

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

“Investment in capital market involves certain degree of risks. The investors are required to read the prospectus and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

Public Offer of [*] Ordinary Shares

Issue Date of prospectus: [*]

Offer Price Tk. [*] Each Including a Premium of Tk. [*] Per Ordinary Share, Total Size of Fund to be Raised Tk. 2,000,000,000 (Taka Two Hundred Crore Only)

Opening date for subscription: [*]

Closing date for subscription: [*]

RED-HERRING PROSPECTUS

ISSUER



BASHUNDHARA PAPER MILLS LIMITED

CREDIT RATING STATUS

Particulars	Rating	Date of Rating	Validity of Rating
Entity	AA ₃	June 2, 2016	October 31, 2017
Long-Term Loan	AA ₃ (Lr)		October 31, 2017
Short-Term Loan	ST-3		expiry date of loan whichever is earlier
Rating Assigned By: Credit Rating Agency of Bangladesh Limited (CRAB)			

MANAGER TO THE ISSUE

PRELIMINARY INFORMATION AND DECLARATIONS

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Name & Address	Contact Person	Contact Address
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(ii) Declaration:

A person interested to get a prospectus may obtain from the issuer, and the issue manager(s)

(iii) Statement:

“If you have any query about this document, you may consult the issuer, issue manager and underwriter”

(iv) "CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE OR OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY, ISSUE MANAGER, ISSUE MANAGER'S CHIEF EXECUTIVE OFFICER, UNDERWRITERS, AUDITOR(S), VALUER AND/OR CREDIT RATING COMPANY (IF ANY)"

(v) 'Risks in relation to the First Issue'

This being the first issue of the issuer, there has been no formal market for the securities of the issuer. The face value of the securities is tk. 10.00 (ten) and the issue price is tk. [*], i.e. '[*] times' of the face value. The issue price has been determined and justified by the issuer and the issue manager or bidding by the eligible investors as stated under the paragraph on "justification of issue price" should not be taken to be indicative of the market price of the securities after listing. No assurance can be given regarding an active or sustained trading of the securities or the price after listing."

(vi) 'General Risk'

"Investment in securities involves a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offer. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended by the Bangladesh Securities and Exchange Commission (BSEC) nor does BSEC guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'risk factors' given on page number (181-191) "

(vii) 'BPML's Absolute Responsibility'

"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this red-herring prospectus or prospectus or information memorandum contains all material information with regard to the issuer and the issue, that the information contained in the red-herring prospectus or prospectus or information memorandum are true, fair and correct in all material aspects and are not misleading in any respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect."

AVAILABILITY OF PROSPECTUS

- (i) Names, addresses, telephone numbers, fax numbers, website addresses and e-mail addresses and names of contact persons of the institutions where the prospectus and abridged version of prospectus are available in hard and soft forms:

Name & Address	Contact Person	Contact Address
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Issue Manager		
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Prospectus is also available on the websites of Bashundhara Paper Mills limited (www.bashundharapapermill.com), AAA Finance & Investment Limited (www.aaafinancebd.com), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

(ii) Names and dates of newspaperw where abridged version of prospectus was published:

Date of Publication of Abridged Version of Prospectus: [•]

Sl. No.	Name	Date
Bengali Newspapers		
1	[*]	[*]
2	[*]	[*]
English Newspapers		
1	[*]	[*]
2	[*]	[*]

(iii) Definitions and Acronyms/Elaboration of the abbreviated words and technical terms used in the red-herring prospectus:

ACRONYM		ELABORATION
A		
AAA	:	AAA Finance & Investment Ltd.
AGM	:	Annual General Meeting
Allotment	:	Allotment of Shares to respective BO A/C
B		
BAS	:	Bangladesh Accounting Standard
BDT	:	Bangladeshi Taka
BFRS	:	Bangladesh Financial Reporting Standards
BO A/C	:	Beneficiary Owner Account or Depository Account
Book-Building Method	:	The process by which an issuer attempts to determine the price to offer it's securities based on demand from Eligible investors (EIs)
BPML	:	Bashundhara Paper Mills Ltd.
BSA	:	Bangladesh Standards of Auditing
BSEC	:	Bangladesh Securities and Exchange Commission
C		
CDBL	:	Central Depository Bangladesh Ltd.
CEO	:	Chief Executive Officer
CFO	:	Chief Financial Officer
CIB	:	Credit Information Bureau
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	Companies Act, 1994
Company	:	Bashundhara Paper Mills Limited
Corporate Office	:	Head Office of the Comapny
CRAB	:	Credit Rating Agency of Bangladesh Limited
CSE	:	Chittagong Stock Exchange Limited
Cut-Off Price	:	The lowest price offered by the bidders at which the EI portion of total issue could be exhausted
D		
DSE	:	Dhaka Stock Exchange Limited
E		

EIs	:	Eligible Investors
EMS	:	Express Mail Service
EPS	:	Earnings Per Share
ERP	:	Enterprise resource planning Software
Exchanges	:	Stock Exchanges
F		
FC Account	:	Foreign Currency Account
FY	:	Financial Year
I		
IAS	:	International Accounting Standards
IPO	:	Initial Public Offering
Issue	:	Public Issue
Issuer	:	Bashundhara Paper Mills Limited
Issue Manager	:	AAA Finance & Investment Limited
N		
NAV	:	Net Asset Value per share
NBR	:	National Board of Revenue
NRB	:	Non Resident Bangladeshi
O		
Offering Price	:	Price of the Securities of Bashundhara Paper Mills Limited Being Offered
R		
Registered Office	:	Plot # 125/A, Road#2, Block # A, Bashundhara R/A, Dhaka-1229
RJSC	:	Registrar of Joint Stock Companies & Firms
Rules	:	Bangladesh Securities & Exchange Commission (Public issue Rules), 2015
S		
SAP	:	Systems, Applications and Products Software
Securities	:	Shares of Bashundhara Paper Mills Limited
Sponsors	:	The Sponsor Shareholders of Bashundhara Paper Mills Limited
Stockholders	:	Shareholders
STD Account	:	Short Term Deposit Account
Subscription	:	Application Money
T		
Tk.	:	Bangladeshi Taka
V		
VAT	:	Value Added Tax
W		
WPPF	:	Workers Profit Participation Fund

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PART I
EXECUTIVE SUMMARY
a) About the Industry:
Current World Scenario:

The global production of paper and board increased—with two exceptions (1975 and 1982) continuously over the last few decades from 125 million tons in 1970 to 365 million tons in 2006.

It is projected that the market for paper and paper board will continue to grow globally at 2.3 percent per year until 2030, with particularly sharp increases in developing countries (due to increases in population, literacy rates, and quality of life) and a slight decline in the most advanced industrialized countries (due to advances in electronic communications).

Over the last three decades, the paper making has increased globally but have not yet reached production levels and the paper market needs more supplies.

Source:

FAO-STAT Forestry Database (<http://www.fao.org/corp/statistics/en/>)
www.assignmentpoint.com/business/organizational-behavior/assignment-on-pulp-and-paper-industry.html

Current Bangladesh Scenario:
Paper Industry:

Generally, all writing and printing are done on paper. Paper is also widely used as wrapping and packaging material as well. The significance of paper and paper products in modern life is obvious to everyone now a day.

In Bangladesh, the paper industry went into operation during late 1950s when the Karnaphuli Paper Mill (KPM) at Chandragona in Chittagong was established. Following that, Bangladesh's private sector paper mills started in early 1980s in Narayanganj as well. Gradually the private sector has taken over the paper sector in the country and are now producing 90-95% paper products used in Bangladesh.

However, at present, around 80 paper mills are operating throughout the country. They produce different grades of paper e.g., writing, printing, packaging, liner, media, simplex, duplex, board, newsprint, cigarette, etc. The major players of the industry are listed below-

Local private mills account for a market share of around Tk. 400 crore/ month; i.e. 60000 MT/Month which tends to around 5000 crores per year. Bashundhara Paper Mills Ltd possess around 30% market share at this moment.

Besides, around 40000 MT paper products are also imported in each month. Considering above circumstances we might conclude that the market size of paper products is around 8000 crores/ year.

Tissue Industry:

Per capita consumption of Tissues in Bangladesh is 145 gm.

Our tissue product contribution to GDP is 0.025%

Yearly growth rate is around 13% whereas global growth rate is 4.90%

(According to -Global tissue paper market 2012-2016 by researchmoz-)

Demand and Supply Gap:

According to the recent trend we believe the demand will cross 3200 MT within 1/2 years. In relation, we have taken initiatives to focus rural markets now a day. Our nationwide awareness development program through discussion session, meeting, and seminar is going on and we have included thousands of Imams, spiritual leaders, socially recognized and respected persons in such programs. As a result, we observed that awareness for using tissue products in the rural people is developing and people under these areas start using tissue products which definitely increases the demand.

Though our production capacity is around 2000 MT/ month but our factory always runs with 80% of its capacity. As a result we usually get 80-85% of our total requirement and due to shortage of production capacity we cannot meet the market demand. Thus short supply becomes common phenomenon now a day.

Moreover, we are going to start converting unit with 500MT production capacity in Kolkata by 2016 and another converting unit with more 500 MT production capacities by 2017 at Shiliguri, India. Jumbo rolls for such converting will be sent from our mother factory.

In 2013 we used to export around 700 MT in 23 countries of the world including England, Australia, Bahrain, Dubai, India etc. whereas our present export is around 100 MT/ month. Production shortage is one of the reasons behind the story. Considering more profit margins we have focused on domestic markets rather than export markets before.

But in response to continuous request from our overseas clients we have already planned to re-explore our export markets and believe that there is an opportunity to export around 1500 MT/ month which is almost double of the export in 2013.

Considering above circumstances we need to increase our production capacity by introducing more 4000 MT by 2016. In order to ensure market dominance there is no other alternatives but to increase such.

Marketing Overview:

Bangladesh is a Muslim country with a population of around 16 crores. Being a Muslim we have to observe 5 times prayer in a day. In order to observe our regular spiritual activities we need to be clean after urination all the time. People are using tissue products to perform such. Besides, our growing population, rapid urbanization are also playing roles to expand tissue markets.

Moreover, we have taken initiatives to create awareness as to increase the tissue uses. Our continuous effort will definitely explores new arenas for our tissue products.

At present we observed 2200 MT monthly requirement of tissue products for which our contribution is around 80% of total requirement. Our ceaseless efforts have already enabled us to grab more market shares in coming days.

Existing Market Segment:

Generally we can divide tissue markets into three following segments-

- i. Urban Markets
- ii. Semi- Urban Markets and
- iii. Rural Markets.

People under urban markets are frequently purchase all types of tissue products, mostly facial tissue, napkin and toilet tissues whereas people living in semi- urban areas use tissue products like napkin and toilet tissue. On the other hand toilet tissues are frequently sold in rural areas as well.

The reasons behind to enter into this business, what are the facilities of existing competitors:

As per observation, in Bangladesh tissue industry is growing due to increase population, changing lifestyles, developing awareness. For instance, our monthly sales were Tk. 20 lacs/ month during the beginning of year 2000 whereas our present monthly sale is around Tk. 30 crores. Besides, potential markets from rural areas are now exploring more than ever and around 70% people of the country live in such areas. From this point of view tissue industry will flourish more in coming days.

Low overhead cost is the most significant facility we observed among the competitors. Besides, competitors have minimum promotional expenditures as well. As a result they can introduce products at a lower price.

Source of Data: BPML own research intelligence wing.

b) About the Issuer:

Bashundhara Paper Mills Limited

Bashundhara Paper Mills Limited (BPML) is one of the major concerns of Bashundhara Group. The Company was incorporated in Bangladesh in 1993 as a private limited company under the Companies Act, 1913 having its registered office at Dhaka. It was converted in to public limited company in January 30, 1994. BPML started its commercial operation on March 01, 1997 as an import-substitute local paper manufacturing company. After that two companies of the Bashundhara Group of same nature namely **“Bashundhara Newsprint & Duplex Board Industries Limited”** (Former Shahjalal News Print Industries Ltd.) and **“Bashundhara Tissue Industries Limited”** (Former Freyschmidt Tissue Limited) amalgamated with BPML on October 10, 2009. After the amalgamation of all three companies carrying out its business as a single legal entity and operated three separate units as “Unit 1”, “Unit-2” and “Unit-3” for administrative purpose only. Presently the Authorized Capital of the Company is BDT 5000 Million and Paid-Up Capital stands at BDT 1477.49 Million. The factory of BPML is located at **Unit 1:** Meghnaghat, Baranagar, P/O: Newtown, Sonargaon, Narayangonj; **Unit 2:** Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj; **Unit 3:** Anurpura, Gazaria, Munshigonj. The company produces various kinds of papers, paper products, tissues, PP Woven bags and Sack bags in unit-1 and unit-2 located at Narayangon and produces various kinds of tissues in unit-3 located at Munshigonj. The total installed capacity for paper & tissue products is about 175,500 MT per annum and the total capacity for the bag section is about 120 Million pices per annum.

c) Financial Information:

Major financial information of BPML is as follows:

Particulars	Amount in BDT					
	June 30, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012	Dec 31, 2011
Authorized Capital	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Total Assets	18,908,848,938	18,087,815,959	17,078,550,518	16,352,157,284	14,674,489,788*	13,826,080,275
Retained Earnings	855,508,897	548,408,983	324,461,831	377,552,314	249,045,262	152,576,945*
Share capital	1,477,497,750	1,477,497,750	495,355,900	190,521,500	190,521,500	190,521,500
Share money deposit	-	-	982,141,850	982,141,850	1,333,174,750	1,333,174,750
Long term borrowing-current portion	1,122,530,545	1,202,736,694	1,355,503,553	1,559,098,772	506,588,995	409,461,681
Short term borrowing	7,353,006,858	6,522,946,320	7,011,870,577	6,256,819,864	6,526,347,929	4,327,520,130
Revenue	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Gross profit	1,029,117,481	1,802,630,212	1,790,011,312	1,711,985,736	1,634,031,268	1,571,897,198
Income tax provision	65,472,020	114,882,225	342,600,285	413,039,692	360,503,400	448,032,263
Profit after tax	316,578,047	264,672,844	218,122,716	97,070,738	65,003,068	104,942,921
EPS (Diluted)	2.14	3.63	2.99	0.66	0.44	0.71
EPS (Basic)	2.14	3.63	4.40	5.10	3.41	5.47*
NAV	30.49	60.88	37.60*	132.50	127.40*	142.63

*Restated Figure

d) Features of the issue and its objects:

Bashundhara Paper Mills Limited intends to issue [*] ordinary shares of Tk. 10.00 each at an issue price of Tk. [*] including a premium of Tk. [*] totaling BDT. 2,000,000,000 only through Initial public offering (IPO) subject to approval of concerned regulatory authorities.

Object of net proceeds from Initial Public Offering (IPO) will be used for expansion of business activities, purchases of machineries and repayment of long term loan.

e) Legal and other Information:

Bashundhara Paper Mills Limited was incorporated in Bangladesh on September 28, 1993 as a private limited company vide registration no.C-24705(539)/93 under the Companies Act, 1913 (VII of 1913) having its registered office at Dhaka. It was converted in to public limited company in January 30, 1994. Bashundhara Paper Mills Limited was amalgamated with two companies of same nature namely **"Bashundhara Newsprint & Duplex Board Industries Limited"** (Former Shahjalal News Print Industries Ltd.) and **"Bashundhara Tissue Industries Limited"** (Former Freyschmidt Tissue Limited) on October 10, 2009. The major legal informations are given below:

Certificate	Issuer/ Authority		Certificate/ License No.	Issue Date	Renewal date	Expiry Date
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Government of Bangladesh		C-24705(539)/93	28.10.1993	N/A	N/A
TIN Certificate	National Board of Revenue, Government of Bangladesh.		eTIN 169620580996	02.10.2013	N/A	N/A
VAT Certificate	Customs, Excise and VAT Commission rate, Government of Bangladesh.	Unit-1	21131000470	20.11.2012	N/A	N/A
		Unit-2	21131001353	26.11.2012	N/A	N/A
		Unit-3	19301000676	02.12.2012	N/A	N/A

Import Registration Certificate	Office of the Chief Controller of Export & Import, Government of Bangladesh	ব-133107	18.01.2003	16.07.2017	30.06.2018
Export Registration Certificate	Office of the Chief Controller of Export & Import, Government of Bangladesh	র-55752	05.08.2001	16.07.2017	30.06.2018
Trade License	Pirojpur Union Parishad, Sonargaon, Narayanganj	০২, ১৫৯	24.07.2017, 01.07.2017	01.07.2017	30.06.2018
	4 No. Bhaberchar Union Parishad	05/2017-18	30.07.2017	01.07.2017	30.06.2018
	Dhaka City Corporation	05-04875	29.08.2013	12.07.2017	30.06.2018
Environment Clearance Certificate	Environment Bureau Narayanganj Zilla	নং- 22.02.6700.140.7 2.053.15-278	31.07.2017	22.11.2016	22.11.2017
Fire License	Fire Services and Civil Defense, Government of Bangladesh	Dhaka-10750/98	03.05.1998	30.06.2017	30.06.2018
		Dhaka-14277/2001	04.09.2001	30.06.2017	30.06.2018
		Dhaka-13121/2000	22.02.2011	30.06.2017	30.06.2018
Board of Investment Certificate	Board of Investment, Government of Bangladesh	9810045-H	20.10.1994	N/A	N/A
DCCI Certificate	Dhaka Chambers of Commerce	02392	03.02.2014	05.01.2017	31.12.2017
Acid Usage License	Ministry of Home Affairs	13/2013-2014	27.04.2014	30.06.2017	30.06.2018
BERC License	Bangladesh Energy Regulatory Commission	BERC/POWER/CP P-0281/L/0283 (Part-1)/0577	02.02.2016	15.05.2016	15.05.2018
Factory Inspection License	Dy Chief Inspector of Factories	10407/নাগগঞ্জ	08.08.1999	03.01.2016	31.12.2017
	Dy Chief Inspector of Factories	9832/ঢাকা	12.03.1997	03.01.2016	31.12.2017
	Dy Chief Inspector of Factories	10340/নাগগঞ্জ	09.05.1999	13.01.2016	31.12.2017
Boiler Certificate	Office of the Chief Inspector of Boilers				
	Unit-1	বাং বং ১২৫৬, বাং বং ৬৪৭৭, বাং বং ৬৪৭৬, বাং বং ৮৬২৮	13.03.2016, 14.06.2015, 14.06.2015, 08.06.2016	02.09.2017, 25.07.2017, 25.07.2017, 25.07.2017	19.11.2017, 24.01.2018, 24.01.2018, 24.01.2018
	Unit-2	বাং বং ২৮৬০	04.04.2016	13.04.2017	12.04.2018
	Unit-3	বাং বং ৬৬০৫, বাং বং ৬৬০৬, বাং বং ১৯১৬, বাং বং ৩৯৫০, বাং বং ৭২৪৩, বাং বং ৭২৪৪, বাং বং ৯২৫৭	07.04.2015, 07.04.2015, 18.05.2016, 18.05.2016, 19.10.2016, 19.10.2016, 30.03.2017	30.11.2016, 30.11.2016, 26.02.2017, 22.02.2017, 28.05.2017, 28.05.2017, 28.03.2017	29.10.2017, 29.10.2017, 25.01.2018, 21.01.2018, 27.05.2018, 27.05.2018, 27.03.2018
BSTI	Bangladesh Standards and Testing Institution	3639		26.12.2016	30.06.2018
ISO	International Organization for Standardization	QCSMPL/INT/E/J / 498-R	July 07, 2015	N/A	07.07.2018
Forest Stewardship Council-FSC Certificate	Forest Stewardship Council® RINA Services SpA, Via Corsica 12-16128 Genova Italy	RINA-COC-000101	March 23, 2016	N/A	22.03.2021

f) Promoters' background:

Mr. Ahmed Akbar Sobhan

Mr. Ahmed Akbar Sobhan is the founder of Bashundhara Group, which is currently operating in various lines of business activities including real estate, cement manufacturing, paper and allied products, steel products, LP gas as well as in local and international trading. Bashundhara Group started its operation with a real estate venture and now emerged as one of the biggest industrial and commercial conglomerates in the country. Dynamism, leadership, commitment, sincerity, vision and farsightedness of Mr. Ahmed have placed the group in such an ideal position.

Mr. Ahmed was selected as Commercially Important Person (CIP) by the Government of the People's Republic of Bangladesh for the year 2000-2001. Presently associated with the following organizations:

- Mission Chief, Honorary Consul of Ukraine to People's Republic of Bangladesh;
- President, Bangladesh Land Developers Association;
- Member of Bangladesh Paper Mills Association (BPMA);
- Member of Bangladesh Cement Manufacturers Association (BCMA);
- Member of General Body of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Dhaka Chamber of Commerce and Industry (DCCI), International Chambers of Commerce (ICC);
- Member of Real Estate and Housing Association (REHAB).

Mr. Ahmed Akbar Sobhan received following accolades in recognition of his excellent business performance and remarkable contributions in socio-economic fields:

- Best Client Award of Agrani Bank Ltd. in 2010;
- Bangladesh Cultural Foundation Award in 2009;
- Janata Bank Prime Customer Award in 2002;
- USA Summit International Award in 2002;
- President Gold Medal in 1994;
- Moulana Bhasani National Award 1993– Awarded by Moulana Bhasani Jatio Srimiti Parishad for outstanding Contribution in the housing sector;
- Kazi Nazrul Islam Medal in 1992.

Mrs. Afroza Begum

Mrs. Afroza Begum completed her graduation from University of Dhaka. She has significant contribution towards development of human resources of Bashundhara Group as well as Bashundhara Paper Mills Limited restructuring of the organization for achieving optimum level of efficiency.

Mr. Sadat Sobhan

Mr. Sadat Sobhan served about a decade as the Managing Director of the Company. He completed his Graduation in science from Huron University, London. Mr. Sadat Sobhan is member of Dhaka Chamber of Commerce and Industries, Metropolitan Chamber of Commerce and Industries as well as SAARC Chamber of Commerce and Industries.

Mr. Sadat Sobhan was selected as Commercially Important Person (CIP) by the Government of the Peoples Republic of Bangladesh for the year 2000-2001.

Mr. Shafiat Sobhan

Mr. Shafiat Sobhan completed his graduation from UK. After completion of his studies in UK, Mr. Shafiat Sobhan started his business career with the undertaking of responsibility in Bashundhara Group as its chief organizer and coordinator particularly in the fields of human resource development and planning and implementation of various expansion schemes.

Mr. Shafiat Sobhan was selected as Commercially Important Person (CIP) by the Government of the Peoples Republic of Bangladesh for the year 2000-2001. He is also member of Dhaka Chamber of Commerce and Industries.

Mr. Sayem Sobhan

Mr. Sayem Sobhan completed his Bachelor in Business Administration from UK. After completion of his studies in UK, Mr. Sayem Sobhan started his business career with Bashundhara Group. He has significant contribution towards development of human resources of Bashundhara Group as well as restructuring of the organization for achieving optimum level of efficiency.

Mr. Safwan Sobhan

Mr. Safwan Sobhan is a young enterprising entrepreneur. He had his schooling in Oxfordshire in UK and had completed his bachelor's degree in Business Administration from American Intercontinental University, USA. He established various corporate houses at home and abroad and earned laurels for his leadership qualities.

Mr. Safwan was appointed in the Board in 2005. Since his appointment as a Director he has been contributing actively in the overall planning, strategy formulation, HRM, decision making process of this Company and the Bashundhara Group as well. His specialization in the time management, branding of products promotion, troubleshooting and crisis management brought very positive result in the Group. Mr. Safwan is the Chairman of the Board of Trustees of Bashundhara Paper Mills Limited – Staff Provident Fund and Workers' Profit Participatory Fund. He is also a Trustee of the Bashundhara Foundation. At present he is performing his responsibility as the Managing Director of this Company. He is also the Vice –Chairman of the largest business conglomerate in this country i.e. Bashundhara Group.

Mr. Safwan acted as the Chairman of the Editorial Board of The Daily Sun and Bangladesh Pratidin and the online news portal BDnews24.com.

Mr. Safwan Sobhan is a keen sportsman and involved in the activities to promote the sports activities in this country. He is one of the patrons of the Army Golf Club, Dhaka and a Member of the Dhaka Club Limited.

g) Capital structure and history of capital raising:

CAPITAL STRUCTURE

Particulars	Type of Securities	Numbers of Securities	Amount in Taka
Authorized Capital	Ordinary	500,000,000	5,000,000,000
Issued, Subscribed and Paid up capital	Ordinary	147,749,775	1,477,497,750
Total Paid-up Capital Before IPO [A]	Ordinary	147,749,775	1,477,497,750
Proposed Initial Public Offering (IPO) through book building method [B]	Ordinary	[*]	[*]
Total Paid-up Capital after IPO [A+b]	Ordinary	[*]	[*]

N.B: Data represented by [*] will be incorporated after determination of cut-off price.

HISTORY OF CAPITAL RAISING:

Particulars of Allotment	Date of Allotment	Mode of Allotment & Numbers of Shares Allotted			Nominal Price (BDT)	Amount of Share Capital (BDT)
		Cash	Other than Cash	Bonus Issue		
1st Allotment: Memorandum	28.09.1993	100,000	-	-	10	1,000,000
2nd Allotment: Cash	15.09.1997	8,922,150	-	-	10	89,221,500
3rd Allotment: Amalgamation	10.10.2009	-	10,030,000	-	10	100,300,000

4th Allotment: Bonus Issue	25.02.2015	-	-	30,483,440	10	304,834,400
5th Allotment: Cash	12.08.2015	98,214,185	-	-	10	982,141,850
Total:		107,236,335	10,030,000	30,483,440		1,477,497,750

h) Summary of Valuation Report of securities:

Sl. No.	Valuation Methods	Fair Value (BDT)
Method -01	Net Asset Value (NAV) at historical or Current costs (With Revaluation Reserve)	30.49
	Net Asset Value (NAV) at historical or Current costs (Without Revaluation Reserve)	15.79
Method -02	Historical Earnings based value per share	22.38
Method-03	Yearly Average market price of Similar Stocks	49.06
Method -04	P/BV Multiple of Similar Stocks Based Valuation	53.05

The detailed valuation workings of the above-mentioned methods are furnished under the head of "Valuation Report of securities prepared by the Issue Manager" in this prospectus at page no. 172-174

PART II	CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER
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Disclosure in respect of issuance of security in Dematerialized Form:

As per provisions of the Depository Act, 1999 and regulations made there under, share of the Company will be issued in dematerialized form only and for this purpose Bashundhara Paper Mills Limited will sign an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers, transmissions, splitting or conversions will take place on the CDBL system and any further issuance of shares (including rights and bonus) will also be issued in dematerialized form only.

CONDITIONS IMPOSED BY COMMISSION UNDER RULE 4(2) OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2015

(a) Conducting Road show and submission of application:	
(i)	The issuer/issue manager shall send invitation to the eligible investors, both in writing and through publication in at least 5 (five) widely circulated national dailies, giving at least 10 (ten) working days' time, to the road show indicating time and venue of such event. The invitation letter shall accompany a red-herring Information Memorandum containing all relevant information covering the proposed size of the issue and at least 3 (three) years audited financial statements and valuation report, prepared by the issue manager without mentioning any indicative price, as per internationally accepted valuation methods. The red-herring Information Memorandum shall be prepared without mentioning the issue price or number of securities to be offered
(ii)	Representatives from the exchanges shall present in the road show as observers
(iii)	Eligible investors shall submit their comments and observations, if any, to the issuer or issue manager within 03(three) working days of the road show
(iv)	After completion of the road show, the red-herring Information Memorandum shall be finalized on the basis of comments and observations of the EIs participated in the road show. The valuation report as finalized must be included in the red-herring Information Memorandum including detail about the qualitative, quantitative factors and methods of valuation
(v)	The application along with the red-herring Information Memorandum and required documents shall be simultaneously submitted to the Commission and the exchanges as per rule.
(b) Consent for bidding to determine the cut-off price: After examination of the red-herring prospectus and relevant documents, the Commission, if satisfied, shall issue consent to commence bidding by the eligible investors for determination of the cut-off price.	
(c) Determination of the cut-off price:	
(i)	Eligible investors shall participate in the electronic bidding and submit their intended quantity and price: Provided that any connected person or related party of the issuer, issue manager or registrar to the issue shall not be eligible to participate in the bidding;
(ii)	No eligible investor shall quote for more than 2% (two percent) of the total amount offered against their respective quota;
(iii)	Eligible investors' bidding shall be opened for 72 (seventy two) hours round the clock;
(iv)	The bidding shall be conducted through an uniform and integrated automated system of the Exchange(s), especially developed for public issue subscription;
(v)	The value of bid at different prices will be displayed on the screen without identifying the bidders
(vi)	The bidders shall deposit at least 20% (twenty percent) of the bid amount in advance in the designated bank account maintained by the exchange conducting the bidding;
(vii)	The bidders can revise their bids for once, within the bidding period, up to 10% (ten percent) variation of their first bid price;
(viii)	After completion of the bidding period, the cut-off price will be determined at nearest integer of the lowest bid price at which the total securities offered to eligible investors would be exhausted

(ix)	All the eligible investors participating in the bidding shall be offered to subscribe the securities at the cut-off price. It is mandatory for EIs bidding at or above the cutoff price to subscribe up to their intended quantity but optional for EIs bidding below the cut-off price;
(x)	The EIs excluding mutual funds and CIS shall be allotted securities on pro-rata basis at the cut-off price. Mutual funds and CIS shall be allotted securities reserved for them on pro-rata basis;
(xi)	The securities shall be offered to general public for subscription at an issue price to be fixed at 10% discount (at nearest integer) from the cut-off price;
(xii)	The issuer and the issue manager shall prepare the draft Information Memorandum including the status of bidding, cut-off price, list of eligible investors with number of securities subscribed for, price and number of securities for offering to the general public and submit with relevant documents, simultaneously to the Commission and the exchanges within 5 (five) working days from the closing day of bidding.

(d) Subscription by the eligible investors:

(i)	After examination of the draft red-herring prospectus and relevant documents, the Commission, if satisfied, shall issue consent for raising of capital from the general public and approve the Information Memorandum;
(ii)	<p>The balance amount of subscription shall be paid by the eligible investors prior to the date of opening of subscription to the general public. Provided that in case of failure to deposit the remaining amount by the eligible investors, advance bid money deposited by them shall be forfeited by the Commission and the unsubscribed securities shall be taken up by the underwriters.</p> <p>Provided that in case of failure to deposit the remaining amount by the eligible investors, advance bid money deposited by them shall be forfeited by the Commission and the unsubscribed securities shall be taken up by the underwriters.</p>

Lock-in:

Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

(1)	All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03 (three) years;
(2)	In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years;
(3)	Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months;
(4)	All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year;
(5)	<p>All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in subrules (1), (2) and (3) above, for 01 (one) year;</p> <p>Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above;</p>

ELIGIBLE INVESTOR OF EI PARTICIPATING IN PRICE DISCOVERY PROCESS FOR DETERMINING CUT-OFF PRICE

As per Rule 2(e) of Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 the price discovery process for determining cut-off price of security will involve the following Eligible investors registered with or approved by the Commission in this regard:

1. Merchant Bankers and Portfolio Managers;	2. Asset Management Companies; Insurance Companies;
3. Mutual Funds and Collective Investment Scheme (CIS) ;	4. Stock Dealers;
5. Banks;	6. Financial Institutions;
7. Insurance Companies;	8. Alternative Investment Fund Managers;
9. Alternative Investment Funds;	10. Foreign Investors having account with any Securities Custodian Custodian registered with the Commission;
11. Recognized Provident Funds, Approved Pension Funds and Approved Gratuity Funds; and	12. Other Institutions as approved by the Commission;

**PART
III**
DECLARATION AND DUE DILIGENCE CERTIFICATES
Annexure-A
Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the red-herring prospectus
[Rule 4 (1) (d)]

This red-herring prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this red-herring prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Ahmed Akbar Sobhan
Chairman

Sd/-
Safwan Sobhan
Managing Director

Sd/-
East West Property Development (Pvt.) Ltd.
Director
Represented By:
Md. Nazmul Alam Bhuiyan

Sd/-
Md. Imrul Hassan
Director

Sd/-
Mr. Zeaur Rahman
Independent Director

Sd/-
Mr. Khawaja Ahmedur Rahman
Independent Director

Date: January 01, 2017

Annexure-B

Due diligence certificate by Issue Manager(s) in the red-herring prospectus

[Rule 4 (1) (d)]

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 200.00 Crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the issue manager(s) to the above-mentioned forthcoming issue, state and confirm as follows:

- (1) We have examined all the documents submitted with the application for the above mentioned public issue, visited the premises of the issuer and interviewed the Chairperson, Directors and key management personnel of the issuer in connection with the finalization of the red-herring prospectus pertaining to the said issue;
- (2) On the basis of such examination and the discussions with the directors, officers and auditors of the issuer, other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT:

- (a) The red-herring prospectus filed with the Commission is in conformity with the documents, materials and papers relevant to the issue;
- (b) All the legal requirements relating to the issue as also in the rules, notification, guidelines, instructions, etc. framed/issued by the Commission, other competent authorities in this behalf and the Government have been duly complied with;
- (c) The disclosures made in red-herring prospectus true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 1994, the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and other applicable laws;
- (d) Besides ourselves, all the intermediaries named in the red-herring prospectus are registered with the Commission and that till date such registrations are valid;
- (e) We have satisfied ourselves about the capability of the underwriters to fulfill their underwriting commitments;
- (f) The proposed activities of the issuer for which the funds are being raised in the present issue fall within the 'main objects' listed in the object clause of the Memorandum of Association or other charter of the issuer and that the activities which have been carried out till now are valid in terms of the object clause of its Memorandum of Association;
- (g) Necessary arrangements have been made to ensure that the moneys to be received pursuant to the issue shall be kept in a separate bank account and shall be used for the purposes disclosed in the use of proceeds section of the red-herring prospectus;
- (h) All the applicable disclosures mandated in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 have been made in addition to other disclosures

which, in our view, are fair and adequate to enable the investor to make a well informed decision;

- (i) We enclose a note explaining how the process of due diligence has been exercised by us in view of the nature of current business background or the issuer, situation at which the proposed business stands, the risk factors, sponsors experiences etc. We also confirm that the due diligence related process, documents and approval memos shall be kept in record by us for the next 5 (five) years after the IPO for any further inspection by the Commission;
- (j) We enclose a checklist confirming rule-wise compliance with the applicable provisions of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 containing details such as the rule number, its text, the status of compliance, page numbers of the red-herring prospectus where the rules has been complied with and our comments, if any;
- (k) We also declare that we have managed the public issue of following issuers in the last 05 (five) years:

Sl. No.	Name of the Issue	Issue Month/Year	Issue Price (Tk.)	Dividend Payment History (Year Wise)				
				2012	2013	2014	2015	2016
1	Zahintex Industries Ltd.	08-08-2011	25	10 % B	15% B	10% B	10% B 5% C	8% B 7% C
2	GPH Ispat Ltd.	13-12-2011	30	20% B	10% B	5% B	17% C	12% C
3	Shahjibazar Power Co. Ltd.	18-02-2014	25	N/A	N/A	5% B 25% C	3% B 28% C	3%B 30%C
N. B. 'B' indicates Bonus share or Stock Dividend and 'C' indicates Cash Dividend								

Place: Dhaka
Date: 24-07-2016

SD/-
Mohammad Obaydur Rahman, FCS
Managing Director
AAA Finance & Investment Ltd.

Annexure-C

**Due diligence certificate by the underwriter(s)
[Rule 4 (1) (d)]**

AAA Finance & Investment Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 200.00 Crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 25 Crore (Twenty five crore) and we have the capacity to underwrite a total amount of Tk. 125 Crore (One hundred twenty five crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 5 Crore (Five crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:
(Name of issue and amount underwritten)

SL.	Name of the Company	Nature of Issue	Amount Underwritten (Tk.)
1.	AB Bank Limited	Rights	300,000,000
2.	Saif Powertec Limited	Rights	19,999,995
Total:			319,999,995

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

SD/-

Mohammad Obaydur Rahman, FCS

Managing Director

AAA Finance & Investment Limited

Place: Dhaka

Date: 24-07-2016

AFC Capital Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 2,000,000, 000.00 by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 130,000,000,000.00 (Thirteen Crore only) and we have the capacity to underwrite a total amount of Tk. 650,000,000.00 (Sixty-Five Crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Ananda Shipyard & Slipways Limited	3,599,200
2	Nurani Dyeing & Sweater Limited	75,250,000
3	Fortune Shoes Limited	35,000,000
4	STS Holdings Limited	60,800,000
5	Intraco Refueling Station Limited	20,000,000
Total		194,649,200

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mohbub H. Mazumdar FCMA

Chief Executive

AFC Capital Limited

Place: Dhaka

Date: July 17, 2016

EBL Investments Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 2,000,000,000.00 by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 300,000,000.00 (Three Hundred million only) and we have the capacity to underwrite a total amount of Tk. 1500,000,000.00 (Fifteen Hundred Million) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Fifty Million) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Fortune Shoes Limited	14,000,000
2	Supreme Seed Company Ltd.	22,000,000
3	Pacific Denims Limited	75,000,000
4	SBS Cables Ltd.	41,922,000
5	ADN Telecom Ltd.	38,700,000
6	IDLC Finance Limited	50,000,000
7	The ACME Laboratories Ltd.	40,960,000
8	Silco Pharmaceuticals Limited	26,250,000
9	STS Holdings Limited	20,000,000
10	Dhaka Regency Hotel and Resort Limited	21,000,000
11	Intraco Refueling Stations Limited	30,000,000
12	Nurani Nurani Dyeing and Sweater Ltd.	75,250,000
Total		455,082,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Moinul Hossain Asif

Managing Director

Date: 16 July 2016

Citizen Securities & Investment Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of Ordinary Shares issuing with premium totaling Tk. 200.00 crore by
Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,275,000.00 (Twenty Five Crore Two lac Seventy Five Thousand Only) and we have the capacity to underwrite a total amount of Tk. 1,251,375,000.00 (One Hundred Twenty Five Crore Thirteen Lac & Seventy Five Thousand only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL. No.	Name of the Company	Amount Underwritten (Tk.)
1	Hemple Rhee Mfg Co, (BD) Ltd.	70,000,000.00
2	IDLC Finance Limited	30,000,000.00
3	BANGAS Limited	32,944,720.00
4	BD. Thai Limited	283,350,280.00
5	VFS Thread Dyeing Limited	17,000,000.00
6	IFCO Garments & Textiles Ltd.	17,500,000.00
7	Silco Pharmaceuticals Limited	26,250,000.00
8	Bashundhara Paper Mills Limited.	50,000,000.00
	Total	527,045,000.00

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Tahid Ahmed Chowdhury, FCCA
 Managing Director & CEO

Place: Dhaka

Date: July 17, 2016

BMSL Investment Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of Ordinary Shares issuing with premium totaling to Tk. 200.00 crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 42,00,00,000.00 (Forty two crore only) and we have the capacity to underwrite a total amount of Tk. 210,00,00,000 (Two Hundred Ten Crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 2,80,00,000.00 (Two crore Eighty Lac Only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL	Name of the Company	Amount Underwritten (Tk.)
1	Ananda Shipyard & Slipways Limited	18,180,000.00
2	Dhaka Regency Hotel and Resort Limited	25,000,000.00
3	MP Spinning Mills Ltd.	40,000,000.00
4	Hemple Rhee Manufacturing Co. (BD)	14,000,000.00
5	Summit Shipping Ltd.	52,500,000.00
6	Karim Spinning Mills Ltd.	75,000,000.00
7	Summit Uttraranchol Power Co. Ltd.	12,000,000.00
8	Metrocem Cement Limited	100,000,000.00
9	IDLC Finance Limited (right Issue)	50,000,000.00
10	Yeakin Polymer Limited	28,000,000.00
11	Bashundhara Paper Mills Limited	50,000,000.00
Total		464,680,000

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Sumon Chandra Modak

Managing Director (CC)

Place: Dhaka

Date: 17 July, 2016

LankaBangla Finance Investments Limited

To
The Bangladesh Securities and Exchange Commission

Sub: PUBLIC OFFER OF [•] ORDINARY SHARES OF TK. 2000,000,000/- OF BASHUNDHARA PAPER MILLS LIMITED

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **Tk. 1,670,000,000.00** (Taka One Hundred Sixty Seven Crore only) and we have the capacity to underwrite a total amount of **Tk. 8,350,000,000.00** (Taka Eight Hundred Thirty Five Crore only) as per relevant legal requirements. We have committed to underwrite for up to **50,000,000.00** (Taka Five Crore only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

SL	Name of the Company	Amount Underwritten (Tk.)
1	Pacific Denims Limited	37,500,000.00
2	IDLC Finance Limited (Rights Issue)	70,000,000.00
3	VFS Thread Dyeing Limited	20,000,000.00
4	IFCO Garments & Textiles Limited	17,500,000.00
5	STS Holdings Limited	60,800,000.00
6	aamra networks limited	78,750,000.00
7	Dhaka Regency Hotel and Resort Limited	52,500,000.00
8	AB Bank Limited (Rights Issue)	800,000,000.00
9	IFIC Bank Limited (Rights Issue)	500,000,000.00
10	Aman Cotton Fibrous Limited	20,000,000.00
11	Bengal Poly And Paper Sack Limited	10,000,000.00
12	Delta Hospital Limited	8,000,000.00
13	Runner Automobiles Limited	15,000,000.00
Total		1,690,050,000.00

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khandakar Kayes Hasan, CFA

Chief Executive Officer

Place: Dhaka

Date: November 6, 2016

UNICAP Investments Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of Ordinary Shares issuing with premium totaling of Tk. 2,000,000, 000 by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000,000.00 (Taka twenty five Crore) only and we have the capacity to underwrite a total amount of Tk. 1,250,000,000.00 (Taka One Hundred and twenty five crore) only as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Taka Five Crore) only for the upcoming issue.
- b) At present, no underwriting obligations are pending for us;
- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Tauhidul Ashraf FCS

Managing Director (Current Charge)

Dhaka, 17 July 2016

Sonali Investment Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] ordinary shares of Tk. 2,000,000, 000.00 by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2000,000,000,000.00 (Two hundred crore only) and we have the capacity to underwrite a total amount of Tk. 10,000,000,000 (one thousand crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Taka five crore) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Express Insurance Limited	50,000,000.00
Total		50,000,000.00

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

(Suruj Kumar Saha)

Chief Executive Officer (In Charge)

Sonali Investment Limited

Place: Dhaka

Date: July 17, 2016

Southeast Bank Capital Services Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of Ordinary Shares issuing with premium totaling Tk. 200.00 crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,00,00,000 (Two hundred and fifty crore) only and we have the capacity to underwrite a total amount of Tk. 1250,00,00,000 as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Express Insurance Limited	5,73,25,000
2	IDLC Finance Limited	3,00,00,000
3	Amulet Pharmaceuticals Limited	2,00,00,000
4	Dhaka Regency Hotel Limited	2,50,00,000
Total		13,23,25,000

- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mohammad Shahjahan

Managing Director (CC)

Place : Dhaka

Date: July 18, 2016

MTB Capital Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of Ordinary Shares issuing with premium totaling Tk. 200.00 crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,000,000.00 (Taka twenty five crore) and we have the capacity to underwrite a total amount of Tk. 1,250, 000,000(Taka one hundred twenty five crore) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Taka five crore) only for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us:

SL.	Name of the issue	Amount underwritten (Tk.)
1	Summit Shipping Limited	52,500,000.00
2	SBS Cables Limited	13,600,000.00
3	Madina Limited	78,375,000.00
4	IDLC	50,000,000.00
5	Oimex Electrode Limited	35,000,000.00
6	Pacific Denims Limited	56,250,000.00
7	Silco Pharmaceuticals Limited	26,250,000.00
Total		311,975,000.00

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Khairul Basher Abu Taher Mohammed

Chief Executive Officer & EVP

MTB Capital Limited

Date: July 17, 2016

BD Finance Capital Holdings Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of Ordinary Shares issuing with premium totaling Tk. 200.00 crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at **Tk. 26,87,50,000/-** (Taka Twenty Six Crore Eighty Seven Lac Fifty Thousand only) and we have the capacity to underwrite a total amount of **Tk. 134,37,50,000.00** (Taka One Hundred Thirty Four Crore Thirty Seven Lac Fifty Thousand only) as per relevant legal requirements. We have committed to underwrite for up to **Tk. 50,000,000.00** (Taka Five Crore only) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us: No pending (Name of issue and amount underwritten)
- c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter(s):

Sd/-

Barun Prasad Paul

Managing Director (CC)

BD Finance Capital Holdings Ltd.

Date: July 16, 2016

Prime Finance Capital Management Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares issuing with premium totaling Tk. 200.00 crore by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 2,032,800,000.00 (Two Billion Thirty Two Million Eight Hundred Thousand only) and we have the capacity to underwrite a total amount of Tk. 10,068,719,220.00 (Ten Billion Sixty Eight Million Seven Hundred Nineteen Thousand Two Hundred & Twenty Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore) for the upcoming issue.
- b) At present, the following underwriting obligations are pending for us:

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Royal Denims Limited	5,500,000
2	M.L. Dyeing Limited	100,000,000
3	Rupsha Fish & Allied Industries Limited	25,000,000
4	GQ Ball Pen Industries Ltd. (Rights Issue)	50,100,000
5	Care Specialized Hospital and Research Centre Ltd.	75,900,000
6	IDLC Finance Limited (Rights Issue)	70,000,000
7	Bangas Limited (Rights Issue)	131,778,890
8	Bangladesh Thai Aluminium Limited (Rights Issue)	10,000,000
9	VFS Thread Limited	40,000,000
10	IFCO Garments Limited	17,500,000
11	Dhaka Regency Hotel and Resort Limited	10,500,000
Total		536,278,890

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

M. Mosharraf Hossain FCA, PhD

Managing Director & CEO

Prime Finance Capital Management Limited

Place : Dhaka

Date: July 17, 2016

Swadesh Investment Management Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Offer of Ordinary Shares issuing with premium totaling Tk. 200.00 crore of Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

- (1) We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
- (2) On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- (a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 450,000,000.00 (Forty Five Crore only) and we have the capacity to underwrite a total amount of Tk. 2,250,000,000.00 (Two Hundred Twenty five crore only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore only) for the upcoming issue.
- (b) At present, the following underwriting obligations are pending for us: (Name of issue and amount underwritten)

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Ananda Shipyard & Slipways Limited	13,636,000.00
2	Rupsha Fish & Allied Industries Limited	25,000,000.00
3	Intraco Refueling Station Limited	20,000,000.00
	Total	58,636,000

- (c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;
- (d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- (e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Mamun Ahmed
 Managing Director

Place: Dhaka

Date: July 16, 2016

FAS Capital Management Limited

To
The Bangladesh Securities and Exchange Commission

Sub: Public Issue of [*] Ordinary Shares of Tk. 2,000,000, 000.00 by Bashundhara Paper Mills Limited.

Dear Sir,

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination and the discussions with the issuer company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

(a) We are registered with the Bangladesh Securities and Exchange Commission as a merchant banker and eligible to carry out the underwriting activities. Our present paid-up capital stands at Tk. 250,481,102.00 (Twenty Five Crore Four Lac Eighty One Thousand One Hundred & Two only) and we have the capacity to underwrite a total amount of Tk. 1,252,405,510.00 (One Hundred Twenty Five Crore Twenty Four Lac Five Thousand Five Hundred Ten Only) as per relevant legal requirements. We have committed to underwrite for up to Tk. 50,000,000.00 (Five Crore) for the upcoming issue.

(b) At present, the following underwriting obligations are pending for us:

SL.	Name of the Company	Amount Underwritten (Tk.)
1	Silco Pharmaceuticals Limited	26,250,000.00

(c) All information as are relevant to our underwriting decision have been received by us and the draft prospectus forwarded to the Commission has been approved by us;

(d) We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and

(e) This underwriting commitment is unequivocal and irrevocable.

For the Underwriter:

Sd/-

Md. Shahidul Alam


Chief Executive Officer

FAS Capital Management Limited

Date: July 16, 2016

PART IV	ABOUT THE ISSUER
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(a) Name of the issuer, Dates of incorporation and commencement of its commercial operations, its logo, address of its registered office, other offices and plants, telephone number, fax number, contact person, website address and e-mail address;

Particulars	Description
Name of the issuer	: Bashundhara Paper Mills Limited
Dates of incorporation	: September 28, 1993
Commencement of commercial operations	: March 01, 1997
Logo	: 
Addresses of the registered office	: Plot # 125/A, Level#5, #Road-2, Block # A, Bashundhara R/A, Dhaka-1229
Other offices and plants (Factory)	: Unit 1: Meghnaghat, Baranagar P/O: Newtown, Sonargaon, Narayangonj; Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj; Unit 3: Anurpura, Gazaria, Munshigonj.
Telephone number	: +88-02-8431256-8
Fax number	: +88-02-55037257
Contact person	: M. Naseemul Hye, FCS, Company Secretary
Website address	: www.bashundharapapermill.com
E-mail address	: info@bg.com.bd

(b) The names of the sponsors and directors of the issuer:

Sl. No.	Name of the Sponsors and Directors	Present Address	Permanent Address
Sponsors:			
1.	Mr. Ahmed Akbar Sobhan	Plot # 125/A, Level# 5, Road# 2, Block # A, Bashundhara R/A, Dhaka-1229	Plot# 364B, Block#E, Bashundhara R/A, Khilkheta, Badda, Dhaka
2.	Mrs. Afroza Begum	Plot # 125/A, Level# 5, Road# 2, Block # A, Bashundhara R/A, Dhaka-1229	Plot# 364B, Block#E, Bashundhara R/A, Khilkheta, Badda, Dhaka
Directors (Shareholding)			
1.	Mr. Ahmed Akbar Sobhan	Plot # 125/A, Level# 5, Road# 2, Block # A, Bashundhara R/A, Dhaka-1229	Plot# 364B, Block#E, Bashundhara R/A, Khilkheta, Badda, Dhaka
2.	Md. Nazmul Alam Bhuiyan Nominated by: East West Property Development (Pvt.) Ltd.	Plot # 125/A, Block- A, Level-1, Bashundhara Residential Area, Dhaka - 1229.	Plot- 301/A, Block-E, Tenement-2, Fiat No. G-6, Bashundhara R/A, Dhaka
3.	Md. Imrul Hassan	Plot # 125/A, Block- A, Bashundhara Residential Area, Dhaka - 1229	Flat- G/5, Tenement-2, Road-6, Block-E Bashundhara R/A, Dhaka
Directors (Independent)			
1.	Mr. Zeaur Rahman	House no. 17, Road No. 07, Block-F, Banani, Dhaka-1212	House no. 17, Road No. 07, Block-F, Banani, Dhaka
2.	Mr. Khawaja Ahmedur Rahman	Apartment 4B, House No. 3, Road No. 6, Gulshan-1, Dhaka-1212	Apartment 4B, House No. 3, Road No. 6, Gulshan-1, Dhaka-1212

c) The name, logo and address of the auditors along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

Particulars		Description
Name	:	AHMED ZAKER & CO. Chartered Accountant
Logo	:	
Address	:	Green City Edge (Level 10), 89 Kakrail, Dhaka-1000
Telephone number	:	02- 8391440-3
Fax numbers	:	02-8391011;
Contact person	:	Mr. Satya Ranjan Shaha, Senior Manager
Website address	:	www.ahmed-zaker.com
E-mail address	:	azcbladesh@gmail.com

The name, logo and address of the registrar to the issue along with their telephone numbers, fax numbers, contact persons, website and e-mail addresses:

Particulars		Description
Name	:	AFC Capital Limited
Logo	:	
Address	:	Saiham Sky View Tower (3 rd Floor), 45, Bijoy Nagar, Dhaka-1000
Telephone number	:	+88-02-8392371
Fax numbers	:	+88-02-8392372
Contact person	:	Mahbub H. Mazumdar FCMA Chief Executive Officer
Website address	:	www.afcl.asia
E-mail address	:	capital.afc@gmail.com

(d) The name(s) of the stock exchanges where the specified securities are proposed to be listed.

Stock Exchanges	Contact Addresses
DHAKA STOCK EXCHANGE LIMITED	9/F, Motijheel C/A, Dhaka 1000 Tel: +88-02-9564601, 9576210-18 Fax: +88-02-9564727, +88-02-9569755 Web. www.dsebd.org
CHITTAGONG STOCK EXCHANGE LTD.	CSE Building, 1080, Sheikh Mujib Road, Chittagong-4100 Tel: +880-2-9513911-15 Fax: +880-2-9513906 Web. www.cse.com.bd

PART V	CORPORATE DIRECTORY OF THE ISSUER
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Company Name	:	Bashundhara Paper Mills Limited
Registered Office	:	Plot # 125/A, Block # A, Bashundhara R/A, Dhaka-1229
Manufacturing Plant	:	Unit 1: Meghnaghat, Baranagar, P/O: Newtown, Sonargaon, Narayanganj; Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayanganj; Unit 3: Anurpura, Gazaria, Munshigonj.
Incorporation & Reg. No.	:	September 28, 1993 vide registration no.C-24705(539)/93
Commercial Production	:	March 01, 1997
Auditor	:	Ahmed Zaker & Co. Chartered Accountant
Managers to the Issue	:	AAA Finance and Investment Limited
Lead Banker for IPO	:	United Commercial Bank Ltd. (SND Ac No. 0541301000000495)
Company Secretary	:	Mr. M. Naseemul Hye, FCS

PART VI	DESCRIPTION OF THE ISSUER
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a) Summary:

(i) The summary of the industry and business environment of the issuer:

Current World Scenario:

The global production of paper and board increased—with two exceptions (1975 and 1982) continuously over the last few decades from 125 million tons in 1970 to 465 million tons in 2015.

It is projected that the market for paper and paper board will continue to grow globally at 2.3 percent per year until 2030, with particularly sharp increases in developing countries (due to increases in population, literacy rates, and quality of life) and a slight decline in the most advanced industrialized countries (due to advances in electronic communications).

Over the last three decades, the paper making has increased globally but have not yet reached production levels and the paper market needs more supplies.

Source:

FAO-STAT Forestry Database (<http://www.fao.org/corp/statistics/en/>)
www.assignmentpoint.com/business/organizational-behavior/assignment-on-pulp-and-paper-industry.html

Current Bangladesh Scenario:

Paper Industry:

Generally, all writing and printing are done on paper. Paper is also widely used as wrapping and packaging material as well. The significance of paper and paper products in modern life is obvious to everyone now a day.

In Bangladesh, the paper industry went into operation during late 1950s when the Karnaphuli Paper Mill (KPM) at Chandragona in Chittagong was established. Following that, Bangladesh's private sector paper mills started in early 1980s in Narayanganj as well. Gradually the private sector has taken over the paper sector in the country and are now producing 90-95% paper products used in Bangladesh.

However, at present, around 80 paper mills are operating throughout the country. They produce different grades of paper e.g., writing, printing, packaging, liner, media, simplex, duplex, board, newsprint, cigarette, etc. The major players of the industry are listed below-

Local private mills account for a market share of around Tk. 400 core/ month; i.e. 60000 MT/Month which tends to around 5000 crores per year. Bashundhara Paper Mills Ltd possess around 30% market share at this moment.

Besides, around 40000 MT paper products are also imported in each month. Considering above circumstances we might conclude that the market size of paper products is around 8000 crores/ year.

Tissue Industry:

Per capita consumption of Tissues in Bangladesh is 145 gm.

Our tissue product contribution to GDP is 0.025%

Yearly growth rate is around 13% whereas global growth rate is 4.90%

(According to –Global tissue paper market 2012-2016 by researchmoz-)

Demand and Supply Gap:

According to the recent trend we believe the demand will cross 3200 MT within 1/2 years. In relation, we have taken initiatives to focus rural markets now a day. Our nationwide awareness development program through discussion session, meeting, and seminar is going on and we have included thousands of Imams, spiritual leaders, socially recognized and respected persons in such programs. As a result, we observed that awareness for using tissue products in the rural people is developing and people under these areas start using tissue products which definitely increases the demand.

