

3Q

REPORT FOR THE 3rd QUARTER ENDED ON MARCH 31, 2023

BASHUNDHARA PAPER MILLS LTD.

2022-2023



Bashundhara Paper Mills Ltd.

Bashundhara Industrial Headquarters-2, Plot# 56/A, Block# C, Umme Kulsum Road,
Bashundhara R/A, Dhaka, Bangladesh. www.bashundharagroup.com, www.bashundharapapermills.com

Contents

●		
●		
●		
●		
●	01 Statement of Financial Position	1
●	02 Statement of Profit or Loss and Other Comprehensive Income	2
●	03 Statement of Changes in Equity	3
●	04 Statement Cash Flows	4
●	05 Selected Explanatory Notes to the Financial Statements	5- 11
●		
●		
●		

BASHUNDHARA PAPER MILLS LIMITED

Statement of financial position

As at 31 March 2023

	Notes	31-Mar-23	30-Jun-22
		Amount in Taka	
ASSETS			
Non-current assets		25,428,650,579	24,094,298,838
Property, plant and equipment, net		23,459,604,760	23,025,591,008
Intangible Assets, net		155,624,232	156,255,465
Right-of-use assets		8,575,074	15,293,590
Capital work-in-progress		1,539,846,513	632,158,774
Investment		265,000,000	265,000,000
Current assets		12,141,281,381	10,759,811,898
Inventories		8,682,546,831	8,269,900,957
Trade and other receivables		1,465,232,437	1,014,646,121
Advances, deposits and prepayments		1,108,855,408	695,779,620
Advance income tax		436,406,691	366,547,565
Cash and bank equivalents		448,240,014	412,937,636
Total assets		37,569,931,960	34,854,110,736
EQUITY AND LIABILITIES			
Capital and reserves		13,289,249,683	13,070,441,273
Share capital	2	1,737,914,410	1,737,914,410
Share premium	3	1,739,583,292	1,739,583,292
Revaluation reserve	4	6,689,477,685	6,699,420,709
Retained earnings	5	3,122,274,296	2,893,522,862
Liabilities			
Non-current Liability		15,374,186,823	14,469,418,738
Long term borrowings	6	14,166,685,289	13,375,182,257
Deferred tax liability	8	1,207,501,534	1,094,236,481
Current liabilities		8,906,495,454	7,314,250,725
Long term borrowings-current portion		1,769,682,056	1,997,367,081
Short term borrowings		4,949,721,596	3,993,660,017
Trade and other payables		1,631,507,354	1,198,790,266
Provision for expenses		371,852,598	1,161,873
Income tax provision		183,731,849	123,271,488
Total liabilities		24,280,682,277	21,783,669,463
Total equity and liabilities		37,569,931,960	34,854,110,736
Net Asset Value Per Share	12	75.57	74.31

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


Chief Financial Officer


Company Secretary


Chief Executive Officer


Director


Chairman

BASHUNDHARA PAPER MILLS LIMITED


Statement of profit or loss and other comprehensive income for the period ended 31 March 2023

	Notes	01-Jul-2022 to 31-Mar-2023	01-Jul-2021 to 31-Mar-2022	01-Jan-2023 to 31-Mar-2023	01-Jan-2022 to 31-Mar-2022
		Amount in Taka			
Revenue, net		10,075,956,630	8,472,188,017	3,515,119,309	3,069,206,442
Cost of sales		(8,073,507,033)	(6,852,719,719)	(2,905,317,915)	(2,602,992,939)
Gross profit		2,002,449,597	1,619,468,298	609,801,394	466,213,503
Other income		120,118,104	98,294,085	6,890,680	29,485,830
Administrative expenses		(325,725,647)	(260,541,754)	(100,392,605)	(77,659,394)
Selling & distribution expenses		(151,737,144)	(134,683,861)	(42,251,907)	(37,201,523)
Finance costs		(1,048,973,053)	(902,039,363)	(330,518,245)	(250,595,880)
Profit before distribution of WPP & WF		596,131,857	420,497,405	143,529,318	130,242,536
Workers' profit participation & welfare fund		(29,806,593)	(21,024,870)	(7,176,466)	(6,512,127)
Profit before tax		566,325,264	399,472,535	136,352,852	123,730,409
Income tax expenses	9	(173,725,414)	(140,716,834)	(48,306,135)	(46,254,722)
Current tax (expense)/income		(60,460,361)	(50,835,514)	(21,035,565)	(18,415,380)
Deferred tax (expense)/income		(113,265,053)	(89,881,320)	(27,270,570)	(27,839,342)
Profit after tax		392,599,851	258,755,700	88,046,717	77,475,686
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss		-	-	-	-
Total Comprehensive Income for the period		392,599,851	258,755,700	88,046,717	77,475,686
Earnings per share					
Basic earnings per share (per value of Tk. 10)	10	2.26	1.49	0.51	0.45

