAGEMENT

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to provide an adequate return to shareholders;

The Board of Directors has set a policy to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of total equity attributable to the equity holders. The Board of Directors monitors the level of capital as well as the level of dividend to the ordinary shareholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to shareholders, issue new shares or obtain long-term debt.

No changes were made in the objectives, policies or processes for managing capital during the year ended 30 June, 2022.

BASHUNDHARA PAPER MILLS LIMITED

Schedule of Property, Plant & Equipment

As at 30 June 2022

Annexure-A

| PARTICULARS | COST | | | | | DEPRECIATION | | | | Written down value |
|--|-----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|--------------------|----------------------|----------------------|-----------------------|
| | Opening balance | Addition | Transfer from CWIP | Adjustment/ Disposal | Closing balance | Opening balance | Depreciation | Adjustment/ Disposal | Closing balance | |
| 1 | 2 | 3 | 4 | 5 | 6=2+3+4+5 | 7 | 8 | 9 | 10=7+8+9 | 11=6-10 |
| a) Based on Cost: | 21,013,366,991 | 970,290,241 | 1,185,386,891 | (585,942) | 23,168,458,181 | 6,345,803,676 | 851,582,995 | (266,840) | 7,197,119,831 | 15,971,338,350 |
| Land and land development | 574,117,543 | 237,343,260 | - | - | 811,460,803 | - | - | - | - | 811,460,803 |
| Plant and machinery | 14,501,914,370 | 647,392,210 | 654,169,238 | - | 15,803,475,818 | 5,189,238,412 | 665,863,530 | - | 5,855,101,943 | 9,948,373,875 |
| Office equipment | 115,489,777 | 15,512,782 | - | - | 131,002,559 | 69,081,377 | 11,412,318 | - | 80,493,695 | 50,508,864 |
| Furniture and fixture | 34,845,656 | 773,180 | - | - | 35,618,836 | 21,630,810 | 2,241,558 | - | 23,872,367 | 11,746,468 |
| Factory apparatus and loose tools | 215,528,160 | 282,902 | - | - | 215,811,062 | 94,398,247 | 10,727,740 | - | 105,125,988 | 110,685,075 |
| Motor Vehicles | 607,104,484 | 25,612,500 | - | (455,942) | 632,261,042 | 387,641,064 | 43,680,483 | (260,340) | 431,061,206 | 201,199,836 |
| Factory building and other constructions | 4,776,329,303 | 37,347,656 | 531,217,652 | - | 5,344,894,612 | 527,753,891 | 108,532,839 | - | 636,286,731 | 4,708,607,882 |
| Sundry assets | 188,037,698 | 6,025,751 | - | (130,000) | 193,933,449 | 56,059,875 | 9,124,527 | (6,500) | 65,177,902 | 128,755,547 |
| b) Based on Revaluation: | 2,848,337,977 | 4,542,458,919 | - | - | 7,390,796,896 | 319,748,880 | 16,795,358 | - | 336,544,238 | 7,054,252,659 |
| Land and land development | 2,107,635,598 | 4,542,458,919 | - | - | 6,650,094,517 | - | - | - | - | 6,650,094,517 |
| Plant and machinery | 115,317,906 | - | - | - | 115,317,906 | 103,188,770 | 1,825,360 | - | 105,014,130 | 10,303,776 |
| Office equipment | 1,733,807 | - | - | - | 1,733,807 | 1,469,255 | 55,720 | - | 1,524,976 | 208,831 |
| Furniture and fixture | 1,036,791 | - | - | - | 1,036,791 | 757,871 | 55,971 | - | 813,842 | 222,949 |
| Factory apparatus and loose tools | 4,160,493 | - | - | - | 4,160,493 | 2,281,227 | 179,655 | - | 2,460,882 | 1,699,611 |
| Motor Vehicles | 7,767,090 | - | - | - | 7,767,090 | 7,767,090 | - | - | 7,767,090 | - |
| Building and other constructions | 604,376,645 | - | - | - | 604,376,645 | 198,167,876 | 14,634,720 | - | 212,802,596 | 391,574,049 |
| Sundry assets | 6,309,647 | - | - | - | 6,309,647 | 6,116,791 | 43,931 | - | 6,160,722 | 148,925 |
| Total (a+b) | 23,861,704,969 | 5,512,749,160 | 1,185,386,891 | (585,942) | 30,559,255,077 | 6,665,552,556 | 868,378,353 | (266,840) | 7,533,664,069 | 23,025,591,008 |
| Total (2020-2021) | 21,116,967,389 | 570,729,723 | 2,181,170,462 | (7,162,607) | 23,861,704,968 | 5,709,191,325 | 960,209,590 | (3,448,358) | 6,665,952,557 | 17,195,752,412 |

Allocation of depreciation:

Administrative overhead @ 5%

43,418,918

Factory overhead @ 95%

824,959,435

Total

868,378,353

Name of valuer: S.F. Ahmed & Co., Chartered Accountants (Representative of ERNST & YOUNG GLOBAL in Bangladesh), in 2010 and followed by Mahfel Huq & Co., Chartered Accountants in 2015, Ahmed Zaker & Co., Chartered Accountants in 2022.