Though our production capacity is around 2000 MT/ month but our factory runs with approximate 80% of its capacity. As a result we usually get 80-85% of our total requirement and due to shortage of production capacity we cannot meet the market demand. Thus short supply becomes common phenomenon now a day. Moreover, we are going to start converting unit with 500MT production capacity in Kolkata by 2017 and another converting unit with more 500 MT production capacities by 2017 at Shiliguri, India. Jumbo rolls of papers for such converting will be sent from our mother factory in Bangladesh.

In 2013 we started export around 700 MT papers in 23 countries of the world including England, Australia, Bahrain, UAE, India etc. whereas our present export is around 100 MT/ month. Production shortage is one of the reasons behind the story. Considering more profit margins we have focused on domestic markets rather than export markets before. But in response to continuous request from our overseas clients we have already planned to re-explore our export markets and believe that there is an opportunity to export around 1500 MT/ month which is almost double of the export in 2013.

Considering above circumstances we need to increase our production capacity by introducing more 4000 MT by 2017. In order to ensure market dominance there is no other alternatives but to increase such.

Marketing Overview:

Bangladesh is a Muslim country with a population of around 16 crores. Being a Muslim we have to observe 5 times prayer in a day. In order to observe our regular spiritual activities we need to be clean after urination all the time. People are using tissue products to perform such. Besides, our growing population, rapid urbanization are also playing roles to expand tissue markets.

Moreover, we have taken initiatives to create awareness as to increase the tissue uses. Our continuous effort will definitely explores new arenas for our tissue products.

At present we observed 2200 MT monthly requirement of tissue products for which our contribution is around 80% of total requirement. Our ceaseless efforts have already enabled us to grab more market shares in coming days.

Existing Market Segment:

Generally we can divide tissue markets into three following segments-

- i. Urban Markets
- ii. Semi- Urban Markets and
- iii. Rural Markets.

People under urban markets are frequently purchase all types of tissue products, mostly facial tissue, napkin and toilet tissues whereas people living in semi- urban areas use tissue products like napkin and toilet tissue. On the other hand toilet tissues are frequently sold in rural areas as well.

The reasons behind to enter into this business, what are the facilities of existing competitors:

As per observation, in Bangladesh tissue industry is growing due to increase population, changing lifestyles, developing awareness. For instance, our monthly sales were Tk. 20 lacs/ month during the beginning of year 2000 whereas our present monthly sale is around Tk. 30 crores. Besides, potential markets from rural areas are now exploring more than ever and around 70% people of the country live in such areas. From this point of view tissue industry will flourish more in coming days.

Low overhead cost is the most significant facility we observed among the competitors. Besides, competitors have no/ minimum promotional expenditures as well. As a result they can introduce products at a lower price.

Source of Data: BPML own research intelligence wing.

Bashundhara Paper Mills Limited

Bashundhara Paper Mills Limited manufactures different types of paper and allied products in “Unit-1 & Unit-2” and tissue & allied products in “Unit-3” and marketing the same for domestic consumption as well as for exports. In the paper sector of Bangladesh the Company feels no competition for its diversified products line. In its three units produces different types of paper products.

Bashundhara Paper Mills Limited (Unit-1):

produces very good Quality & International standard MG Paper, Offset Paper, White Writing & Printing Paper, Brown Wrapper, Brown Liner, Newsprint paper, Coated/Uncoated paper board, A4 paper, Glassine Paper, Stiffener, Ledger Paper, PP Woven Bag, Sack Paper also time to time produce Plug wrap, Cigarette Tipping Paper on request of different Cigarette manufacturing companies.

Bashundhara Paper Mills Limited (Unit-2):

Unit-2 of Bashundhara Paper Mills Limited was set up in 1994 & operates three modern plants in producing newsprint, white writing/printing paper, duplex board, liner paper, Kraft paper, Art card, art paper and allied products. The first unit produces duplex boards and other industrial packing papers used in packaging industry. An off line coater produces coated duplex board & Art card in this unit. It was formerly known as Bashundhara Newsprint & Duplex Board Limited.

The second unit produces environment friendly newsprint from recycled pulp (DIP) for national dailies, weeklies, fortnightlies. It also produces writing and printing paper for local consumption and also for printing text book for NCTB. The third unit makes art paper for printing industries.

Bashundhara Paper Mills Limited (Unit-3):

Unit-3 of Bashundhara Paper Mills Limited, formerly known as Bashundhara Tissue Industries Limited, was set up in 1995. It is the country's first basic tissue manufacturing factory at the face of growing popularity of tissue with fast changing urban lifestyle and elevation of living standards as a whole. The company is manufacturing wide range of products including facial tissue, pocket tissue, wet tissue, green tissue, sanitary napkin, baby diaper, toilet tissue, kitchen towel, cigarette paper, glassine paper, and hard tissue, hand gloves and paper carton container.

(ii) Summary of consolidated financial, operating and other information:

Bashundhara Paper Mills Limited has no subsidiary company. Therefore such information is not applicable for the Company.

b) General Information:

(i) Name and address, telephone and fax numbers of the registered office, corporate head office, other offices, factory, business premises and outlets:

Particulars	Description
Registered office:	Bashundhara Paper Mills Limited Registered Office: Plot # 125/A, Road #2, Block # A, Bashundhara R/A, Dhaka-1229 Phone: + 88-02-8432008-17 (Hunting) Fax: +88-02-55037257
Corporate Head Office:	Bashundhara Paper Mills Limited Plot # 03 (Umme Kulsum Road), Block # G, Bashundhara R/A, Dhaka-1229; Tel: +88-02-8401024-8, Fax: +88-02-8401401
Other Office:	Bashundhara Paper Mills Limited Plot # 56/A, Umme Kulum, Road- 2ne Avenue , Block # C, Bashundhara R/A, Dhaka-1229 Tel : +88-02-8431256-8, Fax : +88-02-55037257
Factory Office:	Unit 1: Meghnaghat, Baranagar, P/O: Newtown, Sonargaon, Narayangonj; Tel. 01199-850865, Fax: 840-2-9343415 Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj; Tel. 01199-865814, Fax: 04476000923 Unit 3: Anurpura, Gazaria, Munshigonj; Tel. 01199-8555694, Fax: 04476001562
Outlets of the issuer	The company sales its products through dealers, therefore the company has no outlets.

(ii) The Board of Directors:

Sl.	Name	Position Held
1	Mr. Ahmed Akbar Sobhan	Chairman
2	Md. Nazmul Alam Bhuiyan Nominated by: East West Property Development (Pvt.) Ltd.	Director
3	Mr. Md. Imrul Hassan	Director
4	Mr. Zeaur Rahman	Independent Director
5	Mr. Khawaja Ahmedur Rahman	Independent Director

(iii) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the chairman, Managing Director, whole time directors, etc:

Sl.	Name	Designation	Present Address	Telephone No.	FAX No.	E-mail
1.	Mr. Ahmed Akbar Sobhan	Chairman	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	02-8432008	+88-02-8431227	c.m@bg.com.bd
2.	Mr. Safwan Sobhan	Managing Director	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	02-8432008	+88-02-8431227	md@bg.com.bd

*There is no whole time director of the Company.

(iv) Names, addresses, telephone numbers, fax numbers and e-mail addresses of the CFO, company secretary, legal advisor, auditors and compliance officer:

Names	Designation	Address	Telephone Number	Fax number	E-mail addresses
Mirja Mujahidul Islam	Chief Financial Officer	Plot # 56/A, Block # C, Bashundhara R/A, Dhaka-1229	Tel: 028431024-8,	+880255037257	mirja.islam@bg.com.bd
M. Naseemul Hye FCS	Company Secretary	Plot # 56/A, Umme Kulum, Road- 2ne Avenue , Block # C, Bashundhara R/A, Dhaka-1229	Tel: 02-8401798 Tel : +88-02-8431256-8,	+88-02-55037257	cosec_bpml@bg.com.bd
AHMED ZAKER & CO. Chartered Accountant	Auditor	Green City Edge (Level 10), 89 Kakrail, Dhaka-1000	Tel: 02-8391440-3,	Fax: +88028391011	azcbangladesh@gmail.com
Law Vally	Legal Advisor	Saiham Sky View Tower ((11 th Floor) 45 Bijoy Nagar, Dhaka-1000	Mobile: 01911315353	01911315353	lawvalley@gmail.com
M. Naseemul Hye FCS	Compliance officer	Plot # 56/A, Umme Kulum, Road- 2ne Avenue , Block # C, Bashundhara R/A, Dhaka-1229	Tel: 02-8401798 Tel : +88-02-8431256-8,	+88-02-55037257	cosec_bpml@bg.com.bd

(v) Names, addresses, telephone numbers, fax numbers, contact person, website addresses and e-mail addresses of the issue manager(s), registrar to the issue etc:

Particulars	Contact Person	Contact Details
Manager to the Issue		
AAA Finance & Investment Ltd. Amin Court, 4 th Floor (Suite # 403-405) 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000	H. A. Mamun Asst. Manager	Tel. +88-02-9559602 Fax: +88-02- 9558330 E-Mail: mamun.cu03@gmail.com mamun@aaafinancebd.com info@aaafinancebd.com Web: www.aaafinancebd.com
Registrar to the Issue		
AFC Capital Limited Saiham Sky View Tower (11 th Floor), 45, Bijoy Nagar, Dhaka-1000	Mr. Golam Md. Ahsan Kabir Manager	Tel. +88-02-8392371 Fax: +88-02-8392372 E-Mail: capital.afc@gmail.com Web: www.afccl.asia

(vi) Details of Credit Rating:

a) The names of all the the Credit Rating Agencies from which credit rating has been obtained:

Name of the Agency	Rating Date
Credit Rating Agency of Bangladesh (CRAB)	June 2, 2016

Note: BPML got its credit rating for the first time from the Credit Rating Agency Bangladesh (CRAB)

b) The Details of all the Credit Ratings obtained for the issue and the issuer:

Particulars	Rating	Date of Rating	Validity of Rating
Entity	AA ₃	June 2, 2016	October 31, 2017
Long-Term Loan	AA ₃ (Lr)		October 31, 2017
Short-Term Loan	ST-3		expiry date of loan whichever is earlier
Rating Assigned By: Credit Rating Agency of Bangladesh Limited (CRAB)			

c) The Rationale or Description of the Ratings (s) so obtained, as furnished by the credit rating agency(s):

Credit Rating Agency of Bangladesh Limited (CRAB) has reaffirmed AA₃ (Pronounced Double A three) and short term rating ST-3 of Bashundhara Paper Mills Limited (hereafter also referred to as BPML or the Company), based on its financials and other relevant quantitative and qualitative information up to date of rating.

These ratings reflect that the company has been operating with the economies of scale achieved from large size of production facility having production planning flexibility as well almost all kind of auxiliary facilities, very well diversified product ranges, synergy regarding carrying raw materials & finished goods, management expertise, group strength and brand image of 'Bashundhara'.

Total sales of the Company remained almost stable during the last two years which reported 2.6% growth in 2013 following the strategic decision of the management to reduce the production of newsprint of Unit 2 due to lower profit margin. Total sales of Unit 2 declined to BDT 1,788.9 million in 2015 from BDT 3,344.0 million in 2012. However, Very high volume of sales as a paper manufacturing company having increasing trend of profitability position led by 18.4% EBITDA margin and 2.5% net

profit margin reveals very sound financial strength of the Company. Although high financial expense (BDT 998.3 million in 2015) over the years partially reduce the benefit of sound business performance CRAB expects that following the repayment of loan the expenses will decline; hence profit margin as well as equity base will improve in the upcoming years.

While the liquidity position of the Company is reasonably sound over the years although the operating cycle (277 days) is quite prolonged to support the required volume of inventory to ensure flexible production planning and smooth production of diversified product ranges. Although improvement in receivable collection period and improved aging of accounts receivable also support comfortable liquidity position of the company.

Debt ratio improved to 2.6x in 2015 from 4.5x in 2014 following increase in revaluation surplus by BDT 1,472.7 whereas borrowed fund to EBITDA ratio remained almost stable during the last couple of year; 6.1x in 2015 which constrained the assigned ratings. Excluding revaluation surplus the adjusted equity stood at BDT 2,025.9 million resulted in 5.7x debt ratio. Total borrowed fund of BDT 11,647.7 million comprises BDT 6,522.9 short term loans, BDT 4,867.9 million long term loans and BDT 256.8 million loan from associated company. Although borrowed fund to EBITDA ratio is comparatively high (6.1x in 2015) over the years, positive cash flow position mitigate the credit risk profile of the Company.

The assigned ratings also reflect promoters' long record of successful business accomplishment in the industrial sector including paper industry, management experience, succession planning, ongoing improvement in management structure & MIS system, country wide effective distribution network and strong auxiliary facilities including indenting transport & logistics, economics of scale, free land for further expansion, wide range of product mix having excess capacity, regular up-gradation of production facility and the brand image of "Bashundhara".

d) Observation and Risk Factors as stated in the credit rating report:

Observation:

Bashundhara Paper Mills Ltd was incorporated with an aim to produce and sell different types of papers mainly focusing on different types of writing paper ranges from white writing paper, color printing paper, offset printing paper, brown wrapper, newsprint, carbonless paper, sticker paper, cement paper & poly bags etc. The Company initially started its commercial operation in 1997. Later the Company has diversified its product ranges in almost all section of paper manufacturing business. The company has total 71.1 acres of land for three factories of which 52.3 acres are registered in the name of the company but Mutation has completed for 37.3 acres.

Unit 1 started commercial operation from 1997 having the facilities of manufacturing a diversified range of high quality paper products including white writing & printing paper, exercise books, bidi/cigarette paper, newsprint paper, carbonless paper, coated paper, PP woven bag, paper sack etc. The factory of Unit 1 is located at Meghnaghat, Sonargaon, Narayangonj on total land area of 12.8 acres.

Unit 2 of the Company started commercial operation in 1999. The factory operates three modern plants in producing newsprint, duplex board, liner paper and other paper products including art paper, card paper, matt paper, matt card. Apart from that the Company has installed de-inking facility which uses waste paper to manufacture recycled pulp for various newsprint and paper board application and manufacture. The factory of Unit 2 is located at Meghnaghat, Sonargaon, Narayangonj on total land area of 12.6 acres.

Unit 3 of the Company, previously known as Bashundhara Tissue Industries Ltd, presently operates five production plants having the facilities to manufacture different types of tissue products, paper & exercise products, baby diaper, sanitary napkin and hand gloves. The factory of Unit 3 is located at Anurpura, Gazaria, Munshigonj having total land area of 11.9 acres.

The well diversified product ranges in different units support BPML to manage the portfolio in a profitable way. Moreover the capacity of different product line ensure economies of scale as well as provide production planning flexibility to the management which also support to maintain available supply of products in the market. Therefore BPML is able to report good profit margin as well as continuous supply of products in the market. The capacity utilization is the highest in paper & tissue

section of Unit 3 followed by paper section of Unit 1 having increasing trend over the years. BPML earned BDT 10,875.9 million (including VAT) in 2015 with 18.4% EBITDA margin having prospects of further growth which eventually reveals operational efficiency and managerial competency of the Company. Unit 3 manufactures more valuable products which also contributed highest shares (47.0%, amounting BDT 5,172.9 million) of total sales having increasing contribution during last three years. The Capacity utilization of Unit 2 declined during the last two years following strategic management decision considering market competition and comparatively less profit margin.

Performance of Business			
	2015	2014	2013
Annual Capacity			
Unit 1			
Paper Section (MT)	36,900	36,000	54,828
Paper Section -Value adding (MT)	31,788	31,428	-
Bag Section (Pcs)	120,000,000	120,000,000	120,000,000
Printing Machine (Pcs)	25,200,000	25,200,000	-
Unit 2			
Different kinds (MT)	84,600	84,600	81,000
Unit 3:			
Paper & Tissue Section (MT)	54,000	54,000	54,000
Sanitary Napkin Section (Pcs)	10,333,440	10,333,440	10,333,440
Baby Diaper Section (Pcs)	53,913,600	53,913,600	53,913,600
Hand Gloves Section (Pcs)	25,000,000	25,000,000	25,000,000
Capacity Utilization			
Unit 1			
Paper Section	78%	68%	67%
Paper Section -Value adding	53%	57%	-
Bag Section	25%	30%	31%
Printing Machine	34%	32%	-
Unit 2			
Different kinds	30%	35%	50%
Unit 3			
Paper & Tissue Section	82%	69%	70%
Sanitary Napkin Section	35%	23%	15%
Baby Diaper Section	21%	19%	21%
Hand Gloves Section	11%	12%	39%
Gross sales (Mil. BDT)			
Unit 1	3,914.2	3,764.9	3,657.6
Unit 2	1,788.9	2,316.6	2,680.3
Unit 3	5,172.9	4,671.6	4,578.8
Total	10,875.9	10,753.0	10,916.7
EBITDA	1,923.9	1,845.1	1,724.1
EBITDA Margin	18.4%	17.9%	16.4%

In 2015 the Company purchased raw materials amounting BDT 6,245.6 million where BDT 4,573.6 million was imported raw materials mainly from Indonesia, Thailand and Korea. Although to ensure proper supply of imported raw materials for large volume of production facilities the Company needs to keep huge inventory putting pressure on liquidity position, the Company is less susceptible to raw material management risk.

The machinery set up of the factory is mixed aged due to starting of commercial operation in long years back. Although machinery set up of unit 2 is comparatively old but German based machineries and technologies support smooth operation of the factory. Following the addition of new products as well as few replacement of machinery set up especially in Unit 1 and Unit 3 the Company has upgraded its technology and factory set up during the last five years when the BPML had addition of total assets

amounting BDT 5,121.7 million. The machineries used in the Unit 3 are more contemporary where few product lines are completely automated including napkin, tissue, baby diaper. Machineries of the Company are mostly made of Germany, Italy, France, Japan, China and Taiwan. Necessary auxiliary facilities including packaging materials are also manufactured in the factory of the Company. Recently installed de-inking facility to manufacture recycled pulp for various newsprint & paper board application and manufacture using waste paper as well as achievement of FSC certificates by RINA Service Spa which reveals management philosophy regarding technological up-gradation and environment.

The Company sells its products all over the country through its country wide spread distribution channel. The Company has 217 dealers and distributors apart from which the Company also sales channel including corporate sales, super shop, contract, inter company, employee, export, inter unit and scrap sales.

Risk Factors:

Distribution Risk:

A distribution channel refers to the route products or services take to reach a customer. The BPML sells its products all over the country through its country wide spread distribution channel. The paper industry distribution scenario has undergone some changes during the last few years. The paper industry distribution scenario has undergone some changes during the last few years. BPML has country wide network to support the sales team. Therefore, BPML has prescribed guidelines and terms and conditions to its Dealers and Distributors which minimize distribution risk.

Raw Material Risks:

Non-availability of fiber may disrupt the supply chain, forcing the Company to pay higher prices or alter manufacturing operations. But the BPML is less exposed to raw material price movement compared to product risk arising from market competition following product diversification, production planning flexibility, moderate pricing flexibility, effective procurement policy, the long experience of raw material management not only for paper mill but also for other manufacturing units. Although to ensure proper supply of imported raw materials for large volume of production facilities the Company needs to keep huge inventory putting pressure on liquidity position, the Company is less susceptible to raw material management risk.

Technological Risk:

BPML has regularly upgraded its technology and factory set up during the last five years conducted to smooth operation of the factory. Following strong monitoring system, flow of daily production and other factory related information, nature of business and facilities of reusing wastage as well as contemporary technology installed in recent years reduces technological risk of the Company.

(vii) Details of underwriting:

- a) The names, addresses, telephone numbers, fax numbers, contact persons and e-mail addresses of the underwriters and the amount underwritten by them:**

Name & Address	Contact Person	Contact Details	Amount Underwritten (BDT)
AAA Finance & Investment Limited Amin Court, 4th Floor (Suite # 403-405) 31, Bir Uttam Shahid Ashfaqus Samad Road, Dhaka-1000	Mohammad Obaydur Rahman FCS Managing Director	Tel : +88-02-02 9559602 Fax : +88-02-9558330 E-mail : info@aaafinancebd.com Web: www.aaafinancebd.com	50,000,000
AFC Capital Limited Saiham Sky View Tower, (11th Floor), 45, Bijoy Nagar Dhaka-1000	Mr. Golam Md. Ahsan Kabir Manager	Tel : +88-02-8392371, Fax : +88-02-8392372 E-mail: ahsankabir_afccl@yahoo.com Web: www.afccl.asia	50,000,000
EBL Investments Limited 59, Motijheel C/A (1st floor) Dhaka-1000	Mr. Moinul Hosain Asif Managing Director	Tel : +88-02-7118975, Ext.201 Fax : +88-02-7120251 E-Mail: asif@eblinvestments.com Web: www.eblinvestments.com	50,000,000
Citizen Securities & Investment Limited Al-Razi Complex 165-167, Shaheed Syed Nazrul Islam Sarani, Suite # G-802 (8'h Floor), Purana Paltan Dhaka-1000	Mr. Tahid Ahmed Chowdhury Managing Director & CEO	Tel : +88-02-9514542, 9515439 Fax : +88-02-9570546 E-Mail: ceo@citizenscurities.com Web: www.citizenscurities.com	50,000,000
BMSL Investment Limited Shareef Mansion (4th Floor) 56-57, Motijheel C/A, Dhaka-1000	Mr. Md. Riyad Matin Managing Director	Tel : +88-02-9577651 Fax : +88-02- 4717218 E-mail: ssi@dhaka.net Web: www.bmslinvestment.com	50,000,000
Lankabangla Investments Limited Eunoos Trade Centre (Level 21), 52-53 Dilkusha C/A, Dhaka-1000	Mr. Khandaker Kayes Hasan Chief Executive Officer	Tel : +88-02-7122595, Fax: +88-02-7113585 E-mail: kayes@lankabangla-investments.com Web: www.lankabangla-investments.com	50,000,000
UNICAP Investments Limited Noor Tower (4 th Floor) 73, Sonargaon Road Dhaka-1205	Engr. Md. Israil Hossain VP & Company Secretary	Tel : +88-02-9632161-66 Fax : +88-02-9632163 E-Mail: israil@unicap-investments.com Web: unicap-investments.com	50,000,000
Sonali Investment Limited SARA Tower (11th Floor), 11/A, Toyenbee Circular Road, Motijheel C/A, Dhaka-1000	Mr. Surajit Kumar Saha Chief Executive Officer	Tel : +88-02-9568777 Fax : +88-02- E-mail: sonaliinvestmentltd@gmail.com Web: www.silbd.com	50,000,000
Southeast Bank Capital Services limited Eunoos Trade Centre (Level-9), 52-53 Dilkusha C.A., Dhaka-1000	Mr. Md. Alamgir Hossain Sr. Asstt. Vice President	Tel : +88-02-9574171-75 Fax : +88-02-9574169 E-mail: sebcs@southeastbank.com.bd Web: www.southeastbank.com.bd	50,000,000

MTB Capital Limited MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1215	Mr. Khairul Bashar Abu Taher Mohammed CEO & EVP	Tel : +88-02-8321714 Fax : +88-02-8321543 E-mail: info.mtbcap@mutualtrustbank.com Web: www.mtbcap.com	50,000,000
BD Finance Capital Holdings Limited 64, Motijheel C/A, 2nd floor, Dhaka-1000	Mr. Barun Prasad Paul MD & CEO (CC)	Tel : +88-02-9588186-7 Fax : +88-02-9588185 E-mail: info@bdcapital.com.bd Web: www.bdcapital.com.bd	50,000,000
Prime Finance Capital Management Limited PFI Tower (6th Floor), 56-57 Dilkusha C/A, Dhaka-1000	Mr. M. Mosharraf Hossain FCA, PhD MD & CEO	Tel : +88-02-9584874 Fax : +88-02-9584,922 E-mail: info@primfincap.com Web: www.primefincap.com	50,000,000
Swadesh Investment Management limited Suite 01, Level 11, Unique Trade Center (UTC) 8, Panthapath, Karwan Bazar, Dhaka-1215	Mr. Mamun Ahmed Managing Director	Tel : 01713-400500 Fax : 88-02-58157544 E-Mail:mamunahmed@msn.com Web: www.swadesh.com.bd	50,000,000
FAS Capital Management Limited Zahed Plaza (5th Floor), 30 Gulshan Avenue North C/A, Dhaka 1216	Mr. Md. Shahidul Alam Chief Executive Officer	Tel : 01914067409 Fax : +88-02-8834456 E-Mail: alam.shahidul75gmail.com Web: www.fcmlbd.com	50,000,000

b) Declaration by the underwriters that they have sufficient resources as per the regulatory requirements to discharge their respective obligations:

We the under-noted Underwriters to the forthcoming issue of **Bashundhara Paper Mills Limited** declare that we have sufficient resources as per the regulatory requirements to discharge our respective obligations regarding underwriting.

We also declare that the authority can take action against us for concealment of fact in this regard and we, the underwriters shall be legally bound to abide by any decision taken by the Authority in this regard.

<p>Sd/- Mohammad Obaydur Rahman FCS Managing Director AAA Finance & Investment Limited</p>	<p>Sd/- Mahbub H. Mazumdar FCMA Chief Executive Officer AFC Capital Limited</p>	<p>Sd/- Moinul Hosain Asif Managing Director EBL Investments Limited</p>	<p>Sd/- Mr. Tahid Ahmed Chowdhury Managing Director & CEO Citizen Securities Limited</p>
<p>Sd/- Md. Riyad Matin Managing Director BMSL Investment Limited</p>	<p>Sd/- Khandaker Kayes Hasan Chief Executive Officer Lanka Bangla Investments Limited</p>	<p>Sd/- Engr. Md. Israil Hossain Chief Executive Officer UNICAP Investments Limited</p>	<p>Sd/- Surajit Kumar Saha Chief Executive Officer Sonali Investment Limited</p>
<p>Sd/- Muhammad Shahjahan Managing Director (CC) Southeast Bank Capital Services limited</p>	<p>Sd/- Khairul Bashar Abu Taher Mohammed CEO & EVP MTB Capital Limited</p>	<p>Sd/- Barun Prasad Paul MD & CEO (CC) BD Finance Capital Holdings Limited</p>	<p>Sd/- M. Mosharraf Hossain FCA, PhD MD & CEO Prime Finance Capital Management Limited</p>
<p>Sd/- Mamun Ahmed Managing Director Swadesh Investment Management limited</p>		<p>Sd/- Md. Shahidul Alam Chief Executive Officer FAS Capital Management Limited</p>	

c) Major terms and conditions of underwriting agreements:

**ARTICLE -I
UNDERWRITING**

- 1.01 The Company shall make the Public Offering of Tk. 2,000,000,000 at cut off price with multiplying number of shares as approved by the BSEC.
- 1.02 The Underwriter shall underwrite amounting to Tk. 50,000,000 out of the Public Offering.
- 1.03 The Underwriter shall underwrite Ordinary Shares at cut off price (including premium) as approved by the BSEC on a firm commitment basis. This commitment is irrevocable and unequivocal.

**ARTICLE-II
THE PUBLIC OFFERING**

- 2.01. The Company shall raise BDT 200 Crore (including premium) in accordance with the consent of the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015 and the provisions of this Agreement. The said total issue shall be offered to the Eligible Institute and public for subscription through a prospectus duly approved by the Bangladesh Securities and Exchange Commission (BSEC).
- 2.02.1. Prior to publication of the prospectus the Company shall have to obtain a consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission not exceeding 0.50% (zero point five zero percent) on the amount underwritten and no additional commission will be paid on the amount of shares required to be subscribed by the Underwriter.
- 2.02.2 The Company shall comply with any other formalities required under the laws of the land for raising fund through Public Offering.
- 2.02.3 If and to the extent that the shares offered to the public by a prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the Underwriter in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe or procure subscriber to subscribe the shares not so subscribed within the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within 15 (fifteen) days after being called upon to do so. The amount so received shall be credited in the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled its obligation towards its underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited. In any case within 7 (Seven) days after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.
- 2.02.4. In the case of failure by the Underwriter to pay for the shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any issue, until such time as it fulfills its underwriting commitment under this Agreement and also other penalties as may be determined by the BSEC.
- 2.02.5. In the case of failure by the Underwriter to pay for the shares within the stipulated time, the Company /Issuer will be under no obligation to pay any underwriting commission under this Agreement.
- 2.02.6. In case of failure by the Company to call upon the underwriter for the aforementioned purpose within the stipulated time, the Company and its directors shall individually and collectively be held

responsible for the consequences and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

- 2.02.7. That the signatories to this Agreement have duly been authorized by the Board of Directors of both the Company and the Underwriter to execute and give effect to this Agreement from the date written herein above.
- 2.02.8. The liability of the underwriter under this clause shall be in proportion to but not exceeding the shares agreed to be underwritten by it; PROVIDED that the aforementioned request of the Company shall be supported by official certificates and other documents of subscription obtained from the Bankers to the Issue and a declaration of the Company as to the final result of the Public subscription.
- 2.03. The Company shall pay to the Underwriter an underwriting commission at the rate of 0.50% (zero point five zero percent), as mentioned in Article 2.02.1 of the agreement, of the value at issue amount of the shares hereby agreed to be underwritten by it.

ARTICLE-III DISCLOSURE

- 3.01. In the event the Underwriter subscribes the unsubscribed shares after the closing date in accordance with section 2.02.3, the Company shall furnish to the Underwriter :
- I. As soon as practicable, and in any event within 120 days after the close of each fiscal year of the Company two copies of the Balance Sheet of the Bank as of the end of such fiscal year and/or its Financial statements and Accounts for such fiscal year together with the Audit report thereon, each of the foregoing to be in reasonable detail and certified by a firm or an independent public accountant;
 - II. Copies of all such financial statements and returns as it shall be sending to its other shareholders; and
 - III. Such other data as the Underwriter may reasonably request.
- 3.02. The Company shall:
- I. Not change its financial plan or take steps to increase or decrease its paid up capital to the disadvantage of the Company;
 - II. Notify the Underwriter in respect of any material change in its management, service or financial structure and furnish information relating to its management and performance as may be requested by the Underwriter;
 - III. Promptly advise the Underwriter of all amendments and changes required to be made in the prospectus by the Bangladesh Securities and Exchange Commission and /or the Stock Exchange(s) and furnish amended copies of prospectus to the Underwriter and continue to inform of all materials facts relating to public offering;
 - IV. Cause the assets of the Company to be insured against all risks.

ARTICLE-IV MISCELLANEOUS

- 4.01. Any notice or request required or permitted to be given or made under this agreement to the Underwriter or to the Company shall be in writing. Such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or sent by registered post in a prepaid

letter to the party to which it is required or permitted to be given or made at such party's registered address or at such other address as such notice or making such request are to be made. Such notice shall be deemed to have been delivered in the ordinary course of post or courier service.

- 4.02. This Agreement shall bind and inure to the benefit of the respective successors of the parties hereto.
- 4.03. This Agreement shall be valid until completion of subscription of shares in accordance with section 2.02.3.
- 4.04. All questions or differences whatsoever which may at any time hereinafter arise between the parties hereto or their respective representatives touching these presents or the subject matter hereof or arising out of or in connection thereto respectively and ;

Whether as to construction or otherwise shall be referred to a single arbitrator in case the parties agree upon one Arbitrator, otherwise to two umpires in accordance with and subject to the provisions of the Arbitration Act, 2001 or any statutory modification thereof.

- 4.05. The rights and responsibilities of either party shall terminate in the event of full subscription of the Public Offering of Shares.

(C) Capital Structure:

- (i) Authorized, issued, subscribed and paid up capital (number and class of securities, allotment dates, nominal price, issue price and form of consideration):

Particulars	Class of Securities	Numbers of Securities	Nominal Price	Amount in Taka
Authorized Capital	Ordinary	500,000,000	10	5,000,000,000
Paid-up Capital Before IPO [A]	Ordinary	147,749,775	10	1,477,497,750
Proposed Initial Public Offering (IPO) through book building method [B]	Ordinary	[*]	10	[*]
Total Paid-up Capital after IPO [A+b]	Ordinary	[*]	10	[*]

ALLOTMENT HISTORY OF SECURITIES:

Date of Allotment	Form of Consideration			Issue Price (BDT)	Amount of Share Capital (BDT)
	Cash	Amalgamation	Bonus Issue		
28.09.1993	100,000	-	-	10	1,000,000
15.09.1997	8,922,150	-	-	10	89,221,500
10.10.2009	-	10,030,000	-	10	100,300,000
25.02.2015	-	-	30,483,440	10	304,834,400
12.08.2015	98,214,185	-	-	10	982,141,850
Total:	107,236,335	10,030,000	30,483,440		1,477,497,750

- (ii) Size of the present issue, with break-up (number of securities, description, nominal value and issue amount);

The present issue price will be Tk. [*] each Ordinary Share Including a Premium of Tk. [*], total size of the issue will be Tk. 2,000,000,000 (Taka Two Hundred Crore Only)

A details break-up of distribution mechanism of the present issue is given as under:

Particulars		Percentage (%)	Number of Securities	Description	Nominal Value	Issue Amount (BDT)
Eligible investors (EI)	EI excluding Mutual Funds & CIS	50.00	[*]	Ordinary Share	10.00	[*]
	Mutual Funds & CIS	10.00	[*]	Ordinary Share	10.00	[*]
General Public(GP)	General Public excluding NRB	30.00	[*]	Ordinary Share	10.00	[*]
	NRB	10.00	[*]	Ordinary Share	10.00	[*]
Total		100.00	[*]			200 Crore

(iii) Paid up capital before and after the present issue, after conversion of convertible instruments (if any) and share premium account (before and after the issue);

The present issue price will be Tk. [*] each Ordinary Share Including a Premium of Tk. [*], total size of the issue will be Tk. 2,000,000,000 (Taka Two Hundred Crore Only)

Particulars	Before the present issue (BDT)	After the present issue (BDT)
Paid-up Capital	1,477,497,750	[*]
Convertible Instruments	N/A	N/A
Share Premium Account	Nil	[*]

Data Presented by "[]" will be added after determination of Cut-off price.

(iv) Category wise shareholding structure with percentage before and after the present issue and after conversion of convertible instruments (if any);

Sl. No.	Category of Shareholders	Before the present issue		After the present issue	
		Ordinary shares	Percentage (%)	Ordinary shares	Percentage (%)
01	Sponsors & Directors	123,192,775	83.38	147,619,775	[*]
02	Institutional	-	-	[*]	[*]
03	Mutual fund	-	-	[*]	[*]
04	Individual	24,557,000	16.62	[*]	[*]
05	NRBs	-	-	[*]	[*]
Total		147,749,775	100%	[*]	100%

*The Company has no convertible instrument.

V) Where shares have been issued for consideration in other than cash at any point of time, details in a separate table, indicating the date of issue, persons to whom those are issued, relationship with the issuer, issue price, consideration and valuation thereof, reasons for the issue and whether any benefits have been accrued to the issuer out of the issue;

BPML has issued 1,003,000 ordinary shares of Tk. 100 each in the view of amalgamation with the two companies "Bashundhara Tissue Industries Limited" and "Bashundhara News Print & Duplex Board Industries Limited" dated October 10, 2009

Persons to whom those are issued	Relationship with the issuer	No. of Securities	Consideration	Valuation	Reasons of the Issue	Benefits from the issue
Mr. Ahmed Akbar Sobhan	Sponsor & Chairman	15,500	Assets of Bashundhara Tissue Industries Limited and Bashundhara News Print & Duplex Board Industries Limited	Per unit share value of transferor and transferee Company	Enhancement of Capital Base and operate all the three companies under common management	Enhancement of Capital Base and minimize the operating cost
Mrs. Afroza Begum	Sponsor Shareholder	104,700				
Mr. Sadat Sobhan	Shareholder	185,500				
Mr. Shafiat Sobhan	Shareholder	185,500				
Mr. Sayem Sobhan	Shareholder	185,500				
Mr. Safwan Sobhan	Managing Director	185,500				
Mr. Mahboob Morshed Hassan	Sponsor Shareholder	1500				
Mr. Md. Shafiqur Rahman	Shareholder	300	Assets of Bashundhara News Print & Duplex Board Industries Limited			
Mr. Md. Gias Uddin	Shareholder	2400				
Mr. Md. Abdus Samad	Shareholder	2100				
East West Property Development (Pvt.) Ltd.	Director	134,500				

On February 25, 2015 the Company issued 30,483,440 ordinary shares of Tk. 10 each as Bonus share to the shareholders as the following manner:

Persons to whom those are issued	Relationship with the issuer	No. of Securities	Consideration & Valuation	Reasons of the Issue	Benefits from the issue
Mr. Ahmed Akbar Sobhan	Sponsor & Chairman	2,328,000	Other than Cash (Bonus) On Pro-Rata Basis	Distribution of accumulated profit	Enhancement of Capital Base and re investment
Mrs. Afroza Begum	Sponsor Shareholder	3,755,200			
Mr. Sadat Sobhan	Shareholder	5,048,000			
Mr. Shafiat Sobhan	Shareholder	5,048,000			
Mr. Sayem Sobhan	Shareholder	5,048,000			
Mr. Safwan Sobhan	Managing Director	5,048,000			
Mr. Mahboob Morshed Hassan	Sponsor Shareholder	32,000			
Mrs. Rawshan Ara Begum	Shareholder	1,600			
Mr. Laila Anjuman Begum	Shareholder	1,600			
Mr. Md. Shafiqur Rahman	Shareholder	4,800			
Mr. Md. Gias Uddin	Shareholder	38,400			
Mr. Md. Abdus Samad	Shareholder	33,600			
East West Property Development (Pvt.) Ltd.	Director	4,096,240			

(v) **Where shares have been allotted in terms of any merger, amalgamation or acquisition scheme, details of such scheme and shares allotted;**

(Pursuant to Section 228 & 229 of the Companies Act 1994)

Scheme of amalgamation

of
 Bashundhara Tissue Industries Ltd. (Former Freyschimidi Tissue Limited)
 and
 Bashundhara News Print and Duplex Board Industries Ltd.
 (Former Shahjalal News Print Industries Ltd.)
 with
Bashundhara Paper Mills Limited

1. (a) Name of the company making the offer or issuing in connection with the offer: Bashundhara Paper Mills Limited.
- (b) Management structure of the transferee company at the time of filing the matter (composition of Board of Director and particulars Regarding Manager, Director & Managing Director, Managing agents, Secretaries and Treasures, if any); Management of Bashundhara Paper Mills Limited.

Sl. No.	Name	Designation
01	Mr. Ahmed Akbar Sobhan	Chairman
02	Mrs. Afroza Begum	Director
03	Mr. Sadat Sobhan	Managing Director
04	Mr. Shafiat Sobhan	Director
05	Mr. Sayem Sobhan	Director
06	Mr. Mahaboob Morshed Hassan	Director
07	Mrs. Rowshan Ara Begum	Shareholder
08	Laila Anjuman Begum	Shareholder
09	East West Property Development (Pvt.) Ltd. (EWPD)	Shareholder
10	Safwan Sobhan	Director

- (c) Name and nature of business of other companies managed by the managing agents or secretaries and treasurers, if any, of the transferee Company, Mr. Md. Khaliquezzaman Company Secretary.

- (d) Capital structure of the transferee company.

Authorized capital	Amount
30,00,000 ordinary shares of Tk. 100/- each	30,00,00,000/-
Paid up Capital: 9,02,215 ordinary shares Tk. 100/- each	9,02,21,500/-

- (e) The extent of share-holding of the Directors, Managers, Director & Managing Directors, Managing agents, Secretaries and Treasures or their associates, in the transferee company: Capital Structure of Bashundhara Paper Mills Limited.

Sl.	Name of Share holder	No. of shares held
01	Mr. Ahmed Akbar Sobhan	1,30,000
02	Mrs. Afroza Begum	1,30,000
03	Mr. Sadat Sobhan	1,30,000
04	Mr. Shafiat Sobhan	1,30,000
05	Mr. Sayem Sobhan	1,30,000
06	Mr. Mahaboob Morshed Hassan	500
07	Mrs. Rowshan Ara Begum	100
08	Mrs. Laila Anjuman Begum	100
09	East West Property Development (Pvt.) Ltd. (EWPD)	1,21,515

10	Mr. Safwan Sobhan	1,30,000
	Total	9,02,215 Shares

(f-I) the extent of share-holdings of the Directors, Managers, Director & Managing Director, Managing agents, Secretaries and Treasurers or their associates of the transferee company in the transferor company. Shareholding of **Bashundhara Tissue Industries Ltd.**

Sl. No.	Name of the Shareholders	No. of Shares held
01.	Mr. Ahmed Akbar Sobhan	500
02.	Mrs. Afroza Begum	500
03.	Mr. Sadat Sobhan	500
04.	Mr. Safiat Sobhan	500
05.	Mr. Sayem Sobhan	500
06.	Mr. Safwan Sobhan	500
	Total	3000 Shares

(F-II) The extent of share-holdings of the Directors, Manager, Managing agents, Secretaries and Treasurers or their associates of the transferee company in the transferor company. Shareholding of **Bashundhara News Print and Duplex Board Industries Ltd.**

Sl. No.	Name of Share holders	No. of share held
01	Mr. Ahmed Akbar Sobhan	15,000
02	Mrs. Afroza Begum	1,04,200
03	Mr. Sadat Sobhan	1,85,000
04	Mr. Safiat Sobhan	1,85,000
05	Mr. Sayem Sobhan	1,85,000
06	Mr. Mahaboob Morshed Hassan	1,500
07	Mr. Shafiqur Rahman	300
08	Mr. Md. Gias Uddin	2,400
09	Mr. Abdus Samad	2,100
10	East West Property Development (Pvt.) Ltd. (EWPD)	1,34,500
11	Mr. Safwan Sobhan	1,85,000
	Total	10,00,000

(g) If the offer is being made on behalf of a Company by any other person, the interest of the person in the Company which is making the offer: This type of offer is not applicable.

2. (a) Name of the transferor company: **Bashundhara tissue Industries Ltd. and Bashundhara News Print and Duplex Board Industries Ltd.**

(b) Management structure (composition of Board of Directors, and particulars regarding Manager, Managing Director, Managing agents, Secretaries and Treasurers, if any) **Bashundhara Tissue Industries Ltd.**

Sl. No	Name of Director	Designation
01	Mr. Ahmed Akbar Sobhan	Managing Director
02	Mrs. Afroza Begum	Director
03	Mr. Sadat Sobhan	Director
04	Mr. Shafiat Sobhan	Director
05	Mr. Sayem Sobhan	Director
06	Mr. Safwan Sobhan	Director

Bashundhara News Print and Duplex Board Industries Ltd.

Sl. No.	Name of Share holders	Designation
01	Mr. Ahmed Akbar Sobhan	Chairman
02	Mrs. Afroza Begum	Director
03	Mr. Sadat Sobhan	Director

04	Mr. Safiat Sobhan	Director
05	Mr. Sayem Sobhan	Managing Director
06	Mr. Safwan Sobhan	Director
07	Mr. Md. Shafiqur Rahman	Shareholder
08	Mr. Md. Gias Uddin	Shareholder
09	Mr. Abdus Samad	Shareholder
10	East West Property Development (Pvt.) Ltd. Represented by Mr. Ahmed Akbar Sobhan	Shareholder
11	Mr. Mahaboob Morshed Hassan	Shareholder

(c) Names and nature of business of other companies managed by the managing agents, or secretaries and treasurers, if any, of the transferor company: **Not Applicable**

(d) Capital Structure of the transferor company:

Bashundhara Tissue Industries Ltd.

Authorized Capital	Amount
10,00,000 Ordinary Shares of Tk. 100/- each	10,00,00,000/-
Paid up Capital 3000 ordinary shares of Tk. 100/- each	3,00,000/-

Bashundhara News Print and Duplex Board Industries Ltd.

Authorized Capital	Amount
30,00,000 Ordinary Shares of Tk. 100/- each	30,00,00,000/-
Paid up Capital 10,00,000 ordinary shares of Tk. 100/- each	10,00,00,000/-

(e) The extent of share-holdings of the Directors, Manager, Managing Director, Managing Agent, Secretaries and Treasurers, or their associates, if any; of the Transferor Company in the transferor and transferee companies.

In transferee company (Bashundhara Paper Mills Ltd.)

Sl.	Name of share holder	No. of shares held
01	Mr. Ahmed Akbar Sobhan	1,30,000
02	Mrs. Afroza Begum	1,30,000
03	Mr. Sadat Sobhan	1,30,000
04	Mr. Safiat Sobhan	1,30,000
05	Mr. Sayem Sobhan	1,30,000
06	Mr. Mahaboob Morshed Hassan	500
07	Mrs. Rowshan Ara Begum	100
08	Mrs. Laila Anjuman Begum	100
09	East West Property Development (Pvt.) Ltd. (EWPD)	1,21,515
10	Mr. Safwan Sobhan	1,30,000
Total		9,02,215 Shares

- A summary of the financial position of the transferee and transferor companies to be given separately in the pro forma contained in the Appendix: **Annexed.**
- The prices or consideration offered for the purchase of the shares of the transferor company. If consideration is other than cash, full particulars thereof and where such consideration involves the allotment of shares in the transferee company full particulars of the shares and the rights attached thereto shall be specified and the basis of valuation of the shares of the transferor company. In case where the consideration is the allotment of the shares of the transferee company full particulars of the valuation of the shares of the transferee company proposed to be allotted shall also be furnished.

The consideration offered for the purchase of shares of the company is the allotment of shares in the transferee company. That the per unit share value of transferor and transferee companies are determined as having same value. Hence the total Three thousand shares of taka 100/- each of Bashundhara Tissue

Industries Ltd. and Total 10,00,000 paid up ordinary shares of Tk. 100/- each of Bashundhara News Print and Duplex Board Industries Ltd. grand total 10,03,000 shares shall be added to the 9,02,215 paid up ordinary shares of Tk. 100/- each of Bashundhara Paper Mills Limited. That the shareholders of the transferor Companies shall be allotted with same No. of shares which they have and hold in **Bashundhara Tissue Industries Ltd** and **Bashundhara News Print and Duplex Board Industries Ltd.** by **Bashundhara Paper Mills Limited** in the following manner:

Sl. No.	Name of Allotted	No. of shares allotted
01	Mr. Ahmed Akbar Sobhan	15,500
02	Mrs. Afroza Begum	1,04,700
03	Mr. Sadat Sobhan	185,500
04	Mr. Safiat Sobhan	1,85,500
05	Sayem Sobhan	1,85,500
06	Mr. Mahaboob Morshed Hassan	1,500
07	East West Property Development (Pvt.) Ltd.	1,34,500
08	Mr. Safwan Sobhan	1,85,500
09	Mr. Md. Shafiqur Rahman	300
10	Mr. Md. Gias Uddin	2,400
11	Mr. Md. Abdus Samad	2100
Total		10,03,000

- Sources from which the transferee company proposes to pay for the acquisition of the said shares, if the consideration is cash: **Not Applicable**
- Details of transfers of shares in the transferor company by its Directors, Managers, Director & Managing Director, Managing agents, Secretaries and Treasurers, or their associates in the two years preceding the offer: **Not Applicable**
- Reasons for which the offer has been recommended for acceptance by the members of the transferor company by its directors. Every recommendation to the members of the transferor company shall also contain a statement of the interests of its Directors, Managers, Director & Managing Directors, Managing Agents, Secretaries and Treasurers or their associates in the transferee company:

The offer has been recommended because all the Three Companies have the same set of management and identical shareholders and for better administrative benefits and to minimize the administrative and revenue cost it is beneficial that the business of all the Three Companies merge together under one management of a single company Bashundhara Paper Mills Limited. And the business of Bashundhara Tissue Industries Ltd and Bashundhara News Print and Duplex Board Industries Ltd. can be conveniently and advantageously combined together as Bashundhara Paper Mills Limited, the transferee company which has similar objects with Bashundhara Tissue Industries Ltd and Bashundhara News Print and Duplex Board Industries Ltd, As the management of all the Three Companies are almost same and this scheme of amalgamation will result in a horizontal integration and consequent saving of considerable costs.

That the proposed amalgamation shall ensure interest of the existing shareholders and the Directors of **Bashundhara Tissue Industries Ltd** and **Bashundhara News Print and Duplex Board Industries Ltd.** shall be acquired and re-allotted to them by **Bashundhara Paper Mills Limited**.

- A certificate from the auditors of the transferee company that the information contained in the offer/recommendation is correct: Annexed

Financial and Liquidity position of the Company according to the Balance Sheet of 2005.

Particulars	Paper Bashundhara Paper Mills Limited as on 31.12.2005	Bashundhara Tissue Industries Limited as on 30.06.2005	Bashundhara News Print and Duplex Board Industries Ltd. as on 31.12.2005
Current Assets.	605,228,448.56	167,440,873.01	1,919,645,075.03
(including investments other than trade investments in subsidiary and /or managed companies)			
<u>Less :</u>			
Current liabilities	278,832,833.59	226,211,019.04	1,117,049,894.09
<u>Liquid Surplus (Deficit)</u>	326,395,614.97	(58,770,145.03)	802,595,180.94
<u>Add</u>			
(a) Fixed Assets	545,278,594.03	19,046,162.97	1,406,470,453.36
(b) Preliminary Expenses and Cost of Licence	1,82,000.00	18,775.19	91,903.00
<u>Less</u>			
Long-term loans and liabilities	940,264,657.05	-	2,276,290,137.93
Net worth	(68,408,448.05)	(39,705,207.87)	(67,132,600.63)
Note: In making the above computation on net worth adjustments in respect of the following items has been made:			
(i) Intangible assets, i.e. goodwill, etc.			
(ii) Doubtful assets, i.e. doubtful and bad debts, etc.			
(iii) Deferred revenue expenditure	66,105,933.13	2,106,029.63	54,291,932.00
(iv) Accumulated losses	(92,524,014.92)	(37,899,178.24)	(112,840,666.63)
(v) Arrears of depreciation			
(vi) Arrears of preference shares dividend			
(vii) Any other amount appearing in the balance sheet required to be deducted in accordance with accounting practice.			
Total=	90,221,500.00	300,000.00	100,000,000.00
Reconciliation Net Worth Paid-Up capital	90,221,500.00	300,000.00	100,000,000.00

- (vii) Where the issuer has issued equity shares under one or more employee stock option schemes, date-wise details of equity shares issued under the schemes, including the price at which such equity shares were issued;**

The issuer has not issued share under such option.

- (viii) If the issuer has made any issue of specified securities at a price lower than the issue price during the preceding two years, specific details of the names of the persons to whom such specified securities have been issued, relation with the issuer, reasons for such issue and the price thereof;**

BPML has issued 98,214,185 ordinary shares at face value Tk. 10 each to East West Property Development (Pvt.) Limited dated August 12, 2015 in consideration of share money deposit of Tk. 982,141,850

Specific Details of the issue is as under:

Name	Relation with the Issuer	Issue Price (Tk.)	No. of Securities	Reasons of Issue
*East West Property Development (Pvt.) Limited	Director & Parent Company	10	98,214,185	EWPD has a great contribution in enhancement of the capital base of BPML by depositing a substantial amount of share money deposit

***Shareholding Position of East West Property Development (Pvt.) Limited**

Sl. No.	Name	Position	No. of Shares	(%) of holding
1.	Ahmed Akbar Sobhan	Sponsor Chairman & Managing Director	9800	98
2.	Md. Imrul Hassan	Director	100	1
3.	Md. Nazmul Alam Bhuiyan	Shareholder	100	1

- (ix) The decision or intention, negotiation and consideration of the issuer to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue;**

The Company has no such decision or intention, negotiation and consideration to alter the capital structure by way of issue of specified securities in any manner within a period of one year from the date of listing of the present issue.

- (x) The total shareholding of the sponsors and directors in a tabular form, clearly stating the names, nature of issue, date of allotment, number of shares, face value, issue price, consideration, date when the shares were made fully paid up, percentage of the total pre and post issue capital, the lock in period and the number and percentage of pledged shares, if any, held by each of them;**

Name	Position	Nature of Issue	Date of Allotment	No. of Ordinary shares	Face value & Issue Price	Consideration	Total No. of Shares	Lock in Period* (year)	Percentage (%)	
									Pre-IPO	Post-IPO
Ahmed Akbar Sobhan	Sponsor & Chairman	MoA	28.09.1993	60,000	10	Cash	3,783,000	3	2.56	[*]
		Fresh Allotment	15.09.1997	1,040,000	10	Cash				
		Transfer	12.07.2005	200,000	10	Cash				
		Amalgamation	10.10.2009	155,000	10	Asset absorvaton				
		Bonus	25.02.2015	2,328,000	10	Stock Dividend				
Afroza Begum	Sponsor Shareholder	MoA	28.09.1993	30,000	10	Cash	6,102,200	3	4.13	[*]
		Transfer	26.12.1993	1,000	10	Cash				
		Fresh Allotment	15.09.1997	1,120,000	10	Cash				
		Transfer	12.07.2005	149,000	10	Cash				
		Amalgamation	10.10.2009	1,047,000	10	Asset absorvaton				
		Bonus	25.02.2015	3,755,200	10	Stock Dividend				
Safwan Sobhan	Managing Director	Transfer	12.07.2005	1,300,000	10	Cash	8,203,000	1	5.55	[*]
		Amalgamation	10.10.2009	1,855,000	10	Asset absorvaton				
		Bonus	25.02.2015	5,048,000	10	Stock Dividend				
Md. Imrul Hassan	Director	Transfer	28.02.2016	182,000	10	Cash	182,000	3	0.12	
Nazmul Alam Bhuiyan Nominated by: East West Property Development (Pvt.) Ltd.	Director	Fresh Allotment	15.09.1997	6,159,650	10	Cash	104,870,575	3	70.98	[*]
		Transfer	12.07.2005	(4,944,500)	10	Cash				
		Amalgamation	10.10.2009	1,345,000	10	Asset absorvaton				
		Bonus	25.02.2015	4,096,240	10	Stock Dividend				
		Fresh Allotment	12.08.2015	98,214,185	10	Cash				
Total:							123,140,775	3	83.38	[*]

N.B. The shares were made fully paid up capital at the date of allotment. The company didn't issue any pledged share.

*Lock in starts from the issue date of prospectus.

- xi) The details of the aggregate shareholding of the sponsors and directors, the aggregate number of specified securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus or prospectus or information memorandum;**

Details of aggregate shareholding of the sponsors and directors are given in above mentioned clause no. x

N.B. No securities purchased or sold or otherwise transferred by the sponsor and/or by the directors of the issuer and their related parties within six months immediate preceding the date of filing the red-herring prospectus;

- (xii) The name and address of any person who owns, beneficially or of record, 5% or more of the securities of the issuer, indicating the amount of securities owned, whether they are owned beneficially or of record, and the percentage of the securities represented by such ownership including number of equity shares which they would be entitled to upon exercise of warrant, option or right to convert any convertible instrument:**

Shareholders position for 5% or more:

Sl. No.	Name of Shareholder	Address	No. of Share owned or beneficially	Total No. of Shares Recorded	Shareholding (%) before IPO
1	Mr. Sadat Sobhan	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	8,203,000	8,203,000	5.55
2	Mr. Shafiat Sobhan	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	8,203,000	8,203,000	5.55
3	Mr. Sayem Sobhan	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	8,203,000	8,203,000	5.55
4	Mr. Safwan Sobhan	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	8,203,000	8,203,000	5.55
5	East West Property Development (Pvt.) Ltd.	5/3, Kazi Kutir, Nimtali, Rayer Bazar, Dhaka	104,870,575	104,870,575	70.98

*The Company has not any existing warrant, option or right to convert any convertible instrument.

- (xiii) The number of securities of the issuer owned by each of the top ten salaried officers, and all other officers or employees as group, indicating the percentage of outstanding shares represented by the securities owned.**

None of the top ten salaried officers of the company own any shares of the issuer company "Bashundhara Paper Mills Limited" but Mr. Safwan Sobhan, Managing Director of the Company.

Sl. No.	Name of Shareholder	Position	No. of Shareholding	Shareholding (%) before IPO	Shareholding (%) Post-IPO
1	Mr. Safwan Sobhan	Managing Director	8,203,000	5.55	[*]
Total:			8,203,000	5.55	[*]

(d) Description of Business:

- i) **The date on which the issuer company was incorporated and the date on which it commenced operations and the nature of the business which the company and its subsidiaries are engaged in or propose to engage in;**

Bashundhara paper mills limited (BPML) is a one of the major concerns of Bashundhara Group. The company was incorporated in Bangladesh on September 28, 1993 as a private limited company vide registration no.C-24705(539)/93 under the companies act, 1913 (VII of 1913) having its registered office in Dhaka. It was converted in to public limited company in January 30, 1994

BPML started its commercial operation on March 01, 1997

The principal activities of the company is manufacturing different types of paper and allied products in “Unit-1 & Unit-2” tissue and allied products in “Unit-3” and marketing the same for domestic consumption as well as for exports.