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


Chief Financial Officer


Company Secretary


Chief Executive Officer


Director


Chairman

BASHUNDHARA PAPER MILLS LIMITED

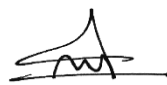
Statement of changes in equity for the period ended 31 March 2023

	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	Amount in Taka				
Balance as on 01 July 2021	1,737,914,410	1,739,583,292	2,053,172,481	2,581,504,791	8,112,174,974
Transfer to retained earnings	-	-	(14,814,358)	14,814,358	-
Payment of cash dividend	-	-	-	(208,549,729)	(208,549,729)
Total Comprehensive Income for the period	-	-	-	258,755,700	258,755,700
Balance as at 31 March 2022	1,737,914,410	1,739,583,292	2,038,358,123	2,646,525,120	8,162,380,946

Balance as at 01 July 2022	1,737,914,410	1,739,583,292	6,699,420,709	2,893,522,862	13,070,441,273
Transfer to retained earnings	-	-	(9,943,024)	9,943,024	-
Payment of cash dividend	-	-	-	(173,791,441)	(173,791,441)
Total Comprehensive Income for the period	-	-	-	392,599,851	392,599,851
Balance as at 31 March 2023	1,737,914,410	1,739,583,292	6,689,477,685	3,122,274,296	13,289,249,683



Chief Financial Officer



Company Secretary



Chief Executive Officer



Director



Chairman

BASHUNDHARA PAPER MILLS LIMITED**Statement of cash flows**

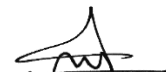
for the period ended 31 March 2023

	Notes	01-Jul-2022 to 31-Mar-2023	01-Jul-2021 to 31-Mar-2022
		Amount in Taka	
A) Cash flows from operating activities			
Receipts from customers		10,181,205,376	8,957,714,355
Receipts from other income		193,063,772	126,111,691
		10,374,269,148	9,083,826,046
Payment to suppliers, employees & others		(7,873,219,463)	(6,295,302,881)
Cash generated from operations		2,501,049,685	2,788,523,165
VAT paid		(589,796,925)	(510,438,155)
SD Paid		(38,983,806)	(32,295,978)
Income taxes paid		(69,859,126)	(67,222,253)
Bank charges and commission		(6,466,346)	(8,664,784)
Net cash (used in)/ generated by operating activities		1,795,943,483	2,169,901,996
B) Cash flows from investing activities			
Payments for property, plant and equipment		(500,168,142)	(843,313,736)
Payments for intangible assets		(3,537,187)	(400,000)
Adjustment/ transfer of intangible assets		-	(1,900,000)
Adjustment/ transfer for property, plant and equipment		(12,051,918)	265,040
Receipts/ transfer of capital work-in-progress		(1,548,465,297)	(655,556,617)
Net cash (used in)/ generated by investing activities		(2,064,222,544)	(1,500,905,313)
C) Cash flows from financing activities			
Received/ (repayment) of short term borrowings		956,061,579	1,456,031,883
Payments of Bank interest and other charges		(1,042,506,707)	(893,374,579)
Payments of dividends to owners of the company		(173,791,441)	(208,549,729)
Received/ (repayment) of lease liabilities		-	(199,404,078)
Received/ (repayment) of long term borrowings		563,818,008	(863,672,287)
Net cash (used in)/ generated by financing activities		303,581,439	(708,968,790)
D) Net increase in cash and cash equivalents (A+B+C)		35,302,378	(39,972,107)
E) Cash and cash equivalents at the beginning		412,937,636	416,398,153
F) Cash and cash equivalents at the end (D+E)		448,240,014	376,426,046
Net Operating Cash Flows per share	13	10.33	12.49