Valuation Method: Net Assets Value Method and Current Fair Market Value Method.

Date of Capitalization: 30 June 2010, 05 July 2015 and 29 June 2022 respectively.

BPML (UNIT-1)
Annexure-A.1

| PARTICULARS | COST | | | | | DEPRECIATION | | | | Written down value |
|--|-----------------------|----------------------|--------------------|----------------------|-----------------------|----------------------|--------------------|----------------------|----------------------|-----------------------|
| | Opening balance | Addition | Transfer from CWIP | Adjustment/ Disposal | Closing balance | Opening balance | Depreciation | Adjustment/ Disposal | Closing balance | |
| 1 | 2 | 3 | 4 | 5 | 6=2+3+4+5 | 7 | 8 | 9 | 10=7+8+9 | 11=6-10 |
| a) Based on Cost: | 10,479,038,063 | 535,333,083 | 593,215,447 | - | 11,607,586,593 | 1,898,881,750 | 412,492,298 | - | 2,311,374,048 | 9,296,212,545 |
| Land and land development | 313,746,925 | 237,343,260 | - | - | 551,090,185 | - | - | - | - | 551,090,185 |
| Plant and machinery | 6,040,032,940 | 238,191,372 | 62,565,528 | - | 6,340,789,840 | 1,355,155,797 | 293,706,927 | - | 1,648,862,724 | 4,691,927,116 |
| Office equipment | 63,421,580 | 4,666,293 | - | - | 68,087,873 | 34,476,168 | 6,647,897 | - | 41,124,065 | 26,963,808 |
| Furniture and fixture | 17,304,530 | 589,600 | - | - | 17,894,130 | 8,872,853 | 1,234,102 | - | 10,106,955 | 7,787,175 |
| Factory apparatus and loose tools | 189,827,696 | 282,902 | - | - | 190,110,598 | 77,698,641 | 9,246,603 | - | 86,945,244 | 103,165,354 |
| Motor Vehicles | 273,022,337 | 14,152,000 | - | - | 287,174,337 | 164,283,841 | 14,161,092 | - | 178,444,933 | 108,729,405 |
| Factory building and other constructions | 3,432,974,105 | 37,347,656 | 530,649,918 | - | 4,000,971,680 | 239,115,933 | 80,025,677 | - | 319,141,610 | 3,681,830,070 |
| Sundry assets | 148,707,949 | 2,760,000 | - | - | 151,467,949 | 19,278,517 | 7,470,000 | - | 26,748,517 | 124,719,432 |
| b) Based on Revaluation: | 856,038,012 | 1,443,422,039 | - | - | 2,299,460,051 | 89,582,848 | 2,180,210 | - | 91,763,058 | 2,207,696,993 |
| Land and land development | 739,453,096 | 1,443,422,039 | - | - | 2,182,875,135 | - | - | - | - | 2,182,875,135 |
| Plant and machinery | 83,051,356 | - | - | - | 83,051,356 | 72,741,629 | 1,570,829 | - | 74,312,458 | 8,738,897 |
| Office equipment | 423,389 | - | - | - | 423,389 | 346,287 | 19,826 | - | 366,113 | 57,276 |
| Furniture and fixture | 354,654 | - | - | - | 354,654 | 255,671 | 19,017 | - | 274,688 | 79,966 |
| Factory apparatus and loose tools | 2,523,455 | - | - | - | 2,523,455 | 1,352,822 | 110,902 | - | 1,463,725 | 1,059,730 |
| Motor Vehicles | 6,493,899 | - | - | - | 6,493,899 | 6,493,899 | - | - | 6,493,899 | - |
| Building and other constructions | 21,226,067 | - | - | - | 21,226,067 | 6,019,604 | 459,636 | - | 6,479,240 | 14,746,827 |
| Sundry assets | 2,512,096 | - | - | - | 2,512,096 | 2,372,935 | - | - | 2,372,935 | 139,161 |
| Total (a+b) | 11,335,076,075 | 1,978,755,122 | 593,215,447 | - | 13,907,046,643 | 1,988,464,598 | 414,672,508 | - | 2,403,137,105 | 11,503,909,538 |
| Total (2020-2021) | 10,145,184,501 | 521,849,655 | 668,041,918 | - | 11,335,076,074 | 1,579,159,866 | 409,304,731 | - | 1,988,464,597 | 9,346,611,477 |