The Company has no subsidiary but it is operated under a holding company.

(ii) Location of the project;

Unit 1: Meghnaghat, Baranagar P/O: Newtown, Sonargaon, Narayangonj;
 Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj;
 Unit 3: Anurpura, Gazaria, Munshigonj.

(iii) Plant, machinery, technology, process, etc.

Bashundhara Paper Mills Ltd. is supported by modern machineries and the management is highly capable, qualified and experienced. Inspired by the dynamic leadership of the management of the company, this team of competent professionals are filled with zeal and dedication to leave no stone unturned for achievement of their common goal- complete customer's satisfaction.

The Company intriduces fully automated packing system by German based latest technology.

- (iv) **Details of the major events in the history of the issuer, including details of capacity or facility creation, launching of plant, products, marketing, change in ownership and/or key management personnel etc;**

Event Related to Company Formation & Others:

Date of Incorporation	September 28, 1993 as a private limited company vide registration no.C-24705(539)/93
Private to Public conversion:	Converted into a public limited company from private on January 30, 1994
Date of Commercial Operation	March 01, 1997
Conversion from Private to Public	Converted into a public limited company on January 30, 1994

Amalgamation +	BPML was amalgamated with two companies of the Bashundhara Group of same nature namely "Bashundhara Newsprint & Duplex Board Industries Limited" (Former Shahjalal News Print Industries Ltd.) and "Bashundhara Tissue Industries Limited" (Former Freyschmidt Tissue Limited) amalgamated with BPML on October 10, 2009.
Awarded ISO 14001	In the year 2004 awarded by QCS Management (Pvt.) Limited
Launching the Export	In the year 2011 BPML Started Export its products to 23 different countries around the world at a target of 4200MT per year.
Increase of Paid up Capital	In the year 2014, Increase Paid up capital from Tk. 190,521,500 to 495,355,900.
Capacity/Facility Creation	In the year 2014 BPML went for fully automated converted system for packaging the products.
Further Capital Raise	In the year 2015, Increase Paid up capital from Tk. 495,355,900 to 1,477,497,750.
Awarded FSC Certificate by RINA Services SpA	BPML was awarded the prestigious FSC Certificate on March 23, 2016 for the environment friendly production facility.
ISO Quality Certificate	Achieved ISO quality Certificate by each unit in the year 2016.
Changes in ownership	There are no significant changes in ownership of the Company.
Changes in Key Management Personnel	On July 01, 2017, Mr. Mirja Mujahidul Islam, Head of Accounts and Finance was appointed as the Chief Financial Officer and Mr. Gopal Chandra Mazumdar, Head of Project at factory has been retired from BPML.

N. B. There are no significant events in the history of Bashundhara Paper Mills Limited.

- (v) Principal products or services of the issuer and markets for such products or services. Past trends and future prospects regarding exports (if applicable) and local market, demand and supply forecasts for the sector in which the product is included with source of data;**

The Principle Products of BPML are as follows:

❖ White Writing & Printing Paper	❖ MG Paper	❖ PP Woven Bag	❖ Green Tissue
❖ A4 Paper	❖ Offset Paper	❖ Paper Sack Bag	❖ Sanitary Napkin
❖ Exercise Book	❖ Glassine Paper	❖ Sticker Paper	❖ Baby Diaper
❖ Bidi Paper	❖ Glassine/Ledger /Colour Paper	❖ Facial Tissue	❖ Toilet Tissue
❖ NCR Paper	❖ Duplex Board	❖ Wet Tissue	❖ Kitchen Towel
❖ Newsprint	❖ Sludge Board	❖ Pocket Tissue	❖ Hand Gloves

Market of the products:

The markets for such products are local and abroad countries like India, Sri-Lanka, Nepal, Bhutan, UAE, Canada, UK.

Upcoming Product:

There is no upcoming new products will be launched by the company in near future.

Past trends regarding exports and local market:

Particulars	June 30, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Local Sales	5,880,444,175	10,739,845,875	10,485,695,203	10,386,809,676	10,478,225,677
Export Sales	73,203,042	136,043,755	267,341,396	529,875,896	254,059,135

Future prospects:

The company has pleasant prospect in tissue and hygienic products both for local and export market as such the company is planning to increase its production capacity in near future.

Demand and Supply forecasts: There is no available data source for demand and supply forecasts for the sector in which the product is included.

- (vi) If the issuer has more than one product or service, the relative contribution to sales and income of each product or service that accounts for more than 10% of the company's total revenues;**

There is no product more than 10% contribution to sales or income of the company.

- (vii) Description of associates, subsidiary and holding company of the issuer and core areas of business thereof;**

Bashundhara Paper Mills Limited doesn't have any associates or subsidiary company. But East West Property Development (Pvt.) Limited (EWPDL) is the holding Company (Owner of 70.98% securities) of BPML.

Core Areas of Business of EWPDL:

East West Property Development (Pvt.) Limited, an integral concern of the Bashundhara Group, engaged in real estate sector. Beginning from the core project at Baridhara, within close vicinity of Baridhara Diplomatic Zone, the Group's diversity has taken the range to Bashundhara Riverview, along the South-Eastern bank of river Buriganga. Further down, Bashundhara Riverview Dakhina at Teghoria, only 4 km away from the 300-ft Dhaka-Maowa Highway on the southern flank of Rajuk Jhilmil residential project. Bashundhara Mouchak project, on the contrary, stands at the Northern stretch of Dhaka at Mouchak, Gazipur.

The Group's real estate enterprise doesn't only limit into land infrastructure, Bashundhara Apartment Project excels in building ready apartment both at its Baridhara and Riverview projects and contemplates to build the same in the other land projects to ensure world-class apartment blocks envisioned by its own veteran architects and constructed by its own civil engineering and building resources.

Besides the company has investment in steel, cement, GAS, Paper, printing & electronic media etc.

Description of Business of EWPDL:

The first and prime projects which is popularly known as "Bashundhara" near the Baridhara Diplomatic Zone has been developed on several acres of land while the second project named "Savar Housing Project" has been developed at Savar. The Third project named "River View" has been developed on three thousand acres of land at Hasnabad, Keranigonj near the capital to provide well planned housing facilities for people of old Dhaka. The fourth project named "Mouchak Housing Project" which is located at Gazipur nearer to South Jambury and the fifth Project named "River View Dakhina Project" which is located at Dakhin Keranigonj nearer to River View Project and 4 km away from Dhaka Maowa Road. Some lucrative land projects are coming shortly under the same umbrella of East West Property Development (Pvt.) Ltd.

East West Property Development (Pvt.) Ltd. is also constructing apartment at different blocks of Baridhara & River View project for contributing to mitigate the burgeoning housing need of city dwellers.

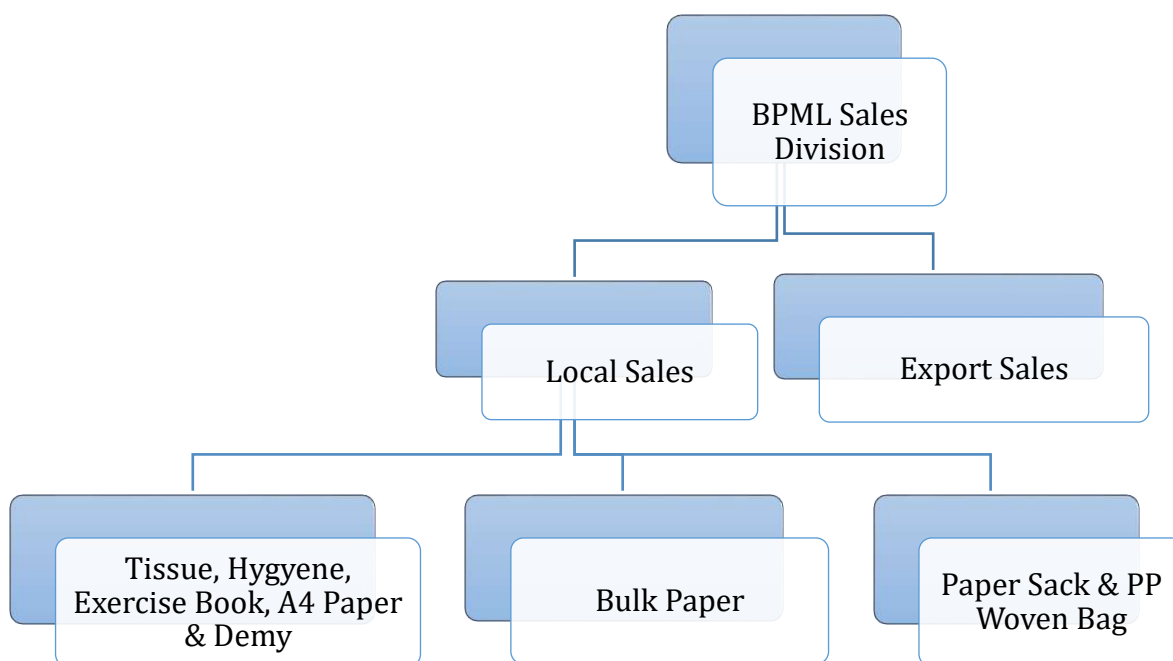
**(viii) How the products or services are distributed with details of the distribution channel.
Export possibilities and export obligations, if any;**

Distribution involves the physical distribution of the company's products to the sub-distributor or directly to the customer base. Typically this is a combined transport and warehousing operation, responsible for storing and delivering products to meet the customer's needs. Again this combined activity will often be placed with a 3rd party service provider who will control and implement the processes.

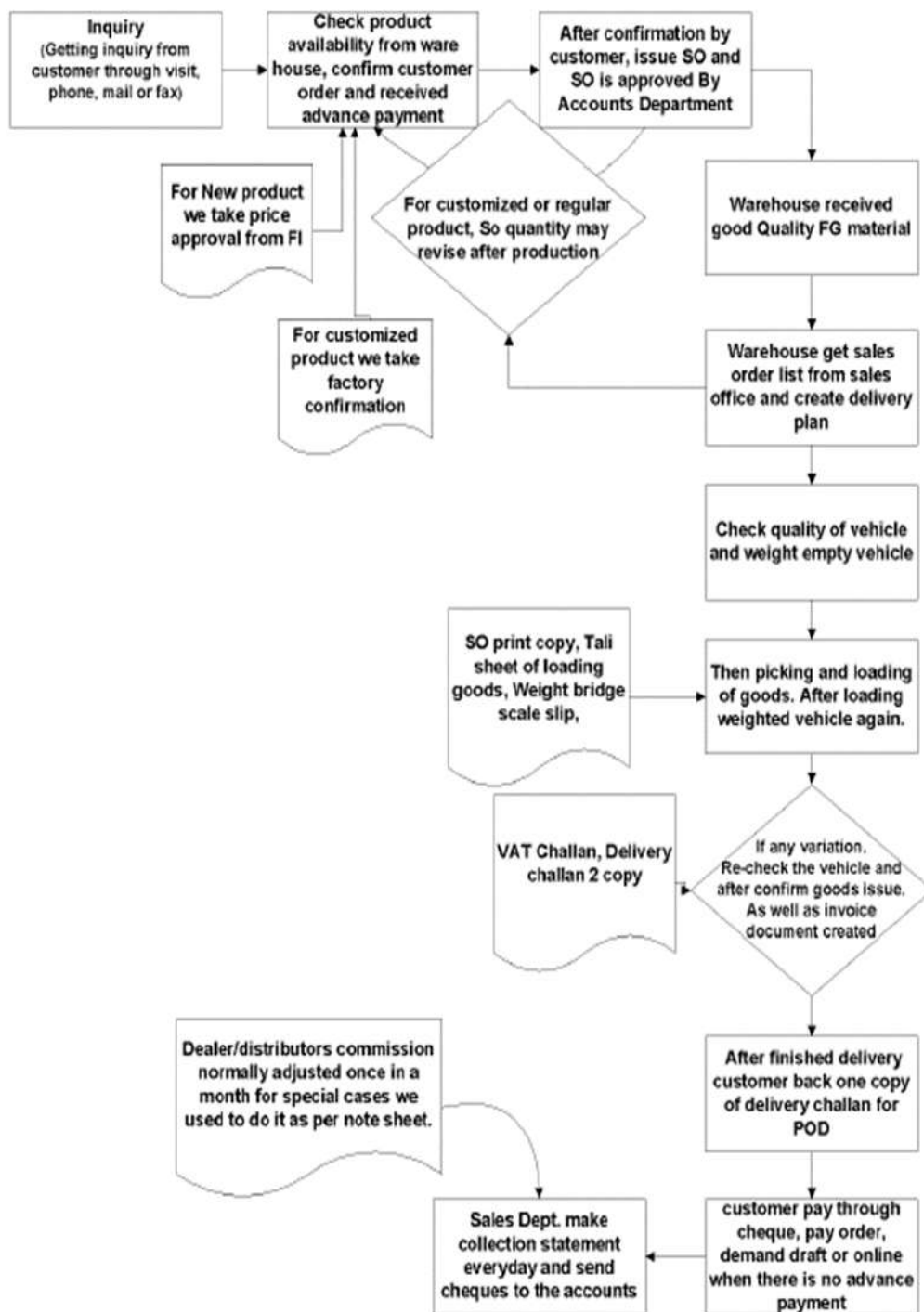
The Company supplies its products from its own factory premises to its customers at the risk of customers against delivery order.

There are two types of sales maintained by BPML

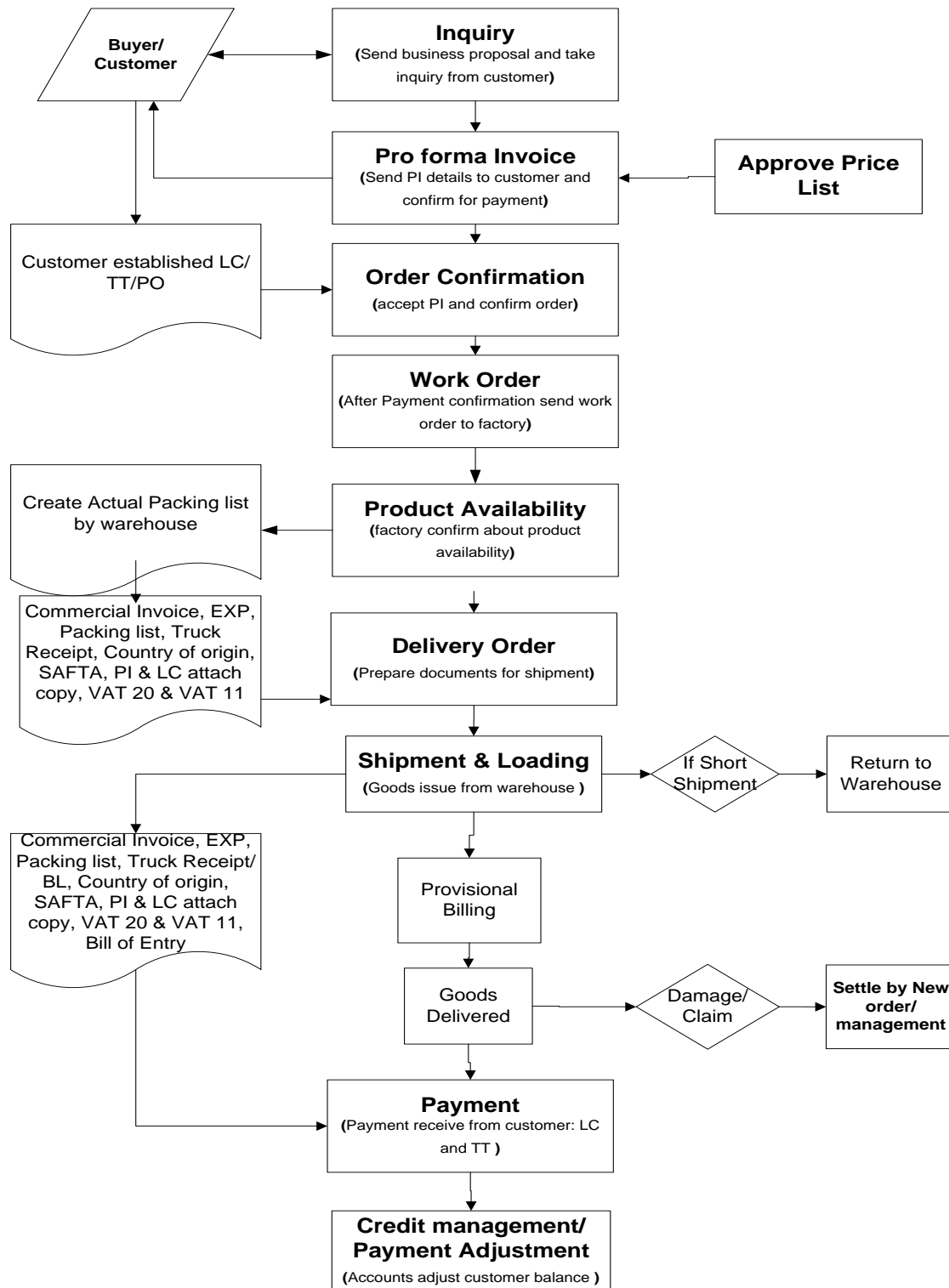
- I) Local Sales
- II) Export Sales



Distribution flowchart of Local Sales:



Distribution flowchart of Export Sales:



Though the company has no obligation to export its product, it exports its product above 20 countries as follows:

India	Sri Lanka	UAE	Qatar
Pakistan	China	Bahrain	South Africa
Nepal	Myanmar	Oman	Mauritius
Bhutan	Malaysia	Kuwait	Australia
Maldives	Singapore	Saudi Arabia	Canada
United Kingdom			

(ix) Competitive conditions in business with names, percentage and volume of market shares of major competitors;

There is a huge demand-supply gap for the product of the company in Bangladeshi market. The Company earned good name & fame in the international market of the country for its quality products. The following are the major paper producers in Bangladesh:

- Hakkani Pulp & Paper Mills Ltd.
- Karnaphuli Paper Mills, Chittagong
- Maq Paper Industries, Naryangang, Bangladesh
- Magura Paper Mills Ltd.
- T. K. Paper Products Ltd.
- Khulna Printing & Packing Limited
- Creative Paper Mill, Rupganj, Naryangang, Bangladesh.
- Asia Paper and Board Mills Ltd.
- Pioneer Paper & Board Mills Ltd.
- Partex Boards & Doors-(Star Particle Board Mills)
- Sonali Paper and Board Mills Ltd.

Among the aforementioned companies, different one produces different paper products. That is all the Companies haven't the same production line. Therefore individually no company is the major competitor of BPML. But from the assumption of BPML sales unit there exists productwise capacity of some companies are as follows:

Paper Products:

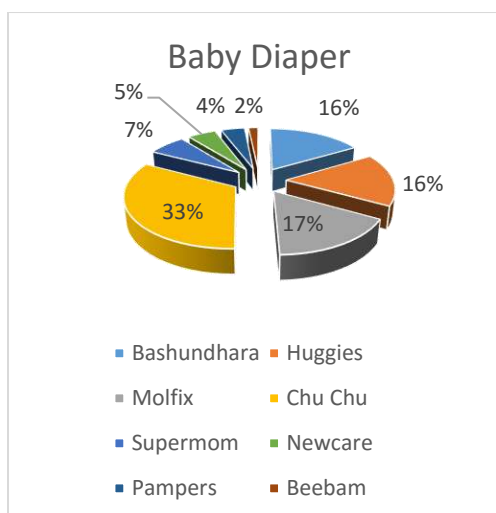
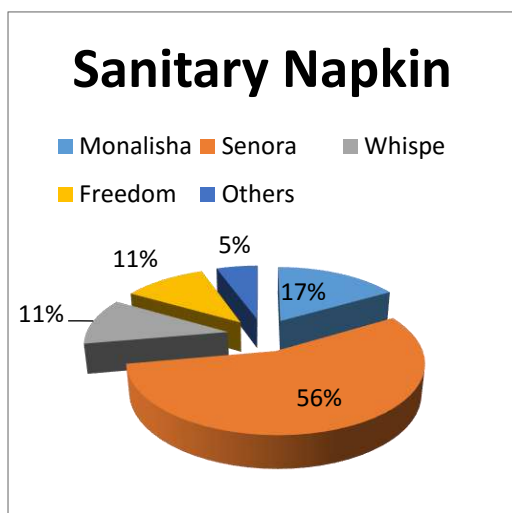
Company	Capacity (M. Ton)	Market Share (%)
Bashundhara Paper Mills Ltd.	10000	42.56
Partex Boards & Doors-(Star Particle Board Mills)	80	0.34
Amber	40	0.17
Azad	110	0.46
Capital	150	0.63
Creative Paper Mill Ltd.	50	0.21
T. K. Paper Products Ltd.	180	0.76
Sonali Paper and Board Mills Ltd.	130	0.55
BMPIL	200	0.85
Papertech	35	0.14
Others		53.3

Tissue Products:

Company	Capacity (M. T)	Market Share (%)
Bashundhara Tissue	1700	85
Bangla Tissue	100	5
Sonali Tissue	50	2.5
Fay Tissue	70	3.5
Persona Tissue	30	1.5
softy Tissue	30	1.5
Casper Tissue	20	1

Baby Diaper:

Company	Pices	Market Share (%)
Bashundhara	20,000,000	16.53
Huggies	20,000,000	16.53
Molfix	20,000,000	16.53
Chu Chu	40,000,000	33.06
Supermom	8,000,000	6.61
Neocare	6,000,000	4.96
Pampers	5,000,000	4.13
Beebam	2,000,000	1.65



Data Source: Bashundhara Paper Mills Limited own research intelligence wing.

As there is no data available regarding the percentage and volume of market shares of major competitor Companies, we disclose here the coparative revenue of two listed companies and BPML from the latest financial statements:

Sl. No.	Company	For the latest financial Year	Revenue
01.	Bashundhara Paper Mills Limited	December 31, 2015	10,435,756,308
02.	Hakkani Pulp & Paper Mills Limited	June 30, 2015	300,223,218
03.	Khulna Printing & Packaging Limited	June 30, 2015	1,920,154,135

(x) Sources and availability of raw materials, names and addresses of the principal suppliers and contingency plan in case of any disruption:

The major product of BPML is various types of paper. All the raw materials of the Company are collected from various suppliers are as follows:

Sl. No.	Name of Suppliers	Category of Supply	Country of Origin	Address of the Supplier
1	Ekman	Bleached Softwood Kraft Pulp	Sweden	Lilla Bommen1. PO Box 230, Se-401 23, Gothenburg, Sweden. Email info@ekman-co.se
2	Central National Europe	Bleached Softwood Kraft Pulp	Austria	Altmannsdorfer Str. 74 1120 Vienna, Austria
3	ATRO International FZE	Waste and Scrap paper, Paper Board, Waste Paper Old Corrugated Carton (OCC)	UAE	ATRO Office building. JEFZA South Zone, Plot No-S-30911, PO Box No: 17942, Jebel Ali Free Zone, Dubai, UAE. Email: atrofze@atrogroupp.com
4	G.A. Paper International	Softwood Kraft Pulp	Canada	327 Renfrew Drive, Suite 102 Markham, Ontario, Canada - L3R 9S8 email: aryska@gapaper.com
5	Sonish Starch Technology Co.,Ltd	Modified Oxidized Starch (SN41-P017)	Thailand	99/2 Moo 3 Khaohinzon Panomsarakarm Chachoengsao 24120, Thailand Tel: (66) 38 855055 ext. 5254 Fax: (66) 2 6591490
6	Sky Dragon Chemtech Enterprise Limited	Microcapsule Blue RDNCR-MC-98 Color developer RDNCR-CD-98 SB Latex RDNCR-SBL-98 DYE SD-98-YELLOW	China	Unit 808, Block a,8-10 Wah sing street Kwai Chung,n.t. HK,China
7	APP China Trading Limited	Bleached Softwood Kraft Pulp ACACIA	Hong Kong	Rm 603, 6/F., Harbour Crystal Centre, 100 Granville Road, Tsim Sha Tsui, Kowloon, Hong Kong.
8	A P Enterprises (Macao) Commercial Offshore Ltd.	Bleached Hardwood Kraft Pulp ACACIA	Macau	Avenida Doutor Mario Soares, s/n, Edificio Finance and IT Center of Macau, 10 andar K2, em Macau.
9	Synthetic Adhesive Co.	Glutex, Trinax (AKD)	Local	Mannan Bhaban (2nd Floor),156, Noor Ahmed
10	Famous Iberchem Flavours & Fragrances Ltd.	Perfume	Local	38, Mitford Road, Dhaka
11	Naveela Colour	Dyes Chemicals	Local	13, Mukim katra, Moulobi Bazar,Dhaka
12	ABC Printing & Packaging	Poly Packaging items	Local	12/1, Purana Paltan Line, Dhaka – 1000
13	Green Traders	All Poly Packaging item	Local	Kanchan, Sonargaon, Narayangonj.
14	Canton Paper Converting & Packaging	Master Carton,CM Paper (Slitting Packaging Paper)	Local	Plot : B-72, BSCIC I/A, Kanchpur ,Sonargaon, Narayangonj
15	Bangla Trac Limited	Filter & Spare parts	Local	04, Mohakhali C/A,Dhaka
16	Darusshunnat Hardware Store	Hydraulic Pipe	Local	39/1,Nobabpur Road,Dhaka
17	MJL Bangladesh Limited	All kinds of lubricants	Local	Mobil house CWS© 9, Gulshan-1 Dhaka -1212
18	Micro Tools & Machineries	All kinds of Bearing	Local	78, Nawabpur Road, Dhaka-1100

19	Unique Paper Products	Paking Materials	Local	Showan Tower, 3rd floor, 2/C, Puranpalton Dhaka.
20	Danish Industries Pvt. Ltd.	Gum Tape	Local	97, Nazimuddin Road, Dhaka-1100.
21	East West Media Group Ltd.	Heat Proof, INK	Local	Plot No- C/52,Block-K,Bashundhara R/A,Dhaka-1229
22	Astral Associates	HDPE Film Roll	Local	House # 27, Road no 2, Block-B, Mirpur-12, Dhaka-1221.
23	Naveela Colour	A4 wrapper, Image Plate	Local	13, Mukim Katara, Moulvi Bazar, Dhaka-1211
24	Resimax Industries Ltd.	Chemicals – Defoamer Different Colour	Local	8/6, Segun Bagicha (1st Flr.), Dhaka-1000.
25	Rahimafronz Distribution Ltd.	Chemicals - PCC	Local	Gloob Chamber, 104, Motijheel C/A, Dhaka-1000.
26	Quest Accessories	Paper Sizeing Chemicals	Local	Uttara Export Processing Zone, Plot-09, Shongolshi, Nilphamari
27	Baba Shahjalal Engineering Works	Oil Fuel, Spare Parts	Local	120/2, Fakirapul Water Tank, Dhaka
28	Unique Trade International	Paking Materials	Local	263, Nawabpur Road, Tarek Center, Dhaka
29	Canton Paper Converting & Packaging Ind. Ltd	Flexo Block	Local	1705, Sena Kalyan Bhaban, Motijheel C/A, Dhaka-1000.
30	Medi Chemicals	R/M - Item	Local	56,Mitford Road, Dhaka
31	Evergreen Technology Co. Ltd.	Paking Materials	Local	484 No. Joynabari, Hamayetpur, (Aricha Road), Savar, Dhaka.
32	Rowshan Enterprise	Calcium Corbonate, Caustic Soda (Flake), Hydrochloric Acid, Hydrogen Peroxide 35% & Tapica Starch	Local	Munni Plaza (Shop No -3, 1st floor) Baijid Bostami Road (Probartek) Nasirabad, Ctg.
33	Resimax Industries Ltd.	Ril-100, Ril-200	Local	Mannan Bhaban (2nd Floor),156 Nur Ahmed Sarak, Chittagong.
34	Jamil Consumer Ltd.	Trinax-S	Local	House No- 2, Road No- 5, North Rayerbag, Jatrabari, Dhaka-1362.
35	Sciencemate	Alum	Local	26, Hatkhola Road, Dhaka
36	BSK Chemical Industries Ltd.	Alum	Local	Rahman Chamber, 2/F 12-13 Motijheel Commercial Area Dhaka-1000.
37	Synthetic Adhesive Co. Ltd.	Ril-100, Ril-200	Local	Mannan Bhaban (2nd Floor),156 Nur Ahmed Sarak, Chittagong.
38	Pacific Chemitrade Co.	Trinax-S	Local	75/A, Kakrail Road, Holding # 27 1st Floor, Dhaka.
39	Unique Trade International	Nalco	Local	263, Nawabpur, Dhaka-1100

Contingency plan in case of any disruption:

BPML has a large no. of alternative options for purchasing the raw materials as mentioned above. Also it has a sound business relation with its suppliers. Despite, If any supplier unable or disagree to supply raw materials then the company will go for next best alternative supplier(s) immediately to avoid the disruption of the raw materials.

(xi) Sources of, and requirement for, power, gas and water; or any other utilities and contingency plan in case of any disruption:

BPML has three units to run its different products. And all the units have sufficient arrangement of power, gas and water. Unit-wise arrangement is as follows:

Unit-1

Sl. No.	Description	Source	Current Requirement (Approx)
1	Electricity	Gas Generator 35 lac KWH, REB 6 lac KWH Unique Power Plant 6 lac KWH per month	47 Lac KWH/Month
2	GAS	Titas Gas Distribution Co. (for Generator 12 lac CM & for Boiler 11 lac CM)	23 lac CM/Month
3	Water	Own Deep Tube well & Meghna River	1296 Lac Liter/Month

Unit-2

Sl. No.	Description	Source	Current Requirement (Approx)
1	Electricity	Own Power Plant	6613960 KWH/Month
2	GAS	TITAS Gas Transmission & Distribution Co. Ltd.	2,736,703 M ³ /Month
3	Water	Meghna River	324000 M ³ /Month

Unit-3

Sl. No.	Description	Source	Current Requirement (Approx)
1	Electricity	Comilla Pally Bidyut Samity-3	3800 KWH
2	GAS	Titas Gas Transmission and Distribution Co. Ltd.	2478677 M ³ /Month
3	Water	Meghna River	18 Crore Ltr/Month

Contingency Plan for electricity:

Particulars	Unit-1		Unit-2			Unit-3	
Machinery	05 nos. of Generator with same specification	02 nos. of Generator with same specification	Power Plant	Generator		04 nos. of Generator with same specification	06 nos. of Generator with same specification
Brand	Cater Pillar	Cater Pillar	1. Steam Turbine: Condensing-Extraction type, Brand SOGET 2. Alternator (Generator): Synchronous type, Brand - Alsthom	Cummins	Cummins	Cater Pillar	Waukesha
Capacity	1030 KW	1025 KW	15000 kw	316 KVA	315 KVA	1030 KW	900 KW
Model	G-3516	G-3516	Turbine: 6170ECD69; Generator: RNV 189-140	NT855 g6	BM2 52	G-3516	VHP5904LTD
Country of origin	USA	USA	France	Singapore	Singapore	USA	USA

Contingency Plan for GAS Supply:

Titas Gas Transmission & Distribution Company Limited supply required gas as per our demand against approved load. Therefore, at present the company does not have any arrangement in interruption of gas supply.

Contingency Plan for water supply:

Particulars	Unit-1		Unit-2		Unit-3
Machinery	Deep Tube well	Centrifugal Water Pump	Water Pump	03 nos. of Water Pump with same specification	01 nos. Water Pump
Brand	KSB	KSB	JEUMONT-SCHNEIDER	KSB Pumps Ltd	KSB Pumps Ltd
Capacity	1,50,000 Litter per hour	275 M ³ per hour and Head 35.5 M	48333 Ltr./ Per minute	275 M3/H	450 M3/H
Model	BNP 394/3+NB 623	MEGA 125-315	Pompe centrifugal pump-BK200/7 & ME300/500	MEGA-G-125-315	MEGA-G150/400
Country of origin	KSB, Germany	KSB Pump Ltd. India.	France	Germany	Germany

(xii) Names, address(s), telephone number, web address, e-mail and fax number of the customers who account for 10% or more of the company's products/services with amount and percentage thereof;

The Company's products are sold to various customers through it dealer. However, no single customer who account for 10 % or more of the Company's total product.

(xiii) Names, address(s), telephone number, web address, e-mail and fax number of the suppliers from whom the issuer purchases 10% or more of its raw material or finished goods with amount and percentage thereof;

The Company's raw materials are purchased from various suppliers from home and abroad. And no single supplier provides 10 % or more of the Company's total supply of raw materials.

(xiv) Description of any contract which the issuer has with its principal suppliers or customers showing the total amount and quantity of transaction for which the contract is made and the duration of the contract. If there is not any of such contract, a declaration is to be disclosed duly signed by CEO or MD, CFO and Chairman on behalf of Board of Directors;

Decleration regarding no contract with the principle suppliers:

This is to declare that Bashundhara Paper Mills Limited has no contract with its principal suppliers or customers.

Sd/-
Ahmed Akbar Sobhan
 Chairman

Sd/-
Safwan Sobhan
 Managing Director

Sd/-
Md. Toffail Hossain
 Chief Financial & Development
 Officer

Date: January 01, 2017

(xv) Description of licenses, registrations, NOC and permissions obtained by the issuer with issue, renewal and expiry dates;

The company has acquired no Patents, Licenses or Royalty Agreement except the following:

Certificate	Issuer/ Authority	Certificate/ License No.	Issue Date	Renewal date	Expiry Date
Certificate of Incorporation	Register of Joint Stock Companies and Firms, Government of Bangladesh	C-24705(539)/93	28.10.1993	N/A	N/A
TIN Certificate	National Board of Revenue, Government of Bangladesh.	eTIN 169620580996	02.10.2013	N/A	N/A
VAT Certificate	Customs, Excise and VAT Commission rate, Government of Bangladesh.	Unit-1 21131000470	20.11.2012	N/A	N/A
		Unit-2 21131001353	26.11.2012	N/A	N/A
		Unit-3 19301000676	02.12.2012	N/A	N/A
Import Registration Certificate	Office of the Chief Controller of Export & Import, Government of Bangladesh	ব-133107	18.01.2003	16.07.2017	30.06.2018
Export Registration Certificate	Office of the Chief Controller of Export & Import, Government of Bangladesh	র-55752	05.08.2001	16.07.2017	30.06.2018
Trade License	Pirojpur Union Parishad, Sonargaon, Narayanganj	০২, ১৫৯	24.07.2017, 01.07.2017	01.07.2017	30.06.2018
	4 No. Bhaberchar Union Parishad	05/2017-18	30.07.2017	01.07.2017	30.06.2018
	Dhaka City Corporation	05-04875	29.08.2013	12.07.2017	30.06.2018
Environment Clearance Certificate	Environment Bureau Narayanganj Zilla	নং- 22.02.6700.140.7 2.053.15-278	31.07.2017	22.11.2016	22.11.2017
Fire License	Fire Services and Civil Defense, Government of Bangladesh	Dhaka-10750/98	03.05.1998	30.06.2017	30.06.2018
		Dhaka-14277/2001	04.09.2001	30.06.2017	30.06.2018
		Dhaka-13121/2000	22.02.2011	30.06.2017	30.06.2018
Board of Investment Certificate	Board of Investment, Government of Bangladesh	9810045-H	20.10.1994	N/A	N/A
DCCI Certificate	Dhaka Chambers of Commerce	02392	03.02.2014	05.01.2017	31.12.2017
Acid Usage License	Ministry of Home Affairs	13/2013-2014	27.04.2014	30.06.2017	30.06.2018
BERC License	Bangladesh Energy Regulatory Commission	BERC/POWER/CP P-0281/L/0283 (Part-1)/0577	02.02.2016	15.05.2016	15.05.2018
Factory Inspection License	Dy Chief Inspector of Factories	10407/নাংগঞ্জ	08.08.1999	03.01.2016	31.12.2017
	Dy Chief Inspector of Factories	9832/ঢাকা	12.03.1997	03.01.2016	31.12.2017
	Dy Chief Inspector of Factories	10340/নাংগঞ্জ	09.05.1999	13.01.2016	31.12.2017
Boiler Certificate	Office of the Chief Inspector of Boilers				
	Unit-1	বাং বং ১২৫৬, বাং বং ৬৪৭৭ বাং বং ৬৪৭৬ বাং বং ৮৬২৮	13.03.2016, 14.06.2015 14.06.2015 08.06.2016	02.09.2017 25.07.2017 25.07.2017 25.07.2017	19.11.2017 24.01.2018 24.01.2018 24.01.2018
	Unit-2	বাং বং ২৮৬০	04.04.2016	13.04.2017	12.04.2018
	Unit-3	বাং বং ৬৬০৫, বাং বং ৬৬০৬	07.04.2015 07.04.2015;	30.11.2016 30.11.2016	29.10.2017 29.10.2017

		বাং বঃ১১১৬, বাং বঃ১১১৭০, বাং বঃ১১১৮৩, বাং বঃ১১১৮৮ বাং বঃ১১২৫৭	18.05.2016; 18.05.2016; 19.10.2016; 19.10.2016; 30.03.2017	26.02.2017 22.02.2017 28.05.2017 28.05.2017 28.03.2017	25.01.2018 21.01.2018 27.05.2018 27.05.2018 27.03.2018
BSTI	Bangladesh Standards and Testing Institution	3639		26.12.2016	30.06.2018
ISO	International Organization for Standardization	QCSMPL/INT/E/J / 498-R	July 07, 2015	N/A	07.07.2018
Forest Stewardship Council-FSC Certificate	Forest Stewardship Council® RINA Services SpA, Via Corsica 12-16128 Genova Italy	RINA-COC-000101	March 23, 2016	N/A	22.03.2021

(xvi) Description of any material patents, trademarks, licenses or royalty agreements;

The company didn't obtain any Patent Right and has no royalty agreement with any party. However, it has several regulatory licenses and certificate in order to continue its operation which is mentioned above in no. xv.

(xvii) Number of total employees and number of full-time employees;

As on June 30, 2016 the total numbers of employees of the company (Head Office & Factory) is as follows:

Particulars	30 June, 2016	31 December, 2015
Number of employees whose salary below Tk. 3000 per month	-	-
Number of employees whose salary above Tk. 3000 per month.	2841	2386

* All employees are working on the basis of full time whereas there is no any part time worker or employee of the company.

(xviii) A brief description of business strategy;

Bashundhara Paper Mills Limited is a pioneer among the private sector paper producers in the country. The enterprise, since its inception in 1993, is helping the nation and save huge amount of hard-earned foreign currency by cutting dependence on imported paper products. Our business model is designed to deliver sustainable growth. The key objectives of managing a business are to achieve sustainable, profitable growth, increase the value of the business for capital providers, safeguard jobs and, last but not least, maintain corporate autonomy. BPML's future aim is to become continue as the market leader brand in the country. In order to do this, we shall draw on our history spanning more than 23 years as a supplier of innovative products for the people in the country while at the same time expressing our ongoing desire to create something new –from product innovations in the area of performance.

Objectives

The Company's objective is to develop and maintain the long-term customer relationship by providing diversified products that enhance the customer's prospects of success in their end markets. In that context, by generating strong sustainable revenue and profitability, together with judicious capital allocation decisions BPML to delivers an increasingly strong return on capital through the cycle. This objective is underpinned by the Company's clearly stated ambition to maintain its premier position in the industry by delivering superior customer satisfaction; pursuing cost and operating efficiencies; maintaining proactive environmental awareness; and reinforcing its commitment to continuous improvement in the areas of health and safety and corporate social responsibility.

As a leading paper and tissue manufacturing and marketing company, since its commercial operation in 1997 we have been facing stronger regulation and fierce competition. BPML view the need for a long-range strategic plan in business operation.

Goal: Strategy

The Company continues to develop its presence in emerging markets, particularly in the tissue and paper operations where inherent growth and cost benefits are most apparent. In its paper and tissue businesses, it sees opportunity to develop by leveraging the competencies in both mature and emerging markets. Sustainable development is integral to the success of the business and its ability to create value.

- To focus on developing markets that offer us growth opportunities;
- To invest in the exceptional people and high-quality, low-cost operations;
- To passionate about performance, reliability and sustainability; and
- To work with the customers, value them and involve efforts to meet their needs.

There's a saying that failing to plan is planning to fail. As competition increases and belts tighten in the paper sector the Company in the production and business operation put emphasis on:

- Product diversification
- Safety initiatives
- Ways to reduce the cost of goods sold including efficiencies in manufacturing and reduction of water and utility consumption
- Changes in manufacturing methods
- Supply chain revisions
- Growth plans, which may include expanding the business, introducing new products, locations, and market segments
- Asset consolidation/optimization
- Asset preservation / maintenance plans including capital expenditures for meeting current regulations and maintaining the future of existing assets
- Training such as computer and technology upgrades for tracking and traceability, communication, and other initiatives.

The Company's business objectives and strategies are outlined as:

- To expand market positions through selective focused growth from increased market share through consolidating, and where appropriate, extending its leadership position. By deepening the Company's customer relationships through a relentless pursuit of innovative initiatives that assist the customers' market impact and optimise their supply chain activities.
- To become the supplier/partner of choice of its customers, developing proactive initiatives to improve their offering;
- To constantly innovating its products, service, quality and delivery in order to develop and/or maintain preferred supplier status;
- To pursuing superior performance in all aspects of its business and at all levels in its organization;
- To focus on enhancing its operational excellence;
- To improve the output through judicious capital investment, continuous improvement programmes, transfer of best practice, industrial engineering, and other progressive initiatives emanating from its technical experts;
- To ensure customer satisfaction and excellence in all its business operations;
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add value in the operation;
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to success of its strategy.

(xix) A table containing the existing installed capacities for each product or service, capacity utilization for these products or services in the previous years, projected capacities for existing as well as proposed products or services and the assumptions for future capacity utilization for the next three years in respect of existing as well as proposed products or

services. If the projected capacity utilization is higher than the actual average capacity utilization, rationale to achieve the projected levels.

There is no proposed product to introduce in BPML and the capacity utilization is not higher than the actual average capacity utilization.

Product wise existing capacities of major products for the previous three years and the projected future capacity utilization are as under:

Particulars	Product	Existing				Projected		
Year		30-Dec-13	30-Dec-14	30-Dec-15	30-Jun-16	30-Jun-17	30-Jun-18	30-Jun-19
Annual Installed Capacity (MT)	Paper & Tissue	189,828	163,728	164,988	73,179	146,358	146,358	146,358
Actual Production		115,268	108,911	115,211	55,676	117,086	124,404	131,722
Capacity Utilized		61%	67%	70%	76%	80%	85%	90%
Annual Installed Capacity (Pcs)	Printing Machine		25,200,000	25,200,000	12,600,000	25,200,000	25,200,000	25,200,000
Actual Production			8,076,140	8,508,782	7,784,403	17,136,000	18,900,000	20,160,000
Capacity Utilized			32%	34%	62%	68%	75%	80%
Annual Installed Capacity (Pcs)	Bag Section	120,000,000	120,000,000	120,000,000	60,000,000	120,000,000	60,000,000	120,000,000
Actual Production		37,149,166	35,986,832	30,411,852	27,028,889	66,000,000	39,000,000	84,000,000
Capacity Utilized		31%	30%	25%	45%	55%	65%	70%
Annual Installed Capacity (Pkt)	Sanitary Napkin	10,333,440	10,333,440	10,333,440	5,166,720	10,333,440	5,166,720	10,333,440
Actual Production		1,516,416	2,391,336	3,659,982	2,267,248	4,960,051	2,686,694	5,683,392
Capacity Utilized		15%	23%	35%	44%	48%	52%	55%
Annual Installed Capacity (Pcs)	Baby Diaper	53,913,600	53,913,600	53,913,600	26,956,800	53,913,600	26,956,800	53,913,600
Actual Production		11,431,268	10,390,748	11,439,552	9,489,359	21,565,440	12,939,264	29,652,480
Capacity Utilized		21%	19%	21%	35%	40%	48%	55%
Annual Installed Capacity (Pcs)	Hand Gloves	25,000,000	25,000,000	25,000,000	12,500,000	25,000,000	12,500,000	25,000,000
Actual Production		9,658,004	3,067,400	2,644,200	2,025,600	5,000,000	3,000,000	7,500,000
Capacity Utilized		39%	12%	11%	16%	20%	24%	30%
NB: In the year 2019 it is expected that commercial production of new tissue machine will be started.								

The Company has projected that the capacity utilization will be increased as the share capital of the company will be raised in near future for further expansion of the existing capacity which is mentioned in the "Use of Proceeds" part of this red-herring prospectus. In the view of this future plan, the management of the Company endeavour that the projected capacity will be attainable.

e) Description of Property:

(i) Location and area of the land, building, principal plants and other property of the company and the condition thereof;

The factory buildings are located at Meghnaghat, Sonargaon, Narayangonj and Munshigonj. The registered and corporate office located at the Bashundhara R/A. The Company owns the following Property, Plant & Equipment at written down value and they are situated at Company's factory premises, registered office & corporate office:

June 30, 2016		
Particulars	Written Down Value (Cost)	Written Down Value (Revaluation)
Land & Land Development	354,627,718	2,107,635,598
Plant & Machinery	3,149,953,113	61,694,468
Office Equipment	32,204,304	932,369
Furniture and Fixture	23,240,764	620,964
Factory apparatus & loose tools	170,727,947	2,921,774
Motor Vehicle	216,026,332	2,903,719
Factory Building & Other Construction	1,083,354,408	495,898,608
Sundry assets	24,017,776	2,711,543
Plant & Machinery-Leased	959,873,407	-
Motor Vehicle-Leased	37,028,679	-
Total:	6,051,054,448	2,675,319,043

The above-mentioned properties are in good condition. The plant and machinery of the Company have been owned by the Company and were purchased in new condition.

Summary of land property:

Particulars		Land Area (Acre)
Own Land	Unit-1	12.38
	Unit-2	12.62
	Unit-3	10.69
Leased Land	Unit-1	8.75
	Unit-2	4.095
	Unit-3	5.92
Total:		54.47

Details of land property:

Sl. No.	Location	Deed No.	Date of Purchase	Area	Deed Value
Unit-1					
1.	Dist: Narayangonj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Khatian No. 27,48,48,48,48,48,48 & 454. Dag/ Plot No.1210, 1221, 1222, 1223, 1224, 1225, 1226, 1227.	1360	28.02.1994	0.7400	40,000
2.	Dist: Narayangonj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No. 39,39,450. Dag/Plot No. 1266,1267,1268	2229	25.04.1994	1.6000	100,000
3.	Dist: Narayangonj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No. 58. Dag/Plot No. 1264	3103	09.06.1994	0.1300	5,000

4.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No. 66,66,66,66. Dag/Plot No. 1252,1253,1254,1255	3428	25.06.1994	0.1194	5,000
5	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No. 66. Dag/Plot No. 1252,1253,1254,1255	3434	25.06.1994	0.0400	2,000
6.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza., Khatian No. S.A-66, ,Dag/Plot No.S.A-1252, 1253, 1254, 1255 & 1256. C.S-50, S.A-66 Namjari, Khatian no. 1053, Jot No. 1067, C.S-555, S.A-1	5844	01.09.2004	0.4106	245,000
7.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah.S.A-85,66,73,97. Dag/Plot No. S.A-1251,1252,1260,1249	8652	28.12.2004	0.1200	165,000
8.	Dist: Narayanganj, P.S: Sonargaon.S.A.479 No. Mouza,Char Ramzan Sonaullah.J.L.No.- C.S.-479,S.A.- 285, R.S.232. Khatian No.C.S.17, S.A 109,452,R.S. 676.Khariza1652. Jot No.1672.Dag/Plot No.C.S.-1153,S.A- 1198,1203.R.S.4004,975,	5427	06.09.2006	0.1400	105,000
9.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232.Khatian No.S.A. 117, R.S 397, S.A 115, Dag/Plot , S.A-1204,1205, R.S. 973.S.A. 1207	4010	31.05.2005	1.3200	832,000
10.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah.J.L.No.- C.S.-479, S.A.- 285, R.S. 232. Khatian No. S.A 26, R.S. 87.Dag/Plot No.S.A- 1182, . R.S. 996/1895. Diara jarip; Dag No. 2620,4137.	5428	05.09.2006	0.3000	225,000
11.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No.451,110,66,73,49,85, 49,52,52,39,39,450,507,507,509,509,509,289. Dag/PlotNo.1230,1247,1252, 1260,1261,1250,1262,1263,1265, 1266,1267,1268,1269,1270,1271,1272,1273, 1392	3785	11.07.1994	4.6500	362,000
12.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. S.A. Khatian No. 507,507,97. Dag/Plot No.1269,1270,1249	3786	10.07.1994	0.6000	47,000
13.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232. Khatian No. S.A-110, R.S. 656, Khariza-2194, Jot No. 2225. Dag No. S.A-1257, R.S. 933, 990, 991, 943, 944 S.A-97,27, R.S 700,	1606	17.02.2009	0.5000	1,310,000
14.	Dist: Narayanganj, P.S: Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479,S.A.- 285, R.S. 232 no. Mouza.S.A-455,456,25,R.S-48,49,651 Kharija,Khatian No.-2176,Jot No.1207, S.A109,115,R.S-676,706,Kharija, Khatian no.1822, Dag/Plot	1607	17.02.2009	0.7050	1,500,000
15.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza. 24,444,S.A-234,R.S-579,Kharija, Khatian No.-1887, Jot No. 1909, Dag/Plot No. C.S-452, R.S-1009.	4882	06.05.2009	0.1650	350,000
16.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza. S.A -24,444,S.A-234,R.S-579,224,Kharija, Khatian No.-1811, , Dag/Plot No. S.A-1188,1191, R.S-989	4881	06.05.2009	0.2400	507,000
17.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. S.A.479 No. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza. S.A -1148,R.S-1037	6664	25.06.2008	0.2900	1,000,000
18.	Dist: Narayanganj, P.S: Boidder Bazar, at present Sonargaon. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza. S.A. Khatian no-507, R.S. Khatian no-04, S.A. Dag no-1269, 1270, R.S. Dag no-929.	14966	22.11.2015	0.1188	1,093,000
19.	Dist: Narayanganj, P.S: Sonargaon. Mouza, Char Ramzan Sonaullah. Settlement jarip CS-479, S.A.- 285, R.S. 232 no. Mouza. S.A. Khatian no-34, R.S. Khatian no-410, S.A. Dag no-1259, R.S. Dag no-954.	6319	15.05.2016	0.2000	1,840,000
Unit-2					
20.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-741, Dag no-2161	8524	27.12.1995	0.9900	60,000

21.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 R.S. -285 Mouza No.232 ,Char Ramjan Sonaullah,Khatian No-S.A-328, 232, 340, R.S-598, 22, 756 Mutation: - 2319, Dag No: S.A-2117, 2113, 2110 R.S - 4713, 4717, 4721, 4722	7469	07.07.2009	0.3300	950,000
22.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-753, Dag no-2139	387	15.01.1995	0.5500	60,000
23.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-753, Dag no-2138	545	21.01.1995	0.2700	45,000
24.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-752, Dag no-2140	546	21.01.1995	0.2950	60,000
25.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-312, Dag no-2151,2156	1365	23.02.1995	0.7600	75,000
26.	Dist.Narayanganj, PS.Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-312, Dag no-2160,2157,2158,2156	1391	25.02.1995	3.3600	250,000
27.	Dist.Narayanganj, PS.Boidder Bazar,at present Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-392, Dag no-2207	914	05.02.1995	0.6600	60,000
28.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-391, Dag no-2209	1412	26.02.1995	0.4100	30,000
29.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-312 & 235, Dag no-2156, 2067	2102	01.04.1995	0.2800	50,000
30.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-219 & 389, Dag no-2155, 2211	1925	22.03.1995	0.2800	100,000
31.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-391, 390 & 389 Dag no-2209, 2210, 2211	2778	26.04.1995	0.0650	12,000
32.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-219, 312, Dag no-2155, 2157, 2159, 2160	2780	26.04.1995	0.3400	35,000
33.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 R.S 285. Mouza-232 ,Char Ramjan Sonaullah, Dag no-S.A- 2208, R.S-4664	668	25.01.1997	0.5100	50,000
34.	Dist.Narayanganj, P.S: Sonargaon,S.A 479 No Mouza ,Char Ramjan Sonaullah,Khatian No-285, 312, Dag no-2158	5378	06.08.1997	0.1200	15,000
35.	Dist.Narayanganj, PS.Boidder Bazar,at present Sonargaon,S.A 479 R.S. -285 Mouza No.232 ,Char Ramjan Sonaullah,Khatian No-S.A-192, 221, 312, Dag No: S.A-2149, 2150, 2151.	137	10.01.1999	1.0100	100,000
36.	Dist.Narayanganj, P. S: Sonargaon,S.A 479 R.S. -285 Mouza No.232, Char Ramjan Sonaullah,Khatian No-1212, Dag no-S.A.-2146, R.S. 3921	6691	24.08.1999	0.7250	170,000
37.	Dist. Narayanganj, P.S : Sonargaon,S.A 479 R.S. -285 Mouza No.232 ,Char Ramjan Sonaullah,Khatian No-S.A- 170,527,352,341,177,286,150,1348,150,1226 R.S: 192,1424,425,703,43,263,493,618,328,226,429,1000, Dag no-S.A.-2130,2131,2136,2137,2138,2143,2128,2123,2012,2144 R.S. -4699,4698,4694,4693,4691,4692,4686,4744,4700,4706,4588,4685	2592	19.04.2004	0.6850	2,300,000
38.	Dist.Narayanganj, P.S : Sonargaon,S.A 479 R.S. -285 Mouza No.232 ,Char Ramjan Sonaullah,Khatian No-S.A-217,340,150,176,260,230, R.S-594, 756, 328, 121, 696, 544, 654 Mutation # -1811, Dag no-S.A.-2121, 2117, 2128, 2107, 2118, 2114, 2147 R.S. 4708, 4707, 4713, 4700, 4725, 4711, 4683	4427	23.04.2009	0.9800	2,986,000
Unit-3					
39.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, . J.L.No.S.A-304. S.A.Khatian-25,R.S.Khatian-232,S.A.Dag-146,R.S.Dag-336.	2477	28.11.1995	0.4200	70,000
40.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, . J.L.No-304. S.A.Khatian-117,R.S.Khatian-129,S.A.Dag-150,R.S.Dag-344.	2480	28.11.1995	0.4600	75,000
41.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-S.A.Khatian-13,33,R.S.Khatian-55,S.A.Dag-148,R.S.Dag-337,338.	2506	29.11.1995	0.3600	55,000
42.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-S.A.Khatian-136,R.S.Khatian-35,S.A.Dag-99,R.S.Dag-358.	2495	29.11.1995	0.1700	25,000
43.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, . J.L.No-304. S.A.Khatian-30,R.S.Khatian-195,S.A.Dag-98,R.S.Dag-329.	2494	29.11.1995	0.3000	40,000
44.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-20,R.S.Khatian-20,,S.A.Dag-147,R.S.Dag-333.	2549	05.12.1995	0.3200	50,000
45.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-20,R.S.Khatian-175,143,S.A.Dag-147,R.S.Dag-335,334.	2545	05.12.1995	0.3100	50,000

46.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-143,R.S.Khatian-99,,S.A.Dag-118,R.S.Dag-357.	2564	06.12.1995	0.3900	60,000
47.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-20,R.S.Khatian-37,S.A.Dag-155,R.S.Dag-342.	160	24.01.1996	0.3000	70,000
48.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-24,R.S.Khatian-171,S.A.Dag-123,R.S.Dag-331.	2616	31.12.1995	0.5400	70,000
49.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, J.L.No-390/304/21. S.A.Khatian-24,R.S.Khatian-166,S.A.Dag-123,R.S.Dag-330.	8	13.12.1995	0.5400	70,000
50.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-40,R.S.Khatian-145,18,S.A.Plot-122,R.S.Plot-354,355.	1196	19.07.1996	0.1675	20,000
51.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-40,R.S.Khatian-18,S.A.Dag-122,R.S.Dag-355.	673	18.04.1996	0.1950	50,000
52.	Dist: Munshigonjhana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-41,R.S.Khatian-28,S.A.Dag-122,R.S.Dag-356.	914	30.05.1996	0.4000	60,000
53.	Dist: Munshigonj ,Thana: Gazaria, Mouza-Omederkandi,J.L.No-304. S.A.Khatian-165,R.S.Khatian-45,S.A.Plot-149,R.S.Plot-343.	2708	19.11.1997	0.3600	35,000
54.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-136,R.S.Khatian-87,S.A. Dag-100,R.S.Dag-360	2388	03.11.1998	0.3700	60,000
55.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-304. S.A.Khatian-144,R.S.Khatian-28,S.A. Dag-97,R.S.Dag-328.	2247	09.09.1999	0.4300	75,000
56.	Thana: Gazaria, Mouza-Omederkandi,Dist: Munshigong J.L.No-304. S.A.Khatian-173,116,159,136,R.S.Khatian-56,116,229,93,S.A. Dag-94,95,91/472.101,R.S.Dag-324,325,326,361.	82	18.01.2000	0.6050	70,000
57.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, S.A.Khatian-137,R.S.Khatian-193,S.A. Dag-396,R.S.Dag-327.	547	09.03.2000	0.5600	60,000
58.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi, J.L.No-C.S-390,S.A-27,R.S-21. C.S.Khatian-171,S.A.Khatian-169,R.S.Khatian-251,C.S &S.A.Dag-109,R.S.Dag-386,387,390.	1334	24.04.2009	0.0800	170,000
59.	Dist: Munshigong, Thana: Gazaria, Mouza-Omederkandi, J.L.No-C.S-390,S.A-27,R.S-21,C.S Khatian-171, S.A.Khatian-169,R.S.Khatian-251,C.S.& S.A Dag-109,S.A. Dag-,R.S.Dag-386,387,390.	1408	01.05.2009	0.0250	55,000
60.	Dist: Munshigonj,Thana: Gazaria, Mouza-Omederkandi, J.L.No-C.S-390,S.A-27,R.S-21.C.S.Khatian-171, S.A.Khatian-169,R.S.Khatian-251,C.S.& S.A.Dag-109,R.S.Dag-386,387,390.	1332	24.04.2009	0.1100	222,000
61.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi,J.L.No- C.S-390,S.A.-27,R.S-21, C.S.Khatian-171,S.A.Khatian-169,R.S.Khatian-251,C.S &S.A. Dag-109,R.S.Dag-386,387,390.	1333	24.04.2009	0.2700	545,000
62.	Dist: Munshigonj,Thana: Gazaria, Mouza-Vitikandi, J.L.No-S.A-305,R.S-22. C.S.Khatian-246,S.A.Khatian-219,R.S.Khatian-52&Khariza Khatian-319,C.S.&S.A Dag-42,43,R.S.Dag-142,139.	2194	01.08.2009	0.5400	1,010,000
63.	Dist: Munshigonj ,Thana: Gazaria, Mouza-Omederkandi,J.L.No-. S.A.Khatian-122,R.S.Khatian-91,S.A. Dag-38,R.S.Dag-141.	4086	22.11.2009	0.0800	150,000
64.	Dist: Munshigonj , Thana: Gazaria, Mouza-Vitikandi,J.L.No-S.A-391,R.S-22,R.S.Khatian-182,179,119,70,181,C.S&S.A. Dag-73,R.S.Dag-61,136,52,55,155.	2651	26.05.2010	0.8900	1,700,000
65.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi,J.L.No-C.S-390,S.A-27,R.S-21,S.A.Khatian-114,148,169,R.S-88,54,251,Khariza Khatian-3401,C.S.&S.A. Dag-109,110,111,112,113,R.S.Dag-390,391,392,393,394	3941	08.11.2009	1.1850	2,390,000
66.	Dist: Munshigonj, Thana: Gazaria, Mouza-Omederkandi,J.L.No-C.S-390,S.A-27,R.S-21,C.S.Khatian-159 ,S.A.Khatian-159,159/1,R.S-39,Khariza Khatian-455,C.S.&S.A. Dag-115,R.S.Dag-388,	4049	15.11.2009	0.3200	645,000
Total Own land:				35.7063	

*Land cost and development cost at the time of revaluation.