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



Chief Financial Officer



Company Secretary



Chief Executive Officer



Director



Chairman

Bashundhara Paper Mills Limited

Notes to the financial statements

As at and for the period ended 31 March 2023

		Amount in Taka	
01.00	SELECTED EXPLANATORY NOTES	31-Mar-23	30-Jun-22
	<p>These financial statements have been prepared in line with accounting policies as adopted in the preparation of financial statements for the period ended from 01 July 2022 to 31 March 2023. The basis of preparation and significant accounting policies governing the quarterly statutory reporting has not been changed from the last reporting date. Hence no policy related general notes are being provided for Q3, 2022-2023 financial statements. This interim financial report includes only those selected explanatory notes as were deemed appropriate for better understanding of unaudited financial statements. Certain figures for the Q3, 2021-2022 have been rearranged wherever considered necessary, to ensure better comparability with the current period's financial and to comply with relevant IASs, IFRSs and other applicable rules and regulations.</p>		
02.00	SHARE CAPITAL		
	<p>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:</p>		
	<u>Authorized share capital:</u>		
	500,000,000 nos. ordinary shares of Taka 10 each.	5,000,000,000	5,000,000,000
	<u>Issued, subscribed & paid up:</u>		
	173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.	1,737,914,410	1,737,914,410
	Total	1,737,914,410	1,737,914,410
02.01	Movement of share capital:		
	Opening balance	1,737,914,410	1,737,914,410
	Issuance of ordinary shares during the period	-	-
	Closing balance	1,737,914,410	1,737,914,410

02.02 Position of shareholding

02.02.1 Percentage of Shareholders

Name of shareholders	31-Mar-23		30-Jun-22	
	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	200,000	0.12%	8,203,000	4.72%
Mr. Sayem Sobhan	3,203,000	1.84%	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 Alam Bhuiyan	101,050,575	58.14%	101,050,575	58.14%
General public and institutions	39,044,666	22.47%	26,041,666	14.98%
Total	173,791,441	100%	173,791,441	100%

02.02.2 Classification of shareholder's by holding range

Holding range	No of Share holders		No of shares	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
1-500 shares	10,629	7,052	1,793,103	1,145,836
501 to 5,000 shares	5,303	2,656	8,999,098	4,848,491
5,001 to 10,000 shares	668	391	5,039,000	2,965,359
10,001 to 20,000 shares	334	219	4,808,709	3,100,981
20,001 to 30,000 shares	111	86	2,789,176	2,115,205
30,001 to 40,000 shares	56	36	1,971,537	1,244,086
40,001 to 50,000 shares	34	29	1,563,243	1,326,059
50,001 to 100,000 shares	56	35	4,203,420	2,559,279
100,001 to 1,000,000 shares	35	28	8,077,380	6,736,370
1,000,001 to 1,000,000,000 shares	6	7	134,546,775	147,749,775
Total	17,232	10,539	173,791,441	173,791,441

03.00 SHARE PREMIUM

Opening Balance
Add: Addition during the period
Less: Adjustment during the period
Closing Balance

Amount in Taka	
31-Mar-23	30-Jun-22
1,739,583,292	1,739,583,292
-	-
-	-
1,739,583,292	1,739,583,292

03.01 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.)

04.00 REVALUATION RESERVE

Opening Balance
Add: Addition during the year
Increase arising on revaluation of freehold land
Related tax
Less: Transferred to retained earnings
Depreciation on revaluation reserve
Deferred tax on revaluation reserve
Closing Balance

6,699,420,709	2,306,671,844
-	4,406,185,151
-	4,542,458,919
-	(136,273,768)
(9,943,024)	(13,436,286)
(12,428,780)	(16,795,358)
2,485,756	3,359,072
6,689,477,685	6,699,420,709

NOTE 14.01

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

05.00 RETAINED EARNINGS

Opening balance
Add: Profit attributable to the owners of the Company
Transferred from properties revaluation reserve
Less: Payment of dividend
Closing balance

2,893,522,862	2,580,788,166
392,599,851	507,848,139
9,943,024	13,436,286
(173,791,441)	(208,549,729)
3,122,274,296	2,893,522,862

06.00 LONG TERM BORROWINGS

Long term borrowings
Other Finance
Total Long Term borrowings
Less: Current portion of long term borrowings
Due after one year

15,150,370,050	14,520,511,661
785,997,295	835,884,312
15,936,367,345	15,356,395,973
(1,769,682,056)	(1,981,213,717)
14,166,685,289	13,375,182,257

07.00 LEASE LIABILITIES

Islamic Finance & Investment Ltd.
First Security Islami Bank Ltd.
Total lease liabilities
Less: Current portion of lease liabilities
Due after one year