Allocation of depreciation:

Administrative overhead @ 5%

20,733,625

Factory overhead @ 95%

393,938,882

Total

414,672,508

BPML (UNIT-2)
Annexure-A.2

| PARTICULARS | COST | | | | | DEPRECIATION | | | | Written down value |
|--|----------------------|----------------------|--------------------|---------------------|----------------------|----------------------|--------------------|---------------------|----------------------|----------------------|
| | Opening balance | Addition | Transfer from CWIP | Adjustment/Disposal | Closing balance | Opening balance | Depreciation | Adjustment/Disposal | Closing balance | |
| 1 | 2 | 3 | 4 | 5 | 6=2+3+4+5 | 7 | 8 | 9 | 10=7+8+9 | 11=6-10 |
| a) Based on Cost: | 3,187,622,781 | 494,081 | 567,734 | - | 3,188,684,596 | 1,376,780,293 | 99,916,837 | - | 1,476,697,130 | 1,711,987,467 |
| Land and land development | 86,439,658 | - | - | - | 86,439,658 | - | - | - | - | 86,439,658 |
| Plant and machinery | 2,634,769,016 | 436,581 | - | - | 2,635,205,597 | 1,257,625,418 | 88,794,321 | - | 1,346,419,739 | 1,288,785,858 |
| Office equipment | 10,141,776 | 57,500 | - | - | 10,199,276 | 8,351,325 | 636,969 | - | 8,988,294 | 1,210,982 |
| Furniture and fixture | 2,167,061 | - | - | - | 2,167,061 | 1,885,930 | 150,806 | - | 2,036,736 | 130,325 |
| Factory apparatus and loose tools | 13,407,000 | - | - | - | 13,407,000 | 9,056,441 | 653,133 | - | 9,709,574 | 3,697,426 |
| Motor Vehicles | 8,674,692 | - | - | - | 8,674,692 | 7,243,336 | 560,096 | - | 7,803,432 | 871,260 |
| Factory building and other constructions | 411,011,019 | - | 567,734 | - | 411,578,753 | 72,393,922 | 9,029,004 | - | 81,422,926 | 330,155,827 |
| Sundry assets | 21,012,559 | - | - | - | 21,012,559 | 20,223,920 | 92,508 | - | 20,316,428 | 696,131 |
| b) Based on Revaluation: | 1,173,870,583 | 1,642,339,420 | - | - | 2,816,210,003 | 141,961,407 | 10,141,295 | - | 152,102,702 | 2,664,107,300 |
| Land and land development | 798,420,922 | 1,642,339,420 | - | - | 2,440,760,342 | - | - | - | - | 2,440,760,342 |
| Plant and machinery | 5,301,867 | - | - | - | 5,301,867 | 3,509,095 | 244,905 | - | 3,754,000 | 1,547,867 |
| Office equipment | 645,079 | - | - | - | 645,079 | 645,079 | - | - | 645,079 | - |
| Furniture and fixture | 47,843 | - | - | - | 47,843 | 43,857 | 3,262 | - | 47,119 | 724 |
| Factory apparatus and loose tools | 290,522 | - | - | - | 290,522 | 172,320 | 12,817 | - | 185,137 | 105,385 |
| Motor Vehicles | - | - | - | - | - | - | - | - | - | - |
| Building and other constructions | 366,026,540 | - | - | - | 366,026,540 | 134,453,248 | 9,880,311 | - | 144,333,559 | 221,692,981 |
| Sundry assets | 3,137,809 | - | - | - | 3,137,809 | 3,137,809 | - | - | 3,137,809 | - |
| Total (a+b) | 4,361,493,364 | 1,642,833,501 | 567,734 | - | 6,004,894,599 | 1,518,741,700 | 110,058,132 | - | 1,628,799,832 | 4,376,094,767 |
| Total (2020-2021) | 4,161,592,167 | 82,853 | 212,086,696 | (12,268,353) | 4,361,493,363 | 1,397,760,305 | 127,598,119 | (6,616,724) | 1,518,741,700 | 2,842,751,663 |

Allocation of depreciation:

Administrative overhead @ 5%

Factory overhead @ 95%

Total

| |
|--------------------|
| 5,502,907 |
| 104,555,225 |
| 110,058,132 |

BPML (UNIT-3)
Annexure-A.3

| PARTICULARS | COST | | | | | DEPRECIATION | | | | Written down value |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|
| | Opening balance | Addition | Transfer from CWIP | Adjustment/ Disposal | Closing balance | Opening balance | Depreciation | Adjustment/ Disposal | Closing balance | |
| 1 | 2 | 3 | 4 | 5 | 6=2+3+4+5 | 7 | 8 | 9 | 10=7+8+9 | 11=6-10 |
| a) Based on Cost: | 7,346,706,148 | 434,463,077 | 591,603,710 | (585,942) | 8,372,186,992 | 3,070,141,634 | 339,173,860 | (266,840) | 3,409,048,654 | 4,963,138,338 |
| Land and land development | 173,930,960 | - | - | - | 173,930,960 | - | - | - | - | 173,930,960 |
| Plant and machinery | 5,827,112,414 | 408,764,257 | 591,603,710 | - | 6,827,480,381 | 2,576,457,198 | 283,362,282 | - | 2,859,819,480 | 3,967,660,901 |
| Office equipment | 41,926,420 | 10,788,989 | - | - | 52,715,409 | 26,253,884 | 4,127,452 | - | 30,381,335 | 22,334,074 |
| Furniture and fixture | 15,374,065 | 183,580 | - | - | 15,557,645 | 10,872,027 | 856,650 | - | 11,728,677 | 3,828,969 |
| Factory apparatus and loose tools | 12,293,465 | - | - | - | 12,293,465 | 7,643,165 | 828,004 | - | 8,471,170 | 3,822,295 |
| Motor Vehicles | 325,407,456 | 11,460,500 | - | (455,942) | 336,412,014 | 216,113,887 | 28,959,295 | (260,340) | 244,812,842 | 91,599,172 |
| Factory building and other constructions | 932,344,179 | - | - | - | 932,344,179 | 216,244,036 | 19,478,158 | - | 235,722,194 | 696,621,985 |
| Sundry assets | 18,317,189 | 3,265,751 | - | (130,000) | 21,452,940 | 16,557,438 | 1,562,019 | (6,500) | 18,112,957 | 3,339,983 |
| b) Based on Revaluation: | 818,429,383 | 1,456,697,460 | - | - | 2,275,126,843 | 88,204,625 | 4,473,853 | - | 92,678,478 | 2,182,448,365 |
| Land and land development | 569,761,580 | 1,456,697,460 | - | - | 2,026,459,040 | - | - | - | - | 2,026,459,040 |
| Plant and machinery | 26,964,683 | - | - | - | 26,964,683 | 26,938,046 | 9,626 | - | 26,947,672 | 17,012 |
| Office equipment | 665,339 | - | - | - | 665,339 | 477,889 | 35,895 | - | 513,784 | 151,556 |
| Furniture and fixture | 634,294 | - | - | - | 634,294 | 458,343 | 33,693 | - | 492,036 | 142,259 |
| Factory apparatus and loose tools | 1,346,516 | - | - | - | 1,346,516 | 756,085 | 55,936 | - | 812,021 | 534,495 |
| Motor Vehicles | 1,273,191 | - | - | - | 1,273,191 | 1,273,191 | - | - | 1,273,191 | - |
| Building and other constructions | 217,124,038 | - | - | - | 217,124,038 | 57,695,025 | 4,294,773 | - | 61,989,798 | 155,134,240 |
| Sundry assets | 659,742 | - | - | - | 659,742 | 606,047 | 43,931 | - | 649,978 | 9,764 |
| Total (a+b) | 8,165,135,531 | 1,891,160,537 | 591,603,710 | (585,942) | 10,647,313,836 | 3,158,346,258 | 343,647,713 | (266,840) | 3,501,727,132 | 7,145,586,704 |
| Total (2020-2021) | 6,810,190,722 | 48,797,215 | 1,301,041,848 | 5,105,746 | 8,165,135,531 | 2,732,271,153 | 423,306,740 | 2,768,366 | 3,158,346,259 | 5,006,789,272 |

Allocation of depreciation:

Administrative overhead @ 5%

Factory overhead @ 95%

Total

| |
|--------------------|
| 17,182,386 |
| 326,465,328 |
| 343,647,713 |

BASHUNDHARA PAPER MILLS LIMITED

Schedule of Intangible Assets

As at 30 June 2022

Annexure-B

| PARTICULARS | COST | | | | AMORTIZATION | | | | Written down value |
|----------------|--------------------|-------------------|----------------------|--------------------|-------------------|------------------|----------------------|-------------------|--------------------|
| | Opening balance | Addition | Adjustment/ Disposal | Closing balance | Opening balance | Amortization | Adjustment/ Disposal | Closing balance | |
| 1 | 2 | 3 | 4 | 5=2+3+4 | 6 | 7 | 8 | 9=6+7+8 | 10=5-9 |
| 1 SAP Software | 189,147,070 | 11,508,750 | - | 200,655,820 | 38,625,822 | 7,129,954 | - | 45,755,776 | 154,900,044 |
| 2 CRM Software | 480,635 | - | - | 480,635 | 211,026 | 35,166 | - | 246,192 | 234,443 |
| 3 VAT Software | - | 400,000 | - | 400,000 | - | 14,444 | - | 14,444 | 385,556 |
| 4 HRM Software | - | 735,423 | - | 735,423 | - | - | - | - | 735,423 |
| Total | 189,627,705 | 12,644,173 | - | 202,271,878 | 38,836,848 | 7,179,564 | - | 46,016,412 | 156,255,465 |

BASHUNDHARA PAPER MILLS LIMITED

Schedule of Right-of-use assets

As at 30 June 2022

Annexure-C

| PARTICULARS | COST | | | DEPRECIATION | | | | Written down value |
|------------------|--------------------|------------------|----------|--------------------|-------------------|------------------|-------------------|--------------------|
| | Opening balance | Reclassification | Addition | Closing balance | Opening balance | Reclassification | Depreciation | |
| 1 Motor Vehicles | 111,791,600 | - | - | 111,791,600 | 84,624,684 | - | 11,873,326 | 96,498,010 |
| Total | 111,791,600 | - | - | 111,791,600 | 84,624,684 | - | 11,873,326 | 96,498,010 |
| | | | | | | | | 15,293,590 |

Allocation of depreciation:

Administrative overhead @ 5%

593,666

Factory overhead @ 95%

11,279,660

Total

11,873,326

Glossary

| | |
|------------------------------|--|
| Accounting policies | Specific principles, bases, conventions, rules and practices adopted by an enterprise in preparing and presenting financial statements. |
| AIT | Advance Income Tax |
| BPML / The Company | Bashundhara Paper Mills Limited |
| BASs | Bangladesh Accounting Standards |
| BFRSs | Bangladesh Financial Reporting Standards |
| BB | Bangladesh Bank |
| BoD | Board of Directors |
| Basic earnings per share | Basic income per share |
| BG | Bashundhara Group |
| BSEC | Bangladesh Securities & Exchange Commission |
| Capital/Revaluation reserves | Reserves identified for specific purposes and considered not available for distribution. |
| CGU | Cash Generating Unit |
| Contingents Liabilities | Conditions or situations at the balance sheet date the financial effect of which are to be determined by future events which may or may not occur. |
| DTL/ DTA | Deferred Tax Liability/ Deferred Tax Assets |
| DTE/ DTI | Deferred Tax Expense/ Deferred Tax Income |
| Deferred Taxation | The net tax effect on terms which have been included in the income statement, which would only qualify for inclusion on a tax return at a future date. |
| Diluted earnings per share | Diluted income per share. |
| Earnings per share | Profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue. |
| Equity | Shareholders' fund. |
| ECL | Expected Credit Loss |
| Finance lease | Capital lease |
| FRA | The Financial Reporting Act. |
| FRC | The Financial Reporting Council |
| FRS | Financial Reporting Standards |
| FVOCI | Fair Value Through Other Comprehensive Income |
| FVTPL | Fair Value Through Profit and Loss |
| HC | High Court |
| IASs | International Accounting Standards |
| IFRSs | International Financial Reporting Standards |
| IFRIC | International Financial Reporting Interpretations Committee |
| ICAB | The Institute of Chartered Accountants of Bangladesh |
| ITO 1984 | Income Tax Ordinance 1984 |
| NAV | Net Assets Value |
| NAVPS | Net Assets Value per Share |
| NBR | National Board of Revenue |

| | |
|--|---|
| Net Assets per Share | Shareholders' funds divided by the weighted average number of ordinary shares in issue. A basis of share valuation. |
| NOCFPS | Net Operating Cash Flow per Share |
| OCI | Other Comprehensive Income |
| PPE | Property, Plant and Equipment/ Fixed Assets |
| Profit | Income |
| Profit attributable to shareholders | Net income after tax |
| Share capital | Ordinary shares, capital stock or common stock issued and fully paid. |
| SIC | Standard Interpretations Committee |
| WPP & WF | Workers' Profit Participation and Welfare Fund |