BPML utilizing the below mentioned leased land from East West Property Development (Pvt.) Limited

Sl. No.	Deed No.	Date of Registration	Deed Value of Land	Total Land	Location
1	174	17/01/2000	600,000	7.5784	Unit-1
2	9028	28/11/2000	60,000	0.4000	Unit-1
3	2415	31/03/2002	30,000	0.1750	Unit-1
4	2576	22/04/2003	160,000	0.6000	Unit-1
5	8833	20/11/2000	500,000	4.095	Unit-2
6	2791	8/11/2001	20,000	0.1300	Unit-3
7	2873	14/11/2001	50,000	0.3400	Unit-3
8	2859	14/11/2001	20,000	0.1300	Unit-3
9	2998	28/11/2001	50,000	0.3200	Unit-3
10	2983	28/11/2001	50,000	0.3400	Unit-3
11	3006	28/11/2001	80,000	0.6400	Unit-3
12	3102	6/12/2001	20,000	0.1200	Unit-3
13	246	24/01/2002	9,000	0.1300	Unit-3
14	361	7/2/2002	27,000	0.0650	Unit-3
15	473	20/02/2002	80,000	0.5500	Unit-3
16	652	14/03/2002	27,000	0.1700	Unit-3
17	1185	2/5/2002	60,000	0.3400	Unit-3
18	1025	18/04/2002	94,000	0.5100	Unit-3
19	1023	28/04/2002	30,000	0.1450	Unit-3
20	2286	22/08/2002	150,000	0.6500	Unit-3
21	1190	24/04/2003	98,000	0.2925	Unit-3
22	1181	24/04/2003	97,000	0.2900	Unit-3
23	1420	17/04/2008	1,350,000	0.7600	Unit-3
Total:			3,662,000	18.7709	

Building & other construction:

The following building and other constructions are available in Bashundhara Paper Mills Limited:

Unit-1	Unit-2	Unit-3
1. Raw Material & Waste Paper Godown-1,2,3	1. Office & Factory Building	1. Building for Paper Machine-1
2. Hard Wood & Soft Wood Pulp Shed, Waste Paper Shed	2. DIP, PM-1 & PM-2 Structure	2. Building for Paper Machine-2
3. Water Reservoir	3. Power Plant Structure	3. Building for Paper Machine-3
4. Pump House	4. Cooling Tower Structure	4. Building for Paper Machine-4
5. Generator & Boiler House	5. Store Office	5. Building for Paper Machine-5
6. Furnace Oil Tank & Housing	6. Mosque	6. Building for Cut size Machine
7. Cooling Tower & Transformer Base	7. Raw Materials & Chemical Godown	7. Administration Building
8. Finishing Godown/Chemical /Finishing	8. Gas Station Structure	8. Cut size Machine
9. Civil Office Building -1 & 2	9. Mechanical & Electrical Workshop	9. Converting and warehouse building
10. Mess Building-1 & 2	10. Automobile Workshop	10. Chemical Building
11. PM-1,2,3		11. Warehouse
		12. Raw Material Godown

12. Fire Office & Auto Work shop	11. Substation, Generator & Boiler Room	13. Generator Building
13. Security Shed	12. Staff & Office Shed	14. Boiler House
14. River Water Pump House	13. Labor Shed & Other constructions	15. Pulp Godown
15. Main Gate Security Office	14. Sludge Board Structure	16. Jumbo Roll Godown
16. Vacuum Pump Base - PM-3	15. Effluent Treatment Plant Structure	17. Store Raw Material
17. Titas Gas RMS Room		18. Mosque
18. CCPM		19. Paper Converting
19. Supervisor Room, Staff Shed & Canteen		20. Finishing
20. Hi-Con Pulper		21. Residential Building
21. Building & Structures – Sack (Store)		22. Hand Gloves Building
22. Water Treatment Plant		23. Wastage Pulp Godown Shed
23. Book Manufacturing Plant Building		24. Effluent Treatment Plant
24. Sticker Paper machine Building		
25. Office building-PPWBP		
26. Factory building-Mosque		
27. Godown-PPWBP		
28. Release paper plant		

***All the land, building and other constructions are in useable and good condition.**

(ii) Whether the property is owned by the company or taken on lease;

All the assets of the Company are in its own name except the under mentioned scheduled land which is taken as lease from East West Property Development (Pvt.) Limited.

Schedule of Property

Sonargaon, District: Narayangonj

Owner of Land: East West Property Development (Pvt.) Ltd.

Deed No.	Total Land
174, 9028, 2415, 2576, 8833, 2791, 2873, 2859, 2998, 2983, 3006, 3102, 246, 361, 473, 652, 1185, 1025, 1023, 2286, 1190, 1181, 1420	18.7709 acre

Above mentioned land is not included in the head land & land development in note no. 4 and annexure-A (Property, plant and equipment schedule) of the audited financial statement for the period ended June 30, 2016

(iii) Dates of purchase, last payment date of current rent (খাজনা) and mutation date of lands, deed value and other costs including details of land development cost, if any and current use thereof:

Sl. No.	Deed No.	Date of Purchase	Area	Deed Value	Cost of acquisition	Mutation date	Last payment date of current rent	Current Use
Unit-1								
1	1360	28.02.1994	0.7400	40,000	40,000	3814/07.06.16 & 3846/07.08.16	1424 dt. 23.07.17	Factory Use
2	2229	25.04.1994	1.6000	100,000	100,000	3814/07.06.16	1424 dt. 23.07.17	Yes
3	3103	09.06.1994	0.1300	5,000	5,000	1806/06.11.06	1424 dt. 23.07.17	Yes
4	3428	25.06.1994	0.1194	5,000	5,000	1806/06.11.06	1424 dt. 23.07.17	Yes
5	3434	25.06.1994	0.0400	2,000	2,000	1806/06.11.06	1424 dt. 23.07.17	Yes
6	5844	01.09.2004	0.4106	245,000	245,000	1806/06.11.06	1424 dt. 23.07.17	Yes
7	8652	28.12.2004	0.1200	165,000	165,000	1806/06.11.06	1424 dt. 23.07.17	Yes
8	5427	06.09.2006	0.1400	105,000	105,000	1806/06.11.06	1424 dt. 23.07.17	Yes

9	4010	31.05.2005	1.3200	832,000	832,000	1806/06.11.06 & 2362/09.07.09	1424 dt. 23.07.17	Yes
10	5428	05.09.2006	0.3000	225,000	225,000	1806/06.11.06	1424 dt. 23.07.17	Yes
11	3785	11.07.1994	4.6500	362,000	362,000	3814/07.06.16& 3846/07.08.16	1424 dt. 23.07.17	Yes
12	3786	10.07.1994	0.6000	47,000	47,000	3814/07.06.16 & 3846/07.08.16	1424 dt. 23.07.17	Yes
13	1606	17.02.2009	0.5000	1,310,000	1,310,000	2361/16.07.09	1424 dt. 23.07.17	Yes
14	1607	17.02.2009	0.7050	1,500,000	1,500,000	2361/09.07.16	1424 dt. 23.07.17	Yes
15	4882	06.05.2009	0.1650	350,000	350,000	2363/09.07.16	1424 dt. 23.07.17	Yes
16	4881	06.05.2009	0.2400	507,000	507,000	2363/09.07.16	1424 dt. 23.07.17	Yes
17	6664	25.06.2008	0.2900	1,000,000	1,000,000	2360/09.07.09	1424 dt. 23.07.17	Yes
18	14966	22.11.2015	0.1188	1,093,000	2,517,970	3814/07.06.16	1424 dt. 23.07.17	Yes
19	6319	15.05.2016	0.2000	1,840,000	3,447,400	3814/07.06.16	1424 dt. 23.07.17	Yes
Unit-2								
20	8524	27.12.1995	0.9900	60,000	60,000	2905/22.12.12	1424 dt. 23.07.17	Yes
21	7469	07.07.2009	0.3300	950,000	950,000	2905/22.12.12	1424 dt. 23.07.17	Yes
22	387	15.01.1995	0.5500	60,000	60,000	2905/22.12.12	1424 dt. 23.07.17	Yes
23	545	21.01.1995	0.2700	45,000	45,000	2905/22.12.12	1424 dt. 23.07.17	Yes
24	546	21.01.1995	0.2950	60,000	60,000	2905/22.12.12	1424 dt. 23.07.17	Yes
25	1365	23.02.1995	0.7600	75,000	75,000	2905/22.12.12	1424 dt. 23.07.17	Yes
26	1391	25.02.1995	3.3600	250,000	250,000	2905/22.12.12	1424 dt. 23.07.17	Yes
27	914	05.02.1995	0.6600	60,000	60,000	2905/22.12.12	1424 dt. 23.07.17	Yes
28	1412	26.02.1995	0.4100	30,000	30,000	2905/22.12.12	1424 dt. 23.07.17	Yes
29	2102	01.04.1995	0.2800	50,000	50,000	2905/22.12.12	1424 dt. 23.07.17	Yes
30	1925	22.03.1995	0.2800	100,000	100,000	2905/22.12.12	1424 dt. 23.07.17	Yes
31	2778	26.04.1995	0.0650	12,000	12,000	2905/22.12.12	1424 dt. 23.07.17	Yes
32	2780	26.04.1995	0.3400	35,000	35,000	2905/22.12.12	1424 dt. 23.07.17	Yes
33	668	25.01.1997	0.5100	50,000	50,000	2905/22.12.12	1424 dt. 23.07.17	Yes
34	5378	06.08.1997	0.1200	15,000	15,000	2905/22.12.12	1424 dt. 23.07.17	Yes
35	137	10.01.1999	1.0100	100,000	100,000	2905/22.12.12	1424 dt. 23.07.17	Yes
36	6691	24.08.1999	0.7250	170,000	170,000	2905/22.12.12	1424 dt. 23.07.17	Yes
37	2592	19.04.2004	0.6850	2,300,000	2,300,000	2905/22.12.12	1424 dt. 23.07.17	Yes
38	4427	23.04.2009	0.9800	2,986,000	2,986,000	2905/22.12.12	1424 dt. 23.07.17	Yes
Unit-3								

39	2477	28.11.1995	0.4200	70,000	70,000	535/08.12.11	1424 dt. 23.07.17	Yes
40	2480	28.11.1995	0.4600	75,000	75,000	535/08.12.11	1424 dt. 23.07.17	Yes
41	2506	29.11.1995	0.3600	55,000	55,000	535/08.12.11	1424 dt. 23.07.17	Yes
42	2495	29.11.1995	0.1700	25,000	25,000	535/08.12.11	1424 dt. 23.07.17	Yes
43	2494	29.11.1995	0.3000	40,000	40,000	535/08.12.11	1424 dt. 23.07.17	Yes
44	2549	05.12.1995	0.3200	50,000	50,000	535/08.12.11	1424 dt. 23.07.17	Yes
45	2545	05.12.1995	0.3100	50,000	50,000	535/08.12.11	1424 dt. 23.07.17	Yes
46	2564	06.12.1995	0.3900	60,000	60,000	535/08.12.11	1424 dt. 23.07.17	Yes
47	160	24.01.1996	0.3000	70,000	70,000	535/08.12.11	1424 dt. 23.07.17	Yes
48	2616	31.12.1995	0.5400	70,000	70,000	535/08.12.11	1424 dt. 23.07.17	Yes
49	8	13.12.1995	0.5400	70,000	70,000	535/08.12.11	1424 dt. 23.07.17	Yes
50	1196	19.07.1996	0.1675	20,000	20,000	535/08.12.11	1424 dt. 23.07.17	Yes
51	673	18.04.1996	0.1950	50,000	50,000	535/08.12.11	1424 dt. 23.07.17	Yes
52	914	30.05.1996	0.4000	60,000	60,000	535/08.12.11	1424 dt. 23.07.17	Yes
53	2708	19.11.1997	0.3600	35,000	35,000	535/08.12.11	1424 dt. 23.07.17	Yes
54	2388	03.11.1998	0.3700	60,000	60,000	535/08.12.11	1424 dt. 23.07.17	Yes
55	2247	09.09.1999	0.4300	75,000	75,000	535/08.12.11	1424 dt. 23.07.17	Yes
56	82	18.01.2000	0.6050	70,000	70,000	535/08.12.11	1424 dt. 23.07.17	Yes
57	547	09.03.2000	0.5600	60,000	60,000	535/08.12.11	1424 dt. 23.07.17	Yes
58	1334	24.04.2009	0.0800	170,000	170,000	507/12.08.11	1424 dt. 23.07.17	Yes
59	1408	01.05.2009	0.0250	55,000	55,000	507/12.08.11	1424 dt. 23.07.17	Yes
60	1332	24.04.2009	0.1100	222,000	222,000	507/12.08.11	1424 dt. 23.07.17	Yes
61	1333	24.04.2009	0.2700	545,000	545,000	507/12.08.11	1424 dt. 23.07.17	Yes
62	2194	01.08.2009	0.5400	1,010,000	1,010,000	674/17.08.11	1424 dt. 23.07.17	Yes
63	4086	22.11.2009	0.0800	150,000	150,000	674/17.08.11	1424 dt. 23.07.17	Yes
64	2651	26.05.2010	0.8900	1,700,000	11,416,666	674/17.08.11	1424 dt. 23.07.17	Yes
65	3941	08.11.2009	1.1850	2,390,000	2,390,000	474/02.05.10	1424 dt. 23.07.17	Yes
66	4049	15.11.2009	0.3200	645,000	645,000	474/02.05.10	1424 dt. 23.07.17	Yes

Land Development and other Cost:

Sand and earth filling: Total Earth and sand filling cost of three factories is BDT 354,627,718 up to June 30, 2016 by local sand and soil with carrying cost through contract basis. Area of filling is around 1,557,226 sft. and cost of filling was approximately @ Tk. 195 per sft. Unit wise cost break-up is as follows:

(Amount in BDT)

Particulars	Unit-1	Unit-2	Unit-3
Sand and earth filling	121,363,307	34,323,098	151,782,961
Labor bill for other	4,101,275	130,000	200,000
Other Cost (Khajna, mutation etc.)	565,208	40,500	4,279,333
Total:	<u>138,795,160</u>	<u>41,901,598</u>	<u>173,930,960</u>

- (iv) The names of the persons from whom the lands has been acquired or proposed to be acquired along with the cost of acquisition and relation, if any, of such persons to the issuer or any sponsor or director thereof;

Land has been acquired:

Sl. No.	Name of Seller	Relation of seller with issuer/its sponsors/directors	Deed No.	Date of Purchase	Area	Cost of acquisition (BDT)
Unit-1						
1	Nurul Islam Gong	No Relation	1360	28.02.1994	0.7400	40,000
2	Ibrahim Gong	No Relation	2229	25.04.1994	1.6000	100,000
3	Khezmat Ali	No Relation	3103	09.06.1994	0.1300	5,000
4	Mohsin Miah	No Relation	3428	25.06.1994	0.1194	5,000
5	Md. Abu Tayeb	No Relation	3434	25.06.1994	0.0400	2,000
6	Md. Kutub Mia	No Relation	5844	01.09.2004	0.4106	245,000
7	Nasir Uddin	No Relation	8652	28.12.2004	0.1200	165,000
8	Siddique Miah	No Relation	5427	06.09.2006	0.1400	105,000
9	Alhaj Md. Nurul Haque	No Relation	4010	31.05.2005	1.3200	832,000
10	Md. Abdur Rahman	No Relation	5428	05.09.2006	0.3000	225,000
11	Alhaj Ahmed Akbar Sobhan	No Relation	3785	11.07.1994	4.6500	362,000
12	Mrs. Afroza Begum	No Relation	3786	10.07.1994	0.6000	47,000
13	Azharul Islam Mannan	No Relation	1606	17.02.2009	0.5000	1,310,000
14	Md. Moniruzzaman	No Relation	1607	17.02.2009	0.7050	1,500,000
15	Moazzem Hossain Sharif on behalf of Kalu Bepary	No Relation	4882	06.05.2009	0.1650	350,000
16	Moazzem Hossain Sharif on behalf of Azharul Islam Mannan	No Relation	4881	06.05.2009	0.2400	507,000
17	Azharul Islam Mannan	No Relation	6664	25.06.2008	0.2900	1,000,000
18	Haji Khaliur Rahman	No Relation	14966	22.11.2015	0.1188	2,517,970
19	Nurjahan Begum	No Relation	6319	15.05.2016	0.2000	3,447,400
Unit-2						
20	Abdul Haque Mollah	No Relation	8524	27.12.1995	0.9900	60,000
21	Azaharul Islam Mannan	No Relation	7469	07.07.2009	0.3300	950,000
22	Nasir Uddin Gong	No Relation	387	15.01.1995	0.5500	60,000
23	Sadek Hossain	No Relation	545	21.01.1995	0.2700	45,000
24	Oahed Ali Gong	No Relation	546	21.01.1995	0.2950	60,000
25	Mrs. Afroza Begum	Shareholder	1365	23.02.1995	0.7600	75,000
26	AL-Haz Ahmed Akber Sobhan	Director & Chairman	1391	25.02.1995	3.3600	250,000
27	Ayub Ali Gong	No Relation	914	05.02.1995	0.6600	60,000
28	Fazlul Haque Gong	No Relation	1412	26.02.1995	0.4100	30,000
29	Babar Ali Gong	No Relation	2102	01.04.1995	0.2800	50,000
30	Fazlul Haque Gong	No Relation	1925	22.03.1995	0.2800	100,000
31	Fazlul Haque Gong	No Relation	2778	26.04.1995	0.0650	12,000
32	Hasen Ali Gong	No Relation	2780	26.04.1995	0.3400	35,000

33	Fazlul Haque Gong	No Relation	668	25.01.1997	0.5100	50,000
34	Mrs. Moziron Nessa	No Relation	5378	06.08.1997	0.1200	15,000
35	Ahmed Akber Sobhan	Director & Chairman	137	10.01.1999	1.0100	100,000
36	M/s. Takbir Pulp & Paper	No Relation	6691	24.08.1999	0.7250	170,000
37	Orma Limited In favour of Md. Mohammad Ahsanul Haque Maruf	No Relation	2592	19.04.2004	0.6850	2,300,000
38	Azaharul Islam Mannan	No Relation	4427	23.04.2009	0.9800	2,986,000
Unit-3						
39	a) Serajul Islam, b) Ambia Khatun, c) Rabia Khatun	No Relation	2477	28.11.1995	0.4200	70,000
40	a) Mominul Huq, b) Taslima Akter, c) Fatema Akter, d) Hawa Bibi, e) Maya Akter, f) Mahmuda Akter, g) Rezia Khatun, h) Rezina Khatun.	No Relation	2480	28.11.1995	0.4600	75,000
41	Abdul Awyal Gong	No Relation	2506	29.11.1995	0.3600	55,000
42	a) Md.A.Razzaque, b) Peara Begum, c) Shahiton Nessa.	No Relation	2495	29.11.1995	0.1700	25,000
43	a) Abdul Aziz, b) Abdul Sattar	No Relation	2494	29.11.1995	0.3000	40,000
44	Dhanu Mia Gong	No Relation	2549	05.12.1995	0.3200	50,000
45	Ashad Mia Gong	No Relation	2545	05.12.1995	0.3100	50,000
46	Alamgir Gong	No Relation	2564	06.12.1995	0.3900	60,000
47	Mohammad Elahi Box Prodhan	No Relation	160	24.01.1996	0.3000	70,000
48	Abdul Mannan Gong	No Relation	2616	31.12.1995	0.5400	70,000
49	Jarimon Nessa	No Relation	8	13.12.1995	0.5400	70,000
50	Md.Abul Hossain Gong	No Relation	1196	19.07.1996	0.1675	20,000
51	Fazlur Rahman	No Relation	673	18.04.1996	0.1950	50,000
52	Md. Zahirul Haque	No Relation	914	30.05.1996	0.4000	60,000
53	Md. Khalilur Rahman Gong	No Relation	2708	19.11.1997	0.3600	35,000
54	Md. Kafiluddin Mollah	No Relation	2388	03.11.1998	0.3700	60,000
55	Abdul Gaffar	No Relation	2247	09.09.1999	0.4300	75,000
56	Md. Azzarul Islam Mannan	No Relation	82	18.01.2000	0.6050	70,000
57	Abdul Latif Gong	No Relation	547	09.03.2000	0.5600	60,000
58	Halima Begum Gong	No Relation	1334	24.04.2009	0.0800	170,000
59	Zahangir Alam Sarker Gong	No Relation	1408	01.05.2009	0.0250	55,000
60	Aman Ullah Sikder Gong	No Relation	1332	24.04.2009	0.1100	222,000
61	Shamina Akter Gong	No Relation	1333	24.04.2009	0.2700	545,000
62	Md. Abdul Saleq Gong	No Relation	2194	01.08.2009	0.5400	1,010,000
63	Abdul Maleq Gong	No Relation	4086	22.11.2009	0.0800	150,000
64	Md.Lutfar Rahman Gong	No Relation	2651	26.05.2010	0.8900	11,416,666
65	Bashundhara Tissue Industries	No Relation	3941	08.11.2009	1.1850	2,390,000
66	K.M.H. Shahidul Hoq	No Relation	4049	15.11.2009	0.3200	645,000

Land proposed to be acquired:

The Company has proposed to acquire 1.1880 acres of land at Dist: Dhaka, Thana: Khilkhet Gulshan, C.S. 296 S.A. 111, R.S./B.S.-22/06. Dhaka City jorip no-1096 & 1100 Dhaka city jorip dag no-3169, 3159, 3168, 3162, 3166, 3167, 3170 & 4519 as follows:

Sl. No	Name of the Seller	Relation of seller with issuer/its sponsors/directors	Advance Against Land (BDT)	Total Area	Total Cost of acquisition (BDT)
1	Aditi Mondol	No Relation	16,666,666	1.1880	150,000,000
2	Gita Rani Mondol	No Relation	16,666,668		
3	Suravi Mondal	No Relation	16,666,666		

(v) Details of whether the issuer has received all the approvals pertaining to use of the land, if required:

The Company does not have any land for the project that requires approval from any authority pertaining to its use.

(vi) If the property is owned by the issuer, whether there is a mortgage or other type of charge on the property, with name of the mortgagee;

The following property is owned by the issuer, and there is mortgage obligation from the different mortgagee:

Deed No.	Area	Mortgage (Yes/ No)	Name of mortgagee
Unit-1			
2229	1.6000	Yes	Agrani Bank Ltd.
5844	0.4106	Yes	Uttara Finance and Investments Limited
8652	0.1200	Yes	Uttara Finance and Investments Limited
5427	0.1400	Yes	Uttara Finance and Investments Limited
4010	1.3200	Yes	Uttara Finance and Investments Limited
5428	0.3000	Yes	Uttara Finance and Investments Limited
3785	4.6500	Yes	Agrani Bank Ltd.
3786	0.6000	Yes	Agrani Bank Ltd.
1606	0.5000	Yes	Uttara Finance and Investments Limited
1607	0.7050	Yes	Uttara Finance and Investments Limited
4882	0.1650	Yes	Uttara Finance and Investments Limited
4881	0.2400	Yes	Uttara Finance and Investments Limited
Unit-2			
8524	0.9900	Yes	Janata Bank Ltd.
387	0.5500	Yes	Janata Bank Ltd.
545	0.2700	Yes	Janata Bank Ltd.
546	0.2950	Yes	Janata Bank Ltd.
1365	0.7600	Yes	Janata Bank Ltd.
1391	3.3600	Yes	Janata Bank Ltd.
914	0.6600	Yes	Janata Bank Ltd.
1412	0.4100	Yes	Janata Bank Ltd.
2102	0.2800	Yes	Janata Bank Ltd.
1925	0.2800	Yes	Janata Bank Ltd.
2778	0.0650	Yes	Janata Bank Ltd.
2780	0.3400	Yes	Janata Bank Ltd.
137	1.0100	Yes	Janata Bank Ltd.
Unit-3			
2477	0.4200	Yes	Janata Bank Ltd.
2480	0.4600	Yes	Janata Bank Ltd.
2506	0.3600	Yes	Janata Bank Ltd.

2495	0.1700	Yes	Janata Bank Ltd.
2494	0.3000	Yes	Janata Bank Ltd.
2549	0.3200	Yes	Janata Bank Ltd.
2545	0.3100	Yes	Janata Bank Ltd.
2564	0.3900	Yes	Janata Bank Ltd.
160	0.3000	Yes	Janata Bank Ltd.
2616	0.5400	Yes	Janata Bank Ltd.
8	0.5400	Yes	Janata Bank Ltd.
1196	0.1675	Yes	Janata Bank Ltd.
673	0.1950	Yes	Janata Bank Ltd.
914	0.4000	Yes	Janata Bank Ltd.
2388	0.3700	Yes	Janata Bank Ltd.
2247	0.4300	Yes	Janata Bank Ltd.
82	0.6050	Yes	Janata Bank Ltd.
547	0.5600	Yes	Janata Bank Ltd.
1334	0.0800	Yes	Janata Bank Ltd.
3941	1.1850	Yes	Shahjalal Islami Bank Ltd.

NB. There is no other type of charge on the property

(vii) If the property is taken on lease, the expiration dates of the lease with name of the lessor, principal terms and conditions of the lease agreements and details of payment;

All the assets of the Company are in its own name except the under mentioned scheduled land which is taken as lease from East West Property Development (Pvt.) Limited. East West Property Development (Pvt.) Ltd. (EWPD) is the one of the Directors and holding Company of Bashundhara Paper Mills Ltd. (BPML). The BPML has been using 18.7709 acres of land owned by EWPD situated around the factory of BPML'S premises under a lease agreement between the parties.

Schedule of Property

Sonargaon, District: Narayangonj

Name of the Lessor: East West Property Development (Pvt.) Ltd.

The details of the land:

Location	Area (acres)	Date of Allotment	Land Deed No	Expiry
Meghnaghat, Sonargaon, Narayangonj and Anurpura, Gazaria, Munshigonj	18.7709	26.05.2009	174, 9028, 2415, 2576, 8833, 2791, 2873, 2859, 2998, 2983, 3006, 3102, 246, 361, 473, 652, 1185, 1025, 1023, 2286, 1190, 1181, 1420	May 26, 2029

Major Terms & Conditions:

1	The factory shall be made on that land under the name & style of BPML.
2	BPML shall be responsible for construction, managing, promoting the project for its building and other construction without any uncumbranches.
3	BPML will not pay any amount for Land as rent and can utilize this Land without any payment. However, EWPD can charge rent of land any time from BPML which will be establish agreed upon by both parties.
4	BPML will develop Land as per require and the project shall be build as per own specification and design.

5	Whereas BPML wishes to extend the period of lease more than thirty years, it can be done on mutual discussion between the both parties.
6	Whereas EWPDL ifwants to cancel the agreement with BPMLthey should give at least one-year prior notice to remove the structures and Factory building built.
7	Should EWPDL refuse to transfer the said portions of land to buyers after BPML has fulfilled its obligations, BPML shall have the right to get the contract enforced through court of Law/Cantonment Board and EWPDL shall bear the legal cost.

Payment Details:

During the time of agreement dated May 26, 2009 in consideration of the capability of the sister concern i.e BPML the Board of Directors of EWPDL has decided not to charge rent or claim lease value from BPML against leased land. Later on February 26, 2017 EWPDL decided to charge rent after the expiry of the initial ten years w.e.f 26/05/2019 @ Taka 50,000/- per acre per year.

viii) Dates of purchase of plant and machineries along with sellers name, address, years of sale, condition when purchased, country of origin, useful economic life at purchase and remaining economic life, purchase price and written down value;

Name	Date of purchase	Sellers name	Address	Condition when purchased	Country of origin	Useful economic life at purchase	*Remaining economic	Purchase price	Written down value
Unit-1:									
PM-1	1995	PAMA paper machinery GmbH	Frauensteiner Str. 85 09599 Freiberg (Sachsen) Germany	Brand New	Germany	28	10	67,116,304	94,119,163
PM-2	1996	Capital Industrial Machinery Ltd.	651-A Mauldeth Road West, Manchester, M21 7SA, United Kingdom Tel: + 44 208 546 8184 Mobile: + 44 797 635 2029 Email: info@paperindustrial.com	Brand New	Germany	28	10	90,405,718	91,885,782
PM-3	1996	Voith, Italy & Sigma, Italy	Decardenas, Milano, Italy	Brand New	Italy	23	15	59,320,833	75,768,681
Sack Bag	2001	Windmoller & Holcher	Postfach 1660. D-49516, Lengerich, Germany	Brand New	Germany	20	6	61,483,970	32,131,524
PP Woven Bag Machine	2010	BSW (Windmoller & Holcher)	Postfach 1660.D-49516, Lengerich, Germany	Brand New	Germany	15	10	577,957,005	384,868,918
PP Woven Bag Machine- 2 Ply	2015	Daeshin Machinery Co. Ltd.	Seoul, korea. TEL: 82-31-491-8400	Brand New	Germany / Korea	15	14	126,024,919	123,924,504
CCPM-1	2010	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China	10	5	16,442,249	7,918,810
CCPM-2	2011	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China	15	11	82,240,838	62,312,876
BBS-1	2012	E.C.H. WILL	E.C.H. Will-Langenkamp 8-D-22880 Wedel-Germany.	Brand New	Germany	15	12	178,449,455	141,356,858
BBS-2	2014	E.C.H. WILL	E.C.H. Will-Langenkamp 8-D-22880 Wedel-Germany.	Brand New	Germany	14	12	109,241,880	95,056,272
A-4 Cutter Machine	2013	EICHI CO. LTD.	84-1401, 17 Chome, 7 Jodory Asahikawa City, Hokkaido, Japan.	Brand New	Japan	12	11	117,166,080	90,268,696

Sticker Paper	2013	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China	12	12	74,156,810	59,742,330
Unit-2:									
PM - 1	2000	Fransasia Far East Inc.	Bicutan, Manila, Philippines		France/ Italy	21	5	196,762,877	98,854,703
PM - 2	1999	Fransasia Far East Inc.	Bicutan, Manila, Philippines	Brand New	France/ Italy	21	5	225,541,284	135,959,134
Board Coating Machine	2003	Fransasia Far East Inc.	Bicutan, Manila, Philippines	Brand New	Germany	17	5	58,418,199	39,387,834
Art Paper Coating Machine	2011	Goodwill Group Ltd.	No.-2, Minjiang Road, Qindao, China.	Brand New	China	20	16	202,086,847	136,260,365
Sludge Board Machine	2015	Goodwill Group Ltd.	No.-2, Minjiang Road, Qindao, China.	Brand New	China	10	10	13,749,152	13,405,423
Unit-3:									
Paper Machine No. 1	1999	PP Consult	Germany	Brand New	Germany	24	24	20,827,814	9,893,212
Paper Machine No. 2	1999	PP Consult	Germany	Brand New	Germany	23	23	71,342,249	42,762,696
Paper Machine No. 3	2009	EVA Paper Machine Process & Supply Co.	San Jose Del Monte Bulacan, Philippines.	Brand New	France	11	11	77,532,293	41,153,184
Paper Machine No. 4	2011	EVA Paper Machine Process & Supply Co.	San Jose Del Monte Bulacan, Philippines.	Brand New	France	10	10	290,768,947	166,217,970
Paper Machine No. 5	2010	RECARD	Officina Macchina, Recard spa, localita Biecina 55019 Villa Bosilica-lucca Italy	Brand New	Italy	15	15	1,057,698,782	781,225,276
Facial Tissue Machine	1999 - 2011	Tai Sun Machinery Co. Ltd. KUO'S GANG PRECISION MACHINERY	WU CHUEN 2ND RD.,WU KU HSIANG, TAIPEI HSIEN, TAIWAN 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241	Brand New	Taiwan	10-20	5	15,465,376	7,346,054
Toilet Tissues Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machineryok Machinery OK Machinery	33. Wu Chuen 2nd RD.,Wu Ku Hsiang, Taipei Hsien, Taiwan 24890.No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241. China	Brand New	Taiwan	10-20	5	17,005,046	8,077,397
Pocket Tissue Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machinery	Wu Chuen 2 nd RD., Wu Ku Hsiang, Taipei Hsien, Taiwan 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241.	Brand New	Taiwan	10-20	5	9,705,168	4,609,955
Napkin Tissue Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machinery OMET	Wu Chuen 2 nd RD., Wu Ku Hsiang, Taipei Hsien, Taiwan 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241. Via Caduti Lecchesi a Fossoli 22 Lecco, Lecco 23900 Italy.	Brand New	Taiwan	10-20	5	180,038,887	140,959,309

Sanitary Napkin Machine	2002	BICMA	Industriegebiet Nord / Grubenfeld Basaltweg 3 • DE-56727 Mayen, Germany	Brand New	Germany	18	5	3,579,739	1,700,376
Baby Diaper Machine	2011	Fujian Peixin Machine Manufacture Industry C o. Ltd.	Shuanyang overseas Chinese Economic Develop Area Luojiang, Quanzhoh, Fujian, China.	Brand New	China	10	5	47,019,643	26,645,306
Wet Tissue Machine	2010	Shanghai Jiuxu Industrial Co. Ltd.	Room-B-1003, Yinxiao Building No-6269, Humin Road, Shanghai 201100, P.R. China	Brand New	China	11	5	1,106,717	525,690
Paper Core Making Machine	2000 - 2010	Jiangxi Naisi Machinery Import and Export Co. Ltd. Fujian Peixin Machine Manufacture Industry Co. Ltd.	China Shuanyang overseas Chinese Economic Develop Area Luojiang, Quanzhoh, Fujian, China	Brand New	China	10-20	5	1,716,114	815,154
Cotton Bud Machine	2002	Chin Yung Bambo and Wood Co. Ltd.	143 Chiu kang lane, Lukang, Chang Hua, Taiwan	Brand New	Taiwan	19	5	929,367	441,449
Drinking Straw Machine	2002	Chin Yung Bambo and Wood Co. Ltd.	143 Chiu kang lane, Lukang, Chang Hua, Taiwan	Brand New	Taiwan	19	5	1,394,207	662,248

** In the year 2010 the company has appointed 'SGS Bangladesh' to determine the remaining useful life of all plant and machineries. As per their report the company has revised the useful life of all machineries.*

- (ix) Details of the machineries required to be bought by the issuer, cost of the machineries, name of the suppliers, date of placement of order and the date or expected date of supply, etc.**

There are no such machineries which are yet to be delivered.

- (x) In case the machineries are yet to be delivered, the date of quotations relied upon for the cost estimates given shall also be mentioned;**

No machineries are required to be bought by the issuer except machineries to be bought from IPO proceeds

- (xi) If plant is purchased in brand new condition then it should be mentioned;**

All the assets are in good condition and no re-conditioned or second hand Assets or Machinery are used by the company.

- (xii) Details of the second hand or reconditioned machineries bought or proposed to be bought, if any, including the age of the machineries, balance estimated useful life, etc. as per PSI certificates of the said machineries as submitted to the Commission;**

The Company has no plan to purchase any second hand or reconditioned machineries.

- (xiii) A physical verification report by the issue manager(s) regarding the properties as submitted to the Commission;**

**PHYSICAL VERIFICATION REPORT BY THE ISSUE MANAGER
OF
BASHUNDHARA PAPER MILLS LIMITED**

This is to certify that we have visited the registered office and factory of Bashundhara Paper Mills Limited on 19 May 2016.

Visiting Team:

Particulars	Representative
Visited by (AAA Finance and Investment Ltd.)	Mohammad Obaydur Rahmn , FCS Managing Director
	Mohammad Ferdous Mazid Director & Chief Operating Officer
	H. A. Mamun Assistant Manager
Accompanied by (Bashundhara Paper Mills Limited)	Safwan Sobhan Managing Director
	M. Naseemul Hye, FCS Senior Executive Director & Company Secretary
	Mirja Mujahidul Islam Head of Accounts & Finance

We have found the registered office and factory as details below:

Registered Office:

Plot # 125/A, Road#2, Block # A, Bashundhara R/A, Dhaka-1229

Location of the factories:

Unit 1: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj

Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj

Unit 3: Anurpura, Gazaria, Munshigonj

Nature of the Business:

Bashundhara Paper Mills Limited is a different categories paper manufacturer company.

Products:

Unit-1:

produces very good Quality & International standard MG Paper, Offset Paper, White Writing & Printing Paper, Brown Wrapper, Brown Liner, Newsprint paper, Coated/Uncoated paper board, A4 paper, Glassine Paper, Stiffener, Ledger Paper, PP Woven Bag, Sack Paper also time to time produce Plug wrap, Cigarette Tipping Paper on request of different Cigarette manufacturing companies.

Unit-2:

Unit-2 of Bashundhara Paper Mills Limited was set up in 1994 & operates three modern plants in producing newsprint, white writing/printing paper, duplex board, liner paper, Kraft paper, Art card, art paper and allied products. The first unit produces duplex boards and other industrial packing papers used in packaging industry. An off line coater produces coated duplex board & Art card in this unit. It was formerly known as Bashundhara Newsprint & Duplex Board Limited.

Unit-3:

Unit-3 of Bashundhara Paper Mills Limited, formerly known as Bashundhara Tissue Industries Limited, was set up in 1995. It is the country's first basic tissue manufacturing factory at the face of growing popularity of tissue with fast changing urban lifestyle and elevation of living standards as a whole. The company is manufacturing wide range of products including facial tissue, pocket tissue, wet tissue, green tissue, sanitary napkin, baby diaper, toilet tissue, kitchen towel, cigarette paper, glassine paper, and hard tissue, hand gloves and paper carton container.

Description of Property:

We have identified the properties of Bashundhara Paper Mills Limited are as follows:

1) Office Building:

Bashundhara Paper Mills Limited is utilizing 15000 Sft floor place for its corporate office through a lease agreement.

2) Land:

The total land property of the company are situated between three factories area. Land property of the company situated among the three factories as land schedule is 54.47 acres in which 18.77 acre of land is leased from East West Property Development (Pvt.) Limited.

3) Factory Building:

Building & other construction		
Unit-1	Unit-2	Unit-3
<ol style="list-style-type: none"> Raw Material & Waste Paper Godown-1,2,3 Hard Wood & Soft Wood Pulp Shed, Waste Paper Shed Water Reservoir Pump House Generator & Boiler House Furnace Oil Tank & Housing Cooling Tower & Transformer Base Finishing Godown/Chemical /Finishing Civil Office Building -1 & 2 Mess Building-1 & 2 PM-1,2,3 Fire Office & Auto Work shop Security Shed River Water Pump House Main Gate Security Office Vacuum Pump Base - PM-3 Titas Gas RMS Room CCPM Supervisor Room, Staff Shed & Canteen Hi-Con Pulper Building & Structures – Sack (Store) Water Treatment Plant Book Manufacturing Plant Building Sticker Paper machine Building Office building-PPWBP Factory building-Mosque Godown-PPWBP Release paper plant 	<ol style="list-style-type: none"> Office & Factory Building DIP, PM-1 & PM-2 Structure Power Plant Structure Cooling Tower Structure Store Office Mosque Raw Materials & Chemical Godown Gas Station Structure Mechanical & Electrical Workshop Automobile Workshop Substation, Generator & Boiler Room Staff & Office Shed Labor Shed & Other constructions Sludge Board Structure Effluent Treatment Plant Structure 	<ol style="list-style-type: none"> Building for Paper Machine-1 Building for Paper Machine-2 Building for Paper Machine-3 Building for Paper Machine-4 Building for Paper Machine-5 Building for Cut size Machine Administration Building Cut size Machine Converting and warehouse building Chemical Building Warehouse Raw Material Godown Generator Building Boiler House Pulp Godown Jumbo Roll Godown Store Raw Material Mosque Paper Converting Finishing Residential Building Hand Gloves Building Wastage Pulp Godown Shed Effluent Treatment Plant

Major Plant and Machinery:

Name	Date of purchase	Sellers name	Seller Address	Condition when purchased	Country of origin
Unit-1:					
PM-1	1995	PAMA paper machinery GmbH	Frauensteiner Str. 85 09599 Freiberg (Sachsen) Germany	Brand New	Germany
PM-2	1996	Capital Industrial Machinery Ltd.	651-A Mauldeth Road West, Manchester, M21 7SA, United Kingdom Tel: + 44 208 546 8184 Mobile: + 44 797 635 2029 Email: info@paperindustrial.com	Brand New	Germany
PM-3	1996	Voith, Italy & Sigma, Italy	Decardenas, Milano, Italy	Brand New	Italy
Sack Bag	2001	Windmoller & Holcher	Postfach 1660. D-49516, Lengerich, Germany	Brand New	Germany
PP Woven Bag Machine	2010	BSW (Windmoller & Holcher)	Postfach 1660.D-49516, Lengerich, Germany	Brand New	Germany
PP Woven Bag Machine-2 Ply	2015	Daeshin Machinery Co. Ltd.	Seoul, korea. TEL: 82-31-491-8400	Brand New	Germany/ Korea
CCPM-1	2010	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China
CCPM-2	2011	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China
BBS-1	2012	E.C.H. WILL	E.C.H. Will-Langenkamp 8-D-22880 Wedel-Germany.	Brand New	Germany
BBS-2	2014	E.C.H. WILL	E.C.H. WILL-Langenkamp 8-D-22880 Wedel-Germany.	Brand New	Germany
A-4 Cutter Machine	2013	EICHI CO. LTD.	84-1401, 17 Chome, 7 Jodory Asahikawa City, Hokkaido, Japan.	Brand New	Japan
Sticker Paper	2013	Goodwill Group Ltd.	No-2, Minjiong Road, Qingdao, China	Brand New	China
Unit-2:					
PM - 1	2000	Fransasia Far East Inc.	Bicutan, Manila, Philippines		France/ Italy
PM- 2	1999	Fransasia Far East Inc.	Bicutan, Manila, Philippines	Brand New	France/ Italy
Board Coating Machine	2003	Fransasia Far East Inc.	Bicutan, Manila, Philippines	Brand New	Germany
Art Paper Coating Machine	2011	Goodwill Group Ltd.	No.-2, Minjiang Road, Qindao, China.	Brand New	China
Sludge Board Machine	2015	Goodwill Group Ltd.	No.-2, Minjiang Road, Qindao, China.	Brand New	China
Unit-3:					
Paper Machine No. 1	1999	PP Consult	Germany	Brand New	Germany
Paper Machine No. 2	1999	PP Consult	Germany	Brand New	Germany

Paper Machine No. 3	2009	EVA Paper Machine Process & Supply Co.	San Jose Del Monte Bulacan, Philippines.	Brand New	France
Paper Machine No. 4	2011	EVA Paper Machine Process & Supply Co.	San Jose Del Monte Bulacan, Philippines.	Brand New	France
Paper Machine No. 5	2010	RECARD	Officina Macanica, Recard spa, localita Biecina 55019 Villa Bosilica-lucca Italy	Brand New	Italy
Facial Tissue Machine	1999 - 2011	Tai Sun Machinery Co. Ltd. KUO'S GANG PRECISION MACHINERY	WU CHUEN 2ND RD.,WU KU HSIANG, TAIPEI HSIEN, TAIWAN 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241	Brand New	Taiwan
Toilet Tissues Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machinery OK Machinery	33. Wu Chuen 2nd RD.,Wu Ku Hsiang, Taipei Hsien, Taiwan 24890.No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241. China	Brand New	Taiwan
Pocket Tissue Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machinery	Wu Chuen 2 nd RD., Wu Ku Hsiang, Taipei Hsien, Taiwan 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241.	Brand New	Taiwan
Napkin Tissue Machine	1999 - 2010	Tai Sun Machinery Co. Ltd. Kuo's Gang Precision Machinery OMET	Wu Chuen 2 nd RD., Wu Ku Hsiang, Taipei Hsien, Taiwan 24890. No. 6, Lane 87, Section 2, Guangfu Rd, Sanchong District, New Taipei City, Taiwan 241. Via Caduti Lecchesi a Fossoli 22 Lecco, Lecco 23900 Italy.	Brand New	Taiwan
Sanitary Napkin Machine	2002	BICMA	Industriegebiet Nord / Grubenfeld Basaltweg 3 • DE-56727 Mayen, Germany	Brand New	Germany
Baby Diaper Machine	2011	Fujian Peixin Machine Manufacture Industry Co. Ltd.	Shuanyang overseas Chinese Economic Develop Area Luojiang, Quanzhoh, Fujian, China.	Brand New	China
Wet Tissue Machine	2010	Shanghai Jiuxu Industrial Co. Ltd.	Room-B-1003, Yinxiao Building No-6269, Humin Road, Shanghai 201100, P.R. China	Brand New	China
Paper Core Making Machine	2000 - 2010	Jiangxi Naisi Machinery Import and Export Co. Ltd. Fujian Peixin Machine Manufacture Industry Co. Ltd.	China Shuanyang overseas Chinese Economic Develop Area Luojiang, Quanzhoh, Fujian, China	Brand New	China

Cotton Bud Machine	2002	Chin Yung Bambo and Wood Co. Ltd.	143 Chiu kang lane, Lukang, Chang Hua, Taiwan	Brand New	Taiwan
Drinking Straw Machine	2002	Chin Yung Bambo and Wood Co. Ltd.	143 Chiu kang lane, Lukang, Chang Hua, Taiwan	Brand New	Taiwan

Besides these assets we have also found other assets like furniture and feature, vehicles, substation, electrical installation and equipment's, generators, office equipment, fire equipment, air conditions and air coolers.

It is also mentionable here that during our visit we also check inventory register and found satisfactory. During our visit time the morning shift of worker was running and around 900 workers were present in the factory.

Signboard:

The signboard of the company is well displayed at the registered office and factory premises and there are no other office/factory within the said factory premises.

Sd/-
Mohammad Obaydur Rahman FCS
 Managing Director
 AAA Finance & Investment Limited

Sd/-
H. A. Mamun
 Assistant Manager
 AAA Finance & Investment Limited

- (xiv) **If the issuer is entitled to any intellectual property right or intangible asset, full description of the property, whether the same are legally held by the issuer and whether all formalities in this regard have been complied with:**

Name of Intangible Asset	Description	Nature of Ownership	Compliance Status	Country of Origin
SAP software	SAP ERP is enterprise resource planning software developed by the German company SAP AG next year. Business process 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)	Fully owned by BPML	Complied all compliances	Germany

There is no other intellectual property right or intangible asset of BPML

- xv) **Full description of other properties of the issuer.**

The Company owns the folloing properties at the head office and factory premises:

Particulars	Written Down Value (Cost)	Written Down Value (Revaluation)
Land & Land Development	354,627,718	2,107,635,598
Plant & Machinery	3,149,953,113	61,694,468
Office Equipment	32,204,304	932,369
Furniture and Fixture	23,240,764	620,964
Factory apparatus & loose tools	170,727,947	2,921,774
Motor Vehicle	216,026,332	2,903,719
Factory Building & Other Construction	1,083,354,408	495,898,608

Sundry assets	24,017,776	2,711,543
Plant & Machinery-Leased	959,873,407	-
Motor Vehicle-Leased	37,028,679	-
Total:	6,051,054,448	2,675,319,043

There is no other property except the aforementioned schedule.

(f) Plan of Operation and Discussion of Financial Condition:

- (i) If the issuer has not started its commercial operation, the company's plan of operations for the period which would be required to start commercial operation which shall, among others, include:-**

BPML has started its commercial operation on March 01, 1997; therefore such information is not applicable for this Company.