-	16,153,364
-	-
-	16,153,364
-	(16,153,364)
-	-

		Amount in Taka	
08.00	DEFERRED TAX (ASSETS) / LIABILITIES	31-Mar-23	30-Jun-22
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		1,094,236,481	930,887,110
Provided during the period:		113,265,053	163,349,371
Deferred tax income		(32,021,742)	(110,462,244)
Deferred tax expense		145,286,794	380,301,667
Deferred tax income resulting from reduction in income tax rate		-	(106,490,052)
Adjustment made during the period		-	-
Closing balance		1,207,501,534	1,094,236,481

08.01	Temporary timing difference:	Accounting base	Tax base Carrying	Temporary
	As at March 31, 2023	Carrying Amount	Amount	Difference
	Property, Plant and equipment	15,995,620,363	(8,185,135,114)	7,810,485,249
	Right-of-use assets	8,575,074	(18,369,593)	(9,794,519)
	Intangible assets	155,624,232	(106,459,205)	49,165,028
	Pre-operating expenses	-	(48,734,357)	(48,734,357)
	Unused tax loss carry forward	-	(2,305,041,818)	(2,305,041,818)
	Difference for vehicle	-	(2,323,943)	(2,323,943)
	Net taxable temporary difference	16,159,819,669	(10,666,064,029)	5,493,755,640
	Applicable tax rate			20%
	Deferred tax liability-31 March 2023			1,098,751,128
	Deferred tax liability-30 June 2022			(985,486,075)
	Adjustment to opening deferred tax liability resulting from reduction in tax rate			-
	Deferred tax expense/ (income) for the period			113,265,053

	Accounting base	Tax base Carrying	Temporary
As at June 30, 2022	Carrying Amount	Amount	Difference
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
Less: 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

09.00 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:	60,460,361	50,835,514
Current tax expense in respect of the current period	60,460,361	50,835,514
Adjustments recognized in the current year in relation to the current tax of prior year's	-	-
b. Deferred tax expense/ (income):	113,265,053	89,881,320
Deferred tax expenses recognized in the period	113,265,053	89,881,320
Adjustments to deferred tax attributable to changes in tax rates and laws	-	-
c. Total income tax expense recognized in the current period (a+b)	173,725,414	140,716,834

09.01 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:

<i>Amount in Taka</i>	
2022-2023	2021-2022
Accounting profit for the period	566,325,264
Less: Share of profit of equity	399,472,535
	-
	566,325,264
Tax on accounting profits @ 20% (2021-2022 @ 22.5%)	399,472,535
	113,265,053
	89,881,320
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	-
	60,460,361
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	50,835,514
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	-
Effect of unused tax credits	-
	173,725,414
Adjustments recognized in the current year in relation to the current tax of prior years	140,716,834
	-
Income tax expense recognized in profit or loss	173,725,414
	140,716,834

10.00 EARNINGS PER SHARE (EPS)

10.01 Basic Earnings per Share:

Profit attributable to the Ordinary Shareholders	392,599,851	258,755,700
Weighted Average Number of shares	173,791,441	173,791,441
Basic Earnings Per Share	2.26	1.49

10.02 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.

10.03 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.

10.04 Total Number of Ordinary Share outstanding

Opening number of shares outstanding	173,791,441	173,791,441
Add: Ordinary shares issued during the period	-	-
Total	173,791,441	173,791,441

11.00 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:

11.01 Loans to/from related parties:

Name of related Companies	Relationship	Nature of transaction	31-Mar-23	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(1,111,817,361)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	171,078,846	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	(247,787,559)	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	230,625,661	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	12,220,000	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	11,641,274	Market Price
Bashundhara Multi Trading Ltd.	Sister Concern	Short term Loan	(393,481)	Market Price
Bashundhara Multi Steel Industries Ltd.	Sister Concern	Short term Loan	35,706,280	Market Price
Bashundhara Readymix & Construction Industries Ltd.	Sister Concern	Short term Loan	5,175,000	Market Price
Millennium Media Ltd.	Sister Concern	Short term Loan	49,300,000	Market Price

11.02 Compensation of key management personnel during the period as follows:

Short-term benefits

Post-employment benefits

Other long term benefits

Termination benefits

Total

Amount in Taka	
2022-2023	2021-2022
68,000,000	9,000,000
-	-
-	-
-	-
68,000,000	9,000,000