- (ii) If the issuer had been in operation, the issuer's revenue and results from operation, financial position and changes in financial position and cash flows for the last five years or from commercial operation, which is shorter, shall be furnished in tabular form which shall, among others, include the following information:**

The Company's revenues and results from operation, financial position and changes in financial position and cash flows for the last five years are as follows:

Revenue and Results from Operation:
Amount in Taka

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Revenue, net	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Cost of sales	(4,663,616,715)	(8,633,126,096)	(8,545,083,397)	(8,789,943,753)	(8,597,727,339)	(7,514,925,456)
Gross profit	1,029,117,481	1,802,630,212	1,790,011,312	1,711,985,736	1,634,031,268	1,571,897,198
Other income	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
Administrative expenses	(133,403,719)	(297,422,837)	(328,817,147)	(312,085,457)	(358,983,288)	(269,373,262)
Selling & distribution expenses	(65,687,022)	(123,905,413)	(120,056,369)	(124,922,974)	(113,961,702)	(161,695,787)
Finance costs	(473,746,211)	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
Profit before distribution of WPP & WF	356,798,557	384,781,397	273,279,778	239,371,246	185,916,051	242,611,912
Workers' profit participation & welfare fund	(17,839,928)	(19,828,320)	-	-	-	-
Profit before tax	338,958,629	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
Income tax expenses	(22,380,582)	(100,280,234)	(55,157,062)	(142,300,509)	(120,912,982)	(137,687,742)
Current tax expense	(34,159,513)	(31,312,507)	(31,033,426)	(52,536,292)	(51,194,464)	(45,484,769)
Deferred tax expense	11,778,931	(68,967,727)	(24,123,636)	(89,764,217)	(69,718,518)	(92,202,972)
Profit for the year	316,578,047	264,672,844	218,122,716	97,070,736	65,003,069	104,924,171
Gain on revaluation of property	-	1,505,759,308	-	-	-	-
Total Comprehensive Income for the year	316,578,047	1,770,432,151	218,122,716	97,070,736	65,003,069	104,924,171

Statement of Financial Position:
Amount in Taka

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
ASSETS						
Non-current assets	9,493,645,061	9,395,893,345	7,581,268,455	7,348,653,299	7,276,427,876	6,714,426,513
Property, plant and equipment	8,726,373,517	8,791,110,306	6,981,908,382	6,924,694,798	6,783,327,999	6,447,434,246
Capital work-in-progress	502,271,543	339,783,039	334,360,073	158,958,501	228,099,877	1,992,267
Investment	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000
Current assets	9,415,203,877	8,691,922,614	9,497,282,063	9,003,503,985	7,398,061,913	7,111,653,762
Inventories	5,387,029,832	4,934,688,578	5,065,768,840	5,080,644,406	3,422,948,901	2,966,916,961
Trade and other receivables	1,668,706,073	1,685,382,568	2,009,548,564	2,336,478,951	1,866,923,593	1,826,598,665
Advances, deposits and prepayments	828,701,278	701,675,694	651,222,775	644,565,058	785,456,325	1,008,763,211
Advance income tax	378,373,534	430,698,973	676,297,769	657,242,337	531,306,107	532,372,436
Intercompany current account	950,175,193	786,725,737	830,475,254	145,071,321	483,962,941	641,741,873
Cash and bank balances	202,217,966	152,751,064	263,968,861	139,501,913	307,464,046	135,260,616
Total assets	18,908,848,938	18,087,815,959	17,078,550,518	16,352,157,284	14,674,489,788	13,826,080,275
EQUITY AND LIABILITIES						
Capital and reserves	4,730,112,989	4,441,282,465	2,744,599,870	2,524,292,261	2,427,221,524	2,713,251,356
Share capital	1,477,497,750	1,477,497,750	495,355,900	190,521,500	190,521,500	190,521,500
Share money deposit	-	-	982,141,850	982,141,850	982,141,850	1,333,174,750
Revaluation reserve	2,171,846,967	2,415,375,732	942,640,289	974,076,597	1,005,512,912	1,036,978,164
Retained earnings	855,508,897	548,408,983	324,461,831	377,552,315	249,045,262	152,576,942
Liabilities						
Non-current Liability	4,767,249,784	5,087,172,754	4,976,478,307	4,801,607,524	3,600,763,164	3,133,233,914
Long term borrowings	3,615,249,045	3,665,161,242	3,197,201,901	3,728,734,325	2,617,654,183	2,219,843,450
Deferred tax liability	1,377,260,113	1,165,190,218	1,094,811,942	1,072,873,199	983,108,982	913,390,464
Intercompany Payable	-	256,821,293	684,464,463	-	-	-
Current liabilities	9,411,486,165	8,559,360,741	9,357,472,342	9,026,257,499	8,646,505,099	7,979,595,005
Long term borrowings-current portion	1,122,530,545	1,202,736,694	1,355,503,553	1,559,098,772	506,588,995	409,461,681
Short term borrowings	7,353,006,858	6,522,946,320	7,011,870,577	6,256,819,864	6,526,347,929	4,327,520,130
Trade and other payables	851,592,785	680,673,344	625,897,817	438,144,002	499,383,475	398,801,621
Intercompany payable	-	-	-	-	-	725,430,015
Provision for expenses	18,883,957	38,122,158	21,600,111	359,155,169	753,681,301	1,670,349,295
Income tax provision	65,472,020	114,882,225	342,600,285	413,039,692	360,503,400	448,032,263
Total liabilities	14,178,735,949	13,646,533,494	14,333,950,649	13,827,865,023	12,247,268,263	11,112,828,919
Total equity and liabilities	18,908,848,938	18,087,815,959	17,078,550,518	16,352,157,284	14,674,489,788	13,826,080,275

Statement of Changes in Financial Position

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Share Capital	1,477,497,750	1,477,497,750	495,355,900	190,521,500	190,521,500	190,521,500
Share Money Deposit	-	-	982,141,850	982,141,850	982,141,850	1,333,174,750
Revaluation reserve	2,171,846,967	2,415,375,732	942,640,289	974,076,597	1,005,512,912	1,036,978,164
Retained earnings	855,508,897	548,408,983	324,461,831	377,552,314	249,045,262	152,576,942
Total	4,730,112,989	4,441,282,465	2,744,599,870	2,524,292,261	2,427,221,524	2,713,251,356

Statement of Cash Flows

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Cash flows from operating activities (A)						
Receipts from customers	5,970,276,712	11,200,055,626	11,079,966,987	10,447,130,214	10,691,959,884	9,190,730,065
Receipts from other income	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
	5,970,794,739	11,201,801,563	11,089,347,541	10,452,459,117	10,699,094,126	9,200,861,290
Payment to suppliers, employees & others	(4,969,092,464)	(8,237,623,361)	(8,609,583,355)	(10,724,483,685)	(9,698,786,479)	(5,940,428,056)
Cash generated from operations	1,001,702,275	2,964,178,202	2,479,764,185	(272,024,568)	1,000,307,647	3,260,433,233
VAT paid	(257,245,100)	(437,603,250)	(417,941,889)	(414,756,083)	(500,526,206)	(542,896,738)
SD Paid	(3,667,920)	(2,530,072)	-	-	-	-
Income taxes paid	(46,129,264)	(85,770,779)	(120,528,264)	(125,936,231)	(137,656,999)	(133,904,793)
Bank charges and commission	(2,037,432)	(5,510,909)	(3,929,904)	-	-	-
Net cash (used in)/ generated by operating activities	692,622,559	2,432,763,191	1,937,364,129	(812,716,882)	362,124,442	2,583,631,703
Cash flows from investing activities (B)						
Payments for property, plant and equipment	(274,649,449)	(970,606,788)	(583,620,539)	(547,263,765)	(982,698,407)	(2,074,407,645)
Receipts/ transfer of capital work-in-progress	(175,273,202)	(5,422,965)	(175,401,573)	-	-	-
Payments for capital expenses	-	(200,000)	-	-	-	-
Disposal of property, plant and equipment	-	-	450,000	-	-	-
Net cash (used in)/ generated by investing activities	(449,922,651)	(976,229,753)	(758,572,113)	(547,263,765)	(982,698,407)	(2,074,407,645)
Cash flows from financing activities (C)						
Received/ (repayment) of short term borrowings	830,060,538	(488,924,257)	755,050,713	(269,528,064)	2,198,827,799	631,809,762

Payments of Bank interest and other charges	(472,904,449)	(1,010,125,807)	(1,073,308,667)	(1,040,934,961)	(982,304,468)	(908,347,461)
Received/ (repayment) of Intercompany debt	(420,270,750)	(383,893,653)	(939,470)	338,891,620	(918,683,983)	(719,017,503)
Received/ (repayment) for Share money deposit	-	-	-	-	-	388,567,062
Received/ (repayment) of long term borrowings	(130,118,345)	315,192,482	(735,127,643)	2,163,589,919	494,938,047	(131,574,300)
Net cash (used in)/ generated by financing activities	(193,233,005)	(1,567,751,235)	(1,054,325,068)	1,192,018,514	792,777,395	(738,562,439)
Net increase in cash and cashequivalents (D)=(A+B+C)	49,466,903	(111,217,797)	124,466,949	(167,962,133)	172,203,429	(229,338,382)
Cash and cash equivalents at the beginning of the year (E)	152,751,064	263,968,861	139,501,912	307,464,045	135,260,616	364,598,998
Cash and cash equivalents at the end of the year (F)= (D+E)	202,217,966	152,751,064	263,968,861	139,501,913	307,464,045	135,260,616

(a) Internal and External Sources of Cash:

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Internal Sources of Cash						
Share Capital	1,477,497,750	1,477,497,750	495,355,900	190,521,500	190,521,500	982,141,850
Share Premium	-	-	-	-	-	-
Share money deposit	-	-	982,141,850	982,141,850	982,141,850	388,567,062
Cash received from Customers & other Income	5,970,276,712	11,201,801,563	11,089,347,541	10,452,459,117	10,699,094,126	9,200,861,290
Sub-Total	7,447,774,462	12,679,299,313	12,566,845,291	11,625,122,467	11,871,757,476	10,571,570,202
External Sources of Cash						
Long term borrowings	318,156,773	1,191,224,291	561,444,072	2,573,814,204	623,573,569	185,493,566
Short term borrowings	2,721,481,589	2,095,489,114	2,044,121,266	2,753,497,986	2,824,035,275	1,519,128,351
Intercompany Debt	67,676,175	352,727,735	796,841,129	627,150,176	10,145,816	394,722,463
Sub-Total	3,107,314,538	3,639,441,140	3,402,406,467	5,954,462,366	3,457,754,660	2,099,344,380
Grand Total	10,555,089,000	16,318,740,453	15,969,251,758	17,579,584,833	15,329,512,136	12,670,914,582

b) Any material commitments for capital expenditure and expected sources of funds for such expenditure;

The Company has no Material Commitment for Capital Expenditure except normal course of business. However, the proceeds of Initial Public offering that will be utilized to finance the expansion of the project and loan repayment. Detail information is available under the head Use of Proceeds & Implementation Schedule.

c) Causes for any material changes from period to period in revenues, cost of goods sold, other operating expenses and net income;

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Sales	5,692,734,196	10,875,889,630	10,753,036,599	10,916,685,572	10,732,284,813	9,086,822,654
Cost of Sales	4,663,616,715	8,633,126,096	8,545,083,396	8,789,943,753	8,597,727,339	7,514,925,456
Operating Expenses	199,090,741	421,328,250	448,873,516	437,008,431	472,944,990	431,069,049
Net Income	316,578,047	264,672,844	218,122,716	97,070,738	65,003,068	104,291,427

Causes for any material changes from period to period:

Revenue:

The Company did not achieve its target sales for many reason including political unrest, industrial accidents, limited production capacity for tissue, decrease in production of newsprint products; price increases in fuel or raw materials; changes in laws, regulations and government policies.

In the year 2013 the management of the Company made strategic decision to decreases its newsprint production due to lower margin and bonded warehouse for duty free importation of paper.

In the year 2014 sales reduce for political unrest at the end of 2013 and beginning of 2014.

In the year 2015 the company faced fire accident that resulted shut down PM-5 resulting losing production of tissue paper by 3000MT. As a result we deprive from production of tissue that has a sale value of Tk. 51 crore.

Other Income:

There was no significant fluctuation in the other income during the last five years except in the year 2014. In that year other income increased due to interest receipts from investment of FDR.

Total Income:

Fluctuation in the total income is the result of changes in the revenue and other income as narrated above.

Cost of Goods Sold (COGS):

There was no significant fluctuation in the COGS during the last five years however due to decrease in sales, changes in exchange rate, decrease in interest rate, changes in utility rate causes some favorable/unfavorable changes in production cost.

Finance Cost:

There was no significant fluctuation in the finance cost during the last five years. Finance cost has, however, decreased over the years due to decrease in interest rates and gradual settlement of term loan obligations.

Depreciation and Amortization:

There was no significant fluctuation in depreciation. Depreciation increased in every year due to in every year it was charged on additional assets.

Other Expenses:

Other expense is consistent over the last five years. However it may change due to increase/ decrease in salary of manpower, some accidental losses, increase in promotional activities etc.

Changes of Inventory:

There is no significant change in inventory over the last five years. Some seasonal aspects inventory need to maintain substantial amount. Political unrest in 2013 and 2014 is also hamper the production as a result inventory at that time was higher at the end of the said years.

Net profit before & after Tax and Earning per Share (EPS):

The Company has consistent growth of net profit before tax but due to recalculation of deferred tax expense net profit after tax fluctuate during the last five years. Earnings per share (EPS) have been fluctuating due to increase in share capital in the year 2014 and 2015.

d) Any seasonal aspects of the issuer's business:

Requirement of Paper Products are all around the year in almost the same volume, since the demand remain more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect. But November to January period is most busy time for paper products specially white paper and note books since start of new sessions of students across the country.

e) Any known trends, events or uncertainties that may have material effect on the issuer's future business:

Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

- a. Political unrest
- b. Natural disaster
- c. Entrance of new technology
- d. Increased competition

f) Any assets of the company used to pay off any liabilities:

None of the operating assets of the company has been disposed of to liquidate any liabilities of the company.

g) Any loan taken from or given to any related party or connected person of the issuer with details of the same:

Name	Relationship	Type of loan	Balance as on 01.01.2011	For the year ended											
				31-Dec-11		31-Dec-12		31-Dec-13		31-Dec-14		31-Dec-15		30-Jun-16	
				Given	Taken	Given	Taken	Given	Taken	Given	Taken	Given	Taken	Given	Taken
Bashundhara Airways Ltd.	Sister Concern	Short Term		-	-	-	-	-	-	-	-	3,200,000		45,603,549	
Bashundhara Cement Industries Ltd.	Sister Concern	Short Term	-	70,333,436	-	-	-	-	-	(18,300,000)	-	(6,000,000)	-	(6,800,000)	
Bashundhara Dredging Company Ltd.	Sister Concern	Short Term	-	121,168,214	-	-	-	-	(3,000,000)	-	(33,890,231)	-	(80,996,761)	-	-
Bashundhara Fine Paper Mills Ltd.														800,000	-
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Short Term	-	70,853,436	-	4,462,600	-	9,805,218	-	-	(9,500,000)	151,100,000	-	-	(33,200,000)
Bashundhara Industrial Complex Ltd.	Sister Concern	Short Term	-	374,098,947	-		(249,580,500)	-	(263,047,950)	228,385,741	-	154,678,219	-	-	(5,262,629)
Bashundhara LP Gas Ltd.	Sister Concern	Short Term	70,760,900	-	(15,594,220)	-	-	-	(28,960,976)	58,658,331	-	-	-	282,500	-
Bashundhara Multi-paper Industries Ltd.	Sister Concern	Short Term	-	10,852,251	-	-	(2,448,426)	80,500,000	-	418,729,914	-	-	(102,900,000)	-	(11,394,000)
Bashundhara Pulp & Board Mills Ltd.														-	(800,000)
Bashundhara Shipping Ltd.	Sister Concern	Short Term	-	300,000	-	-	-	-	-	300,000	-	-	-	-	-
Bashundhara Steel & Engineering Ltd.	Sister Concern	Short Term	1,170,200	7,762,342	-	-	22,833,200	-	(29,743,449)	61,400,000	-	-	-	-	(1,800,000)
Bashundhara Steel Complex Ltd.	Sister Concern	Short Term	21,490,154	-	(4,591,320)	12,466,750	-	119,496,454	-	-	(5,775,063)	-	(67,146,974)	-	-
East West Property Development (Pvt.) Ltd.	Director	Long Term	966,990,009	-	(617,129,141)	590,347,731	-	-	(270,793,476)	714,771,076	-	-	(427,643,170)	184,439,581	-
East-West Media Group Ltd.	Sister Concern	Short Term	(6,267,489)	110,185,287	-	46,798,617	-	78,456,884	-	-	(10,597,59)	-	(80,171,084)	-	-
Meghna Cement Mills Limited	Sister Concern	Short Term	79,471,000	-	(137,976)	-	(283,390)	-	(21,604,326)	-	(1,213,771)	-	(2,012,916)	-	-
Sundarban Industrial Complex Ltd.	Sister Concern	Short Term	-	105,455,859	-	-	(7,414,000)	-	(10,000,000)	-	(33,100,000)	-	(13,500,000)	-	(8,419,545)

h) Any future contractual liabilities the issuer may enter into within next one year, and the impact, if any, on the financial fundamentals of the issuer:

The Company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

i) The estimated amount, where applicable, of future capital expenditure:

The Company has not any plan to make any capital expenditure except for those mentioned in the 'Use of Proceeds' section in this prospectus.

j) Any VAT, income tax, customs duty or other tax liability which is yet to be paid, including any contingent liabilities stating why the same was not paid prior to the issuance of the prospectus. Updated income tax status for the last 5 years or from commercial operation, which is shorter:

- VAT:** The Company maintains Unit wise VAT related books of account and pays in time also submits return accordingly. VAT registration no for Unit-1 is 21131000471 area code# 210401, for unit-2 is 21131001353 area code# 210401 and for unit-3 is 19301000676 area code# 190802 respectively. The company has no current VAT liability as on 30 June 2016 which is shown in audited financial statement. VAT current account showed positive balance (advance payment) as of 30 June 2016.

N.B. On December 05, 2010 BPML filed a Write Petition under Article 102(2)(a)(i) and (ii) no. 85 of 2008 regarding excess VAT claim against the Company. The issue has been stayed by the High Court Division of the Hon'ble Supreme Court of Bangladesh and the order of stay granted by the Court be extended till disposal of the rule.

- Income Tax:** The applicable tax rate for the company is 35% (2015: 35%). Finance Act 2011 introduced minimum tax vide 16CCC of Income Tax Ordinance 1984. Provision for taxation has been made on the basis of the Finance Act. The Company paid advance income tax regularly and deducted tax at source from different parties and which is deposited through Treasury challan. The report of the said deposit is provided by the Company on monthly, quarterly and yearly basis to the tax authority.

Up to June 30, 2016 the company has paid Advance Income Tax (AIT) of Tk. 378,373,534 where as provision for Taxation of Tk. 65,472,020

The Company has E- TIN No. 169620580996, Circle – LTU (Tax), Taxes Zone-Large Taxpayers Unit (LTU), Dhaka. Year wise income tax status of the Company is depicted below:

Accounting Year	Assessment Year	Status
2009	2010-2011	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. The Company has submitted Income Tax Return Showing total income Tk 428,755,693/- & Tax paid Tk. 40,773,907/- for the assessment year 2010-2011 under section (75) of Income Tax Ordinance 1984. Vide No.TIN:248-200-3237/LTU/2011-2012/843 dated 05.06.2012.
2010	2011-2012	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. The Company has submitted Income Tax Return Showing total income Tk 257,243,639/- & Tax paid Tk. 99,658,833/- for the assessment year 2011-2012 under section (75) of Income Tax Ordinance 1984. Vide No.TIN:248-200-3237/LTU/2011-2012/842 dated 05.06.2012.
2011	2012-2013	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. Assessment for the assessment year 2012-2013 has been completed under section 83(2) of Income Tax Ordinance, 1984. Assessed income is Tk. 35,92,34,712/-, Total Tax demand

		is Tk. 13,47,13,017/-, Tax paid Tk. 13,39,04,793/- and Net Tax demand Tk. 8,08,224/- for this assessment year. Vide No.TIN:169620580996/LTU/2014-2015/881 dated 14.12.2014.
2012	2013-2014	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. Assessment for the assessment year 2013-2014 has been completed under section 83(2) of Income Tax Ordinance, 1984. Vide No.TIN:169620580996/LTU/2014-2015/881 dated 14.12.2014.
2013	2014-2015	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. Assessment for the assessment year 2014-2015 has been completed under section 83(2) of Income Tax Ordinance, 1984. Vide No.TIN:169620580996/LTU/2015-2016/1180 dated 10.11.2015.
2014	2015-2016	Certified that BASHUNDHARA PAPER MILLS LIMITED is an assessee company enlisted in the Large Taxpayer Unit (LTU), Dhaka. Assessment for the assessment year 2015-2016 has been completed under section 83(2) of Income Tax Ordinance, 1984. Vide No.TIN:169620580996/LTU/2015-2016/1179 dated 10.11.2015.
2015	2016-2017	Return submitted on 20 June 2016 but assessment procedures is underway.

3. Customs Duty: The Company has paid all customs related duties at import stages regularly. Therefore any liability is not outstanding as on June 30, 2016.

4. Other Tax Liability:

There is no other Tax liability as on June 30, 2016.

Contingent Liability:

There are no contingent liabilities or asset as disclosed in the financial statements made against the Company. However, these are being vigorously defended by the company and the board of directors.

k) Any financial commitment, including lease commitment, the company had entered into during the past five years or from commercial operation, which is shorter, giving details as to how the liquidation was or is to be effected:

The company has entered into following Financial Lease/ Loan commitment during last five years:

(Amount in BDT)

Sl No	Name of Institution	Type of loan	Purpose of loan	Sanction Date	Expiry date	*Installment Size	30-Jun-16	2015	2014	2013	2012	2011
1	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Purchase of Vehicle	31.05.09	31.05.13	242,390	-	-	-	-	1,647,150	4,039,180
2	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Purchase of Vehicle	19.02.09	19.02.13	236,800	-	-	-	-	699,767	3,157,080
3	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Purchase of Vehicle	02.08.09	02.08.13	187,560	-	-	-	-	1,614,663	3,405,878
4	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Purchase of Vehicle	07.05.09	07.05.13	212,100	-	-	-	-	1,440,260	3,531,819
5	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Purchase of Vehicle	31.05.09	31.05.13	155,820	-	-	-	-	1,051,200	2,579,691
6	Bangladesh Finance & Investment Co. Ltd.	Finance Lease	Capital Machinery	23.12.09	10.08.14	1,983,820	-	-	1,080,013	16,722,447	35,707,860	51,402,180
7	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	31.10.12	30.10.13	-	-	-	-	-	253,445,587	-
8	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	05.11.12	04.11.13	-	-	-	-	-	87,398,954	-
9	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	05.11.12	04.11.13	-	-	-	-	-	171,921,937	-
10	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.13	30.09.15	6,512,100	-	-	-	131,950,988	-	-
11	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.13	30.09.15	2,301,300	-	-	26,946,080	46,426,346	-	-
12	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.13	30.09.15	4,519,300	-	-	53,154,434	91,515,884	-	-
13	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.12.14	29.12.15	12,979,000	-	-	109,357,435	-	-	-
14	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.13	30.09.15	6,512,100	-	-	76,528,330	-	-	-
15	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.15	31.03.16	9,093,392	-	43,632,633	-	-	-	-

16	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.15	31.03.16	1,874,211	-	9,163,979	-	-	-	-
17	Bank Asia Ltd.	Term Loan	Raw Materials & Spare Parts	30.09.15	31.03.16	12,477,383	-	60,158,241	-	-	-	-
18	BASIC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	18.06.15	31.12.15	14,747,555	-	28,471,216	-	-	-	-
19	BFIC (Lease Finance)	Finance Lease	Capital Machinery	13.06.11	19.09.15	3,886,530	-	-	120,459,215	132,307,294	118,683,859	120,000,000
20	GSP Finance Company (BD) Ltd.	Finance Lease	Renovation/Expansion of Building	12.11.15	25.10.20	1,644,495	63,841,677	69,025,991	-	-	-	-
21	IFIC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.06.13	30.06.16	11,083,937	-	-	-	-	73,298,934	-
22	IFIC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.06.13	30.06.16	39,531,142	-	-	-	-	261,422,510	-
23	IFIC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.06.13	30.06.16	2,000,000	4,843,142	17,890,842	54,938,038	71,167,585	-	-
24	IFIC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.06.13	30.06.16	5,500,000	41,906,159	86,672,695	190,343,690	232,748,074	-	-
25	Islamic Finance & Investment Ltd.	Finance Lease	Capital Machinery	25.08.12	25.01.18	2,621,650	53,816,192	65,014,864	80,664,769	93,771,839	100,000,000	-
26	Islamic Finance & Investment Ltd.	Finance Lease	Capital Machinery	09.08.10	10.04.16	2,890,500	10,227,806	25,668,395	53,270,434	76,082,864	95,162,893	111,258,208
27	Islamic Finance & Investment Ltd.	Finance Lease	Purchase of Vehicle	05.04.11	25.09.15	817,650	-	-	7,946,932	15,565,235	21,937,088	27,300,045
28	Janata Bank Ltd.	Project Loan	Capital Machinery		30.06.22	15,000,000	-	-	-	1,620,945,306	1,615,587,343	1,675,962,442
29	Janata Bank Ltd.	Project Loan	Capital Machinery		30.06.22	21,391,439	1,349,184,770	1,389,920,827	1,496,188,378	-	-	-
30	Mercantile Bank Ltd.	Term Loan	Raw Materials & Spare Parts	29.12.13	24.01.19	2,000,000	133,563,637	132,448,227	131,505,827	128,012,473	-	-
31	Mercantile Bank Ltd.	Term Loan	Raw Materials & Spare Parts	29.12.13	24.01.19	18,000,000	1,173,475,335	1,196,943,505	1,183,050,699	1,118,726,478	-	-
32	Mercantile Bank Ltd.	Term Loan	Raw Materials & Spare Parts	31.12.15	29.12.16	45,000,000	321,163,605	494,976,962	-	-	-	-
33	National Bank Ltd.	Term Loan	Raw Materials & Spare Parts	15.11.14	31.03.18	7,105,000	143,178,390	169,314,468	198,655,029	-	-	-
34	NCC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	26.02.13	30.06.15	3,900,000	32,632,944	32,632,944	91,838,644	138,442,893	-	-
35	NCC Bank Ltd.	Term Loan	Raw Materials & Spare Parts	06.12.15	30.06.16	3,200,000	-	27,043,681	-	-	-	-
36	Phoenix Finance & Investment Ltd.	Finance Lease	Purchase of Vehicle	25.08.10	25.07.14	704,118	-	-	-	-	11,842,776	18,003,796
37	Phoenix Finance & Investment Ltd.	Finance Lease	Capital Machinery	07.06.11	25.06.17	1,917,909	27,677,346	37,064,646	50,809,023	59,443,752	70,637,603	80,000,000

38	Premier Leasing & Finance Ltd.	Finance Lease	Capital Machinery	25.11.11	25.11.15	2,449,875	-	-	28,578,635	52,423,972	66,331,821	82,201,125
39	Premier Leasing & Finance Ltd.	Finance Lease	Purchase of Electric Generating Set	12.05.10	15.01.15	2,783,070	-	-	3,603,651	33,202,558	59,438,832	82,041,628
40	Premier Leasing & Finance Ltd.	Finance Lease	Capital Machinery	02.04.12	05.11.16	3,043,036	22,174,133	35,466,645	61,741,842	86,753,918	101,666,666	
41	Shahjalal Islami Bank Ltd	Finance Lease	Capital Machinery	03.03.11	26.10.17	14,464,940	227,637,386	283,632,830	406,938,534	523,389,635	609,921,764	564,498,429
42	Social Islami Bank Ltd.	Finance Lease	Capital Machinery	01.02.15	21.10.18	1,289,541	30,868,593	36,450,521	-	-	-	-
43	Southeast Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.06.15	29.03.16	33,901,781	196,342,691	196,342,691	-	-	-	-
44	Southeast Bank Ltd.	Term Loan	Raw Materials & Spare Parts	31.08.15	30.08.18	7,600,000	210,278,450	210,278,450	-	-	-	-
45	Southeast Bank Ltd.	Term Loan	Raw Materials & Spare Parts	31.12.15	30.06.16	18,117,194	104,602,397	104,602,397	-	-	-	-
46	Southeast Bank Ltd.	Term Loan	Raw Materials & Spare Parts	31.12.15	30.12.16	1,770,108	19,781,153	19,781,153	-	-	-	-
47	Standard Bank Ltd.	Term Loan	Raw Materials & Spare Parts	29.06.13	30.06.15	9,843,000	-	-	119,361,559	186,868,095	-	-
48	Standard Bank Ltd.	Term Loan	Raw Materials & Spare Parts	27.08.14	26.08.17	10,434,138	163,954,844	208,680,488	276,503,363	-	-	-
49	Trust Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.12.12	30.12.13	10,009,000	-	-	-	-	111,524,514	-
50	Trust Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.12.12	29.09.15	4,000,000	-	-	43,056,312	65,967,701	97,879,249	-
51	Trust Bank Ltd.	Term Loan	Raw Materials & Spare Parts	30.12.12	30.12.13	10,009,000	-	-	-	28,677,234	-	-
52	United Commercial Bank Ltd.	Finance Lease	Capital Machinery	29.06.14	28.06.18	11,900,000	266,101,884	316,668,426	392,411,593	-	-	-
53	Uttara Finance & Investment Ltd.	Finance Lease	Purchase of Vehicle	25.05.11	25.04.15	280,800	-	-	-	-	6,674,171	8,934,054
54	Uttara Finance & Investment Ltd.	Finance Lease	Capital Machinery	15.11.10	15.04.13	16,085,920	-	-	-	-	204,197,462	243,241,550

*For liquidation, Banks receive its installments in monthly basis whereas the Non Banking Financial Institutions receive installemtns in quarterly basis.

l) Details of all personnel related schemes for which the company has to make provision for in future years;

Bashundhara Paper Mills Limited considers its human resources as the most valuable assets of the company and has been continuing to train, equip and groom fresh recruits for building a strong foundation. In order to enhance and advance the professional ability and knowledge of the employees, regular training programs are organized at different professional institutions. BPML provides standard monthly salary package to its employee. In addition to that there is an arrangement of following benefits for its employee:

a) Provident Fund: The Company has maintained Provident fund for the permanent employees. Contribution rate of employee is 10% of basic salary & the contribution of employer and employee is same. The amount deposited to provident fund can be drawn by the respective employee after completion of his five years service in the company.

b) Bonus: In each Eid employees are given festival bonus equivalent to one month's basic salary.

c) Maternity Leave: Female employees are eligible for maternity leave for six month with full payment as per Govt. Rules.

d) Workers Profit Participation Fund: The Company has introduced Workers Profit Participation and Welfare Fund from September 01, 2015

m) Breakdown of all expenses related to the public issue;

Final IPO Expense will be determined after the determination of Cut-Off price through bidding process and will be adjusted accordingly with the IPO proceeds. However Estimated IPO expenses are as under:

Particulars	Basis of Calculation	Amount in BDT
A. Bangladesh Securities & Exchange Commission (BSEC) fees:		
Application Fee	Fixed	50,000
Consent Fee	@0.40% on the IPO amount	8,000,000
B. Fees related to listing with the stock exchanges:		
Prospectus Submission fees to DSE & CSE	Tk. 50,000 each	100,000
Listing fee to DSE & CSE	@ 0.25% up to Tk. 10 crore paid-up capital @0.15% on the rest of paid-up capital (Fees will be minimum Tk. 50,000 and maximum Tk. 10,000,000 for each exchanges)	[*]
Annual Fee for DSE & CSE	0.05% on Tk. 100 Crore and 0.02% on the rest of paid-up capital. (Total listing fee shall be minimum Tk. 50,000 and maximum Tk. 600,000 for each of the exchanges)	[*]
C. CDBL fees and expenses:		
Security Fee	Fixed	500,000
Documentation fee	Fixed	2,500
Initial public offering fee	@Tk.00015 of issue size +Tk.0.00015 of Pre-IPO	521,625
Annual Fee	Fixed	100,000
Connection Fee (1 year)	Tk. 500 per Month	6,000
D. Manager to the Issue fees & Underwriting Commission:		
Manager to the Issue fee	@1% of the public offering amount including premium	20,000,000
VAT Against Issue Management Fees	@15% of Issue Management Fees	3,000,000
Underwriting Commission	Commission @0.50% on underwritten amount	3,500,000
E. Expenses related to printing & Post IPO		
Registrar to the issue fees	Lump sum	1,200,000
Publication of Prospectus	(Estimated; to be paid at actual)	1,450,000

Publication of Abridged Version of prospectus and notice in 4 National dailies	(Estimated; to be paid at actual)	860,000
Bidding related Expenses (Stock Exchanges)	(Estimated; to be paid at actual)	250,000
Lottery Conduction Expenses including BUET Fee	(Estimated; to be paid at actual)	800,000
Data Processing and Share Software Charge	(Estimated; to be paid at actual)	3,000,000
Courier Expense	(Estimated; to be paid at actual)	200,000
Stationeries Expenses and Other Expenses	(Estimated; to be paid at actual)	300,000
Total		50,000,000

- n) If the issuer has revalued any of its assets, the name, qualification and experiences of the valuer and the reason for the revaluation, showing the value of the assets prior to the revaluation separately for each asset revalued in a manner which shall facilitate comparison between the historical value and the amount after revaluation and giving a summary of the valuation report along with basis of pricing and certificates required under the revaluation guideline of the Commission;

BPML made first revaluation of its property, plant and equipment as on 31 December 2010 and reflected in the Financial Statements of that year.

Subsequently, the company made the second revaluation of its land property in the year 2015 that is reflected in the Financial Statements of the same year. Particulars of the valuer and summary of report are as follows:

Particulars	1 st Revaluation	2 nd Revaluation
Name of the Valuer	S. F. AHMED & CO	MAHFEL HUQ & CO
Valuer's Qualification	A category Audit firm as per Bangladesh Bank List dated December 31, 2013	A category Audit firm as per Bangladesh Bank List dated December 31, 2013
Valuer's Address	House#25, Road#13A Block-D Banani, Dhaka-1213	BGIC Tower (4 th Floor), 34 Topkhana Road, Dhaka-1000
Cut-off date of Revaluation	December 31, 2010	April 30, 2015
Basis of valuation	The basis of value is market value, location, Commercial Importance, Demand of the Assets, Size of the Land	The basis of value is market value, location, Commercial Importance, Demand of the Assets, Size of the Land
Value of Fixed Assets before revaluation	3,559,612,888	864,860,832
Value of Fixed Assets after revaluation	4,905,750,029	2,366,590,000
Revaluation Surplus	1,346,137,141	1,501,729,168
Value of current Assets before/after revaluation (same)	6,476,376,567	-
Value of Liabilities before/After revaluation (Same)	8,436,455,824	-
Reason for revaluation	To determine the fair value of Assets and Liabilities/net worth of the company	To measure value of land and land Development of BPML in line with revaluation model of BAS 16
Nature of Revalued Assets	Fixed Assets & Liabilities	Land and Land Development
Methods Used	Market Value Approach	Market Value Approach
Experience and Notable Valuation works done by the valuer	Bangladesh Shilpa Bank Ltd Bangladesh Shilpa Rin Sangstha Rangs Limited Gas Transmission Company Ltd.	Alltex Industries Limited Atlas (BD)Ltd Khan Brothers Ltd Prime Tex

Summary of revaluation reserve report made at cut -off date as on 31 December, 2010

As per Audited Accounts of December 31, 2010

Particulars	Historical Cost (BDT)	Current Cost (BDT)	Revaluation Reserve(BDT)
Land and Land Development	120,868,570	726,775,000	605,906,430
Plant and Machinery	1,741,154,503	1,856,494,424	115,339,921
Office Equipment	22,499,356	24,233,164	1,733,808
Furniture and Equipment	18,881,656	19,918,448	1,036,792
Factory Apparatus and Loose Tools	62,418,639	66,579,132	4,160,493
Motor Vehicle	12,284,161	15,200,000	2,915,839
Building and Other Construction	718,012,082	1,322,831,012	604,818,930
Sundry Assets	32,026,776	38,336,423	6,309,647
Leasehold Assets	569,117,145	573,032,426	3,915,281
WIP	6,770,945	6,770,945	-
Deffered Tax Assets	35,502,173	35,502,173	-
Investment in BICL	265,000,000	265,000,000	-
Total Fixed Assets	3,604,536,006	4,950,673,147	1,346,137,141
Total Current Assets(Same)	6,476,376,567	6,476,376,567	-
Total Liabilities(Same)	8,436,455,824	8,436,455,824	-
Net Worth		2,990,593,891	

Summary of revaluation reserve report made at cut -off date as on April 30, 2015

As per Audited Accounts of December 31, 2015

Particulars	Historical Cost (BDT)	Current Cost (BDT)	Revaluation Reserve (BDT)
Land & Land Development	864,860,832	2,366,590,000	1,501,729,168

BPML made first revaluation of its property, plant and equipment as on 31 December 2010 which occurred before the publication of the BSEC notification no. SEC/CMRRCD/2009-193/150/admin dated 18 August 2013. Subsequently got its second revaluation on April 30, 2015 after the aforesaid notification complying all the compliances.

AUDITOR'S ADDITIONAL DISCLOSURE ON REVALUATION OF LAND AND DEVELOPMENT **BASHUNDHARA PAPER LIMITED**

This is to certify that revaluation of Land and Development of **Bashundhara Paper Mills Limited** as at April 15, 2015 carried out by independent **valuer Mahfel Huq & co**, Chartered Accountants have been made and report has been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable laws , rules , regulations and guidelines. We also certify that proper accounting treatments, including provisions, tax and other liabilities have been made, revaluation reserve has been created in the financial statements to consider the valuation as per applicable rules and standards.

Place: Dhaka
Dhaka: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

- o) Where the issuer is a holding/subsidiary company, full disclosure about the transactions, including its nature and amount, between the issuer and its subsidiary or holding company, including transactions which had taken place within the last five years of the issuance of the prospectus or since the date of incorporation of the issuer, whichever is later, clearly indicating whether the issuer is a debtor or a creditor:

Bashundhara Paper Mills Limited is the subsidiary of East West Property Development (Pvt.) Limited (EWPD). Following are the transactions including nature and amount between the two companies during last five years

Particulars	Relationship	Nature of Transaction	30.06.2016	31.3.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011	Remarks
Loan given	Holding Company of BPML	Long term loan	184,439,581	16,298,077	-	714,771,076	-	590,347,731	-	Figures incating within bracket is creditor and other debtor
Loan taken			-	-	(427,643,170)	-	(270,793,476)	-	(617,129,141)	
Sale/ purchase		Supply of paper	1,416,833	1,406,749	1,187,378	2,107,062	685,400	1,785,982	1,707,252	
*Land Lease		To use EWPD land for factory purpose	-	-	-	-	-	-	-	BPML will enjoy the land free of cost up to 26.05.2019
Total			85,856,414	17,704,826	(426,455,792)	716,878,138	(270,108,076)	592,133,713	(615,421,889)	

*East West Property Development (Pvt.) Ltd. (EWPD) is the one of the Directors and holding Company of Bashundhara Paper Mills Ltd. (BPML). BPML has been using 18.7709 acres of land owned by EWPD situated around the factory of BPML'S premises under a lease agreement dated May 26, 2009 between the parties. In consideration of the capability of the sister concern i.e BPML the Board of Directors of EWPD has decided not to charge as rent or lease value for the land from the BPML during for the initial ten years w.e.f 26/05/2019. After the expiry of the initial ten years the lease/rental value will be fixed/charged @ Taka 50,000/- per acre per year from the user i.e the BPML.

- p) Financial Information of Group Companies under common ownership by more than 50%: following information for the last three years based on the audited financial statements, in respect of all the group companies of the issuer, wherever applicable, along with significant notes of auditors:

Information as per Sl. No. 01 to Sl. No. 11 is as under:

Name of Company	Date of Incorporation	Nature of Business	Accounting Year	Equity Capital	Reserve	Sales	Profit After Tax	EPS (Tk.)	Diluted EPS (Tk.)	NAVPS with revaluation	NAVPS without revaluation	Status of Listing	Information regarding significant adverse factors	Has become sick or is under winding up
*Meghna Cement Mills Limited	March 01, 1992	Cement Manufacturing	31.12.2015	225,004,000	530,790,101	4,517,035,296	63,840,979	2.84	2.84	33.59	33.59	Listed with DSE & CSE in 1995 & 1996	N/A	N/A
			31.12.2014	225,004,000	587,232,849	3,738,883,315	100,760,062	4.48	4.48	36.10	36.10			
			31.12.2013	225,004,000	520,223,387	5,006,964,798	117,649,485	5.23	5.23	33.12	33.12			
East West Property Development (Pvt.) Ltd.	January 13, 1987	Real State & Land Development	30.06.2014	1,000,000	(4,802,427,953)	3,831,990,846	(864,613,240)	(86,461.32)	(86,461)	(480,142.80)	(480,142.80)	N/A	N/A	N/A
			30.06.2013	1,000,000	(3,937,814,713)	1,159,249,885	(903,196,934)	(90,319.69)	(90,320)	(393,681.47)	(393,681.47)			
			30.06.2012	1,000,000	(3,034,617,779)	4,538,825,395	(94,451,191)	(9,445.12)	(9,445)	(303,361.78)	(303,361.78)			
Bashundhara Industrial Complex Ltd.	April 09, 2000	Cement Manufacturing	31.12.2015	4,000,000,000	545,354,556	7,893,093,391	193,612,351	0.48	0.48	11.36	11.36	N/A	N/A	N/A
			31.12.2014	4,000,000,000	396,725,714	6,991,004,815	148,393,678	0.37	0.37	10.99	10.88			
			31.12.2013	4,000,000,000	247,838,707	3,444,111,449	81,010,962	0.2	0.2	10.62	10.62			
Bashundhara LP Gas Ltd.	August 21, 1997	Manufacturing, Bottling, Storing LP Gas	30.06.2015	1,000,000	536,027,444	2,810,333,953	104,984,619	10,498.46	10,498.46	5,370.27	1,430.93	N/A	N/A	N/A
			30.06.2014	1,000,000	444,931,909	2,559,817,918	76,430,273	7,643.03	7,643.03	4,459.32	150.91			
			30.06.2013	1,000,000	378,822,091	2,336,819,496	88,232,527	8,823.25	8,823.25	3,798.22	(879.25)			
Sundarban Industrial Complex Ltd.	December 14, 1999	Manufacturing & marketing Liquefied Petroleum Cylinder	31.12.2015	1,000,000	18,109,338	663,190,542	19,456,854	19,456.85	19,456.85	191.09	191.09	N/A	N/A	N/A
			31.12.2014	1,000,000	(1,347,516)	278,653,655	3,415,322	3,415.32	3,415.32	(3.48)	(3.48)			
			31.12.2013	1,000,000	(4,762,838)	301,489,560	5,777,837	5,777.84	5,777.84	(37.63)	(37.63)			
Bashundhara Cement Industries Ltd.	August 10, 2010	Manufacturing & marketing Cement allied materials	30.06.2015	4,500,000,000	6,941,634	471,778,439	3,748,681	0.08	0.08	10.02	10.02	N/A	N/A	N/A
			30.06.2014	4,500,000,000	3,192,953	273,084,110	2,778,286	0.06	0.06	10.01	10.01			
			30.06.2013	4,500,000,000	414,667	26,767,625	414,667	0.001	0.001	10.00	10.00			
Bashundhara City Development Ltd.	March 11, 1999	Shopping Mall	30.06.2015	1,000,000	4,867,283	10,598,420	1,157,403	115.74	115.74	496.73	496.73	N/A	N/A	N/A
			30.06.2014	100,000	3,709,880	5,465,600	597,292	59.73	59.73	380.99	380.99			
			30.06.2013	100,000	3,112,588	6,646,500	553,821	55.38	55.38	321.26	321.26			

Bashundhara Dredging Company Ltd.	March 22, 2010	Dredging and other allied service	31.12.2015	800,000,000	(852,072,344)	350,603,480	(3,027,084)	(0.04)	(0.04)	(0.65)	(0.65)		N/A	N/A
			31.12.2014	800,000,000	(849,045,259)	179,442,754	(146,016,925)	(1.83)	(1.83)	(0.61)	(0.61)			
			31.12.2013	800,000,000	(748,295,672)	98,279,161	(314,607,474)	(39.33)	(39.33)	0.65	0.65			
Bashundhara Steel and Engineering Ltd.	June 19, 2001	Built barges & sand filling and repairing ships & new shipbuilding	31.12.2015	1,000,000	26,162,352	125,361,030	1,493,581	149.36	149.36	271.62	271.62		N/A	N/A
			31.12.2014	1,000,000	24,668,771	148,147,068	15,078,473	1507.85	1507.85	256.69	256.69			
			31.12.2013	1,000,000	9,590,298	67,526,790	2,859,435	28.59	28.59	105.90	105.90			
East West Media Group Limited	May 20, 2009	Print and Electronic media	30.06.2015	11,000,000	(1,383,393,521)	2,832,620,335	(20,130,568)	(18.30)	(18.30)	(1,247.63)	(1,247.63)		N/A	N/A
			30.06.2014	11,000,000	(1,363,262,953)	2,767,540,589	(127,915,097)	(116.29)	(116.29)	(1,229.33)	(1,229.33)			
			30.06.2013	11,000,000	(1,950,150,821)	2,521,611,672	(601,039,392)	(546.40)	(546.40)	(1,762.86)	(1,762.86)			
Bashundhara Food & Beverage Industries Ltd.	November 19, 2009	Manufacturing consumer goods	31.12.2015	50,000,000	52,034,325	5,902,322,263	47,121,652	9.42	9.42	20.41	20.41		N/A	N/A
			31.12.2014	50,000,000	4,912,673	3,369,604,275	10,307,344	2.06	2.06	10.98	10.98			
			31.12.2013	50,000,000	(5,394,671)	554,784,503	(4,151,714)	(0.83)	(0.83)	8.92	8.92			
Bashundhara Multi-paper Industries Ltd.	February 28, 2011	Manufacturing all kinds of paper and allied products	31.12.2015	1,160,000,000	-	-	-	-	-	10.00	10.00		N/A	N/A
			31.12.2014	1,080,000,000	-	-	-	-	-	10.00	10.00			
			31.12.2013	700,600,000	-	-	-	-	-	10.00	10.00			

***The following information involved with the Meghna Cement Mills Limited listed with the securities market:**

Market Price	
Highest Value	Lowest Value
118.4	84.9

Capital Structure:

Particulars	No. of Shares	Share Holding Percentage (%)
Sponsor & Director	1,12,06,900	49.8
Government	-	-
Instute	64,96,214	28.9
Foreign	-	-
General Public	47,97,286	21.3

12. The related business transactions within the group and their significance on the financial performance of the issuer;

Name of the Company	Relationship	Nature of Transactions	31 December 2013		31 December 2014		31 December 2015	
			Value of Transaction during the year	Balance at year end. Receivable/ (Payable)	Value of Transaction during the year	Balance at year end. Receivable/ (Payable)	Value of Transaction during the year	Balance at year end. Receivable/ (Payable)
Bashundhara Airways Ltd.	Sister concern	Short-term loan	-	-	-	-	3,200,000	3,200,000
Bashundhara Cement Industries Ltd.	Sister concern	Short-term loan	-	70,333,436	(18,300,000)	52,033,436	(6,000,000)	46,033,436
Bashundhara Dredging Company Ltd.	Sister concern	Short-term loan	(3,000,000)	118,168,214	(33,890,231)	84,277,983	(80,996,761)	3,281,222
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short-term loan	9,805,218	85,121,254	(9,500,000)	75,621,254	151,100,000	226,721,254
Bashundhara Industrial Complex Ltd.	Sister concern	Short-term loan	(263,047,950)	(387,566,397)	228,385,741	(159,180,656)	154,678,219	(4,502,437)
Bashundhara LP Gas Ltd.	Sister concern	Short-term loan	(28,960,976)	(248,887,196)	58,658,331	(190,228,866)	-	(190,228,866)
Bashundhara Shipping Ltd.	Sister concern	Short-term loan	80,500,000	88,903,825	418,729,914	507,633,739	-	-
Bashundhara Multi-Paper Industries Ltd.	Sister concern	Short-term loan	-	(300,000)	300,000	-	(102,900,000)	404,733,739
Bashundhara Steel & Engineering Ltd.	Sister concern	Short-term loan	(29,743,449)	2,022,293	61,400,000	63,422,293	-	63,422,293
Bashundhara Steel Complex Ltd.	Sister concern	Short-term loan	119,496,454	72,922,038	(5,775,063)	67,146,974	(67,146,974)	-
East West Media Group Ltd.	Sister concern	Short-term loan	78,456,884	229,173,299	(10,597,599)	218,575,700	(80,171,084)	138,404,616
East West Property Development (Pvt.) Ltd.	Sister concern	Short-term loan	(270,793,476)	(30,306,613)	714,771,076	684,464,463	(427,643,170)	256,821,293
Meghna Cement Mills Limited	Sister concern	Short-term loan	(21,604,326)	57,445,308	(1,213,771)	56,231,537	(2,012,916)	54,218,621
Sundarban Industrial Complex Ltd.	Sister concern	Short-term loan	(10,000,000)	88,041,859	(33,100,000)	54,941,859	(13,500,000)	41,441,859

13. Sales or purchase between group companies or subsidiaries or associate companies when such sales or purchases exceed in value in the aggregate ten per cent of the total sales or purchases of the issuer and also material items of income or expenditure arising out of such transactions;
 There were no transactions of The Bashundhara Paper Mills Limited between group companies/ subsidiaries/ associate companies, which exceed in value in the aggregate ten per cent of the total sales or purchases of the Company.

q. Where the issuer is a banking company, insurance company, non-banking financial institution or any other company which is regulated and licensed by another primary regulator, a declaration by the board of directors shall be included in the prospectus stating that all requirements of the relevant laws and regulatory requirements of its primary regulator have been adhered to by the issuer;

Not applicable for BPML

r. A report from the auditors regarding any allotment of shares to any person for any consideration otherwise than cash along with relationship of that person with the issuer and rationale of issue price of the shares;

**Auditors certificate regarding any allotment of shares to the person for any consideration other than cash
of
Bashundhara Paper Mills Limited**

This is to certify that, based on our examination of share Register and its underlying documents, the following shares have been allotted for consideration in otherwise than cash of **Bashundhara Paper Mills Limited** as on June 30, 2016:

BPML has issued 1,003,000 ordinary shares of Tk. 100 each in the view of amalgamation with the two companies "Bashundhara Tissue Industries Limited" and "Bashundhara News Print & Duplex Board Industries Limited" dated October 10, 2009 as the following manner:

Persons to whom those are issued	Relationship with the issuer	No. of Securities	Consideration & Valuation	Reasons of the Issue	Benefits from the issue
Mr. Ahmed Akbar Sobhan	Sponsor & Chairman	15,500	Assets of Bashundhara Tissue Industries Limited and Bashundhara News Print & Duplex Board Industries Limited	Enhancement of Capital Base and operate all the three companies under common management	Enhancement of Capital Base and minimize the operating cost
Mrs. Afroza Begum	Sponsor Shareholder	104,700			
Mr. Sadat Sobhan	Shareholder	185,500			
Mr. Shafiat Sobhan	Shareholder	185,500			
Mr. Sayem Sobhan	Shareholder	185,500			
Mr. Safwan Sobhan	Managing Director	185,500			
Mr. Mahboob Morshed Hassan	Sponsor Shareholder	1500	Assets of Bashundhara News Print & Duplex Board Industries Limited		
Mr. Md. Shafiqur Rahman	Shareholder	300			
Mr. Md. Gias Uddin	Shareholder	2400			
Mr. Md. Abdus Samad	Shareholder	2100			
East West Property Development (Pvt.) Ltd.	Director	134,500			

On February 25, 2015 the Company issued 30,483,440 ordinary shares of Tk. 10 each as Bonus share to the shareholders as the following manner:

Persons to whom those are issued	Relationship with the issuer	No. of Securities	Consideration & Valuation	Reasons of the Issue	Benefits from the issue
Mr. Ahmed Akbar Sobhan	Sponsor & Chairman	2,328,000	Other than Cash (Bonus)	Distribution of accumulated profit	Enhancement of Capital Base and re investment
Mrs. Afroza Begum	Sponsor Shareholder	3,755,200			
Mr. Sadat Sobhan	Shareholder	5,048,000			
Mr. Shafiat Sobhan	Shareholder	5,048,000			
Mr. Sayem Sobhan	Shareholder	5,048,000			
Mr. Safwan Sobhan	Managing Director	5,048,000			
Mr. Mahboob Morshed Hassan	Sponsor Shareholder	32,000			
Mrs. Rawshan Ara Begum	Shareholder	1,600			
Mr. Laila Anjuman Begum	Shareholder	1,600			
Mr. Md. Shafiqur Rahman	Shareholder	4,800			
Mr. Md. Gias Uddin	Shareholder	38,400			
Mr. Md. Abdus Samad	Shareholder	33,600			
East West Property Development (Pvt.) Ltd.	Director	4,096,240			

Sd/-

Place: Dhaka
Dated: January 01, 2017

Ahmed Zaker & Co.
Chartered Accountants

s. Any material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public;

There is no material information, which is likely to have an impact on the offering or change the terms and conditions under which the offer has been made to the public.

t. Business strategies and future plans - projected financial statements shall be required only for companies not started commercial operation yet and authenticated by Chairman, two Directors, Managing Director, CFO, and Company Secretary;

Management Perception:

Bashundhara Paper Mills Limited is a pioneer among the private sector paper producers in the country. The enterprise, since its inception in 1993, is helping the nation and save huge amount of hard-earned foreign currency by cutting dependence on imported paper products. Our business model is designed to deliver sustainable growth. The key objectives of managing a business are to achieve sustainable, profitable growth, increase the value of the business for capital providers, safeguard jobs and, last but not least, maintain corporate autonomy. BPML's future aim is to become continue as the market leader brand in the country. In order to do this, we shall draw on our history spanning more than 23 years as a supplier of innovative products for the people in the country while at the same time expressing our ongoing desire to create something new –from product innovations in the area of performance.

The Company's objective is to develop and maintain the long-term customer relationship by providing diversified products that enhance the customer's prospects of success in their end markets. In that context, by generating strong sustainable revenue and profitability, together with judicious capital allocation decisions BPML to delivers an increasingly strong return on capital through the cycle. This objective is underpinned by the Company's clearly stated ambition to maintain its premier position in the industry by delivering superior customer satisfaction; pursuing cost and operating efficiencies; maintaining proactive environmental awareness; and reinforcing its commitment to continuous improvement in the areas of health and safety and corporate social responsibility.

As a leading paper and tissue manufacturing and marketing company, since its commercial operation in 1997 we have been facing stronger regulation and fierce competition. BPML view the need for a long-range strategic plan in business operation.

Goal: Strategy

The Company continues to develop its presence in emerging markets, particularly in the tissue and paper operations where inherent growth and cost benefits are most apparent. In its paper and tissue businesses, it sees opportunity to develop by leveraging the competencies in both mature and emerging markets. Sustainable development is integral to the success of the business and its ability to create value.

- To focus on developing markets that offer us growth opportunities;
- To invest in the exceptional people and high-quality, low-cost operations;
- To passionate about performance, reliability and sustainability; and
- To work with the customers, value them and involve efforts to meet their needs.

There's a saying that failing to plan is planning to fail. As competition increases and belts tighten in the paper sector the Company in the production and business operation put emphasis on:

- Product diversification
- Safety initiatives
- Ways to reduce the cost of goods sold including efficiencies in manufacturing and reduction of water and utility consumption
- Changes in manufacturing methods
- Supply chain revisions
- Growth plans, which may include expanding the business, introducing new products, locations, and market segments
- Asset consolidation/optimization
- Asset preservation / maintenance plans including capital expenditures for meeting current regulations and maintaining the future of existing assets
- Training such as computer and technology upgrades for tracking and traceability, communication, and other initiatives.

The Company's business objectives and future plans are outlined as:

- To expand market positions through selective focused growth from increased market share through consolidating, and where appropriate, extending its leadership position. By deepening the Company's customer relationships through a relentless pursuit of innovative initiatives that assist the customers' market impact and optimise their supply chain activities.
- To become the supplier/partner of choice of its customers, developing proactive initiatives to improve their offering;
- To constantly innovating its products, service, quality and delivery in order to develop and/or maintain preferred supplier status;
- To pursuing superior performance in all aspects of its business and at all levels in its organization;
- To focus on enhancing its operational excellence;
- To improve the output through judicious capital investment, continuous improvement programmes, transfer of best practice, industrial engineering, and other progressive initiatives emanating from its technical experts;
- To ensure customer satisfaction and excellence in all its business operations;
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add value in the operation;
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to success of its strategy.

u) Discussion on the results of operations shall inter-alia contain the following:

- 1) A summary of the past financial results afetr adjustments as given in the auditor's report contaning significant items of income and expenditure ;

Particulars	31.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Revenue, net	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Cost of sales	(4,663,616,715)	(8,633,126,096)	(8,545,083,397)	(8,789,943,753)	(8,597,727,339)	(7,514,925,456)
Gross profit	1,029,117,481	1,802,630,212	1,790,011,312	1,711,985,736	1,634,031,268	1,571,897,198
Other income	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
Administrative expenses	(133,403,719)	(297,422,837)	(328,817,147)	(312,085,457)	(358,983,288)	(269,373,262)
Selling & distribution expenses	(65,687,022)	(123,905,413)	(120,056,369)	(124,922,974)	(113,961,702)	(161,695,787)
Finance costs	(473,746,211)	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
Profit before distribution of WPP & WF	356,798,557	384,781,397	273,279,778	239,371,246	185,916,051	242,611,912
Workers' profit participation & welfare fund	(17,839,928)	(19,828,320)	-	-		
Profit before tax	338,958,629	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
Income tax expenses	(22,380,582)	(100,280,234)	(55,157,062)	(142,300,509)	(120,912,982)	(137,687,742)
Current tax expense	(34,159,513)	(31,312,507)	(31,033,426)	(52,536,292)	(51,194,464)	(45,484,769)
Deferred tax expense	11,778,931	(68,967,727)	(24,123,636)	(89,764,217)	(69,718,518)	(92,202,972)
Profit for the year	316,578,047	264,672,844	218,122,716	97,070,736	65,003,069	104,924,171
Gain on revaluation of property	-	1,505,759,308	-	-	-	-
Total Comprehensive Income for the year	316,578,047	1,770,432,151	218,122,716	97,070,736	65,003,069	104,924,171
Earning per Share (EPS) Basic-reported	2.14	3.63	4.40	5.10	3.41	5.51
Earning per Share (EPS) Basic-restated	-	-	2.99	-	-	-

2) A summary of major items of income and expenditure;

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Sales	5,953,647,217	10,875,889,630	10,753,036,599	10,916,685,572	10,732,284,813	9,629,719,392
Less: VAT	(257,245,100)	(437,603,250)	(417,941,889)	(414,756,083)	(500,526,206)	(542,896,738)
SD	(3,667,920)	(2,530,072)	-	-	-	-
Total Operating Revenue (A)	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Less: Cost of Sales (B)	(4,663,616,715)	(8,633,126,096)	(8,545,083,396)	(8,789,943,753)	(8,597,727,339)	(7,514,925,455)
Gross Profit: C= (A-B)	1,029,117,481	1,802,630,212	1,790,011,313	1,711,985,736	1,634,031,268	1,571,897,199
Administrative Expenses	(133,403,719)	(297,422,837)	(328,817,147)	(312,085,457)	(358,983,288)	(269,373,262)
Selling& Distribution	(6,5687,022)	(123,905,413)	(120,056,369)	(124,922,974)	(113,961,701)	(161,695,787)
Financial Expenses	(473,764,211)	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
Add: Other Income	518,027	1,745,937	9,380,553	5,328,902	7,134,241	10,131,224
Less: Non-operating Expenses		-	-	-	-	-
Net Profit Before Tax and Reserve (F)	356,798,557	384,781,397	273,279,778	239,371,247	185,916,051	242,611,913
Workers Profit Participation Fund	(17,839,928)	(19,828,320)	-	-	-	-
Net Profit before Tax	338,958,629	364,953,078	273,279,778	239,371,247	185,916,051	242,611,913
Less: Provision for Tax	(34,159,513)	(31,312,507)	(31,033,426)	(52,536,292)	(51,194,464)	(45,484,769)
Less: Deferred Tax	11,778,931	(68,967,727)	(24,123,636)	(89,764,217)	(69,718,518)	(92,835,717)
Net Profit After Tax	316,578,047	264,672,844	218,122,716	97,070,738	65,003,068	104,291,427
EPS-Reported	2.14	3.63	4.40	5.10	3.41	5.47
EPS-Restated			2.99	1.96		

3) The income and sales on account of major products or services:

There are four products of the Company, which contributed to the Company's total revenue.

The Income and Sales on account of major products or services										
Particulars	Sales (BDT)					Income (BDT)				
	2012	2013	2014	2015	2016	2012	2013	2014	2015	2016
Paper Product	7,877,096,686	7,415,240,420	6,951,767,618	6,687,585,826	3,444,523,586	47,709,827	65,936,024	141,014,905	1,088,638,940	182,121,525
Tissue Product	1,879,885,246	2,459,716,067	2,792,601,735	3,157,339,437	1,783,245,609	11,386,048	21,871,698	56,647,243	513,967,633	94,285,146
P.P.Woven Bag Product	491,977,209	556,949,204	556,451,523	525,821,812	434,740,739	2,979,797	4,952,370	11,287,483	85,595,926	22,985,950
Paper Sack Product	355,724,737	289,628,972	255,001,486	243,724,743	150,162,309	2,154,546	2,575,369	5,172,643	39,674,743	7,939,498
Hygiene Product	127,600,935	195,150,910	197,214,237	261,417,811	140,974,974	772,851	1,735,274	4,000,443	42,554,909	7,453,738
Total	10,732,284,813	10,916,685,573	10,753,036,599	10,875,889,629	5,953,647,217	65,003,068	97,070,736	218,122,716	1,770,432,151	314,785,858

4) In case, other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

The Company's other income is not other income constitutes more than 10% of the total income, the breakup of the same along with the nature of the income, i.e., recurring or non-recurring;

5) If a material part of the income is dependent upon a single customer or a few major customers, disclosure of this fact along with relevant data. Similarly, if any foreign customer constitutes a significant portion of the issuer's business, disclosure of the fact along with its impact on the business considering exchange rate fluctuations:

The Company's material part of the income is not dependent upon a single customer or a few major customers. The foreign customers don't constitute a significant portion of the BPML's business.

6) In case the issuer has followed any unorthodox procedure for recording sales and revenues, its impact shall be analyzed and disclosed.

The issuer has not followed any unorthodox procedure for recording sales and revenues.

v) Comparison of recent financial year with the previous financial years on the major heads of the profit and loss statement, including an analysis of reasons for the changes in significant items of income and expenditure, inter-alia, containing the following:

Particulars	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Sales	5,953,647,217	10,875,889,630	10,753,036,599	10,916,685,572	10,732,284,813	9,629,719,392
Less: VAT	(257,245,100)	(437,603,250)	(417,941,889)	(414,756,083)	(500,526,206)	(542,896,738)
SD	(3,667,920)	(2,530,072)	-	-	-	-
Total Operating Revenue (A)	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Less: Cost of Sales (B)	(4,663,616,715)	(8,633,126,096)	(8,545,083,396)	(8,789,943,753)	(8,597,727,339)	(7,514,925,455)
Gross Profit: C= (A-B)	1,029,117,481	1,802,630,212	1,790,011,313	1,711,985,736	1,634,031,268	1,571,897,199
Administrative Expenses	(133,403,719)	(297,422,837)	(328,817,147)	(312,085,457)	(358,983,288)	(269,373,262)
Selling Expenses	(6,568,022)	(123,905,413)	(120,056,369)	(124,922,974)	(113,961,701)	(161,695,787)
Financial Expenses	(473,764,211)	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
Add: Other Income	518,027	1,745,937	9,380,553	5,328,902	7,134,241	10,131,224
Less: Non-operating Expenses	-	-	-	-	-	-
Net Profit Before Tax and Reserve (F)	338,958,629	384,781,397	273,279,778	239,371,247	185,916,051	242,611,913
Workers Profit Participation Fund	(17,839,928)	(19,828,320)	-	-	-	-
Net Profit before Tax	338,958,629	364,953,078	273,279,778	239,371,247	185,916,051	242,611,913
Less: Provision for Tax	(34,159,513)	(31,312,507)	(31,033,426)	(52,536,292)	(51,194,464)	(45,484,769)
Less: Deferred Tax	11,778,931	(68,967,727)	(24,123,636)	(89,764,217)	(69,718,518)	(92,835,717)
Net Profit After Tax	316,578,047	264,672,844	218,122,716	97,070,738	65,003,068	104,291,427
EPS-Reported	2.14	3.63	4.40	5.10	3.41	5.47
EPS-Restated	-	-	2.99	1.96	-	-

1) Unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

There are no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc.

2) Significant economic changes that materially affect or are likely to affect income from continuing operations;

There are no significant economic changes that materially affect or are likely to affect income from continuing operations.

3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations:

Though there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

- i. Political unrest
- ii. Natural disaster

4) Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known:

We are aware of the fact that future is always uncertain that affect business and plan as well. So in future labor price or material price may change. However, revenue is always adjusted and follow the trend in line with production cost. Hence, any change in cost will be reflected in sales price. Moreover we have strong influence over market to set the trend as well.

5) The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices:

Particulars	31.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Sales	5,953,647,217	10,875,889,630	10,753,036,599	10,916,685,572	10,732,284,813	9,629,719,392
Less: VAT	(257,245,100)	(437,603,250)	(417,941,889)	(414,756,083)	(500,526,206)	(542,896,738)
SD	(3,667,920)	(2,530,072)	-	-	-	-
Total Operating Revenue (A)	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Cost of Sales (B)	(4,663,616,715)	(8,633,126,096)	(8,545,083,396)	(8,789,943,753)	(8,597,727,339)	(7,514,925,455)

Any material increase in the sales volume, increase in selling price as well and introduction of new products have a significant impact on the net sales and revenue of the Company. It can be observed from the above table, the overall sales or revenue is very rationally increasing and decreasing over the past few years. BPML produces Paper and Paper Products. Last five years the company has not introduced any new products but increased its production capacity. BPML does not have any plan to introduce any new product in near future. But the Management of the Company expects that there would have a positive and significant impact on the revenue and sales volume with the introduction of new machineries in its production process. It is also expected that due to increased competition in the market where the company operates, the revenue of the Company may be affected adversely due to decrease in

selling price. If the new machineries are added then the production capacity of the tissue products will be almost double, then the revenue of the Company will be increased to have a regular growth.

6) Total turnover of each major industry segment in which the issuer operated:

BPML operates in paper sector and produces paper & paper products and tissue products. There exists no reliable data source of paper industry of Bangladesh. There are two paper companies are listed with the stock exchanges. However the total turnover of Bashundhara Paper Mills Limited, Hakkani Pulp and Paper Mills Limited, Khulna Printing and Packaging Limited are given as follows:

Year	*Industry segment of paper industry (BDT)
2014	12,696,088,419
2015	12,656,133,661

***Data Source:** Audited financial statements of the respective companies.

7) Status of any publicly announced new products or business segment:

The Company did not announce new products or business segment.

8) The extent to which the business is seasonal.

Requirement of Paper Products are all around the year in almost the same volume, since the demand remain more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect. But November to January period is most busy time for paper products specially white paper and note books since start of new sessions of students across the country.

w) Defaults or rescheduling of borrowings with financial institutions/banks, conversion of loans into equity along with reasons thereof, lock out, strikes and reasons for the same etc. during the history of operation of the company;

BPML has never been defaulted in repayment of loan. It has also not rescheduled its loan due to default in making repayment of the same. Moreover, there is no history of conversion of loan into equity, lock out and strikes during the history of operation of the company;

x) Details regarding the changes in the activities of the issuer during the last five years which may had a material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors:

There were no changes in the activities of the Company during the last five years and had not any material effect on the profits/loss, including discontinuance of lines of business, loss of agencies or markets and similar factors.

y) Injunction or restraining order, if any, with possible implications:

There is no Injunction or restraining order pending against BPML.

z) Technology, market, managerial competence and capacity built-up:

Technology

BPML is very keen to adopt new technologies keeping pace with the change in market demand. The machineries of BPML are state of the art and imported from famous manufacturers. BPML takes necessary up gradation and conduct inspection to certain intervals to keep those machineries to ensure smooth functioning. Besides, the Company will Go Live to its new software SAP. SAP ERP is enterprise resource planning software developed by the German company SAP SE next year. 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).

Market

Bangladesh is a Muslim country with a population of around 16 crores. Being a Muslim we have to observe 5 times prayer in a day. In order to observe our regular spiritual activities we need to be clean after urination all the time. People are using tissue products to perform such. Besides, our growing population, rapid urbanization are also playing roles to expand tissue markets.

Moreover, we have taken initiatives to create awareness as to increase the tissue uses. Our continuous effort will definitely explores new arenas for our tissue products.

At present we observed 2200 MT monthly requirement of tissue products for which our contribution is around 80% of total requirement. Our ceaseless efforts have already enabled us to grab more market shares in coming days.

Managerial competence

All the members of the management team of the company are well gathered knowledge having long experience, skills and competencies. The departmental Heads are professionally qualified in their respective fields. The management team is led by Mr. Safwan Sobhan Managing Director and acts for the best interest of the company. Successive strong financial performance is the result of unwavering commitment of the promoters, management efficiency, employees' sincerity, use of appropriate technology, among others.

Capacities build up

To keep pace with the contemporary technology and customer demand, the company continuously investing and deploying enough resources. To cope up with the growing market demand and strengthening long term sustainability, the Company is going to expand its production capacity with latest modern technology and machinery which is given in the use of proceeds portion of this prospectus.

aa) Changes in accounting policies in the last three years:

The management of the Company has not changed any accounting policies in the last three years.

bb) Significant developments subsequent to the last financial year: A statement by the directors whether in their opinion there have arisen any circumstances since the date of the last financial statements as disclosed in the prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months:

There were no significant developments subsequent to the last financial year.

DECLARATION REGARDING SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR (June 30, 2016)

This is to declare that, there have been no circumstances arisen since the date of the last financial statements (December 31, 2015) as disclosed in the red-herring prospectus and which materially and adversely affect or is likely to affect the trading or profitability of the issuer, or the value of its assets, or its ability to pay its liabilities within the next twelve months.

Sd/-
Ahmed Akbar Sobhan
Chairman

Sd/-
Safwan Sobhan
Managing Director

Sd/-
East West Property Development (Pvt.) Ltd.
Director
Represented By:
Md. Nazmul Alam Bhuiyan

Sd/-
Md. Imrul Hassan
Director

Sd/-
Mr. Zeaur Rahman
Independent Director

Sd/-
Mr. Khawaja Ahmedur Rahman
Independent Director

cc) If any quarter of the financial year of the issuer ends after the period ended in the audited financial statements as disclosed in the prospectus or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer or information memorandum, unaudited financial statements for each of the said quarters duly authenticated by the CEO and CFO of the issuer;

The unaudited financial statements for the third quarter ended on 31 March, 2017 duly signed by the CEO and CFO is as under:

BASHUNDHARA PAPER MILLS LIMITED

Statement of financial position (Unaudited) at 31 March 2017

	31-Mar-17	30-Jun-16
	Amount in Taka	
ASSETS		
Non-current assets	9,691,982,895	9,493,645,061
Property, plant and equipment, net	8,549,213,087	8,726,373,517
Intangible assets	182,503,340	-
Capital work-in-progress	695,266,467	502,271,543
Investment	265,000,000	265,000,000
Current assets	10,015,430,843	9,415,203,876
Inventories	5,642,041,582	5,387,029,832
Trade and other receivables	2,022,458,842	1,668,706,073
Advances, deposits and prepayments	933,950,207	828,701,278
Advance income tax	439,789,466	378,373,534
Intercompany current account	714,227,128	950,175,193
Cash and bank balances	262,963,619	202,217,966
Total assets	19,707,413,738	18,908,848,937
EQUITY AND LIABILITIES		
Capital and reserves	4,907,513,480	4,504,853,613
Share capital	1,477,497,750	1,477,497,750
Revaluation reserve	2,164,000,189	2,171,846,967
Retained earnings	1,266,015,541	855,508,897
Liabilities		
Non-current Liability	5,151,452,583	4,992,509,158
Long term borrowings	3,589,918,718	3,615,249,045
Deferred tax liability	1,329,979,683	1,377,260,113
Intercompany Payable	231,554,182	-
Current liabilities	9,648,447,674	9,411,486,166
Long term borrowings-current portion	1,453,386,922	1,122,530,545
Short term borrowings	6,987,189,957	7,353,006,858
Trade and other payables	852,290,707	851,592,785
Provision for expenses	274,670,114	18,883,957
Income tax provision	80,909,974	65,472,020
Total liabilities	14,799,900,258	14,403,995,324
Total equity and liabilities	19,707,413,738	18,908,848,937
Net Asset Value Per Share	33.22	30.49

Sd/-
Chief Financial and Development Officer

Sd-
Managing Director

BASHUNDHARA PAPER MILLS LIMITED

Statement of profit or loss and other comprehensive income (Unaudited)

for the quarter ended 31 March 2017

	January-March 2017	January-March 2016
	Amount in Taka	
Revenue, net	2,572,871,037	3,061,662,292
Cost of sales	(2,062,605,670)	(2,523,332,148)
Gross profit	510,265,367	538,330,145
Other income	121,210	67,645
Administrative expenses	(81,403,755)	(66,759,758)
Selling & distribution expenses	(53,676,990)	(46,335,372)
Finance costs	(233,922,538)	(289,571,758)
Profit before distribution of WPP & WF	141,383,294	135,730,902
Workers' profit participation & welfare fund	(7,069,165)	(6,860,533)
Profit before tax	134,314,129	128,870,369
Income tax expenses	31,842,477	(1,121,744)
Current tax expense	(15,437,953)	(9,185,190)
Deferred tax (expense)/income	47,280,431	8,063,446
Profit after tax	166,156,607	127,748,625
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
Total Comprehensive Income for the period	166,156,607	127,748,625
Earnings per share	1.12	0.86

Sd/-
Chief Financial and Development Officer

Sd-
Managing Director

BASHUNDHARA PAPER MILLS LIMITED

Statement of changes in equity (Unaudited)

for the quarter ended 31 March 2017

	Share capital	Share money deposit	Revaluation reserve	Retained earnings	Total Equity
	Amount in Taka				
Balance as on 01 January 2016	1,477,497,750	-	2,415,375,732	548,408,983	4,441,282,465
Transfer to retained earnings	-	-	(8,340,291)	8,340,291	-
Total Comprehensive Income	-	-	-	127,748,625	127,748,625
Balance as on 31 March 2016	1,477,497,750	-	2,407,035,441	684,497,899	4,569,031,090
Balance as on 01 January 2017	1,477,497,750	-	2,171,846,967	1,092,012,157	4,741,356,873
Transfer to retained earnings	-	-	(7,846,778)	7,846,778	-
Total Comprehensive Income	-	-	-	166,156,607	166,156,607
Balance as on 31 March 2017	1,477,497,750	-	2,164,000,189	1,266,015,541	4,907,513,480

Sd/-
Chief Financial and Development Officer

Sd-
Managing Director

BASHUNDHARA PAPER MILLS LIMITED

Statement of cash flows (Unaudited) for the quarter ended 31 March 2017

	January-March 2017	January-March 2016
	Amount in Taka	
A) Cash flows from operating activities		
Receipts from customers	2,764,854,419	3,033,949,519
Receipts from other income	121,210	67,645
	2,764,975,629	3,034,017,164
Payment to suppliers, employees & others	(2,166,909,640)	(2,563,381,528)
Cash generated from operations	598,065,989	470,635,636
VAT paid	(133,852,466)	(136,214,963)
SD Paid	(3,228,925)	(1,666,196)
Income taxes paid	(61,415,931)	(13,995,951)
Bank charges and commission	(1,361,985)	(810,691)
Net cash (used in)/ generated by operating activities	398,206,682	317,947,835
B) Cash flows from investing activities		
Payments for property, plant and equipment	(33,030,716)	(98,814,369)
Receipts/ transfer of capital work-in-progress	(426,058,936)	(930,538)
Payments for capital expenses	(50,000,001)	-
Net cash (used in)/ generated by investing activities	(509,089,653)	(99,744,907)
C) Cash flows from financing activities		
Received/ (repayment) of short term borrowings	(365,816,900)	447,507,952
Payments of Bank interest and other charges	(232,145,837)	(289,090,272)
Received/ (repayment) of Intercompany debt	467,502,247	22,823,201
Received/ (repayment) of long term borrowings	305,526,051	(281,529,554)
Net cash (used in)/ generated by financing activities	175,065,561	(100,288,672)
D) Net increase in cash and cash equivalents (A+B+C)	64,182,590	117,914,256
E) Cash and cash equivalents at the beginning	198,781,029	152,751,063
F) Cash and cash equivalents at the end (D+E)	262,963,619	270,665,319
Net Operating Cash Flows per share	2.70	2.15

Sd/-
Chief Financial and Development Officer

Sd-
Managing Director

dd) Factors that may affect the results of operations;

There are no such factors that may affect the results of operations except the known trends and uncertainty is as follows:

- a. Political unrest
- b. Natural disaster
- c. Entrance of new technology
- d. Increased competition
- e. Unusual increase in production cost

PART VII
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS
a) Overview of business and strategies:
Group Business:

Bashundhara Group has started operation in 1987 with a real estate venture under the aegis of the Group's flagship concern the East-West Property Development (Pvt.) Limited (EWPD). This project turned out to be a very successful one and had helped foster the growth of trust and confidence of the urban people in "Bashundhara". Starting with the vision to provide people with the opportunities for a sweet home, East-West Property Development (Pvt.) Limited, a concern of Bashundhara Group has now emerged as the largest real estate developer of the country.

Driven by the ramifications of this success, Bashundhara geared up to invest in new arenas. Most of the enterprises were established in the 1990s, covering diverse activities involving the production of cement, paper and pulp, tissue paper, steel, LP Gas bottling and distribution. The group experienced this tremendous growth in a span of less than 10 years. During this period, additional schemes on land development and real estate were launched and those projects focused more sharply on increasing responsiveness to client needs. The Group's first publicly- traded company, the Meghna Cement Mills Limited, listed with the two Stock Exchanges of Bangladesh since 1995.

Now the group has more than 20 major concerns located in different areas of the country. The multi-faceted shopping mall-cum-recreation centre called the **Bashundhara City** has added glamour to the growth of the group. The Bashundhara City Development Ltd. is one-step ahead in the longstanding effort to strengthen links with the general people through the unique offering of commercial operations and recreation facilities under one roof.

Latest addition to the group is its media house titled "**East West Media Group Ltd**" which was established in 2009. It now owns Bangla dailies- "**The Kaler Kantho**", "**The Bangladesh Pratidin**", English daily "**The Daily Sun**", online portal "**Banglanews24.com**" and a fortnightly Diplomatic journal. The media house is also launched an FM radio and a television channel naming "**News 24**" as well.

The Group has come a long way in reaching its goals by complimenting to client needs, learning real-time lessons from past projects, innovating and partnering its project implementation process. Through major investment undertakings in all key sectors, Bashundhara has meaningfully contributed to the country's economic stability in financial and capital markets. Underlying all of the Group's activities are the common threads of change, flexibility, and fostering closer ties with the Government, the City Corporation and Bashundhara clients.

Company Business
Bashundhara Paper Mills Limited

Bashundhara Paper Mills Limited (BPML) is a one of the biggest concern of Bashundhara Group. The company was incorporated in Bangladesh on September 28, 1993 as a private limited company vide registration no.C-24705(539)/93 under the Companies Act, 1913 (VII of 1913) having its registered office in Dhaka. It was converted in to public limited company in January 30, 1994. BPML started its commercial operation on March, 1997 as an import-substitute paper manufacturing company. After that two companies of the Bashundhara group of same nature namely "Bashundhara Newsprint & Duplex Board Industries Limited" and "Bashundhara Tissue Industries Limited" amalgamated with BPML on October 10, 2009. After amalgamation of all three companies carry out its business as a single legal entity and operates three separate units ("Unit 1", "Unit-2" and "Unit-3") for administrative purpose only. Presently authorized capital of the Company is BDT 500 Million and paid up capital stands at BDT 1477.49 Million. Factory of BPML is located at Meghnaghat, Narayangonj with total installed capacity approximately 175500 MT paper and 12 crore bags per annum.

Strategies:

- To expand market positions through selective focused growth from increased market share through consolidating, and where appropriate, extending its leadership position. By deepening the Company's customer relationships through a relentless pursuit of innovative initiatives that assist the customers' market impact and optimise their supply chain activities.
- To become the supplier/partner of choice of its customers, developing proactive initiatives to improve their offering;
- To constantly innovating its products, service, quality and delivery in order to develop and/or maintain preferred supplier status;
- To pursuing superior performance in all aspects of its business and at all levels in its organization;
- To focus on enhancing its operational excellence;
- To improve the output through judicious capital investment, continuous improvement programmes, transfer of best practice, industrial engineering, and other progressive initiatives emanating from its technical experts;
- To recruit, retain, develop, and motivate the best personnel and utilizing their full potential to add value in the operation;
- To maintain a disciplined approach to capital allocation and maintain the focus on fund generation efficiently and effectively as to success of its strategy.
- To establish the State of the Earth quality manufacturing facilities for ensuring best quality products and maximize the coverage of customer network.

b) SWOT ANALYSIS:

SWOT analysis is an acronym for strengths, weaknesses, opportunities, and threats and is a structured planning method that evaluates those four elements of a project or business venture where,

Strengths: Characteristics of the business or project that give it an advantage over others

Weaknesses: Characteristics of the business that place the business or project at a disadvantage relative to others

Opportunities: Elements in the environment that the business or project could exploit to its advantage

Threats: Elements in the environment that could cause trouble for the business or project

The SWOT analysis of BPML is as follows:

S trengths	W eaknesses
<ul style="list-style-type: none"> ❖ High Brand loyalty of the products ❖ Modern Techonology in production ❖ Quality of products and customer service ❖ Strong distribution channels ❖ Enjoing monopolistic competition ❖ Standby power supply from own gas generators; ❖ Trained work force 	<ul style="list-style-type: none"> ❖ Relatively high labour costs and rigidities in labour market ❖ Comparatively higher management cost ❖ No backward linkage entity ❖ High Price raw materials ❖ High energy cost ❖ Unethical Price war among the competitors
O pportunities	T hreats
<ul style="list-style-type: none"> ❖ Proving printing paper to the National Education sector and helped by the government policy ❖ Easy excess to Bank finance because adequate assets are available to mortgage or charges ❖ Export to foreign countries ❖ R&D and other know-how advancement ❖ Better use of information technology ❖ Increasing demand and consumers 	<ul style="list-style-type: none"> ❖ Political unrest ❖ Lack of power supply ❖ Imported paper Items ❖ Increased wood costs and lower supply due to renewable energy sources promotion and subsidies

- c) Analysis of the financial statements of last five years with reason(s) of fluctuating revenue or sales, other income, total income, cost of material, finance cost, depreciation and amortization expense, other expense; changes of inventories, net profit before & after tax, EPS etc.

(As per Audited Accounts-Amount in Taka)

Particular	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Revenue/Sales	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
% Change on Revenue	0.97	(1.59)	2.64	12.60	
Other Income	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
% Change on other Income	(81)	76.03	(25)	(30)	
Total Income	10,437,502,245	10,344,475,263	10,507,258,392	10,238,892,849	9,096,953,878
% Change on total Income	1	(2)	3	13	
Cost of Material	8,633,126,096	8,545,083,396	8,789,943,753	8,597,727,339	7,514,925,456
% Change on cost of material	1	(3)	2	14	
Finance Cost	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
% Change on financial Cost	(7)	3	6	8	
Depreciation & Amortization	592,336,906	526,052,934	475,272,334	420,697,043	274,216,137
% Change on Depreciation and Amortization	13	11	13	53	
Other Expenses	-	-	-	-	-
% Change on other Income	-	-	-	-	-
Inventories	4,934,688,578	5,065,768,840	5,080,644,406	3,422,948,901	2,966,916,961
% Change on Inventories	(3)	(0)	48	15	
Net Profit before Tax	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
% Change on Net Profit before Tax	34	14	29	(23)	
Net Profit after Tax	264,672,844	218,122,716	97,070,736	65,003,069	104,924,171
% Change on Net Profit after Tax	21	125	49	(38)	
Earning Per Share (EPS)	3.63	4.40	5.10	3.41	5.51
% Change on EPS	(18)	(14)	49	(38)	
Earning per Share (EPS) Basic-restated	-	2.99	-	-	-

Reason of fluctuation:**Revenue:**

The Company did not achieve its target sales for many reason including political unrest, industrial accidents, limited production capacity for tissue, decrease in production of newsprint products; price increases in fuel or raw materials; changes in laws, regulations and government policies.

In the year 2013 the management of the Company made strategic decision to decreases its newsprint production due to lower margin and bonded warehouse for duty free importation of paper.

In the year 2014 sales reduce for political unrest at the end of 2013 and beginning of 2014.

In the year 2015 the company faced fire accident that resulted shut down PM-5 resulting losing production of tissue paper by 3000MT. As a result we deprive from production of tissue that has a sale value of Tk. 51 crore.

Other Income:

There was no significant fluctuation in the other income during the last five years except in the year 2014. In that year other income increased due to interest receipts from investment of FDR.

Total Income:

Fluctuation in the total income is the result of changes in the revenue and other income as narrated above.

Cost of Goods Sold (COGS):

There was no significant fluctuation in the COGS during the last five years however due to decrease in sales, changes in exchange rate, decrease in interest rate, changes in utility rate causes some favorable/unfavorable changes in production cost.

Finance Cost:

There was no significant fluctuation in the finance cost during the last five years. Finance cost has, however, decreased over the years due to decrease in interest rates and gradual settlement of term loan obligations.

Depreciation and Amortization:

There was no significant fluctuation in depreciation. Depreciation increased in every year due to in every year it was charged on additional assets.

Other Expenses:

Other expense is consistent over the last five years. However it may change due to increase/ decrease in salary of manpower, some accidental losses, increase in promotional activities etc.

Changes of Inventory:

There is no significant change in inventory over the last five years. Some seasonal aspects inventory need to maintain substantial amount. Political unrest in 2013 and 2014 is also hamper the production as a result inventory at that time was higher at the end of the said years.

Net profit before & after Tax and Earning per Share (EPS):

The Company has consistent growth of net profit before tax but due to recalculation of deferred tax expense net profit after tax fluctuate during the last five years. Earnings per share (EPS) has been fluctuating due to increase in share capital in the year 2014 and 2015.

d) Known trends, demands, commitments, events or uncertainties that are likely to have an effect on the company's business:

Though there are no known trends, demands, commitments, events and/or uncertainties that shall have a material impact on the company's future business, the business operation of the Company may be affected by the following events:

- Political unrest
- Natural disaster

e) Trends or expected fluctuations in liquidity:

Over the years the current ratio of the company has increased from 0.89 in 2011 to 1.00 in 2016. However, the Quick ratio has stayed within 0.25 in 2011 to 0.2 in 2016. The company has been operating with moderate liquidity. From the cash flow of the company, it has been revealed that the company can generate sufficient fund internally to service its debt burden and other liabilities also. The company generated operating cash flow of Tk. 692.62 mn for the year ended June 30, 2016 to meets its liquidity and obligation.

Name of ratio	Formula	30.06.16	31.12.15	31.12.14	31.12.13	31.12.12	31.12.11
Current Ratio	Current Assets/Current liabilities	1.00	1.02	1.01	1.00	0.86	0.89
Quick Ratio	Total Quick Assets/ Current Liabilities	0.43	0.44	0.47	0.43	0.46	0.52

f) Off-balance sheet arrangements those have or likely to have a current or future effect on financial condition:

There are no off-balance sheet arrangement those have or likely to have a current or future effect on financial condition.

PART VIII
DIRECTORS AND OFFICERS

- a) Name, Father's Name, age, Residential address, Educational qualification, experience and position of each director and nominated director with nomination period, organization name:

Name	Fathers Name	Age (Years)	Residential Address	Educational Qualification	Experience	Position
Mr. Ahmed Akbar Sobhan	Abdus Sobhan	64	Plot# 364B, Block#E, Bashundhara R/A, Khilkhet, Dhaka-1229	Graduate	40 years in manufacturing & Investment activities	Chairman
Mr. Safwan Sobhan	Ahmed Akbar Sobhan	31	Plot# 364B, Block#E, Bashundhara R/A, Khilkhet, Dhaka-1229	Graduate	12 years in, Strategic Control Planning & Investment activities	Managing Director
Md. Nazmul Alam Bhuiyan Nominated By: East West Property Development (Pvt.) Ltd.	Abdul Motaleb Bhuiyan	37	Plot- 301/A, Block-E, Tenament-2, Fiat No. G-6, Bashundhara R/A, Dhaka Dhaka	Bachelor of Commerce	15 years in Investment activities	Nominated Director
Md. Imrul Hassan	Late Bazlur Rahman	48	Flat- G/5, Tenement-2, Road-6, Block-E Bashundhara R/A, Dhaka	Completed CA Articleship under the ICAB.	Holding a fabulous track of experience of 25 years	Director

*Nominated period of Mr. Md. Nazmul Alam Bhuiyan Director is until the decision of the Board of directors of East West Property Development (Pvt.) Ltd.

- b) The date on which he first became a director and the date on which his current term of office shall expire;

Name of Directors	Position	Date of Becoming director for the First Time	Date of Expiration of current term
Mr. Ahmed Akbar Sobhan	Chairman	28/09/1993	Next AGM
Mr. Safwan Sobhan	Managing Director	12/07/2005	Salary Paid MD
Md. Nazmul Alam Bhuiyan Nominated By: East West Property Development (Pvt.) Ltd.	Director	28/02/2016	Next AGM
Md. Imrul Hassan	Director	28/02/2016	Next AGM

- c) If any director has any type of interest in other businesses, names and types of business of such organizations. If any director is also a director of another company or owner or partner of any other concern, the names of such organizations;

The following directors of Bashundhara Paper Mills Limited have the interest in the following companies Limited by shares:

Sl. No.	Name of the Company	Name of the Directors interested in other business				
		Type of Business	Ahmed Akbar Sobhan	Safwan Sobhan	Md. Nazmul Alam Bhuiyan	Md. Imrul Hassan
1	Bashundhara Airways Ltd.	Airlines	Chairman	Director	-	-
2	East West Property Development (Pvt.) Ltd.	Real-Estate	Chairman & MD	Director	Director	Director
3	East West Media Group Ltd.	Media	Chairman	Director	-	-
4	Bashundhara Food & Beverage Industries Ltd.	Food & Beverage	Chairman	Director	-	-
5	Bashundhara Industrial complex Ltd.	Cement Manufacturing	Chairman	Director	-	-
6	Bashundhara LP Gas Ltd.	LP Gas	Chairman	Director	-	-
7	Meghna Cement Mills Ltd.	Cement Manufacturing	Chairman	Director	-	-
8	Bashundhara Multi Paper Industries Ltd.	Fine Paper Producing	Chairman	Director	-	-
9	Sundarban Industrial Complex Ltd.	Cement Manufacturing	Shareholder	Shareholder	-	-
10	Bashundhara Steel & Engineering Ltd.	Rod & Bar	Chairman	Director	-	-
11	Bashundhara Dredging Company Ltd.	Dredging	Chairman	Director	-	-
12	Bashundhara fine Paper Ltd.	Hygene Paper	Chairman	Director	-	-
13	Bashundhara Pulp & Board Mills Ltd.	Hard Board	Chairman	Director	-	-
14	Bashundhara Cement Industries Ltd.	Cement Manufacturing	Chairman	Director	-	-
15	Bashundhara City Development Ltd.	Shopping Mall	Chairman	-	-	-

- d) **Statement of if any Directors of the issuer are associated with the securities market in any manner and any director of the issuer company is also director of any issuer of other listed securities during last three years with dividend payment history and market performance:**

The following directors' are involved with the Meghna Cement Mills Limited listed with the securities market:

Name of Directors	Position	Year of Appointment
Mr. Ahmed Akbar Sobhan	Chairman	1992
Mr. Sayem Sobhan	Director & MD	2009
Mr. Safwan Sobhan	Director	2010

Dividend History of Meghna Cement Mills Limited:

Financial Year	Dividend History	
	Cash	Stock
2015	15%	nil
2014	15%	nil
2013	15%	nil
2012	25%	nil

Market Performance of Meghna Cement Mills Ltd.

Market Cap in BDT (On January 01, 2017):	2,387.292 mn
Current P/E Ratio using Basic EPS (Continuing core operations)**	164.69
NAV Per Share as per Audited Financial Statements of 2016:	36.10
Total Comprehensive Income for the year as per Audited Financial Statements of 2015:	

- e) **Family relationship (father, mother, spouse, brother, sister, son, daughter, spouse's father, spouse's mother, spouse's brother, spouse's sister) among the directors and top five officers:**

There is no family relation Directors and top five executives of the company except Mr. Safwan Sobhan who is Managing Director of the Company.

Name of the Director	Position in the Company	Relationship
Mr. Ahmed Akbar Sobhan	Chairman	Father of Sadat Sobhan, Sayem Sobhan, Safwan Sobhan, Shafiat Sobhan and Husband of Afroza Begum
Mr. Safwan Sobhan	Managing Director	Son of Ahmed Akbar Sobhan and Afroza Begum
Mr. Imrul Hassan	Director	There is no family relationship with any one of the Company
Mr. Md. Nazmul Alam Bhuiyan	Director	There is no family relationship with any one of the Company

f) A very brief description of other businesses of the directors:

Sl. No.	Name of the Company	Date of Incorporation	Equity Capital	Type of Business	Director's Shareholding Position in Percentage (%)			
					Ahmed Akbar Sobhan	Safwan Sobhan	Md. Nazmul Alam Bhuiyan	Md. Imrul Hassan
1	Bashundhara Airways Ltd.	December 11, 2001		Airlines	-	1	-	-
2	East West Property Development (Pvt.) Ltd.	January 10, 1987	1,000,000	Real-Estate	98	-	1	1
3	East West Media Group Ltd.	May 20, 2009	11,000,000	Media	8	-	-	-
4	Bashundhara Food & Beverage Industries Ltd.	November 19, 2009	50,000,000	Food & Beverage	1	1	-	-
5	Bashundhara Industrial complex Ltd.	April 09, 2000	4,000,000,000	Cement Manufacturing	0.78	.078	-	-
6	Bashundhara LP Gas Ltd.	August 21, 1997	1,000,000	LP Gas	17	16.5	-	-
7	Meghna Cement Mills Ltd.	March 01, 1992	225,004,000	Cement Manufacturing	12.71	5.33	-	-
8	Bashundhara Multi Paper Industries Ltd.	February 28, 2011	1,160,000,000	Fine Paper Producing	3.33	3.33	-	-
9	Sundarban Industrial Complex Ltd.	December 14, 1999	1,000,000	Cement Manufacturing	13	15	-	-
10	Bashundhara Steel & Engineering Ltd.	June 19, 2001	1,000,000	Rod & Bar	15	15	-	-
11	Bashundhara Dredging Company Ltd.	March 22, 2010	800,000,000	Dredging	5	2	-	-
12	Bashundhara fine Paper Ltd.	February 28, 2011	4,000,000,000	Hygene Paper	1	1	-	-
13	Bashundhara Pulp & Board Mills Ltd.	February 28, 2011	800,000,000	Hard Board	12	12	-	-
14	Bashundhara Cement Industries Ltd.	August 10, 2010	4,500,000,000	Cement Manufacturing	11	6	-	-
15	Bashundhara City Development Ltd	March 11, 1999	1,000,000	Shopping Mall	85	1	-	-

g) Short bio-data of each director;

Mr. Ahmed Akbar Sobhan

Chairman

Mr. Ahmed Akbar Sobhan was born in an elite Muslim family in Dhaka on February 15, 1952. His father's name is late Mr. Abdus Sobhan and Mother's name is late Mrs. Umme Kulsum. Mr. Sobhan is a graduate from University of Dhaka.

Mr. Ahmed Akbar Sobhan is the founder of Bashundhara Group, which is currently operating in various lines of business activities including real estate, cement manufacturing, paper and allied products, steel products, LP gas as well as in local and international trading. Bashundhara Group started its operation with a real estate venture and now emerged as one of the biggest industrial and commercial conglomerates in the country. Dynamism, leadership, commitment, sincerity, vision and farsightedness of Mr. Ahmed have placed the group in such an ideal position.

Mr. Ahmed was selected as Commercially Important Person (CIP) by the Government of the People's Republic of Bangladesh for the year 2000-2001. Presently associated with the following organizations:

- Mission Chief, Honorary Consul of Ukraine to People's Republic of Bangladesh;
- President, Bangladesh Land Developers Association;
- Member of Bangladesh Paper Mills Association (BPMA);
- Member of Bangladesh Cement Manufacturers Association (BCMA);
- Member of General Body of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Dhaka Chamber of Commerce and Industry (DCCI), International Chambers of Commerce (ICC);
- Member of Real Estate and Housing Association (REHAB).

Mr. Ahmed Akbar Sobhan received following accolades in recognition of his excellent business performance and remarkable contributions in socio-economic fields:

- Best Client Award of Agrani Bank Ltd. in 2010;
- Bangladesh Cultural Foundation Award in 2009;
- Janata Bank Prime Customer Award in 2002;
- USA Summit International Award in 2002;
- President Gold Medal in 1994 ;
- Moulana Bhasani National Award 1993 – Awarded by Moulana Bhasani Jatio Srimiti Parishad for outstanding Contribution in the housing sector.
- Kazi Nazrul Islam Medal in 1992.

Mr. Safwan Sobhan

Managing Director

Mr. Safwan Sobhan is the son of Mr. Ahmed Akbar Sobhan and Mrs. Afroza Begum. He was born in Dhaka on July 07, 1986. He had his schooling in Oxfordshire in UK and had completed his bachelor degree in Business Administration from American Intercontinental University, USA.

Mr. Safwan Sobhan is a young enterprising entrepreneur. He established various corporate houses at homes and abroad and earned laurels for his leadership qualities. He was appointed in the Board of Directors of BPML in 2005. Since his appointment as a Director he has been contributing actively in the overall planning, strategy formulation, HRM, decision making process of this Company and the Bashundhara Group as well. His specialization in the time management, branding of products promotion, troubleshooting and crisis management brought very positive result in the Group. Mr. Safwan is the Chairman of the Board of Trustees of Bashundhara Paper Mills Limited – Staff Provident Fund and Workers' Profit Participation Fund. He is also a Trustee of the Bashundhara Foundation. At present he is performing his responsibility as the Managing Director of this Company. He is also the Vice –Chairman of the largest business conglomerate in the country i.e. Bashundhara Group.

Mr. Safwan acted as the Chairman of the Editorial Board of The Daily Sun and Bangladesh Pratidin and the online news portal BDnews24.com. He is a keen sportsman and involved in the activities to promote the sports activities in this country. He is one of the patrons of the Army Golf Club, Dhaka and a Member of the Dhaka Club Limited.

Mr. Md. Imrul Hassan

Director

Mr. Imrul Hassan is a director of Bashundhara Paper Mills Limited. He was born in Comilla on July 22, 1968 in a recognized Muslim family. He completed M.com in Accounting and he was an article Student of Institute of Chartered Accountants of Bangladesh. Mr. Hassan visited different countries around the world as such India, Singapore, Thailand, Qatar, KSA. A successful business personality and holding a fabulous track of experience. He is very known person for his moral social work and activity. Mr. Hassan is keenly interested in development of sports and socio-cultural activities and a successful businessman indeed.

Mr. Md. Nazmul Alam Bhuiyan

Director nominated by East West Property Development Limited

Mr. Md. Nazmul Alam Bhuiyan, son of Abdul Matabb Bhuiyan is a director of Bashundhara Paper Mills Limited. He was born in Brammonbaria on December 25, 1971 in a recognized Muslim family. He completed bachelor of commerce. Mr. Alam visited different countries around the world as such India, India, China, Hong Kong, Singapore, Thailand, Nepal, Malaysia, Macao, Egypt, UAE, USA, Switzerland, France, Australia, Turkey, Qatar, South Korea. A successful business personality and holding a fabulous track of experience. He is very known person for his moral social work and activity. Mr. Alam is keenly interested in development of sports and socio-cultural activities and a successful businessman.

Mr. Zeaur Rahman

Independent Director

Mr. Zeaur Rahman is an Independent Director of BPML. He was born in Chittagong on October 24, 1959. He completed his graduation in Commerce from Chittagong University in the year 1981. Mr. Zeaur is a prominent businessman and the Honourable Chairman of N.K. Group. He has expertise and involvement in the business of Civil Aviation, Financial Project Management Consultancy, Export & Import of different goods and commodities, telecommunication and engineering etc.

Mr. Zeaur has keen interest in social-cultural activities and involved in different clubs and social organizations. He is married and blessed with 2(Two) daughters.

Mr. Khawaja Ahmedur Rahman

Independent Director

Mr. Khawaja Ahmedur Rahman is an Independent Director of BPML completed graduation in the year 1969. He has vast expertise in the field of business and advisory service. Mr. Ahmedur at first started his career as a government employee and after his retirement from civil service he gave concentration to set up different ventures in Audio-Video sector of the Country. He is also associated with different companies as sponsor directors. He has vast expertise in Business, Finance, Trade and Commerce, Industrial, Trade and Labour Laws etc.

Mr. Ahmedur hails from Chandpur and was born on July 01, 1950. He is involved in different socio-cultural organizations and charitable works.

h) Loan status of the issuer, its directors and shareholders who hold 10% or more shares in the paid-up capital of the issuer in terms of the CIB Report of Bangladesh Bank:

Neither the Company nor any of its Directors or shareholders who hold 10% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

i) Name with position, educational qualification, age, date of joining in the company, overall experience (in year), previous employment, salary paid for the financial year of the CEO, MD, CFO, CS, Advisers, Consultants and all Departmental Heads.

Name	Position	Educational Qualification	Age (Yr.)	Joining Date in BPML	Previous Employment	Overall Experience	Salary paid for the Last financial year
Safwan Sobhan	Director & MD/CEO	Business Graduate	30	July, 12 2005	N/A	12 years in, Strategic Planning & Foreign Investment activities	14,700,000
Md. Mustafizur Rahman, FCA	Deputy Managing Director	M.Com, MBA, FCA, FIPMB,	59	May 10, 1998	3BCIC, Oxfam Bangladesh	35 years in Finance, Marketing & Commercial activities	3,926,400
M. Naseemul Hye FCS	Company Secretary	M.Com, FCS, PGDFM	55	Feb 15, 2009	Continental Insurance Ltd.	25 years in Finance and Accounting & Company Secretarial activities	1,200,000
Mirja Mujahidul Islam	Chief Financial Officer	M. Com (Acct)	45	Nov. 2, 2002	Bashundhara Group	18 years in Finance and Accounting & Internal Audit & Control	1,189,200
A.B.M. Easin	Head of Project	M.Sc (Chemical)	60	Sept. 09, 1996	Khulna News Print	35 years in Production Management activities	2,644,800
A.K.M Kamal Uddin	Head of Project	B.Sc (Textile)	60	May 02, 2010	Hussain Pulp & Paper Mills Ltd	35 years in Factory Management activities	2,178,000
Md.Shah Alam	Head of Project	B.Sc (Chemical)	64	Sept. 4, 1996	BCIC	35 years in Production Management activities	1,848,000
Engr. Md. Abul Hasan	Head of Project	B.Sc (EEE)	54	May 10, 1998	BCIC	30 years in Factory Management activities	1,633,200
Md. Delwar Hossain	Head of Admin & HR	MBA(HRM) MSC, PGDHR	46	July 01, 2011	Bashundhara Group	20 years in Admin & HRM activities	1,735,200

Md. Masuduzzman	Head of Brand Marketing (Acting)	MBA (Marketing)	44	March 20, 2013	Multimode Group	18 years in Brand & Corporate Marketing	1,980,000
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*There is no salary paid advisers or consultants in BPML;

**Only the Managing Director of the Company received monthly salary. The Chairman, directors or any shareholder doesn't receive any monthly salary;

- j) **Changes in the key management persons during the last three years. Any change otherwise than by way of retirement in the normal course in the senior key management personnel particularly in charge of production, planning, finance and marketing during the last three years prior to the date of filing the information memorandum. If the turnover of key management personnel is high compared to the industry, reasons should be discussed;**

There is a change in management effected on July 01, 2017. Mr. Mirja Mujahidul Islam, Head of Accounts and Finance was appointed as the Chief Financial Officer in the position of Mr. Toffail Hossain. And Mr. Gopal Chandra Mazumdar, Head of Project at factory has been retired from the Bashundhara Paper Mills Ltd. on December 2015 and Subsequently Mr. Md. Shah Alam was appointed in the vacant position. Besides Mr. Salim Ullah, head of Brand Marketing resigned on August 02, 2016 due to his personal inconvenience.

There was no significant change in the key management persons during the last three years except the aforementioned cases.

k) A profile of the sponsors including their names, father's names, age, personal addresses, educational qualifications, and experiences in the business, positions/posts held in the past, directorship held, other ventures of each sponsor and present position:

Name	Father's Name	Age	personal addresses	Educational Qualification	Experience	Position/Posts held in the Past
Mr. Ahmed Akbar Sobhan	Abdus Sobhan	64	Plot# 364B, Block#E, Bashundhara R/A, Khilkhet, Badda, Dhaka	Graduate	40 years in Manufacturing & Investment activities	Chairman
Mrs. Afroza Begum	Aftab Uddin Ahmed	59	Plot# 364B, Block#E, Bashundhara R/A, Khilkhet, Badda, Dhaka	Graduate	35 years in, Strategic Management activities	Director
Mahboob Morshed Hassan	Late Alinbuddin Ahmed	60	House No 33, Block-G, Road No. 07, Banani, Dhaka	Graduate	30 years in Manufacturing	Shareholder

Other Ventures of the existing Sponsor:

Sl. No.	Name of the Company	Type of Business	Sponsor's Shareholding Position in Percentage (%)	
			Ahmed Akbar Sobhan	Afroza Begum
1	Bashundhara Airways Ltd.	Airlines	-	1
2	East West Property Development (Pvt.) Ltd.	Real-Estate	98	-
3	East West Media Group Ltd.	Media	8	-
4	Bashundhara Food & Beverage Industries Ltd.	Food & Beverage	1	1
5	Bashundhara Industrial complex Ltd.	Cement Manufacturing	0.78	5
6	Bashundhara LP Gas Ltd.	LP Gas	17	16.5
7	Meghna Cement Mills Ltd.	Cement Manufacturing	12.71	10
8	Bashundhara Multi Paper Industries Ltd.	Fine Paper Producing	3.33	3.33
9	Sundarban Industrial Complex Ltd.	Cement Manufacturing	13	15
10	Bashundhara Steel & Engineering Ltd.	Rod & Bar	15	20
11	Bashundhara Dredging Company Ltd.	Dredging	5	2

12	Bashundhara fine Paper Ltd.	Hygene Paper	1	1
13	Bashundhara Pulp & Board Mills Ltd.	Hard Board	12	12
14	Bashundhara Cement Industries Ltd.	Cement Manufacturing	11	10
15	Bashundhara City Development Ltd	Shopping Mall	85	10

- l) If the present directors are not the sponsors and control of the issuer was acquired within five years immediately preceding the date of filing prospectus details regarding the acquisition of control, date of acquisition, terms of acquisition, consideration paid for such acquisition etc.**

There is no such acquisition in BPML within five years immediately preceding the date of filing prospectus.

- m) If the sponsors or directors do not have experience in the proposed line of business, the fact explaining how the proposed activities would be carried out/managed:**

All the directors have adequate knowledge to carry out this line of business.

- n) Interest of the key management persons:**

All the key management persons except the Managing Director, Mr. Safwan Sobhan have no other interest but remuneration. Managing Director as a Director enjoys the ownership interest in addition to the remuneration.

- o) All interests and facilities enjoyed by a director, whether pecuniary or non-pecuniary:**

There is no interest and facility except disclosed in Executive Compensation of this Prospectus.

p) Number of shares held and percentage of shareholding (pre issue):

Name	Position	Total No. of Shares	Pre-IPO Percentage (%)
Ahmed Akbar Sobhan	Sponsor & Chairman	3,783,000	2.56
Afroza Begum	Sponsor Shareholder	6,102,200	4.13
Sadat Sobhan	Shareholder	8,203,000	5.55
Shafiat Sobhan	Shareholder	8,203,000	5.55
Sayem Sobhan	Shareholder	8,203,000	5.55
Safwan Sobhan	Managing Director	8,203,000	5.55
Md. Imrul Hassan	Director	182,000	0.12
Md. Nazmul Alam Bhuiyan nominated by East West Property Development (Pvt.) Ltd.	Director	104,870,575	70.98

q) Change in board of directors during last three years:

On February 28, 2016 there were some changes in the Board of Directors. Except Mr. Ahmed Akbar Sobhan, Chairman of the company all the directors resign from their position. Mr. Md. Imrul Hassan and Mr. Md. Nazmul Alam Bhuiyan was appointed as the director and Mr. Khawaja Ahmedur Rahman and Mr. Zeaur Rahman was appointed as the independent director. There is no changes except this in the board during last three years.

r) Director's engagement with similar business:

Among the directors, Mr. Ahmed Akbar Sobhan and Mr. Safwan Sobhan are engaged with similar business namely "Bashundhara Multi Paper Industries Limited"

PART IX

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) Any transaction during the last five years, or any proposed transactions certified by the auditors, between the issuer and any of the following persons, giving the name of the persons involved in the transaction, their relationship with the issuer, the nature of their interest in the transaction and the amount of such interest, namely:-

- (i) Any director or sponsor or executive officer of the issuer;**
- (ii) Any person holding 5% or more of the outstanding shares of the issuer;**
- (iii) Any related party or connected person of any of the above persons;**

TO WHOM IT MAY CONCERN

This is to certify that, the company does not have any transaction during the last five years, or any proposed transaction, between the issuer and any of the following persons:

- 1. Any director or sponsor or executive officer of the issuer;
- 2. Any person holding 5% or more of the outstanding shares of the issuer;
- 3. Any related party or connected person of any of the above persons;

Except the following transactions:

A. Director Remuneration

Name	Relationship with the Issuer	Amount in (BDT)					
		Year ended, June 30, 2016	Year ended, December 31, 2015	Year ended, December 31, 2014	Year ended, December 31, 2013	Year ended, December 31, 2012	Year ended, December 31, 2011
Mr. Sadat Sobhan	Shareholder	-	-	-	6,000,000	36,000,000	-
Afroza Begum	Shareholder	-	-	16,000,000	42,000,000	48,000,000	-
Mr. Safwan Sobhan	Managing Director	10,500,000	21,000,000	19,000,000	31,500,000	33,750,000	-
Mr. Sayem Sobhan	Shareholder	-	-	12,000,000	31,500,000	38,250,000	-
Total		10,500,000	21,000,000	47,000,000	111,000,000	156,000,000	-

B. Share Money Deposit

Name	Relationship with the Issuer	Amount in (BDT)					
		Year ended, June 30, 2016	Year ended, December 31, 2015	Year ended, December 31, 2014	Year ended, December 31, 2013	Year ended, December 31, 2012	Year ended, December 31, 2011
East West Property Development (Pvt.) Ltd.	Director	-	-	982,141,850	982,141,850	982,141,850	982,141,850
Total				982,141,850	982,141,850	982,141,850	982,141,850

Dated: January 01, 2017
Place: Dhaka

Sd/-
AHMAED ZAKER & Co.
Chartered Accountants

- (b) Any transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries or holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus;

There is no transaction or arrangement entered into by the issuer or its subsidiary or associate or entity owned or significantly influenced by a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of the prospectus except the transaction mentioned under caption '**related party transaction**' in the **Note-37** of Audited Financial Statements and "**Executive Compensation**" part of this prospectus.

- (c) Any loans either taken or given from or to any director or any person connected with the director, clearly specifying details of such loan in the prospectus, and if any loan has been taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan, rate of interest applicable, date of loan taken, date of maturity of loan, and present outstanding of such loan.

No such loan was taken or given from or to Directors or any person connected with the Directors of Bashundhara Paper Mills Limited.

**PART
X**
EXECUTIVE COMPENSATION

- a) The total amount of remuneration or salary or perquisites paid to the top five salaried officers of the issuer in the last accounting year and the name and designation of each such officer:

SL. No.	Name	Designation	Remuneration/Salary (BDT)
			01.01.2015 to 31.12.2015
1	Mr Safwan Sobhan	Managing Director	21,000,000
2	Mr. Md. Mustafizur Rahman	Deputy Managing Director	3,926,400
3	Mr. Gopal Chandra Mazumdar	Head of Project	-
4	Mr. A.B.M. Easin	Head of Project	2,644,800
5	Mr. A.K.M Kamal Uddin	Head of Project	2,178,000

- b) Aggregate amount of remuneration paid to all directors and officers as a group during the last accounting year:

(As per Audited Accounts)

SL. No.	Particulars	Remuneration/Salary (BDT)
		01.01.2015 to 31.12.2015
01	Directors' Remunerations:	21,000,000
02	Remunerations/Salary paid to Executives & Employees	496,557,696
Total		517,557,696

- c) If any shareholder director received any monthly salary or perquisite or benefit it must be mentioned along with date of approval in AGM or EGM, terms thereof and payments made during the last accounting year:

None of the directors except the Managing Director has received any monthly salary/perquisite/benefit for their services to the company for the last accounting which is approved by the Board of Directors Meeting held on December 19, 2014.

Payments made during the last accounting year:

SL. No.	Name	Designation	Remuneration/Salary (BDT)
			01.01.2015 to 31.12.2015
1	Mr. Safwan Sobhan	Managing Director	21,000,000

- d) The board meeting attendance fees received by the director including the Director & Managing Director along with date of approval in AGM or EGM:

The Directors of BPML including the Managing has not received any board meeting attendance fees.

- e) Any contract with any director or officer providing for the payment of future compensation:

There is no such contract between the company and any of director or officer to provide any future compensation to be made with them.

- f) If the issuer intends to substantially increase the remuneration paid to its directors and officers in the current year, appropriate information regarding thereto:

The company has no plan for substantially increasing remuneration to its directors and/or officers in the current year. But, the company will provide annual increment to the employees considering company's profitability, its business growth, rate of inflation and performance of the individuals.

- g) Any other benefit or facility provided to the above persons during the last accounting year:

No directors and officers of the Company received any other benefit/facility in the last accounting year except which is disclosed above.

PART XI
OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Bashundhara Paper Mills Ltd did not grant any options to its directors, officers and/or any other employees for the purpose of issuing shares.

PART XII
TRANSACTION WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

- (a) **The names of the directors and subscribers to the memorandum, the nature and amount of anything of value received or to be received by the issuer from the above persons, or by the said persons, directly or indirectly, from the issuer during the last five years along with the description of assets, services or other consideration received or to be received;**

The Directors and Subscribers to the Memorandum have not received any benefit except remuneration directly or indirectly during the last five years, details of which are given below. The issuer has received or to be received any assets, services or other consideration from its Directors and Subscribers to the Memorandum except fund against allotment of shares and land.

The details are as follows:

Name	Nature of Relationship	Nature of Transaction	Value of Transaction (BDT)				
			2015	2014	2013	2012	2011
Mr. Ahmed Akbar Sobhan	Chairman	Bonus	23,280,000	-	-	-	-
Mrs. Afroza Begum	Sponsor Shareholder	Remuneration	-	16,000,000	42,000,000	48,000,000	-
		Operating Lease					-
		Bonus	37,552,000	-	-	-	-
Mr. Sadat Sobhan	Shareholder	Bonus	50,480,000	-	-	-	-
		Remuneration	-	-	6,000,000	36,000,000	-
Mr. Shafiat Sobhan	Shareholder	Bonus	50,480,000				-
Mr. Sayem Sobhan	Shareholder	Remuneration	-	12,000,000	31,500,000	38,250,000	-
		Bonus	50,480,000	-	-	-	-
Mr. Safwan Sobhan	Managing Director	Remuneration	21,000,000	19,000,000	31,500,000	33,750,000	-
		Bonus	50,480,000	-	-	-	-
East West Property Development (Pvt.) Ltd.	Director	Bonus	40,962,400	-	-	-	-
		Share money Deposit	982,141,850	-	-	-	-

- (b) **If any assets were acquired or to be acquired within next two financial years from the aforesaid persons, the amount paid for such assets and the method used to determine the price shall be mentioned in the prospectus, and if the assets were acquired by the said persons within five years prior to transfer those to the issuer, the acquisition cost thereof paid by them.**

The company has received fund against allotment of shares from its directors and subscribers to the memorandum. Also has received the following asset from the subscriber to the memorandum:

Transferor	Relationship	Asset	Deed No.	Date of Acquisition	Size of land (Acre)	Deed Value	Selling Price	Method of Price Determination
Mr. Ahmed Akbar Sobhan	Chairman	Land	3785	11.07.94	4.65	362,000	362,000	Government Mouza Rate
			1391	22.02.95	3.36	250,000	250,000	Government Mouza Rate
Mrs. Afroza Begum	Director	Land	3786	10.07.94	0.6	47,000	47,000	Government Mouza Rate
			1365	23.02.95	0.76	75,000	75,000	Government Mouza Rate

The above mentioned assets were not acquired by Mr. Ahmed Akbar Sobhan and Mrs. Afroza Begum within five years prior to transfer those to the issuer.