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

a) The amount of transaction	68,000,000	9,000,000
b) The amount of outstanding balance, including commitments, and:	(502,884,311)	(795,789,779)
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

		Amount in Taka	
12.00	NET ASSET VALUE (NAV) PER SHARE	2022-2023	2021-2022
	Total Assets	37,569,931,960	34,854,110,736
	Less: Intangible Assets	(155,624,232)	(156,255,465)
	Total Liabilities	(24,280,682,277)	(21,783,669,463)
	Net Asset Value (NAV)	13,133,625,452	12,914,185,808
	Weighted Average Number of Ordinary shares outstanding during the period	173,791,441	173,791,441
	Net Asset Value (NAV) Per Share (per value Tk. 10 each)	75.57	74.31
13.00	NET OPERATING CASH FLOW (NOCFPS) PER SHARE		
	Net Operating Cash Flows	1,795,943,483	2,169,901,996
	Weighted Average Number of Ordinary shares outstanding	173,791,441	173,791,441
	Net Operating Cash Flows per share (per value Tk. 10 each)	10.33	12.49
14.00	RECONCILIATION OF OPERATING CASH FLOW WITH NET PROFIT		
	Net Profit after tax	392,599,851	258,755,700
	Adjustment for:		
	Income tax expense recognized in profit and loss	173,725,414	140,716,834
	Workers' profit participation & welfare fund	29,806,593	21,024,870
	Amortization of intangible assets	4,168,420	4,799,580
	Depreciation of non-current assets	706,077,948	730,160,228
		1,306,378,226	1,155,457,213
	Adjustment for separate consideration		
	Finance cost recognized in profit and loss	1,042,506,707	893,374,579
	Movements in working capital:		
	(Increase)/decrease in inventories	(412,645,875)	245,424,271
	(Increase)/decrease in trade and other receivables	(450,586,316)	(29,390,188)
	(Increase)/decrease in advance, deposit and prepayment	(392,163,731)	(235,272,787)
	Increase/(decrease) in trade payables & other payables	401,622,873	(16,931,806)
	Increase/(decrease) in provision for expense	370,690,725	224,462,966
	Cash generated from operations	(483,082,324)	188,292,456
	Income taxes paid	(69,859,126)	(67,222,253)
	Net cash (used in)/ generated by operating activities	1,795,943,483	2,169,901,996

15.00 SIGNIFICANT DEVIATIONS AND OUTLOOK

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.

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.

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.

In the 3rd quarter of FY2022-23, economic activities continued to recover to a certain extent, assisted by efforts to prevent COVID-19's spread consistent with those activities. Meanwhile, uncertainties remained high over matters such as prolongation of the situation in Ukraine and steep rises in raw material and fuel prices, as well as exchange rate fluctuations that may result from the rapid depreciation of the taka.

Sharp rises in the prices of fuels, affected the Company significantly. Under these circumstances, the Company worked to improve productivity by maintaining production systems in line with demand trends in each business and, in term of sales, strived to revise product prices and expand sales of new products.

Demand for paper and hygiene products are expected to remain stable in the company's main market. The seasonal impact in demand for tissue and hygiene products may increase delivery volumes to some extent. The average prices of all products are expected to increase slightly. Revenue is increased by 18.93% during the 3rd quarter, 2022-2023 from the same period of 2021-2022. The Company has invested for diversified hygiene and toiletries portfolio in recent years. Capacity of production is increased significantly as well as price of products in 2022-2023.

Earnings per share (EPS):

Cumulative net profit after tax is increased same period of previous year. Increase in profit is driven by decent revenue growth during the period ended on 31 March 2023. Management of the Company has taken responsive business strategy as a result sales increased by 18.93% which resulting increase in earnings per share from Tk. 1.49 to TK. 2.26. 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 period of previous year.

Net Operating cash flow per share (NOCFPS):

Net Operating cash flow per share (NOCFPS) decreased from same period previous year because of increase in value of imported raw materials and decreased in collection of trade and other receivables.

16.00 EVENTS AFTER THE REPORTING PERIOD

The Board of Directors in its meeting held on 30 April 2023 approved for considering the 3rd quarter unaudited financial statements of the company for the period ended from 01 July 2022 to 31 March 2023 and authorised the same for issue.

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.

17.00 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT

- 17.01 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith:
- 17.02 Figures appearing in these accounts have been rounded off to the nearest taka;
- 17.03 Previous periods'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 period.