N.B: There will be no assets, which will be acquired within next two financial years from the aforesaid persons.

PART XIII

OWNERSHIP OF THE COMPANY'S SECURITIES

(a) The names, addresses, BO ID Number of all shareholders of the company before IPO, indicating the amount of securities owned and the percentage of the securities represented by such ownership, in tabular form;

Name of Shareholder	Position	Address	BO ID No.	TIN No.	Amount of Securities	Pre IPO Percentage of securities (%)
Mr. Ahmed Akbar Sobhan	Chairman	Plot # 125/A, Road-2, Block # A, Bashundhara R/A, Dhaka-1229	1202550019154113	5328 5776 6778	3,783,000	2.56
Mrs. Afroza Begum	Sponsor Shareholder	Do	1202550025299080	7933 6648 8788	6,102,200	4.13
Mr. Sadat Sobhan	Shareholder	Do	1202550019154121	8334 5731 6421	8,203,000	5.55
Mr. Shafiat Sobhan	Shareholder	Do	1202550021748005	6756 2799 9474	8,203,000	5.55
Mr. Sayem Sobhan	Shareholder	Do	1202550023711915	4636 8176 8109	8,203,000	5.55
Mr. Safwan Sobhan	Managing Director	Do	1202550023589297	8560 0977 4188	8,203,000	5.55
Md. Nazmul Alam Bhuiyan Nominated by: East West Property Development (Pvt.) Ltd.	Director	Bashundhara City, 13/Ka/1, Panthapath, Dhaka	1202550023711915	6582 1554 9771	104,870,575	70.98
Md. Imrul Hassan	Director	Flat- G/5, Tenement-2, Road-6, Block-E Bashundhara R/A, Dhaka Dhaka-1229	1202550025299080	1589 0138 1313	182,000	0.12
Total:					147,749,775	100.00

- b) There shall also be a table showing the name and address, age, experience, BO ID Number, TIN number, numbers of shares held including percentage, position held in other companies of all the directors before the public issue:

Please see the name, address, age, experience at page no. 145; BO ID and TIN Number, numbers of shares held including percentage at page no. 160; position held in other companies of all the directors before the public issue at page no. 148 of this red-herring prospectus.

- c) The average cost of acquisition of equity shares by the directors certified by the auditors:

**Auditor's Certificate Regarding Average cost of acquisition of equity Shares by the directors of
Bashundhara Paper Mills Limited**

This is to certify that the shares in the equity of Bashundhara Paper Mills Limited have been allotted at face value in cash, bonus or other than cash and the average cost of acquisition of the equity shares by the directors is Tk. 10.00 each. Name wise shareholdings position, allotment date and consideration are given below:

Date of Allotment	Particulars of Allotment	Name and no. of share holds				Consideration	Average Cost of Acquisition
		Ahmed Akbar Sobhan	Safwan Sobhan	East West Property Development (Pvt.) Ltd.	Md. Imrul Hassan		
28.09.93	Subscription to the Memorandum	60,000	-	-	-	Cash	10/-
26.12.93	Transfer	-	-	-	-	Cash	10/-
15.09.97	1st Allotment	1,040,000	-	6,159,650	-	Cash	10/-
12.07.05	Transfer	200,000	1,300,000	(4,944,500)	-	Cash	10/-
10.10.09	2 nd Allotment	155,000	1,855,000	1,345,000	-	Other than cash	10/-
25.02.15	3 rd Allotment	2,328,000	5,048,000	4,096,240	-	Bonus Share	10/-
12.08.15	4 th Allotment	-	-	98,214,185	-	Cash	10/-
28.02.16	Transfer	-	-	-	182,000	Cash	10/-
Total:		3,783,000	8,203,000	104,870,575	182,000		

Place: Dhaka
Dhaka: January 01, 2017

Ahmed Zaker & Co.
Chartered Accountants

d) A detail description of capital built up in respect of shareholding (name-wise) of the issuer's sponsors/ directors:

Mr. Ahmed Akbar Sobhan

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
28.09.1993 (Incorporation)	Cash	Ordinary shares	60,000	10	10	60,000	2.56%	[*]	Own source
15.09.1997 (Fresh Allotment)	Cash	Ordinary shares	1,040,000	10	10	1,100,000			
12.07.2005 (Transfer)	Cash	Ordinary shares	200,000	10	10	1,300,000			
10.10.2009 (Amalgamation)	Asset Absovation	Ordinary shares	155,000	10	10	1,455,000			
25.02.2015 (Bonus Issue)	Stock Dividend	Ordinary shares	2,328,000	10	10	3,783,000			

Mrs. Afroza Begum

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
28.09.1993 (Incorporation)	Cash	Ordinary shares	30,000	10	10	30,000	4.13	[*]	Own source
26.12.1993 (Transfer)	Cash	Ordinary shares	1,000	10	10	31,000			
15.09.1997 (Fresh Allotment)	Cash	Ordinary shares	1,120,000	10	10	1,151,000			
12.07.2005 (Transfer)	Cash	Ordinary shares	149,000	10	10	1,300,000			
10.10.2009 (Amalgamation)	Asset Absovation	Ordinary shares	1,047,000	10	10	2,347,000			
25.02.2015 (Bonus Issue)	Stock Dividend	Ordinary shares	3,755,200	10	10	6,102,200			

Mr. Safwan Sobhan

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
12.07.2005 (Transfer)	Cash	Ordinary shares	1,300,000	10	10	1,300,000	5.55	[*]	Own source
10.10.2009 (Amalgamation)	Asset Absovation	Ordinary shares	1,855,000	10	10	3,155,000			
25.02.2015 (Bonus Issue)	Stock Dividend	Ordinary shares	5,048,000	10	10	8,203,000			

Md. Nazmul Alam Bhuiyan Nominated by East West Property Development (Pvt.) Ltd.

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
15.09.1997 (Fresh Allotment)	Cash	Ordinary shares	6,159,650	10	10	6,159,650	70.95	[*]	Own source
12.07.2005 (Transfer)	Cash	Ordinary shares	(4,944,500)	10	10	1,215,150			
10.10.2009 (Amalgamation)	Asset Absovation	Ordinary shares	1,345,000	10	10	2,560,150			
25.02.2015 (Bonus Issue)	Stock Dividend	Ordinary shares	4,096,240	10	10	6,656,390			
12.08.2015 Share Money	Cash	Ordinary shares	98,214,185	10	10	104,870,575			

Mr. Mahboob Morshed Hassan

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
28.09.1993 (Incorporation)	Cash	Ordinary shares	10,000	10	10	10,000	0.04	[*]	Own source
26.12.1993 (Transfer)	Cash	Ordinary shares	(5,000)	10	10	(5,000)			
10.10.2009 (Amalgamation)	Asset Absovation	Ordinary shares	15,000	10	10	20,000			
25.02.2015 (Bonus Issue)	Stock Dividend	Ordinary shares	3,755,200	10	10	6,102,200			

Mr. Md. Imrul Hassan

Date of allotment/ transfer of fully paid-up shares	Consideration	Nature of issue	No. of equity shares	Face value (BDT)	Issue price/ acquisition price/ transfer prices	Cumulative no. of equity shares	% Pre- issue paid up capital	% Post issue paid up capital	Sources of fund
28.02.2016	Cash	Ordinary shares	182,000	10	10	182,000	0.12	[*]	Own source

e) Detail of shares issued by the company at a price lower than the issue price:

All the shares are issued by the Company at face value of Tk. 10.00 each before this issue.

f) History of significant (5% or more) changes in ownership of securities from inception:

Since inception there is no significant (5% or more) shares except issuance of 98,214,185 ordinary share of Tk. 10 each to East West Property Development (Pvt.) Limited in cash consideration, which is 70.98% holding of BPML.

(a) A disclosure to the effect that the issuer has complied with the requirements of Corporate Governance Guidelines of the Commission:

MANAGEMENT DISCLOSURE REGARDING COMPLIANCE WITH THE REQUIREMENTS OF CORPORATE GOVERNANCE GUIDELINES OF BANGLADESH SECURITIES AND EXCHANGE COMMISSION

The Company declares that it is in compliance with the requirements of the applicable regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission in respect of corporate governance including constitution of the Board and committees thereof.

Sd/-
Safwan Sobhan
Managing Director
Bashundhara Paper Mills Limited

(b) A compliance report of Corporate Governance requirements certified by competent authority:

**Certificate on Compliance of Conditions of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission to the Shareholders of
Bashundhara Paper Mills Limited**

We have examined the compliance of conditions of Corporate Governance Guidelines by Bashundhara Paper Mills Limited for the six months period ended June 30, 2016, as set by Bangladesh Securities and Exchange Commission (BSEC) by Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 and subsequently amended through their Notification no. SEC/CMRRCD/2006-158/147/Admin/48 dated July 21, 2013 issued under section 2CC of The Securities and Exchange Ordinance, 1969.

The company has complied the conditions of the Corporate Governance Guidelines as per notification. The compliance of conditions of Corporate Governance Guidelines is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the Non-compliances with conditions of Corporate Governance Guidelines paragraph, we certify that the company has complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned Notifications.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

Sd/-
Z. Alam & Co.
Chartered Secretaries in Practice

Dated: 12 December, 2016

BASHUNADHARA PAPER MILLS LIMITED
CORPORATE GOVERNANCE COMPLIANCE STATUS REPORT
UNDER CONDITION NO.-7.00

Status of compliance with the conditions imposed by the Commission's Notification No BSEC/ CMRRCD/ 2006 - 158/ 134/ Admin/ 44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.0	Board of Directors			
1.1	Board's Size: The number of board members shall not be less than 5 (Five) and more than 20 (Twenty)	✓		
1.2	Independent Director			
1.2 (i)	Independent Director: At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors	✓		
1.2 (ii) a)	Who either does not hold any share or hold less than one percent (1%) shares of total paid up capital	✓		
1.2 (ii) b)	Who is not a Sponsor and is not connected with the company's any sponsor or Director/ Shareholder who holds 1% or more shares of the total paid up capital on the basis of family relationship	✓		
1.2 (ii) c)	Who doesn't not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated Companies	✓		
1.2 (ii) d)	Who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	✓		
1.2 (ii) g)	Who shall not be an independent directors in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non-bank financial institution (NBFI).	✓		
1.2 (ii) i)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (iii)	The Independent director (s) shall be appointed by the board of directors and approved by the shareholders in the AGM	✓		
1.2 (iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		
1.2 (v)	The Board shall lay down a code of conduct of all board members and annual compliance of the code to be recorded	✓		

1.2 (vi)	The tenure of office of an independent director shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director (ID)			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity	√		
1.3 (ii)	The person should be a business leader / Corporate leader / Bureaucrat/ University Teacher with economics or Business Studies or law background / Professionals like Chartered Accountant, Cost & Management Accountants, and Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	√		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval to the Commission.	N/A		N/A
1.4	Chairman of the board and CEO be different person	√		
1.5	Directors report to shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns	√		
1.5 (iv)	Discussion on cost of goods sold, gross profit margin and net profit margin	√		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		
1.5 (vi)	Basis for related party transaction- a statement of all related party transactions should be disclosed in the annual report	√		
1.5 (vii)	Utilization of proceeds from public issues, right issues and/ or through any others instruments	√		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc	N/A		N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	√		
1.5 (x)	Remuneration to directors including independent directors	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operation, cash flows and changes in equity	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS) /Bangladesh Financial Reporting	√		

	Standards (BFRS), as --applicable in Bangladesh, have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed			
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given	✓		
1.5 (xx)	Number of Board meetings held during the year and attendance by each director shall be disclosed	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1 5 (xxi) a)	Parent/ Subsidiary/ Associated Companies and other related parties (name wise details);	✓		
1 5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		-
1 5 (xxi) c)	Executives (top five salaried employees of the company other than stated in 1 5(xxii)b);	✓		-
1 5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1 5 (xxii)	In case of appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:			
1 5 (xxii) a)	A brief resume of the Director	✓		
1 5 (xxii) b)	Nature of his/ her expertise in specific functional areas	✓		
1 5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
2 0	Chief financial officer, head of internal audit & company secretary			
2 1	Appointment of CFO, head of internal audit and company secretary and their clearly defined roles, responsibilities and duties	✓		
2 2	Attendance of CFO and the company secretary at board of directors meeting	✓		
3	Audit committee:			
3 (i)	Audit committee shall be the sub-committee of the board of directors	✓		
3 (ii)	The audit committee shall assist the board of Directors in ensuring that the financial statements reflect true and fair view of the state	✓		

	of affairs of the Company and in ensuring a good monitoring system within the business			
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		
3 1	Constitution of the Audit Committee			
3 1 (i)	The Audit Committee shall be composed of at least 3 (three) members	√		
3 1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director	√		
3 1 (iii)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience	√		
3 1 (iv)	Filling of casual vacancy in committee	√		
3 1 (v)	The Company Secretary shall act as the secretary of the Committee	√		
3 1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
3 2	Chairman of the Audit Committee			
3 2 (i)	Chairman of the Audit Committee shall be an Independent Director	√		
3 2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	√		
3 3	Role of Audit Committee			
3 3 (i)	Oversee the financial reporting process	√		
3 3 (ii)	Monitor choice of accounting policies and principles	√		
3 3 (iii)	Monitor Internal Control Risk management process	√		
3 3 (iv)	Oversee hiring and performance of external auditors	√		
3 3 (v)	Review along with the management, the annual financial statements before submission to the board for approval	√		
3 3 (vi)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval	√		
3 3 (vii)	Review the adequacy of internal audit function	√		
3 3 (viii)	Review statement of significant related party transactions submitted by the management	√		
3 3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	√		
3 3 (x)	Disclosure about the uses/applications of funds raised by IPO/ RPO/ Right issue.	N/A		N/A
3 4	Reporting of the Audit Committee			
3 4 1	Reporting to the Board of Directors			
3 4 1 (i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3 4 1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:	√		
3 4 1 (ii) a)	Report on conflicts of Interests	√		
3 4 1 (ii) b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	√		
3 4 1 (ii) c)	Suspected infringement of laws, including securities related laws, rules and regulations;	√		

3 4 1 (ii) d)	Any other matter which shall be disclosed to the Board of Directors immediately	√		
3 4 2	Reporting of anything having material financial impact to the Commission	√		
3 5	Reporting to the Shareholders and General Investors	√		
4	External/ statutory auditors:			
4 (i)	Appraisal or valuation services or fairness opinions	√		
4 (ii)	Financial information systems design and implementation	√		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	√		
4 (iv)	Broker-dealer services	√		
4 (v)	Actuarial services	√		
4 (vi)	Internal audit services	√		
4 (vii)	Any other service that the Audit Committee determines	√		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that Company	√		
5	Subsidiary company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company			N/A
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company			N/A
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			N/A
5 (iv)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also			N/A
5 (v)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company			N/A
6	Duties of chief executive officer (CEO) and chief financial officer (CFO):			
6 (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
6 (i) a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
6 (i) b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct	√		

7	Reporting and compliance of corporate governance:			
7 (i)	Obtain certificate of compliance of conditions of corporate governance guidelines of the Commission	√		
7 (ii)	Annexure attached in the Directors' report	√		

c) Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee's operate:

Name of audit committee members	Name of remuneration committee members
Mr. Khawaja Ahmedur Rahman, Independent Director (Chairman of the audit committee)	Mr. Ahmed Akbar Sobhan, Chairman
Mr. Safwan Sobhan, Managing Director (Member of the audit committee)	Mr. Safwan Sobhan, Managing Director
Mr. Md. Nazmul Alam Bhuiyan, Director (Member of the audit committee)	Mrs. Yeasha Sobhan, Executive Director
Mr. M. Naseemul Hye FCS, Company Secretary (Secretary of the audit committee)	Mr. Khawaja Ahmedur Rahman, Independent Director

The terms of reference of the audit committee are as follows:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Monitor Internal Control Risk management process;
- Oversee hiring and performance of external auditors;
- Review along with the management, the annual financial statements before submission to the board for approval;
- Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;
- Review the adequacy of internal audit function;
- Review statement of significant related party transactions submitted by the management;
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;

The terms of reference of the remuneration committee are as follows:

- To assist the Board in developing and administering a fair and transparent procedure for setting policy on the remuneration of directors and senior management of the Company
- Determining the remuneration packages
- Review the Annual Confidential Report (ACR) of senior management of the company
- Review and oversee the Company's overall human resources strategy.

**PART
XV**
**VALUATION REPORT OF SECURITIES PREPARED BY
THE ISSUE MANAGER**
Qualitative Factors

“Bashundhara” is the brand name of the country. The Bashundhara group is the large and pioneer group in the country. Bashundhara Paper Mills Limited is the one of the most important concern of the group. The company is in the leading possession in the country’s among the paper industry for last two decade. Major percentage of market share has captured by the company for the last few years. Qualified and experience management with proven tracked record with various business which is protagonist model in the country. Due to strong brand image and rapidly growing business in the country, where industry development and standard of living is on rising trend, the demand of quality papers specially tissues at competitive prices is increasing. Some of the product of the company is enjoying monopolistic in the market. As a result, enjoying a consistent profitability during last two decades.

The Company is less exposed to raw material price movement compared to product risk arising from Market competition following product diversification, production planning flexibility, moderate pricing flexibility, effective procurement policy, the long experience of raw material management not only for paper mill but also for other manufacturing units. High technology based manufacturing units and machinery constructed in the company. Strictly maintained corporate governance and maintained labor laws and have a high skilled set of manpower. Facilitation of the employees are made highly appreciable and given good environment to the employees.

Quantitative Justification

The justification of the offer price is presented below for users’ decision making:

Sl. No.	Valuation Methods	Fair Value (BDT)
Method -01	Net Asset Value (NAV) at historical or Current costs (With Revaluation Reserve)	30.49
	Net Asset Value (NAV) at historical or Current costs (Without Revaluation Reserve)	15.79
Method -02	Historical Earnings based value per share	22.38
Method-03	Yearly Average market price of Similar Stocks	49.06
Method -04	P/BV Multiple of Similar Stocks Based Valuation	53.05

Method-01: Net Asset Value per share:

With Revaluation Reserve:

Particulars	Note	June 30, 2016
		Taka
Share Capital as on June 30, 2016	A	1,477,497,750
Revaluation Reserve as on June 30, 2016	B	2,171,846,967
Retained Earnings as on June 30, 2016	C	854,598,351
Total Shareholders’ Equity as on June 30, 2016	A+B+C=D	4,730,940,390
Number of share as on June 30, 2016	E	147,749,775
Net Assets Value (NAV) per share as on June 30, 2016 (D/E)		30.49

Without Revaluation Reserve:

Particulars	Note	December 31, 2015
		Taka
Share Capital as on June 30, 2016	A	1,477,497,750
Retained Earnings as on June 30, 2016	B	855,508,897
Total Shareholders' Equity as on June 30, 2016	A+B=C	2,333,006,647
Number of share as on June 30, 2016	D	147,749,775
Net Assets Value (NAV) per share as on June 30, 2016(C/D)		15.79

Method-02:

Earning Based Value per Share

Year	No. of shares	Net profit after Tax	Weighted average no. of shares	Weighted average net profit after tax
December 31, 2015	147,749,775	264,672,844	0.580682	153,690,749.10
December 31, 2014	49,535,590	218,122,716	0.194683	42,464,865.41
December 31, 2013	19,052,150	97,070,736	0.074878	7,268,483.85
December 31, 2012	19,052,150	65,003,069	0.074878	4,867,314.05
December 31, 2011	19,052,150	104,924,171	0.074878	7,856,535.08
Total	254,441,815	749,793,536	1.00000	216,147,947.49
Total number of shares before IPO				147,749,775
Weighted average EPS				1.46
Market P/E Multiple*(Considering lesser P/E of 15.33 & 26.55)				15.33
Earnings - based -Value per share (BDT)				22.38

*Calculation of relevant P/E multiple:

Month	Market P/E	Paper Sector P/E
December' 2016	14.29	29.22
January' 2017	15.65	25.22
February' 2017	16.04	25.22
Average	15.33	26.55
Considering lesser P/E of 15.33 & 26.55 is 15.33		

Source: DSE Monthly Review.

Method-03: Yearly Average market price per share of similar stocks:

NB: As per information from Dhaka Stock Exchange Limited, there exists two companies in Paper & Printing Sector namely Hakkani Pulp & Paper Mills Limited and Khulna Printing & Packaging Limited. By nature of production, Hakkani has some similarities with BPML whereas Khulna Printing & Packaging has no similarities with BPML. Moreover, The Board of Directors of Khulna Printing & Packaging limited on its meeting held on 02.01.2017 has decided to stop production due to noncooperation with the NBR and Custom Authority (DSE Price Sensitive Information, Dated 3 January, 2017]. Therefore, we are keeping out the share price of Khulna Printing & Packaging Limited for calculation of Valuation of Securities.

Month End Date	Hakkani Pulp & Paper Limited
28.04.16	41.2
31.05.16	45.7
30.06.16	44.5
31.07.16	54.8
31.08.16	51.6
29.09.16	49.8
31.10.16	43.0
30.11.16	54.1
29.12.16	48.8
31.01.17	49.2
28.02.17	52.3
30.03.17	53.8
Average Price	49.06

Average Market Price of Similar Stocks is BDT 49.06

Source: DSE Monthly Review and www.dsebd.org

Method-04: P/BV Multiple of Similar Stocks Based Valuation

Sl. No.	Company	Average Price of last year	NAV	P/BV
1	Hakkani Pulp & Paper Mills Limited	51.40	29.52	1.74
Average P/BV of Paper Sector				1.74

P/BV Multiple of Similar stock based valuation	
a. Net Asset Value (NAV) per share of BPML	30.49
b. Average P/BV of Paper Sector	1.74
Fair Price (a*b)	53.05

Source: DSE monthly Review and www.dsebd.org

PART XVI	DEBT SECURITIES
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The Company has not issued or is planning to issue any debt security within six months of the publication of prospectus.

PART XVII
PARTIES INVOLVED AND THEIR RESPONSIBILITIES

Sl. No.	Parties involve with Bashundhara Paper Mills Limited			Responsibilities
(a)	Issue Manager	AAA Finance &Investment Limited		The Issue Managers will act as the manager to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(b)	Underwriters	1	AAA Finance &Investment Limited	The Underwriters will act as the underwriters to the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
		2	AFC Capital Limited	
		3	EBL Investments Limited	
		4	Citizen Securities Limited	
		5	BMSL Investment Limited	
		6	Lanka Bangla Investments Limited	
		7	UniCap Investments Limited	
		8	Sonali Investments Limited	
		9	Southeast Bank Capital Services Limited	
		10	MTB Capital Limited	
		11	BD Finance Capital Holdings Limited	
		12	Prime Finance Capital Management Limited	
		13	Swadesh Investmet Managements Limited	
		14	FAS Capital Management Limited	
(c)	Statutory Auditors	AHMED ZAKER& Co. Chartered Accountants		To express an opinion on these financial statements based on their audit. Auditor will conduct the audit in accordance with Bangladesh Standards on Auditing (BSA).
(d)	Registrar to the Issue	AFC Capital Limited		The Registrar to the Issue will act as the registrar to the issue for the public issue as described in the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
(d)	Cost Auditor	N/A		N/A
(e)	Valuer	1	S. F. Ahmed & Co. Chartered Accountant	To discover the fair value of the asset of the Company.
		2	Mahfel Huq & C0. Chartered Accountant	
(f)	Credit Rating Company	Credit Rating Agency of Bangladesh Limited		Examination, preparation, finalization and issuance of credit rating report without compromising with the matters of any conflict of interest and compliance with all the requirements, policy procedures of the rules as prescribed by the Bangladesh Securities & Exchange Commission

PART XVIII
MATERIAL CONTRACTS

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

(a) Major agreements entered into by the issuer;

- i) Issue Management Agreement between the Company and the Managers to the Issue, AAA Finance and Investment Limited;
- ii) Underwriting Agreement between the Company and the Underwriters;
- iii) Registrar to the issue agreement between the Company and AFC Capital Limited;

(b) Material parts of the agreements;

Issue Manager:

- (i) The scope of the services to be rendered by the Issue Manager to the Issuer under this agreement shall be as detailed hereunder:
 - a. Consultancy services;
 - b. Regulatory compliance;
 - c. Underwriting Co-operation;
 - d. After consent tasks.
- (ii) The Issue Manager's take such steps as are necessary to ensure completion of allotment and dispatch of letters of allotment and refund warrants to the applicants according to the basis of allotment approved by the Bangladesh Securities and Exchange Commission. The Issuer undertakes to bear all expenses relevant to the share application processing, allotment and dispatch of letters of allotment and refund warrant. The Issuer shall also bear all expenses related to printing and issuance of share certificate and connected govt. stamps and hologram expenses.
- (iii) Without prejudice to other stipulations relative to the responsibility of the Issue Manager, it is responsible towards the Company for strict compliance of this Agreement and to comply with all terms therein.
- (iv) The Issue Manager shall ensure compliance of the Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, listing Rules of the Stock Exchanges, Companies Act 1994, Securities, and Exchange Ordinance, 1969 and other relevant rules, regulations, practices, directives, guidelines, etc.
- (v) If any differences or disputes arises between the parties during the subsistence of this contract or thereafter, in connection with the validity, interpretation, implementation or alleged breach of any provision of this contract, such disputes shall be referred to a sole arbitrator or in case of disagreement as to the appointment of the two arbitrators, each party nominating an arbitrator and arbitration shall be conducted as per provision of the Arbitration Act 2001 and the award of the arbitration shall be binding upon the parties and the parties shall be precluded from challenging or objecting to the award.
- (vi) No, forbearance, indulgence or relaxation or inaction by any party at any time to require performance of any of the provisions of this Agreement by the other parties shall in any way affect, diminish or prejudice the right of such party to require performance of that provision and any waiver or acquiescence of any right under or arising out of this Agreement shall not be construed as a waiver or acquiescence to or recognition of rights and/or position other than as expressly stipulated in this Agreement.
- (vii) If any provision of this Agreement or the application thereof to any person or circumstances becomes or is declared invalid or unenforceable to any extent, the remainder of this agreement and the application of the such provision to person or circumstances other than those as to

which it is held invalid or unenforceable, shall not affect thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

Underwriter:

As per Rule 12 of the Bangladesh Securities of Exchange Commission (Public Issue) Rules, 2015, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis:

Initial public Offering (IPO) is for Tk.2000, 000,000.00 As per the Bangladesh Securities and Exchange Commission's (Public Issue) Rules, 2015, 35% of the aforementioned amount i.e. BDT 700,000,000 (Taka seventy crore only) has to be underwritten on a firm commitment basis by the following Underwriters for the IPO of Bashundhara Paper Mills Limited:

Sl. No.	Name of Underwriter	Number of Shares	Amount in Tk.
1	AAA Finance & Investment Limited	[*]	50,000,000
2	AFC Capital Limited	[*]	50,000,000
3	EBL Investments Limited	[*]	50,000,000
4	Citizen Securities Limited	[*]	50,000,000
5	BMSL Investment Limited	[*]	50,000,000
6	Lanka Bangla Investments Limited	[*]	50,000,000
7	UniCap Investments Limited	[*]	50,000,000
8	Sonali Investments Limited	[*]	50,000,000
9	Southeast Bank Capital Services Limited	[*]	50,000,000
10	MTB Capital Limited	[*]	50,000,000
11	BD Finance Capital Holdings Limited	[*]	50,000,000
12	Prime Finance Capital Management Limited	[*]	50,000,000
13	Swadesh Investmet Managements Limited	[*]	50,000,000
14	FAS Capital Management Limited	[*]	50,000,000
	Total	[*]	700,000,000

- As per the guideline of Bangladesh Securities and Exchange Commission, **35%** of Initial Public Offering (IPO) i.e. [*]ordinary shares of **Tk. 10.00** per share including a premium of Tk. [*] totaling **Tk. 700,000,000** shall have to be underwritten by the Underwriters, subject to the terms stated as follows:
 - Upon closing of the subscription list it is found that the total number of the valid applications is less than the minimum requirement as specified in the listing regulations of the stock exchanges.
 - At least **65%** of the IPO is not subscribed.
- The Company shall issue [*] Ordinary Shares of **Tk. 10.00** per share for public subscription through publishing a prospectus in accordance with the consent of the Bangladesh Securities and Exchange Commission and the provision of this Agreement.
- Prior to publication of the prospectus, the Company shall have obtained consent from the Bangladesh Securities and Exchange Commission permitting the issue as described in Article 2.01 and providing for payment of underwriting commission **0.5%** on the amount underwritten.
- If and to the extent that the shares offered to the public by a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the Closing Date, the Company

shall within **10 (ten) days** of the closure of subscription call upon the underwriters in writing with a copy of the said writing to the Bangladesh Securities and Exchange Commission, to subscribe the shares not so subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen) days** after being called upon to do so. The amount so received shall be credited to the share subscription account of the Company within the said period. If payment is made by Cheque/Bank Draft by the Underwriter, it will be deemed that the Underwriter has not fulfilled his obligation towards his underwriting commitment under this Agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's share subscription account credited.

In any case within **7 (seven) days** after the expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the Underwriters to the Commission.

In the case of failure by the underwriter to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this Agreement.

Registrar to the Issue:

General Terms

- a. The Registrar shall ensure due compliance of the Book building procedures and the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015.
- b. The Registrar shall coordinate all other actions necessary for completing the post-issue functions or to comply with the regulatory requirements with the support of Issuer.
- c. The Registrar shall coordinate for completing the post-issue processing activities for public issue of the Company within the stipulated time as specified by the Bangladesh Securities and Exchange Commission.
- d. The Registrar will have to complete all statements and ensure timely delivery of them to the relevant authorities /organizations.
- e. The Registrar will have to deliver one soft copy of entire database of all applications to the Company in the format and headings specified by the Company.

1. COVENANTS OF THE ISSUER

- 1.1** Without prejudice the Issuer hereby declares that it has complied with or agrees to comply with all statutory formalities under the Companies Act 1994, Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and other relevant laws.
- 1.2** Issuer undertakes and declares that all information would be made available to the Registrar as per requirement. It would not give any statement, which is likely to mislead the investor.
- 1.3** Issuer shall extend all facilities and help to the Registrar to ascertain for themselves the true state of affairs of the Company including the progress made in respect of the business implementation, status and other facts relevant to the issue.
- 1.4** Issuer undertakes to furnish all information and particulars and provide all necessary documents as may be required by the Registrar to enable them to fulfill their responsibilities as required by the BSEC in respect of the Issue.
- 1.5** The Issuer also agrees that it will co-ordinate with the Registrar and that it will not give any instruction which will be in violation of any of the Statutes/Guidelines of the BSEC.

2. COVENANTS OF THE REGISTRAR

Without prejudice to other stipulations relative to the responsibility of the Registrar, the Registrar is responsible towards the Company for strict compliance of this Agreement and to comply with all terms herein.

(c) Fees payable to different parties.

Commission for Underwriters:

The Company shall pay to the underwriters an underwriting commission at the rate of 0.5% of 35% of the total IPO amount (i.e. Tk. 3,500,000.00) of the issue value of shares underwritten by them.

Fees for the issue management services:

AAA Finance & Investment Limited is the Manger to the issue. The Issue Managers will get Tk. 2.00 Crore (Taka Two Crore Only) for the Public Offering including premium as issue management fee.

Registrar to the issue management services:

AFC Capital Limited is the registrar to the issue. The Registrar to the issue will get Tk. 12,00,000.00 (Taka Twelve Lac Only) as Registrar to the Issue fee.

PART XIX
LITIGATIONS, FINE OR PENALTY

(a) The following litigations including outstanding litigations against the issuer or any of its directors and fine or penalty imposed by any authority:

- **Litigation involving Civil Laws:**

There is no such litigation filed against the company or any of its directors by any authority.

- **Litigation involving Criminal Laws:**

There was a litigation filed against Mr. Ahmed Akbar Sobhan as Managing Director & Chairman of East West Property Development (Pvt.) Limited by the State, represented by the Deputy Commissioner, Gazipur on 13/05/2010 for illegal intrusion and Government land cutting. Currently Mr. Ahmed Akbar Sobhan is the Chairman of Bashundhara Paper Mills Limited. Subsequently the High Court Division on 05/01/2016 issued Rule upon the State and granted Ad-interim Bail to Mr. Ahmed Akbar Sobhan and other defendants for six months. Later on 28/04/2016 the High Court Division directed the Defendants from East West Property Development (Pvt.) Limited to take necessary legal steps in the Trial Court. The records are yet to reach in the Trial Court from the High Court Division. After reaching the records to the Trial Court, further necessary initiative will be taken by the defendants.

- **Litigation involving Securities, Finance and Economic Laws:**

There is no such litigation filed against the company or any of its directors by any authority.

- **Litigation involving Labor Laws:**

There is no such litigation filed against the company or any of its directors by any authority.

- **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties)**

There was a litigation filed against Mr. Ahmed Akbar Sobhan, the then Managing Director of Bashundhara Industrial Complex Limited in the year 2007 regarding the Tax Evasion matter by the State, represented by the Deputy Commissioner, Dhaka. Subsequently the High Court Division of the Supreme Court of Bangladesh on 20/06/2011 has set aside the Order of Conviction and acquitted all Parties of the case. After passing long time the Tax Department appealed to the Court and the Supreme Court of Bangladesh then passed the Order dated 03/02/2015 to allow bail to the Respondents upon surrender in the Lower Court. Then a Review Petition was filed by the respondent in the Supreme Court for the review against this Order and the matter is still pending in Supreme Court of Bangladesh.

- **Litigation involving any other Laws**

There is no other litigation involving any other laws filed against the company or any of its directors by any authority.

(b) Outstanding cases filed by the Company or any of its directors:

The following outstanding cases filed by the issuer or any of its directors to any of the following types of legal proceedings mentioned below;

- Litigation involving Civil Laws; N/A
- Litigation involving Criminal Laws; N/A
- Litigation involving Securities, Finance and Economic Laws; N/A
- Litigation involving Labor Laws; N/A

- **Litigation involving Taxation (Income tax, VAT, Customs Duty and any other taxes/duties);**

On December 05, 2010 BPML filed a Write Petition under Article 102(2)(a)(i) and (ii) no. 85 of 2008 regarding excess VAT claim against the Company. The issue has been stayed by the Hon'ble Court and the order of stay granted by the court be extended till disposal of the rule.

- Litigation involving any other Laws; N/A

PART XX

RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

An investment in shares involves a high degree of risk. The company operates in a field involving some internal/ external risk factors and among those some are avoidable, others are beyond control, which may causes of loss. Investors should carefully consider all the information disclosed in this prospectus, including the risks and uncertainties described below, before making an investment decision in company's shares. The management of Bashundhara Paper Mills Limited perceives the risk factors which are as follows:



(i) Internal risk factors

a) Credit risk:

Credit risk is the risk of default on a debt. It may arise due to default by the borrower to pay the loan. In operating any business there are credit risks as there is always lending and borrowing between parties in the form of money and goods.

Management perception:

Credit sales and advance to suppliers, interest free advance against employees' salary may arise credit risk. The Company provide advance, credit facility to its loyal and reliable customers who have a good track record of credit and have the ability of debt. The Company has dedicated credit collection team. To mitigate the credit risk, the management of The Company follows strong credit control and collections policies. Apart from this it has the ability to pay its own debts.

b) Liquidity risk:

Liquidity risk is the risk that The Company will not be able to meet its financial obligations as they fall due. The Company may not be able to convert its current assets to cash or cash equivalent without a loss of capital or income.

Management perception

BPML conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. The Company manages its working capital in efficient way to maintain required liquidity. We are also controlling regular payment of cheques, cash inflow and outflow, maturity of deposits and our access to other funding sources as and when required.

c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates:

Management perception:

The Company has no subsidiary, joint ventures and associates, so this type of risk is not associated with the Company.

d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer:

Management perception:

The Company is not dependent on any particular or limited number of customers to operate our business and our management is always keen to find out new buyers which boost up the sales. The Company products are distributed through district wise dealers. The dealers supply the products to different retailers in their respective areas and other areas where needed. We maintain a good relationship with our customers and take feedback about their

products. There is less chance to lose customers and losing any one will not affect company's profitability for its demand, high quality and competitive price.

e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely:

Management perception:

The Company has many suppliers of raw materials and thus it gets competitive advantage of cheaper price of raw materials. It imports raw materials from different suppliers of different countries and maintaining a good relationship with its suppliers. The management of The Company is aware of the risk and continues to search for low cost raw material suppliers from different countries. BPML has alternative options for purchasing raw materials. If any supplier is unable or disagree to supply raw materials then The Company will go for next best alternative supplier immediately.

f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary:

Management perception:

The Company has no associate or subsidiary company, it has sister concerns only. But the Company does not earn **more than 20% revenue** from them.

g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any:

Management perception:

The Company is in positive earnings, increasing turnover and profitability. During last five years in the year 2014 turnover decreased as supply of raw materials and distribution of products disrupted due to political turmoil all over the country and in the year 2012 net profit after tax decreased due to making adjustment of Deferred Tax of 04 (Four) years in the accounts of that year. BPML has been operating their business efficiently and growing day by day. However, there was negative operating cash flow only in 2013. It was happened due to business growth. Our inventories, accounts receivables and advances, deposits & prepayments had been increased in those years that affected our operating cash flow. But it was not threat for going concern.

h) Loss making associate or subsidiary or group companies of the issuer:

If associate/ subsidiary/group companies of the issuer are loss making, it affect the issuer and there is negative impact on cash flow of issuer and Balance Sheet as well.

Management perception:

Bashundhara Paper Mills Limited invested Tk. 265,000,000 in shares of Bashundhara Industrial Complex Limited and is the owner of 6.63% shares. The nature and principal business activities of the Company is manufacturing and marketing of ordinary Portland cement and Portland composite cement under the brand name "Bashundhara Cement". The company has entered into commercial production on November 12, 2012 and subsequently made profit in the year 2014 Tk. 1,483mn and in the year 2015 Tk. 1,936mn respectively and the retained profit stand as on December 31, 2015 was Tk. 5,453mn. The Company has wonderful prospect in future. We hope the company will declare dividend very soon and we will get a smart return on our investment.

i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates:

Management perception:

The Company is financially sound and has been operating with good performance. Besides, as the Company has no associate/subsidiary/associate company, the risk of loss arising from these types of concern due to their financial weakness and poor performance is not related to BPML as such.

j) Decline in value of any investment:

Management perception:

The Company has sufficient consciousness about their investment. It has investment in Bashundhara Industrial Complex Limited (BICL) and value of the investment is increasing day by day for good performance of BICL. The retained profit stand as on December 31, 2015 was Tk. 5,453mn.

k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned:

Management perception:

The Company has been using new machineries of good brand and quality. It has no plan to purchase second hand/ reconditioned machineries because if the machinery is purchased in second hand or reconditioned, there is high risk of malfunctioning, repair and maintenance which affect the quality of product and profitability of the Company.

l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled:

Management perception:

The Company has not given to or taken from any loan from its directors. But there exists some inter company transactions which is interest free short loan. Among this transactions we are maintaining a range of documentation for each intercompany loan. And the management of the company is planning to reduce such transactions in near future.

m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors:

Management perception:

The sponsors/ directors of the Company are also involved with another ventures of paper industry but their products are different from that of BPML. As such hence, Potential conflict of interest in the business in the same line of the issuer does not exist.

n) Related party transactions entered into by The Company those may adversely affect competitive edge:

Sometimes it is experienced that if the issuer company enters in to related party transaction conflict of interest is created which reduces the competitive advantage of the issuer and ultimately affect the shareholders.

Management perception:

The Company has made some related party transactions in the normal course of business and on an arms' length basis and transactions with related parties were carried out on commercial terms and conditions. These transactions are managed and accounted efficiently by the management of the Company. From the previous years' experience management of the Company believes that related party transactions will not affect competitive edge of the Company.

- o) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan or credit limit and other banking facilities:**

Management perception:

BPML is always aware of terms and conditions including any type of restrictive **covenants** before entering in to and signing agreements. There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

- p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees:**

Management perception:

The management of the Company always believes that employees are the main strength of a concern and if employees have job satisfaction then they will give their best effort to perform their respective duties. BPML is a profitable entity and the management of The Company provides competitive package to employees and offer them different benefits. However, employee unrest like **strikes, work stoppages or increase in wage demands** is part of business and BPML is always well aware of managing labor unrest efficiently. The Company has different incentive packages for employees so that they can be beneficial to such package.

- q) Seasonality of the business of the issuer:**

Management perception:

Requirement of Paper Products are all around the year in almost the same volume, since the demand remain more or less same in all seasons. Therefore, the company's business is not significantly affected by the seasonal aspect. But November to January period is most busy time for paper products specially white paper and note books since start of new sessions of students across the country.

- r) Expiry of any revenue generating contract that may adversely affect the business:**

Management perception:

The Company has not entered into any such contract to its customers and suppliers. Besides, there is demand of the products of BPML round the year. Therefore, no such risk is associated that may adversely affect the business of BPML

- s) Excessive dependence on debt financing which may adversely affect the cash flow:**

Management perception:

Though there are some advantages of debt financing, it causes increased financial expenses and creates excessive pressure on free cash flow. In case of BPML dependence on debt financing is being reduced and the debt to equity ratio of the Company is declining. Presently, the Company has given more attention to equity financing and strive to go to public.

- t) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance:**

Management perception:

The Company is operated under a well-organized organogram where each position holder's scope of job and responsibility are well described. As a big and well performed organization BPML has many qualified professionals in the team of operation, management marketing and other areas. As a result, absence or change of any head of a team does not affect the business performance significantly as other team members of his nearer position capable of taking the his responsibility. Besides, the Company is aware of contingency plans in case of the key individuals being absent as this is a critical and crucial aspect of business continuity.

- u) Enforcement of contingent liabilities which may adversely affect financial condition:**

Management perception:

Contingent liabilities may reduce the assets or create obligation to pay the liabilities. Hence, the Company does not have any contingent liabilities which may adversely affect its financial condition.

- v) Insurance coverage not adequately protect against certain risks of damages:**

Management perception:

The Company has different insurance coverage for all the relating issues that are risky to operating the business.

- w) Absence of assurance that directors will continue its engagement with company after expiry of lock-in period:**

Management perception:

The sponsors of the Company are directors from the inception of this venture and it is a growing and profitable business and now going to be listed which will increase the image, compliance issues and overall business of the Company. So, the management thinks sponsor directors and other directors will remain with BPML and will continue the business after expiry of lock-in period after IPO.

- x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure:**

Management perception:

BPML is a profitable entity over long period which is in uptrend and it has sufficient profit in present capacity to pay dividend. Besides, its cash flow is positive with good condition, EPS is in positive growth, has working capital surplus and return on equity is in positive growth. After going to IPO it will repay debt of good amount and fulfil requirement of capital expenditure requirement and expand its business to meet increased market demand of its product which will decrease financial expenses and increase the profitability. As a result extra cash will be generated to pay more dividend in future.

- y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors:**

History of non-operation indicates weak operational management of the company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management perception:

We know if operation is closed for one day it can hamper supply of product to our valued customers. In any situation, we do not compromise with non- operation. Our company started commercial operation from March 01, 1997 and the Company has never been non-operative till date. Considering the paper industry at world perspective, our sponsors have adequate background and experience. We have own power supply back up with generator and other required support for uninterrupted smooth operation.

z) Risks related to engagement in new type of business, if any:

Management perception:

BPML is engaged in manufacturing in paper industry since long with profitability and reputation. So, the company has no plan to be engaged in new type of business as there is risk associated with starting it for different reasons. As such there is no such type of risk.

aa) Risk in investing the securities being offered with comparison to other available investment options:

Management perception:

BPML is a growing and profitable Company. The demand of its product is increasing extensively day by day at home and abroad. It has efficient management and manpower with adequate experience and knowledge of its product and business. So, it is not risky in investing securities in BPML with comparison to other available investment options.

bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law:

Management perception:

No penalty or action has been taken against the Company by any regulatory authority for noncompliance with provisions of any law except issuance a letter of warning by the BSEC as on 18.09.12 for holding amalgamation without the Commission's consent and it was a just inadvertent mistake due to lack of knowledge at that time. After that the Company is well aware of fulfillment of all types of regulatory compliances and issues.

cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case:

Management perception:

There is no litigation relating to Tax, VAT or other government claims against our company.

dd) Registered office or factory building or place of operation is not owned by the issuer:

Management perception:

The factory building is owned by the Company and situated on a land area of 54.48 acres of which 35.70 acres is owned by the Company and remaining 18.77 acres is taken on leasehold basis from its holding Company for 20 years from the day May 26, 2009. The corporate office is rented for a long term and the rent is favorable considering the prevailing market rate. So, the risk is minimum of hike in factory rent in the years to come and threat of shifting the factory as well. Also we maintain a good financial relation with the lessors to continue the present terms in long term basis as per the agreement.

ee) Lack of renewal of existing regulatory permissions/ licenses:

Management perception:

All of the regulatory permission and licenses are up to date and duly renewed time to time for smooth operation.

ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates:

Management perception:

The Company does not have any subsidiary or associate or listed securities and thus no such risk arisen.

gg) Issuances of securities at lower than the IPO offer price within one year:

Management perception:

BPML issued shares at Tk.10.00 each to East West Properties Development Ltd. Besides, the management of BPML thinks that IPO offer price will not be lower within one year.

hh) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.

Management perception:

Such cases did not happen for our company or holding or sister concerns at any time by the Commission. We expect it will not be happened in future.

(ii) External risk factors may include among others:

a) Interest rate risk:

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase the interest rates. High rate of interest may adversely affect the operating results and financial performance of The Company with additional financial charges and squeezes the profit of the company.

Management perception:

The management of The Company is always aware of the interest rates at which the debts of The Company are being financed. Management finances both long-term & short-term funds at competitive rates. The Company has been repaying borrowed funds on a continuous basis to reduce such interest rate risk. The present trend of interest rate is negative which is favorable for the company.

b) Exchange rate risk:

Most of the raw materials used by BPML are imported from abroad against payment of foreign currency. Unfavorable volatility or fluctuations of foreign currency to BDT exchange rate may have an impact on the cost structure and profitability of the company.

Management perception:

The risk of foreign exchange cannot be eliminated fully as we require importing raw materials. However, the management is always alert in minimizing the negative impact of currency fluctuation cost by looking for new sources of raw materials and constantly negotiating with suppliers in reducing price. It always takes steps to hedge all major currency dealings to safeguard the interest of the company. Besides, we also export our products to more than 20 countries from where we earn foreign currencies. So, due to fluctuation of exchange rate we experienced no loss in the past years.

c) Industry risks:

i. Market demand:

Company's sales and revenues are depended on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of The Company products.

Management perception:

World's top class raw materials, best quality, attractive price, strong brand loyalty of the company's products to its customers has enabled The Company to capture significant market share in the sector. The Company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.

ii. Raw materials and energy costs:

Instability in raw materials and energy costs may hamper the profitability of The Company significantly. A recent government decision regarding escalation of electricity prices will put a huge pressure on the product cost of the local business.

Management perception:

Our management believes that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. For power and electricity, BPML has own power generator for uninterrupted production. The electricity cost is same for all other competitors so it will be adjusted with price accordingly.

d) Economic and political risks:

Economic risks:

The growth of The Company could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the per capita income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country. The management of The Company is aware of such risks.

Political risks:

Bangladesh is prone to serious unrest in the political condition which produces hartal, road-block and many other barriers to the business. This could also push the cost of the product upwards.

Management perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But recently, a stable political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Political parties are thinking for growth of the country.

e) Market and technology related risks:

Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may hamper the success of the business. Technological development may make the old machineries obsolete which may hamper the profitability of The Company overall business.

Management perception:

BPML has own research for market and new products to retain the existing market and to attract the new customers BPML has setup its project with modern brand new imported machineries. It has a plan for required BMRE/ expansion regularly, if required. It will continuously upgrade its machines and technology as required and any new one comes. So, the risk of market and obsolescence of technology is minimum for the Company.

f) Potential or existing Government regulations:

The Company operates under Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and Rules adopted by other regulatory bodies. Any abrupt changes of the policies formed by those bodies will impact the business of The Company adversely.

Management perception:

Economy of Bangladesh has been developing over the decades because of business friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry as a whole, the business of The Company will not be affected.

Government emphasizes on the growth of local industry to meet the local need. Yet the promoters and the sponsors have endeavor to convince the policy makers for adopting favorable terms and conditions, which will eventually help the industry to compete with the low cost locations in the global arena and to save foreign currency.

g) Potential or existing changes in global or national policies:

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike or global or national policy change may hamper the profitability.

Management perception:

Political turmoil and the disturbance are bad for the economy and so for the company. The Company can prosper in situation of political stability and a congenial business environment. The management of BPML is always concerned about the prevailing and upcoming future changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

h) Statutory clearances and approvals those are yet to be received by the issuer:

Management perception:

We have collected all the statutory clearance to operate our business smoothly and we expect to maintain it in future

i) Competitive condition of the business:

BPML is operating in a free market economy regime. The Company might have to face hard competition from its competitors. Availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, The Company has been able to maintain its cost of products most competitive. Moreover, over the last few years the Company has built a trustworthy relationship with its customers and we expect in future it will help the Company to almost avoid or to lower the competition with others.

j) Complementary and supplementary products/ services which may have an impact on business of the issuer.**Management perception:**

The Company has not faced any challenges relating to supplementary and complementary products till now, though the modern world going to paperless communication day by day. The Management are concerned and well aware of the issue. In future, if necessary, management may go to more diversifications of the product to be competitive over the competitors though at present the Company produces diversified paper products. This is not a significant risk for the Company.

Other risks:**Risk related to low earning base company:****Management perception:**

The production capacity, sales, earnings and profitability are interrelated. The continuous growth of The Company and expansion in recent years is noticeable. It could manage remarkable earnings in the very recent periods.

The proposed BMRE may not be implemented as per the company's expectation which may affect the growth and profitability of the company:**Management perception:**

The Company has a plan to expand its production capacity procuring some new machinery with the net proceeds of IPO. An implementation schedule in this regards is mentioned in the draft prospectus under the caption **Use of proceeds**. Estimated time mentioned there is based on the previous experience of the company. Since The Company is procuring plant and machineries on a regular basis there should not have any unusual uncertainty.

Raw materials of The Company are imported. Interruption in raw material supply may stop the production:**Management perception:**

The Company imports raw materials from different suppliers of different countries and maintaining a good relationship with its suppliers. The management of The Company is aware about the risk and continues to searches for low cost raw material suppliers from different countries BPML has alternative options for purchasing raw materials. If any supplier is unable or disagree to supply raw materials then The Company will go for next best alternative supplier immediately.

Raw materials of The Company are imported wood-pulp, which is a threat to the ecological environment:

Management perception:

Bashundhara Paper Mills Limited is using wood-pulp for producing paper. There is no alternative of wood pulp. BPML imports the pulp from various countries where the pulp trees are planted commercially and after a certain period the trees are collected for pulping. As the trees are not collected from natural forests, we think that it is not a threat to the ecological environment.

Lease hold land on which unit i & ii are established have no specific expiry date:

BPML has some land in its factory premises leased from East West Property Development (Pvt.) Ltd. under long term lease agreement signed on May 26, 2009 for 20 years. Point to be noted that, the tenure will be extendable for further 30 years after the initial expiry date. East West Property Development (Pvt.) Ltd. is the parent company of BPML and plays a vital role to develop the company. Therefore the management of BPML expects that in future there will be no complexity with the agreement.

Advance given against land for few years but not registered in the name of the Company:

The Company has proposed to acquire 1.1880 acres of land at Dist: Dhaka, Thana: Khilkhet Gulshan, C.S. 296 S.A. 111, R.S./B.S.-22/06. Dhaka City jorip no-1096 & 1100 Dhaka city jorip dag no-3169, 3159, 3168, 3162, 3166, 3167, 3170 & 4519 and has given advance from the year 2014 and total amounting BDT 105,801,339. The land was under development and by this year it will be registered in the name of Bashundhara Paper Mills Limited.

PART XXI	DESCRIPTION OF THE ISSUE
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- a) **Issue Size:** BDT 2000,000,000.
- b) **Number of securities to be issued:**
Public issue of [*] ordinary shares of Tk. 10.00 each issuing at Tk. [*] including a premium of Tk. [*] per share totaling Tk. 2,000,000,000.
- c) **Authorized capital and paid-up capital:**
Authorized capital: Tk. 5,000,000,000.
Paid-up capital: Tk. 1,477,497,750.
- d) **Face value, premium and offer price per unit of securities:**
Face Value: Tk. 10.00
Premium per Share: Tk. [*]
Offer Price per unit of securities: Tk. [*]
- e) **Number of securities to be entitled for each category of applicants:**
IPO size will be [*] ordinary shares of Tk. 10.00 totaling Tk. [*]. As per the Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, 10% of total Initial Public Offering shall be reserved for Mutual Funds and CIS, 50% for eligible investors (EIs) excluding Mutual Fund & CIS, 10% for Non-Resident Bangladeshi (NRB) and 30% for general public excluding NRB.
- f) **Holding structure of different classes of securities before and after the issue:**
Holding structure of different classes of securities of BPML before and after the issue is as under:

Sl. No.	Category of Shareholders	Before the Issue		After the Issue	
		Ordinary Shares	Percentage	Ordinary Shares	Percentage
1	Directors & Sponsors	123,140,775	83.34	123,140,775	[*]
2	Institution	-	-	[*]	[*]
3	Mutual Fund & CIS	-	-	[*]	[*]
4	General Public	24,609,000	16.66	[*]	[*]
5	NRBs	-	-	[*]	[*]
Total		147,749,775	100.00	[*]	100.00

- g) **Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital:**
Objective of the issue including financing requirements and feasibility in respect of enhanced paid-up capital are available in the Section- XXII under the head of "Use of Proceeds" of this red-herring prospectus at page no. 192.

PART XXII
USE OF PROCEEDS
IPO Proceeds:

Issue size (Number of share to be issued)		Issue price	Amount in Taka
[*] No. of Shares	[*] No. of Shares of Tk. 10 each including a premium of Tk. [*] totaling Tk. 2,000,000,000		2,000,000,000
Less: IPO Expenses (Approximately)			50,000,000
Net IPO Proceeds			1,950,000,000

(a) Use of net proceeds of the offer indicating the amount to be used for each purpose with head-wise break-up;

SL.No.	Particulars	Amount in BDT Taka	Status and Completion Time
1	Expansion of Business (Installation of factory Machineries)	1,350,000,000	Will start immediate after receiving IPO proceeds and to be completed 01 year of receiving the fund.
2	Repayment of Bank loan	600,000,000	Immediately on availability of IPO Fund.
Total:		1,950,000,000	

A detail of the estimated project cost break up has been planned as under:

Sl. No.	Particulars	Amount in Taka	Means of Finance	
			IPO Proceed	Other than IPO
(1)	Cost of Machinery			
	De Inking Plant Up gradation	131,404,800	131,404,800	-
	Toilet Tissue Rewinding Machine	9,200,000	9,200,000	-
	Core Machine	1,600,000	1,600,000	-
	Log Saw Cutting Machine	2,000,000	2,000,000	-
	Toilet Roll Single Packing Machine	2,240,000	2,240,000	-
	Toilet Roll Bundling Packing Machine	4,800,000	4,800,000	-
	Napkin Packing Machine	3,200,000	3,200,000	-
	Boiler	19,440,000	19,440,000	-
	Tissue machine	10,400,000	10,400,000	-
	Automatic tissue paper converting machine	68,625,600	68,435,200	190,400
	Boiler	18,640,000	-	18,640,000
	2 Ply Cement Bag Machine	95,520,000	95,520,000	-
	Tissue machine	950,400,000	950,400,000	-
	Converting Machine tissue machine	140,448,000	-	140,448,000
	Turnkey Machines of Fully Automated Wallet Tissue Converting Machine	29,200,000	-	29,200,000
	Converting Machine tissue machine	51,360,000	51,360,000	-
(2)	Civil Construction			
	Building & other Civil Construction	150,996,334	-	150,996,334
(3)	Bank Loan Repayment			
	Janata Bank Ltd.	100,000,000	100,000,000	-
	Marcantile Bank Ltd.	250,000,000	250,000,000	-
	National Bank Ltd.	100,000,000	100,000,000	-
	Standard Bank Ltd.	150,000,000	150,000,000	-
Total:		2,289,474,734	1,950,000,000	339,474,734

(1) Details Cost of Machineries are given as below:

Name of Machine	Name of Supplier	Scope of Supply	Qty (Pcs)	Country of Origin	Model	Unit Price in USD	Total Amount in USD	Exchange Rate (BDT)	Total Amount in BDT
De Inking Plant Up gradation	AIKAWA Iron Works Co., Ltd.	Rotor for AHP-15type H.C. Pulper	2 Sets	Japan		712,320	704,900	80	56,985,600
		PEA-1400N Type Detrasher with control panel Strainer: Hole 7.0mm+ Basket: 2.1mm	1 Set	Japan					
		Rotor & Basket (Slot:0.25mm) for PSV-2600	1 Set	Finland					
		Rotor & Basket (Slot:0.25mm) for VSRM 05	1 Set	Finland					
		Rotor & Basket (Slot:0.15mm) for M400	1 Set	Finland					
		MAX0-800 type Max flow Screen Basket: 0.15mm Rotor & Basket (Slot:0.15mm) for 24PS	2 Sets	Japan					
		Standard accessories	1 lot	Japan & Finland					
		On-Off Valves for pulping system (Maker: Stafsjo&Neles)	1 lot	Finland & Sweden		930,240	920,550	80	74,419,200
		Motor for new Equipment & Pulper (maker: Marathon)	5 sets	China					
		Soft Starter for new equipment (Maker: Hitachi & Fuji)	3 sets	Japan					
		Pump with Motor (Maker: Sulzer+Marathon)	7 sets	China					
		DAF-403 type Pump with Motor & Air unit	1 set	Japan					
		DAF-302 type Pump with Motor & Air unit	2 sets	Japan					
		3 stages L.C. cleaner & 1 stage reverse cleaner	2 sets	Japan					
		D2.0 x 5 type Multi Washier	1 set	Japan					
		Standard accessories	1 lot	Japan					
		Field transmitter and control; valve (Japanese / European maker)	1 lot	Japan & Finland					

		Control Panel for Instrumentation (Japanese maker)	1 lot	Japan					
Toilet Tissue Rewinding Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-200	115,000	115,000	80	9,200,000
Core Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-C	20,000	200,000	80	1,600,000
Log Saw Cutting Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-160	25,000	25,000	80	2,000,000
Toilet Roll Single Packing Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-803	28,000	28,000	80	2,240,000
Toilet Roll Bundling Packing Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-903A	60,000	60,000	80	4,800,000
Napkin Packing Machine	Jiang Xi Naisi Machinery Import and Export co., Ltd.	Brand new capital machinery for paper making industry	1 Nos	China	OK-602C	40,000	40,000	80	3,200,000
Boiler	Cleaver Brooks, INC, USA	Boiler Capacity: 12.54 Tons/ Hour or 27,600 LBS/HR steam Output.	1 Unit	USA	Model-4WI 700-800-00#	243,000	243,000	80	19,440,000
		Pressure: 200PSIG (ASME)							
		Burner: Natural Gas							
		Current Characteristics: 415 Volt, 3 phase and 50 Cycle with Standard Fillings & Accessories Boiler Feed System							
Tissue machine	Quanzhou Chuangda machinery Manufacture Co., Ltd.	PLC	1 Unit	China	CD-2000 High Speed Full Auto Wet	130,000	130,000	80	10,400,000
		Special mold block							
		Yaskawa Transducer							
		Yaskawa servo Driver							
		STEPDRIVER							

		Delta Transducer			Wipe Machine				
		WEINVIEW							
		HMI communication line							
		Switching power supply							
		Intermediate relay Base							
		Intermediate relay							
		Intermediate relay Base							
		Intermediate relay							
		Proximity switch							
		Proximity switch							
		Standard spare parts							
Automatic tissue paper converting machine	Guangzhou Ok Machinery Manufacturing Co., Ltd.	Full-auto Facial Tissue folding machine	1	China	OK-2860	660,000	660,000	80	52,800,000
		Accumulator				30,000	30,000	80	2,400,000
		Double Lanes log saw cutter	1		OK-160	30,000	30,000	80	2,400,000
		Double lanes Curved Belt	1			3,000	3,000	80	240,000
		Single lane Curved Belt	2			2,400	2,400	80	192,000
		1.5m conveyor belt	1.5mx6=9m			460	460	80	36,800
		2m conveyor belt	2mx3=6m			460	460	80	36,800
		Full-auto Box Tissue Cartoning machine	2		OK-220	65,000	130,000	80	10,400,000
		Complete line programming				1,500	1,500	80	120,000
Boiler	Cleaver Brooks, INC, USA	Boiler Capacity: 12.5 Tons/ Hour or 27,600 LBS/HR steam Output.	1 Unit	USA	Model-4WI 700-800-150#	233,000	233,000	80	18,640,000
		Pressure: 150PSIG (ASME)							
		Burner: Natural Gas							
		Current Characteristics: 415 Volt, 3 phase and 50 Cycle with Standard Fillings & Accessories Boiler Feed System							
		Stripe Lamination M/C	1 set			1,194,000	1,194,000	80	95,520,000

2 Ply Cement Bag	Korexim Corporation Ltd.	PPWoven Cloth bag Tubing M/C	1 set	Republic of Korea					
		Both ends automatic sewing machine	4 sets						
		Manual Sewing machine	6 sets						
		Slitting Machine	1 set						
		Baling press machine	1 set						
		Standard Accessories							
Brand new tissue machine	ANDRITZ AG, Austria	1.1 Fiber Preparation ShortFlow		European Community and/or China		11,880,000	11,880,000	80	950,400,000
		1.1.0 DIP line							
		1.1.1 Short / Long Fiber Line							
		1 Feeding conveyor							
		1 weighing system							
		1 LC Pulper							
		1 Pulper Vat							
		2 HD Cleaner							
		1 Deflaker							
		2 Refiner							
		1.1.2 Shortflow Blending							
		1 ShortFlow Chest, incl. accessories							
		1 Special mixing pipe							
		1 Agitator TMX							
		1.1.3 Approach Flow							
		1 LC cleaner plant 4-stage							
		1 Fan-pump FP							
		1 HB feed pipe (screen to HB)							
		1 WW duct and cyclone							
		1 WW Flume and Silo							
		1.1.4 Fiber Recovery and Water System							
		1 DAF							

		1 Moduscreen (clear filtrate)							
		1.1.5 Broke system							
		1 UTM Pulper							
		Pulper Vat							
		1 Pulper Chute							
		1.1.6 Converted Broke system							
		1 Conveyor (for converting broke)							
		1 Pulper							
		1 Pulper Vat							
		1 HD Cleaner							
		1 Deflaker							
		1.1.7 Pumps							
		set Process pumps							
		2 HP pump							
		1.1.8 Agitators							
		set Agitators							
		1.1.9 Tanks and Chests							
		set of concrete tanks/chests							
		set of st. steel tanks/chests							
		1.1.10 Piping for stock and water, manual valves, fittings, support							
		1.2 TISSUE MACHINE							
		1.2.1 Headbox							
		1 Headbox							
		1 Headbox lifting device							
		1.2.2 Crescent Former							
		1 Forming roll							
		4 Wire roll							
		Set frame, trays, guide vanes							

		Breast roll lifting device						
		1 Wire tension measurement						
		1 Wire tensioning unit						
		1 wire run control						
		1 Wire guide unit						
		5 Doctor for roll						
		1 pick up						
		Set of showers						
		1.2.3 Felt Section						
		4 Felt roll						
		1 Felt roll with drive journal						
		Set frame and water trays						
		2 Doctor for roll						
		1 Felt tension measurement						
		1 Felt tensioning unit						
		1 Felt run control						
		1 Felt guide unit						
		2 Suction Box						
		Tail cutter						
		Set of showers						
		1.2.4 Press Section (single press)						
		1 Suction pressure roll						
		1 Tray for suction pressure roll						
		1 Press lever						
		1 Damping system						
		1.2.5 Yankee PrimeDry Steel						
		1 Steel Yankee						
		1 Yankee bearings						
		1 Steam- & condensate heads						

		1 Head insulation						
		1.2.6 Yankee Section						
		Set frames						
		1 Cut-off doctor						
		1 Creping doctor						
		1 Cleaning doctor						
		Information about doctor blades						
		3 Doctor loading						
		1 Blade magazine						
		1 Coat spraying device						
		1.2.7 Hood EquiDry F						
		1 Hood EquiDry F						
		1 <i>Prime</i> Profiler H						
		2 Hood roof washing unit						
		2 Hood retraction device						
		Set frames for hood						
		4 hood expansion joints						
		Set fans						
		2 Burner						
		2 Burner chamber						
		2 Control damper						
		Set ductwork						
		Set manual dampers						
		Set primary and secondary supports						
		1 Moisture measurement						
		Set instrumentation						
		1 Silencer						
		1 Heat recovery system						
		1.2.8 Sheet Transfer <i>Prime</i>Run						

		1 Air deflector						
		1 Guide baffle						
		2 Foil						
		1 Speed foil						
		1 Dust deflector						
		1 Spreader bar						
		1 "gooseneck" plate						
		1 <i>Prime</i> Foil R						
		1 Tail threading system						
		1 supports for scanner frame (QCS)						
		1.2.9 Reel Section						
		Reel control						
		1 Reel drum						
		1 Doctor for reel drum						
		10 Reel spool						
		3 Core shaft						
		Primary arms						
		1 Primary arm rotation						
		1 Secondary arms						
		1 Reel spool starter						
		1 Reel spool brake						
		Set frame for 1Jumbo roll station						
		Set frame for additional 1 jumbo roll						
		1 Weighing device						
		1 Reel spool magazine						
		1 Core shaft puller						
		1.2.10 Tissue Machine auxiliaries						
		Set foundation plates						
		Set walkways						

		Set protection devices							
		Set special tools							
		Set helping devices							
		Prepiping							
		1.3 Machine Auxiliaries							
		1.3.1 Steam and Condensate System (low pressure condensate return)							
		1 Thermo compressor							
		2 Separator							
		1 Condenser							
		2 condensate pumps							
		Set piping, fittings, manual valves							
		Set thermal insulation							
		Set special instruments							
		Set standard instruments							
		1.3.2 Vacuum System (water ring pumps)							
		2 Water ring pumps							
		1 Extraction pump							
		1 Filtrate water pump							
		1 Pre-separator							
		Set post-separator							
		1 operation water tank							
		Set piping, fittings, manual valves							
		Set instruments							
		1 Cooling tower with galvanized steel support							
		1 Silencer for outgoing air							
		1.3.3 Mechanical Drive							
		for: - 1 forming roll							

		- 1 felt roll							
		- 1							
		Yankee							
		- 1 reel							
		drum							
		- 1 reel							
		spool starter							
		1.3.4 Central Oil Lubrication							
		1 Oil station							
		set field piping							
		1 oil drip tray							
		1 oil treatment							
		1.3.5 Grease Lubrication							
		Lubrication points							
		1.3.6 Mist extraction System							
		1 Exhaust air fan							
		Set in-machine suction ducts							
		1 drop eliminator							
		Set ductwork							
		Set primary & secondary supports							
		1 Silencer							
		1.3.7 Dust removal system							
		PrimeDustEx W							
		1 Dust exhaust fan							
		1 Prime AquaDust collector							
		1 Pulper exhaust collector							
		1 Machine enclosure							
		1 Cover on operator side							
		2 Water separation unit							
		1 Diverting damper							
		1 Drive side casing							

		Set balancing dampers							
		Set exhaust duct system							
		Set flexible strips							
		1 Silencer							
		1.3.8 Chemical preparation							
		Yankee coating chemicals							
		Wet-end chemicals							
		1.3.9 Grinding machine for Yankee doctor blades							
		1.3.10 Combining winder and roll wrapping machine							
		1.3.1 Cranes and lifting equipment for maintenance							
		2 lifting hoists incl. control							
		Crane bridge, power supply, etc.							
		Other lifting devices							
		1.3.12 Boiler plant for TM							
		1.3.13 Machine room ventilation system							
		1.3.14 Compressor plant incl. main air header							
		1.4 Instrumentation, Pneumatics							
		1.4.1 Field instrumentation							
		set installation material (field)							
		1.4.2 Machine instruments							
		set installation material (field)							
		1.4.3 Local operator panels							
		set installation material (field)							
		1.4.4 Machine Pneumatics							
		Set installation material							

		1.5 Automation						
		1.5.1 PrimeControl						
		- for Tissue machine (MCS)						
		- for Process control (DCS)						
		set installation material (field)						
		1.5.2 1 QCS						
		set installation material (field)						
		1.6 Electrification						
		1.6.1 Primary distribution MV switchgear						
		1.6.2 Transformers						
		1.6.3 Low-voltage switchgear MCC						
		Re-active power compensation						
		1.6.4 Multi motor drive – MMD						
		1.6.5 Fan pump, Tissue machine, hood fans						
		LV Motors						
		UPS						
		Installation material						
		2 Service specifications for Supplier's scope						
		2.1 Plant engineering services						
		Basic Engineering						
		Detail Engineering						
		Operation, maintenance instructions (OM)						
		2.2 Project management						
		2.3 Erection and supervision						
		Erection work and tools						
		Erection Supervision						
		2.4 Commissioning and start-up assistance						

		2.5 Training							
		3 Spare parts							
		3.1 Spare rolls							
		two(2) Wire/felt roll with drive journal							
		1 Suction pressure roll							
		3.2 Spare/Wear parts							
		1 set TF26 refiner plate							
		1 set DFL2 plate							
		1 set DFL1 plate							
		10 pcs. cleaner cones							
		5 pcs. complete cleaner body							
		5 pcs. Yankee manhole sealings							
		1 set of carbon seal for rotary joint							
		1 spare pump for central oil lubrica-tion							
		Spare & wear parts for electrifica-tion/automation							
		All other spare and wear parts							
		3.3 Consumables							
Converting Machine for brand new tissue machine	Paper Converting Machine Company Italia SpA	Unwinder Mod. BS 2001		Italy		1,755,600	1,755,600	80	140,448,000
		Embossers/Laminator Mod NT 4501 EC – EasyChange							
		Rewinder Mod. AMICA MATRIX							
		Tail Sealer Mod. Rotoseal 35							
		Accumulator Mod. A200							
		Unloading Unit for n°2 channel Log Saw							
		Log Saw Mod LS 200 (n°2 channels)							
		Core machine TDS + Unwinder for core machine Mod CB 1201/1202							

Turnkey Machines of Fully Automated Wallet Tissue Converting Machine	Dong Yang machinery Co., Ltd.	Vacuum blower with sound-reduce box and fan blower of the machine. Standard repairing tools and Standard spare parts.	1 set	Republic of Korea	DYM 803 + DYM 2800	365,000	365,000	80	29,200,000
Converting Machine for brand new tissue machine	OMET SRL, Italy	Basic machine for width 500 and 660	1	Italy	MODEL TV840 SL HS	642,000	642,000	80	51,360,000
		Paper deviating bars for machine width 500 and 660	1						
		Hoist to replace the folding unit	1						
		Unwinder width 840	1						
		Hydraulic roll loading device for unwinder width 840	1						
		OMET folding unit size "F", interchangeable via cassette style for TV840 EASY, size 33x33	1						
		Basement for embossing cassette insertion width 660	1						
		Spare paper embossing roll - engraved according to your specs	1						
		Set of all-over engraved steel/paper embossing rolls (Omet supplier) width 660	1						
		Automatic transfer unit - 4 lanes - high speed (Range of napkin sizes. min. 110 x 110 mm. / max. 210 x 210 mm. - Height of packs: min. 30 / max. 190 mm. upon request: max 240 mm.)	1						
		Air conditioning for Main Electrical Panel	1						
		Wrapping machine type Multipak NK70	1						
		Remote access system for online press service and troubleshooting online service for 3 years for both: OMET and Multipak machines	1						

		Training at customer's plant by Omet skilled technician for 1 day	10						
		Start-up in your factory - 2 Omet technicians for 10 working days - Trave expenses: included. Lodge and boarding expenses: excluded. Start-up to be carried out in one intervention only	1						
		Seaworthy packing	1						
Total:									1,538,478,400

(2) CIVIL & STRUCTURAL WORKS:

Sl. No.	Description of works	Building area (Sft)	Types of Materials	Quantity	Unit	Rate(Tk.)	Amount
A to G	Foundation up to Ground Floor	45100	3/4" Down Grade Shingles	89,975	Cft	130	11,696,750
			3/4" Stone Chips	88,040	Cft	180	15,847,200
			1/2" Stone Chips	58,693	Cft	160	9,390,880
			Sylhet Sand, FM-2.5	158,361	Cft	50	7,918,050
			Cement (PCC)	39,129	Bags	350	13,695,150
			1st Class Brick	136,000	Nos.	8	1,088,000
			Reber:				-
			25 mm dia Reber(60 Grade)	69,771	Kg	40	2,790,840
			20 mm dia Reber(60 Grade)	62,864	Kg	40	2,514,544
			20 mm dia Reber(40 Grade)	156,490	Kg	40	6,259,600
			16 mm dia Reber(60 Grade)	16,773	Kg	40	670,920
			16 mm dia Reber(40 Grade)	89,228	Kg	40	3,569,120
			12 mm dia Reber(60 Grade)	9,936	Kg	40	397,440
			10 mm dia Reber(60 Grade)	49,606	Kg	40	1,984,240
			8 mm dia Reber (40 Grade)	208,840	Kg	40	8,353,600
			Total Reber	663.5	Ton		-
H	Steel work	45100	As per design	45100	Sft	1200	54,120,000
I	Sanitary & Plumbing	45100	As per design		Lump sum		200,000
J	Electro-mechanical	45100	As per design		Lump sum		2,500,000
K	Sub Contractor Bill	45100	As per design		Lump sum		8,000,000
					Total Amount=		150,996,334

DETAIL COST OF CIVIL & STRUCTURAL WORKS:

Sl.no	Description	3/4" Down Grade Shingles	3/4" Stone Chips (cft)	1/2 " Stone Chips (cft)	Sylhet Sand FM-2.5(cft)	Cement (bag)	Brick (nos)	Reber (60&40) Grade						Labour (500mm dia)	Labour (600 mm dia)	Steel Shed	Temporary Conost.	Total (Taka)
		Rate (Taka)	Rate (Taka)	Rate (Taka)	Rate (Taka)	Rate (Taka)	Rate (Taka)	25 mm dia kg	20 mm dia	16 mm dia	12 mm dia	10mm dia	8 mm dia	Rate (Taka)	Rate (Taka)	Rate (Taka)	Rate (Taka)	
		160	175	160	50	370	9	40	40	40	40	40	40	180	150	1300	0	
A	Quantity	89,975	-	-	44,988	23,993	-	-	156,490	89,228	-	-	104,420	7,195	41,235			47,508,680
	Sub Total	14,396,000	-	-	2,249,400	8,877,410	-	-	6,259,600	3,569,120	-	-	4,176,800	1,295,100	6,185,250		500,000	
B	Quantity	-	16,147	10,765	8,073	7,176	15,000	25,754	41,365	7,963	-	-	104,420	-			-	14,921,959
	Sub Total	-	2,825,725	1,722,400	403,650	2,655,120	135,000	1,030,160	1,654,584	318,520	-	-	4,176,800	-	-		-	
C	Quantity	-	446	297	223	198	1,000	-	-	8,810	8,000	3,000	-	-	-		-	1,011,380
	Sub Total	-	78,050	47,520	11,150	73,260	9,000	-	-	352,400	320,000	120,000	-	-	-		-	
D	Quantity	-	809	540	405	360	-	28,017	-	-	-	12,000	-	-	-		-	1,982,105
	Sub Total	-	141,575	86,400	20,250	133,200	-	1,120,680	-	-	-	480,000	-	-	-		-	
E	Quantity	-	5,864	3,910	2,932	2,606	-	16,000	-	-	-	6,000	-	-	-		-	
	Sub Total	-	1,026,200	625,600	146,600	964,220	-	640,000	-	-	-	240,000	-	-	-		-	3,642,620
F	Quantity	-	3,421	2,281	1,711	1,521	-	-	21,499	-	1,936	6,606	-	-	-		-	2,813,595
	Sub Total	-	598,675	364,960	85,550	562,770	-	-	859,960	-	77,440	264,240	-	-	-		-	
G	Quantity	-	7,367	4,911	3,684	3,274	120,000	-	-	-	-	22,000	-	-	-		-	5,430,565
	Sub Total	-	1,289,225	785,760	184,200	1,211,380	1,080,000	-	-	-	-	880,000	-	-	-		-	
H	Quantity															45100		58,630,000
I	Sanitation & Plumbing (estimated appx)																	3,000,000
J	Electro-mechanical (estimated appx)																	3,000,000
K	Sub Contractor Bill (estimated appx)																	9,055,430
	Grand Total																	150,996,334

(3) Loan repayment from IPO fund is given below:

Sl. No.	Name of Bank with branch	Amount of long Term loan outstanding as on 30.06.2016 (BDT)	Rate of Interest	Repayment amount from IPO proceeds subject to approval of Regulatory Authority
1	Janata Bank Limited, Corporate Branch	975,406,790	9%	100,000,000
2	Mercantile Bank Limited, Main Branch	1,628,202,578	11%	250,000,000
3	National Bank Limited, Dilkusha Branch	172,448,297	12%	100,000,000
4	Standard Bank Limited, Principle Branch	163,954,844	10%	150,000,000
Total:		2,940,012,509		600,000,000

The IPO proceeds will utilized as per the above mentioned schedule.

Sd/-
Ahmed Akbar Sobhan
Chairman

Sd/-
Safwan Sobhan
Managing Director

Sd/-
Md.Toffail Hossain
Chief Financial & Development Officer

- b) Utilization of the total amount of paid-up capital and share premium, if any, including the sponsors' contribution and capital raised of the issuer at the time of submission of prospectus, in details with indication of use of such funds in the financial statements;

BPML has raised its paid-up capital as follows:

Particulars of Allotment	Date of Allotment	Mode of Allotment & Numbers of Shares Allotted			Nominal Price (BDT)	Amount of Share Capital (BDT)
		Cash	Other than Cash	Bonus Issue		
1st Allotment: Memorandum	28.09.1993	100,000	-	-	10	1,000,000
2nd Allotment: Cash	15.09.1997	8,922,150	-	-	10	89,221,500
3rd Allotment: Amalgamation	10.10.2009	-	10,030,000	-	10	100,300,000
4th Allotment: Bonus Issue	25.02.2015	-	-	30,483,440	10	304,834,400
5th Allotment: Cash	12.08.2015	98,214,185	-	-	10	982,141,850
Total:		107,236,335	10,030,000	30,483,440		1,477,497,750

Sponsors' contribution since inception brought & deployed by the issuer company prior to the public offer and indication of such funds utilization in the financial statement is as under:

Accounting Year	Amount in Taka	Fund Utilized for	Reflected in financial Statement
1993	1,000,000	Asset acquisition and Regulatory Licenses	Under the head of "Non-current Assets"
1997	19,221,500	Working Capital	Working Capital under the head of "Current Assets".
	50,000,000	Acquisition of Fixed Asset	Acquisition of fixed assets under the head "Non-Current Assets".
	20,000,000	Capital work in progress	Payment for capital work in progress under the head of "Non-Current Assets".
2009	100,300,000	Acquisition of Asset and liability of other two ventures	Fixed asset increased under the head "Non-current Asset" and liability increased under the head of "Equity & Liabilities"
2015	304,834,400	Distribution of accumulated profit to the shareholders	Increased in share capital and decreased in retained earnings under the head "Capital And Reserves"
2015	982,141,850	Working Capital	Working Capital under the head of "Current Assets".

- c) If one of the objects is an investment in a joint venture, a subsidiary, an associate or any acquisition, details of the form of investment, nature of benefit expected to accrue to the issuer as a result of the investment, brief description of business and financials of such venture;

The Company has no objective to invest in any joint venture, subsidiary, associate or for any acquisition purpose;

- d) If IPO proceeds are not sufficient to complete the project, then source of additional fund must be mentioned. In this connection, copies of contract to meet the additional funds are required to be submitted to the Commission. The means and source of financing, including details of bridge loan or other financial arrangement, which may be repaid from the proceeds of the issue along with utilization of such funds;

Project Cost Break Up:

SL No	Particulars	Amount in Taka	Means of Finance	
			IPO Proceed	Other than IPO
	Cost of Machinery			
1	De Inking Plant Up gradation	131,404,800	131,404,800	-
2	Toilet Tissue Rewinding Machine	9,200,000	9,200,000	-
3	Core Machine	1,600,000	1,600,000	-
4	Log Saw Cutting Machine	2,000,000	2,000,000	-
5	Toilet Roll Single Packing Machine	2,240,000	2,240,000	-
6	Toilet Roll Bundling Packing Machine	4,800,000	4,800,000	-
7	Napkin Packing Machine	3,200,000	3,200,000	-
8	Boiler	19,440,000	19,440,000	-
9	Tissue machine	10,400,000	10,400,000	-
10	Automatic tissue paper converting machine	68,625,600	68,435,200	190,400
11	Boiler	18,640,000	-	18,640,000
12	2 Ply Cement Bag Machine	95,520,000	95,520,000	-
13	Tissue machine	950,400,000	950,400,000	-
14	Converting Machine tissue machine	140,448,000	-	140,448,000
15	Turnkey Machines of Fully Automated Wallet Tissue Converting Machine	29,200,000	-	29,200,000
16	Converting Machine tissue machine	51,360,000	51,360,000	-
	Civil Construction -			
17	Building & other Civil Construction	150,996,334	-	150,996,334
	Bank Repayment			
18	Janata Bank Ltd.	100,000,000	100,000,000	-
19	Marcantile Bank Ltd.	250,000,000	250,000,000	-
20	National Bank Ltd.	100,000,000	100,000,000	-
21	Standard Bank Ltd.	150,000,000	150,000,000	-
	Total	2,289,474,734	1,950,000,000	339,474,734

- e) A schedule mentioning the stages of implementation and utilization of funds received through public offer in a tabular form, progress made so far, giving details of land acquisition, civil works, installation of plant and machinery, the approximate date of completion of the project and the projected date of full commercial operation etc. The schedule shall be signed by the Chief Executive Officer or Managing Director, Chief Financial Officer and Chairman on behalf of Board of Directors of the issuer;

The Company will utilize the total proceeds of BDT 2,000,000,000/as mentioned head wise as per the following schedule:

SL	Utilization of fund	Progress so far made	Schedule of Implementation	
			Approximate date of Completion	Projected Date of Commercial Operation
1	Land Acquisition	There is no land acquisition from IPO proceeds.	N/A	N/A
2	Civil Works	There is no civil works from IPO proceeds but the company expands its civil work which details are given in the total project plan.	N/A	N/A
3	Machineries	The process of the import of machineries will be started after receiving the IPO fund except 2 Ply Cement Bag Machine which is already installed but no payment is made against this machinery.	Within 2years of receiving the IPO Proceeds	Aftercompletion of the project
4	Loan Repayment	N/A	Within 30 days of receiving the IPO Proceeds	N/A
5	IPO Expenses	On turnkey basis	N/A	N/A

The IPO proceeds will utilized as per the above mentioned schedule.

Sd/-
Ahmed Akbar Sobhan
Chairman

Sd/-
Safwan Sobhan
Managing Director

Sd/-
Md. Toffail Hossain
Chief Financial Officer

- f) If there are contracts covering any of the activities of the issuer for which the proceeds of sale of securities are to be used, such as contracts for the purchase of land or contracts for the construction of buildings, the issuer shall disclose the terms of such contracts, and copies of the contracts shall be enclosed as annexure to the prospectus;

There is no contract covering any of the activities of the issuer Company for which the proceeds of sale of securities from IPO is to be used.

- g) If one of the objects of the issue is utilization of the issue proceeds for working capital, basis of estimation of working capital requirement along with the relevant assumptions, reasons for raising additional working capital substantiating the same with relevant facts and figures and also the reasons for financing short with long term investments and an item wise break-up of last three years working capital and next two years projection;

There is no object of the issue is utilization of the issue proceeds for working capital;

- h) Where the issuer proposes to undertake one or more activities like diversification, modernization, expansion, etc., the total project cost activity-wise or project wise, as the case may be;

The company has planned to expand its existing projects which have been mentioned in Use of IPO proceeds and projects Implementation schedule;

- i) Where the issuer is implementing the project in a phased manner, the cost of each phase, including the phases, if any, which have already been implemented;

The implementation of the project will be implemented in a single phase.

- j) The details of all existing or anticipated material transactions in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies;

There is no existing or anticipated material transaction in relation to utilization of the issue proceeds or project cost with sponsors, directors, key management personnel, associates and group companies.

- k) Summary of the project appraisal or feasibility report by the relevant professional not connected with the issuer, issue manager and registrar to the issue with cost of the project and means of finance, weaknesses and threats, if any, as given in the appraisal or feasibility report.

Summary of the feasibility Report

Cost of the Project:

The cost of the project for the expansion project has been estimated as follow:

SL. No.	Projected Investment Plan	Figure in Million(TK)
1	Cost of Machinery	1538.00
2	Land Development	30.00
3	Building and Civil Construction	151.00
4	Bank Repayment	600.00
Total		2319.00

Means of Finance:

Particulars	IPO Proceeds	Other than IPO	Total Taka
Cost of Machinery	1,320,000,000	218,478,400	1,538,478,400
Civil Construction		150,996,334	150,996,334
Bank Repayment	600,000,000		600,000,000
Land Development		30,000,000	30,000,000
Total	1,920,000,000	399,474,734	2,319,474,734

Sd/-

Belal Hossain ACA
Chartered Accountant
Endr. 1609

Disclaimer: Our opinion is based on the documents and explanations presented to us by Bashundhara Paper Mills Ltd. The actual achievement of the targets is subject to proper implementation and maintenance of the related systems and processes as well as the operating environment. The management of Bashundhara Paper Mills Limited is suggested to make changes to the plan as necessary to adjust with the changes in the operating environment, circumstances and available systems & tools at the time of acquisition, construction / development, installation and operation.

**PART
XXIII**
LOCK-IN
(a) Provisions for lock-in:

Ordinary shares of the issuer shall be subject to lock-in, from the date of issuance of prospectus or commercial operation, whichever comes later, in the following manner:

(1)	All shares held, at the time of according consent to the public offer, by sponsors, directors and shareholders holding ten percent (10%) or more shares, other than alternative investment funds, for 03(three) years;
(2)	In case any existing sponsor or director of the issuer transfers any share to any person, other than existing shareholders, all shares held by those transferee shareholders, at the time of according consent to the public offer, for 03 (three) years;
(3)	Twenty five percent (25%) of the shares allotted to eligible investors, for 06 (six) months and other twenty five percent (25%) of the shares allotted to them, for 09 (nine) months;
(4)	All shares held by alternative investment funds, at the time of according consent to the public offer, for 01 (one) year;
(5)	All shares held, at the time of according consent to the public offer, by any person other than the persons mentioned in subrules (1), (2) and (3) above, for 01 (one) year; Provided that ordinary shares converted from any other type of securities shall also be subject to lock-in as mentioned above;

(b) Statement of securities to be locked in for each shareholder along with BO account number, lock-in period and number of securities to be locked-in of Bashundhara Paper Mills Limited:



Sl. No.	Name of Shareholder	Position	BO ID	No. of Shares	Pre IPO Shareholding (%)	Post IPO Shareholding (%)	Lock-in Period (Year)
1.	Mr. Ahmed Akbar Sobhan	Sponsor & Chairman	12025500 19154113	3,783,000	2.56	[*]	3 years
2.	Mrs. Afroza Begum	Sponsor Shareholder	12025500 25299080	6,102,200	4.13	[*]	3 years
3.	Mr. Sadat Sobhan	Shareholder	12025500 19154121	8,203,000	5.55	[*]	1 year
4.	Mr. Shafiat Sobhan	Shareholder	12025500 21748005	8,203,000	5.55	[*]	1 year
5.	Mr. Sayem Sobhan	Shareholder	12025500 23711915	8,203,000	5.55	[*]	1 year
6.	Mr. Safwan Sobhan	Managing Director	12025500 23589297	8,203,000	5.55	[*]	1 year
7.	Mr. Md. Imrul Hassan	Director	12025500 23711915	182,000	0.12	[*]	3 years
8.	East West Property Development (Pvt.) Ltd. Represented by Nazmul Alam Bhuiyan	Director	12025500 25299080	104,870,575	70.98	[*]	3 years
Total:				147,749,775	100		

PART XXIV

MARKETS FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to the following bourses for listing shares within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus:

	Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000
	And
	Chittagong Stock Exchange Limited (CSE) CSE Building, 1080 Sk. Mojib Road, Agrabad, Chittagong

Declaration about Listing of Shares with Stock Exchanges:

None of the Stock Exchanges, if for any reason, grant listing within 75 days from the closure of subscription, any allotment in terms of this prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange, or from the date of expiry of the said 75 (seventy-five) days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer Company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days' time period allowed for refund of the subscription money.

Trading and Settlement;

Trading and Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN "N" CATEGORY

PART XXV	DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED
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All types of securities outstanding or being offered with date or proposed date of such issue and to whom those are offered, number of securities and issue or offer price along with the following information:

(a) Dividend, voting and preemption rights;

The Share Capital of the company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the company. All Shareholders shall have the usual voting rights in person or by proxy in connection with, among others, election of Directors & Auditors and other usual agenda of General Meeting – Ordinary or Extra-ordinary. On a show of hand, every shareholder presents in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present or by proxy shall have one vote for every share held by him or her.

In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Right Issue of shares in terms of the guidelines issued by the BSEC from time to time.

(b) Conversion and liquidation rights;

In terms of provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to a firm, an infant or person of unsound mind.

(c) Dividend policy;

- i. The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid-up on the shares held by them respectively.
- ii. No large dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of Net profit of the Company shall be conclusive.
- iii. No dividend shall be payable except out of the profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- iv. The Directors may from time to time pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- v. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.
- vi. No limitation in payment of dividend is stipulated in any debt instrument or otherwise.

(d) Other rights of the securities holders;

In terms of the provisions of the Companies Act 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee, other than Government duties for registering transfer of shares. No transfer shall be made to a minor or person of unsound mind.

(a) Auditors' Report to the shareholders of Bashundhara Paper Mills Limited for the period ended June 30, 2016

**Auditors' Report
To the Shareholder of BASHUNDHARA PAPER MILLS LIMITED**

We have audited the accompanying financial statements of **BASHUNDHARA PAPER MILLS LIMITED** which comprises the Statement of Financial Position as at 30 June 2016 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the half year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, referred to below matters, the financial statements give a true and fair view of the financial position of **BASHUNDHARA PAPER MILLS LIMITED** as of 30 June 2016 and of its financial performance for the half year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report on other legal and regulatory requirements

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the company's Statement of financial position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- d) The expenditures incurred were for the purpose of the Company's business.

Place: Dhaka;
Dated: 26 October 2016

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(a), (f) **Statement of financial position**

IAS 1.51(b),(c) **at 30 June 2016**

IAS 1.113		Notes	30-Jun-16	31-Dec-15 (Restated)
IAS 1.51(d), (e)			Amount in Taka	
	ASSETS			
IAS 1.66	Non-current assets		9,493,645,061	9,391,863,206
IAS 1.54(a)	Property, plant and equipment, net	4	8,726,373,517	8,787,080,166
IAS 1.54(a)	Capital work-in-progress	5	502,271,543	339,783,039
IAS 1.54(b)	Investment	6	265,000,000	265,000,000
IAS 1.66	Current assets		9,415,203,876	8,691,875,615
IAS 1.54(g)	Inventories	7	5,387,029,832	4,934,688,578
IAS 1.54(h)	Trade and other receivables	8	1,668,706,073	1,685,335,568
IAS 1.54(h)	Advances, deposits and prepayments	9	828,701,278	701,675,695
IAS 1.54(n)	Advance income tax	10	378,373,534	430,698,973
IAS 1.54(h)	Intercompany current account	11	950,175,193	786,725,737
IAS 1.54(i)	Cash and bank balances	12	202,217,966	152,751,064
	Total assets		18,908,848,937	18,083,738,820
	EQUITY AND LIABILITIES			
	Capital and reserves		4,504,853,613	4,213,403,500
IAS 1.5(r),78(e)	Share capital	13	1,477,497,750	1,477,497,750
IAS 1.55	Revaluation reserve	14	2,171,846,967	2,187,496,766
IAS 1.5(r),78(e)	Retained earnings	15	855,508,897	548,408,983
	Liabilities			
IAS 1.71	Non-current Liability		4,992,509,158	5,311,021,578
IAS 1.55	Long term borrowings	16	3,615,249,045	3,665,161,241
IAS 1.54(o)	Deferred tax liability	17	1,377,260,113	1,389,039,044
	Intercompany Payable	18	-	256,821,293
IAS 1.69	Current liabilities		9,411,486,165	8,559,313,742
IAS 1.61	Long term borrowings-current portion	19	1,122,530,545	1,202,736,694
IAS 1.54(m)	Short term borrowings	20	7,353,006,858	6,522,946,320
IAS 1.54(k)	Trade and other payables	21	851,592,785	680,626,346
IAS 1.54 (l)	Provision for expenses	22	18,883,957	38,122,158
IAS 1.54 (l)	Income tax provision	23	65,472,020	114,882,225
	Total liabilities		14,403,995,323	13,870,335,321
	Total equity and liabilities		18,908,848,937	18,083,738,820
	Net Asset Value Per Share	40	30.49	28.52

The notes 01 to 51 are an integral part of these financial statements. These financial statements were approved by the Board of Directors and were signed on it's behalf by:

Sd/-
Company Secretary

Sd/-
Director
Signed in terms of our report of even date annexed

Sd/-
Managing Director

26 October 2016
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(b), 8 **Statement of profit or loss and other comprehensive income**

IAS 1.51 (b), (c) **for the half year ended 30 June 2016**

IAS 1.113		Notes	January-June 2016	January-June 2015	January-December 2015
IAS 1.51(d),			Amount in Taka		
IAS 1.82(a)	Revenue, net	24	5,692,734,196	5,293,855,453	10,435,756,308
IAS 1.82(b), 11	Cost of sales	25	(4,663,616,715)	(4,411,554,383)	(8,633,126,096)
IAS 1.85	Gross profit		1,029,117,481	882,301,070	1,802,630,212
IAS 1.85	Other income	26	518,027	884,099	1,745,937
IAS 1.82(b)	Administrative expenses	27	(133,403,719)	(122,956,663)	(297,422,837)
IAS 1.82(b)	Selling & distribution expenses	28	(65,687,022)	(62,178,594)	(123,905,413)
IAS 1.82(b)	Finance costs	29	(473,746,211)	(508,136,869)	(998,266,502)
	Profit before distribution of WPP & WF		356,798,557	189,913,044	384,781,397
IAS 1.99	Workers' profit participation & welfare fund	30	(17,839,928)	-	(19,828,320)
IAS 1.85	Profit before tax		338,958,629	189,913,044	364,953,078
IAS 1.82 (d)	Income tax expenses	31	(22,380,582)	(45,352,661)	(100,280,234)
IAS 12.79	Current tax expense		(34,159,513)	(15,884,219)	(31,312,507)
IAS 12.81 (d)	Deferred tax (expense)/income		11,778,931	(29,468,442)	(68,967,727)
IAS 1.82(f)	Profit after tax		316,578,047	144,560,383	264,672,844
IAS 1.96	Other comprehensive income				
IAS 1.82A(a)	Items that will not be reclassified subsequently to profit or loss		-	-	-
IAS 1.82A(b)	Items that may be reclassified subsequently to profit or loss		-	-	-
IAS 1.83(b)	Total Comprehensive Income for the half year		316,578,047	144,560,383	264,672,844
IAS 33.66	Earnings per share-reported	32	2.14	2.92	3.63
	Earnings per share-restated		-	0.98	1.79

The notes 01 to 51 are an integral part of these financial statements. These financial statements were approved by the Board of Directors and were signed on its behalf by:

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed in terms of our report of even date annexed

26 October 2016
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(b),81(b) **18 Months Combined Statement of profit or loss and other comprehensive income**

IAS 1.51 (b), (c) **for the period ended 30 June 2016 & 2015**

IAS 1.113		January 2015 to June 2016	January 2014 to June 2015
IAS 1.51(d), (e)		Amount in Taka	
IAS 1.82(a)	Revenue, net	16,128,490,504	15,628,950,162
IAS 1.82(b),103	Cost of sales	(13,296,742,811)	(12,956,637,780)
IAS 1.85	Gross profit	2,831,747,693	2,672,312,382
IAS 1.85	Other income	2,263,964	10,264,652
IAS 1.82(b)	Administrative expenses	(430,826,556)	(451,773,810)
IAS 1.82(b)	Selling & distribution expenses	(189,592,435)	(182,234,963)
IAS 1.82(b)	Finance costs	(1,472,012,712)	(1,585,375,440)
	Profit before distribution of WPP & WF	741,579,954	463,192,822
IAS 1.99	Workers' profit participation & welfare fund	(37,668,248)	-
IAS 1.85	Profit before tax	703,911,707	463,192,822
IAS 1.82 (d)	Income tax expenses	(122,660,816)	(100,509,722)
IAS 12.79	Current tax expense	(65,472,020)	(46,917,644)
IAS 12.81 (d)	Deferred tax (expense)/income	(57,188,796)	(53,592,078)
IAS 1.82(f)	Profit after tax	581,250,891	362,683,100
IAS 1.96	Other comprehensive income		
IAS 1.82A(a)	Items that will not be reclassified subsequently to profit or loss	-	-
IAS 1.82A(b)	Items that may be reclassified subsequently to profit or loss	-	-
IAS 1.83(b)	Total Comprehensive Income	581,250,891	362,683,100
IAS 33.66	Earnings per share	3.93	7.32
	Earnings per share-restated	-	2.45

Sd/-
Company Secretary

Sd/-
Director

Sd/-
Managing Director

Signed in terms of our report of even date annexed

26 October 2016
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(c) **Statement of changes in equity**

IAS 1.51(c) **for the half year ended 30 June 2016**

IAS 1.113

IAS 1.51
(d). (e)

	Share capital	Share money deposit	Revaluation reserve	Retained earnings	Total Equity
	Amount in Taka				
Balance as on 01 January 2015	495,355,900	982,141,850	942,640,289	324,461,831	2,744,599,870
Revaluation surplus	-	-	3,792,470	-	3,792,470
Transfer to retained earnings	-	-	(15,683,760)	15,683,760	-
Deferred tax liability	-	-	(1,327,365)	-	(1,327,365)
IAS 1.106(a) Total Comprehensive Income for the half year	-	-	-	144,560,383	144,560,383
Balance as on 30 June 2015	495,355,900	982,141,850	929,421,635	484,705,974	2,891,625,359
Balance as on 01 January 2016	1,477,497,750	-	2,187,496,766	548,408,983	4,213,403,500
Transfer to retained earnings	-	-	(15,649,799)	15,649,799	-
Adjustment for current tax of prior years	-	-	-	(14,884,985)	(14,884,985)
Prior year adjustment	-	-	-	617,107	617,107
Loss of goods destroyed by fire in prior year	-	-	-	(10,860,055)	(10,860,055)
IAS 1.106(a) Total Comprehensive Income for the half year	-	-	-	316,578,047	316,578,047
Balance as on 30 June 2016	1,477,497,750	-	2,171,846,967	855,508,897	4,504,853,613

Sd/-

Company Secretary

Sd/-

Director

Signed in terms of our report of even date annexed

Sd/-

Managing Director

Sd/-

Ahmed Zaker & Co.
Chartered Accountants

26 October 2016
Dhaka

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(b) **Statement of cash flows**

IAS 1.5(b) **for the half year ended 30 June 2016**

1(c)

IAS 1.113		Notes	January-June 2016	January-June 2015
IAS 1.113(d), e			Amount in Taka	
IAS 7.10	A) Cash flows from operating activities			
IAS 7.18(a)	Receipts from customers	35.01	5,970,276,712	5,438,136,060
	Receipts from other income	26	518,027	884,099
			5,970,794,739	5,439,020,158
IAS 7.1(c)	Payment to suppliers, employees & others	35.02	(4,969,092,464)	(4,344,885,443)
	Cash generated from operations		1,001,702,275	1,094,134,716
	VAT paid	24	(257,245,100)	(222,050,666)
	SD Paid	24	(3,667,920)	(405,012)
IAS 7.35	Income taxes paid	10	(46,129,264)	(51,356,636)
	Bank charges and commission	29	(2,037,432)	(2,467,282)
	Net cash (used in)/ generated by operating activities		692,622,559	817,855,120
IAS 7.10	B) Cash flows from investing activities			
IAS 7.16(a)	Payments for property, plant and equipment		(274,649,449)	(175,946,800)
	Receipts/ transfer of capital work-in-progress		(175,273,202)	(142,437,003)
	Net cash (used in)/ generated by investing activities		(449,922,651)	(318,383,803)
IAS 7.10	C) Cash flows from financing activities			
IAS 7.17(c)	Received/ (repayment) of short term borrowings	20	830,060,538	(498,590,544)
IAS 7.17	Payments of Bank interest and other charges	29	(472,904,449)	(518,691,879)
	Received/ (repayment) of Intercompany debt	11&18	(420,270,750)	(447,817,620)
IAS 7.17(d)	Received/ (repayment) of long term borrowings	16&19	(130,118,345)	948,794,255
	Net cash (used in)/ generated by financing activities		(193,233,005)	(516,305,787)
IAS 7.50(d)	D) Net increase in cash and cash equivalents (A+B+C)		49,466,903	(16,834,471)
	E) Cash and cash equivalents at the beginning	12	152,751,064	263,968,861
	F) Cash and cash equivalents at the end (D+E)	12	202,217,966	247,134,391
	Net Operating Cash Flows per share-reported	41	4.69	16.51
	Net Operating Cash Flows per share-restated		-	5.54

The notes 01 to 51 are an integral part of these financial statements

Sd/-
Company Secretary

Sd/-
Director
Signed in terms of our report of even date annexed

Sd/-
Managing Director

26 October 2016
Dhaka

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51 (a) IAS 1.10 (e) IAS 1.51 (C)	Bashundhara Paper Mills Limited Notes to the financial statements As at and for the half year ended 30 June 2016	
IAS 1.38 (a)	1.00	REPORTING ENTITY:
	1.01	COMPANY PROFILE
		<p>Bashundhara Paper Mills Limited (hereinafter referred to as “BPML”/”the Company”) is a non-listed public limited company domiciled in Bangladesh which was incorporated on 28 September 1993 vide registration no.C-24705(539)/93 under the Companies Act. 1913.</p> <p>Amalgamation of “Bashundhara Paper Mills Limited with Bashundhara Newsprint and Duplex Board Industries Limited (formerly Shahjalal Newsprint Industries Ltd.) and Bashundhara Tissue Industries Limited:”</p> <p>The Supreme Court of Bangladesh, High Court Division, vide its judgment dated 01.07.2009 approved the scheme of amalgamation of the “Bashundhara Newsprint and Duplex Board Industries Limited (formerly Shahjalal Newsprint Industries Ltd.) and Bashundhara Tissue Industries Limited” (both the Transferor Company) with “Bashundhara Paper Mills Limited” (the Transferee Company) whereby the entire undertaking of the Transferor Company as a going concern together with all the properties, right, interest and liabilities relating there to be transferred to and vest in the Transferee Company.</p>
	1.02	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. The industrial units 1 and 2 are established at New town, Meghna Ghat, Sonargoan, Narayangoj and Unit-3 is Anarpura, Gazaria, Munshigonj.
IAS 1.38(a)	1.03	NATURE OF BUSINESS
		The company is engaged in manufacturing and marketing of all kinds of paper products, tissue products, Hygienic products, PP woven bag, 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.
	2.00	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.
IAS 1.117	2.01	BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION
	2.01.01	<p>(a) Accounting standards</p> <p>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).</p>
	2.01.02	(b) Accounting Convention

		The financial statements are prepared under the historical cost convention except items of fixed assets revalued in 2010. The company classified the expenses using the function of expenses method as per IAS-1.																							
	2.01.03	<p>(c) Legal compliance</p> <p>The financial statements have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement. The disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules of 1987, and IASs adopted by the ICAB. On the basis of these regulations, Bangladesh Accounting Standards (BAS) & Bangladesh Financial Reporting Standards (BFRS) were applied with the applicable standards at the balance sheet date. As required, Bashundhara Paper Mills Limited complies with the following major legal provisions and other applicable laws and regulations:</p> <ul style="list-style-type: none">– 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 Act, 1991– The Value Added Tax Rules, 1991– The Customs Act, 1969.– Bangladesh Accounting Standards (BAS)– Bangladesh Financial Reporting Standards (BFRS)																							
IAS 1.51(d)-(e)	2.02	<p>FUNCTIONAL AND PRESENTATIONAL CURRENCY:</p> <p>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.</p>																							
IAS 1.122 IAS 1.125, 129-130	2.03	<p>USE OF ESTIMATES AND JUDGMENT:</p> <p>The preparation of these financial statements is in conformity with BFRSs 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.</p> <p>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.</p> <p>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:</p> <table><tr><td>Note 16:</td><td>Finance lease obligations (classification and measurement)</td></tr><tr><td>Note 17:</td><td>Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)</td></tr><tr><td>Note 24:</td><td>Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)</td></tr><tr><td>Note 31:</td><td>Income tax expenses</td></tr></table> <table><tr><th>Topic</th><th>Policy No.</th><th>Note No.</th></tr><tr><td>Property, plant & equipment-Cost</td><td>3.01.01</td><td>4.00</td></tr><tr><td>Property, plant & equipment-Depreciation</td><td>3.01.07</td><td>4.00</td></tr><tr><td>Valuation of inventories</td><td>3.03</td><td>7.00</td></tr><tr><td>Deferred tax</td><td>3.09.02</td><td>17.00</td></tr></table>	Note 16:	Finance lease obligations (classification and measurement)	Note 17:	Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)	Note 24:	Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)	Note 31:	Income tax expenses	Topic	Policy No.	Note No.	Property, plant & equipment-Cost	3.01.01	4.00	Property, plant & equipment-Depreciation	3.01.07	4.00	Valuation of inventories	3.03	7.00	Deferred tax	3.09.02	17.00
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Valuation of inventories	3.03	7.00																							
Deferred tax	3.09.02	17.00																							

		Impairment of property, plant & equipment	3.01.08	N/A
	2.04	PRESENTATION OF FINANCIAL STATEMENTS:		
		<p>The presentation of these financial statements is in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements, The Financial Statements comprises:</p> <ol style="list-style-type: none"> 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. 		
	2.05	REPORTING PERIOD:		
		<p>The financial period of the Company covers six months from 01 January to 30 June. The Company will follow 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 in prior years.</p>		
	2.06	DATE OF AUTHORIZATION:		
		<p>The financial statements were approved by the Board of Directors and authorized for issue on 26 October 2016.</p>		
	2.07	BOOKS OF ACCOUNTS:		
		<p>The Company maintains its books of accounts for main business in electronic form through its own customized software. The Company will Go Live to its new software SAP. SAP ERP is enterprise resource planning software developed by the German company SAP SE next year. 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).</p>		
	2.08	CHANGES IN ACCOUNTING POLICIES FOR FINANCIAL INSTRUMENTS:		
		<p>As adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) from 01 January 2010, the Company has applied Bangladesh Accounting Standard 32 Financial Instruments: Presentation and Bangladesh Accounting Standard 39 Financial Instruments: Recognition and Measurement in accounting for financial instruments and Bangladesh Financial Reporting Standards-7 Financial Instruments: Disclosures for presentation of financial instruments. The change in accounting policy has been applied retrospectively and had no material impact on earnings per share for statement of profit or loss and other comprehensive income.</p>		
	2.09	COMPARATIVE INFORMATION AND REARRANGEMENT THEREOF:		
		<p>Comparative information for the financial position has been disclosed in respect of the year ended 31 December 2015 and 30 June 2015 for Statement of profit or loss and other comprehensive income 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.</p> <p>Figures for the year ended 31 December 2015 have been re-arranged wherever</p>		

		considered necessary to ensure better comparability with the current period.
IAS 1.112 (a)	3.00	<u>SIGNIFICANT ACCOUNTING POLICIES:</u>
		The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.
IAS 16.21	3.01	PROPERTY, PLANT AND EQUIPMENT
IAS 16.73 (a)	3.01.01	RECOGNITION AND MEASUREMENT:
		<p>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, 2016 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.</p> <p>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 M/S 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.</p> <p>Further as per decision of the BoD 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 accounts of BPML by following necessary accounting policies.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Freehold land is not depreciated.</p> <p>Depreciation is recognized so as to write off the cost or valuation of assets, less their</p>

		<p>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.</p> <p>Assets held under finance leases are depreciated over their expected useful lives on the same basis as own assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.</p> <p>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.</p>
	3.01.02	<p>LAND STATUS:</p> <p>The Company has owns 71.0985 acres of land for three factories of which 51.1311 acres are registered in the name of the company but mutation has completed on 35.7063 acres by S.A. mutation and 37.2349 acres R.S. mutation respectively. In the year 1993 the Company initially completed its S.A. mutation of 37.2349 acres from 51.1311 acres of land but after year 2003 it was observed that in R.S. mutation area of land stands at 35.7063 acres and the value of the said area shown in the property, plant and equipment schedule (annexure-A).</p> <p>In addition, 18.7709 acres of land of East West Property Development (Pvt.) Ltd. the sister concern of Bashundhara Paper Mills Limited has been using by the Company under long term lease agreement.</p>
IAS 16.13	3.01.03	<p>SUBSEQUENT COSTS AND MAINTENANCE ACTIVITIES:</p> <p>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.</p>
IAS 38.118	3.01.04	<p>SOFTWARE:</p> <p>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.</p> <p>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.</p>
	3.01.05	<p>DISPOSAL OF FIXED ASSETS:</p> <p>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.</p>

	3.01.06	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.	
IAS 16.73(b) IAS 16.53.5	3.01.07	DEPRECIATION:	
		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:	
IAS 16.73(C)		Category	Useful lives (Year)
		Land and Land Development**	
		Building and other constructions	2-50
		Furniture & Fixtures	11-14
		Office Equipment	10-14
		Motor Vehicle	1-10
		Plant & Machinery	1-20
		Sundry Assets	9-11
		Factory apparatus and Loose Tools	17-19
		<i>**Land is not depreciated as it deemed to have an infinitive life.</i>	
	3.01.08	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. There is no impairment losses is recognized in the year ended 31 December 2015.	
	3.02	LEASED ASSETS:	
IAS 17.8, 20, 27	3.02.01	FINANCE LEASE:	
		Leases are classified as finance leases whenever terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.	
IAS 17.25	3.02.02	LEASE PAYMENTS:	
		Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.	
IAS 2.36(a)	3.03	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	

		<p>manufactured inventories and work-in-process, cost includes an appropriate share of production overheads based on normal operation capacity.</p> <p>Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.</p> <p>Inventory losses and abnormal losses are recognized as expenses. Basis for valuation of inventories are as under:</p>										
		<table><tr><th>Category</th><th>Basis for valuation</th></tr><tr><td>Finished goods and Work-in-process</td><td>At the lower of cost and net realizable value. The cost includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</td></tr><tr><td>Raw and packing materials</td><td>At the lower of cost and net realizable value.</td></tr><tr><td>Stores and spares</td><td>At the lower of weighted average cost and net realizable value.</td></tr><tr><td>Materials and stores in-transit</td><td>At cost including related charges.</td></tr></table>	Category	Basis for valuation	Finished goods and Work-in-process	At the lower of cost and net realizable value. The cost includes 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.
Category	Basis for valuation											
Finished goods and Work-in-process	At the lower of cost and net realizable value. The cost includes 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.											
	3.04	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. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned. No interest is included in capital work-in-progress during the year ended 31 December 2015.										
	3.05	FINANCIAL INSTRUMENTS:										
		<p>Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowings and other payables and are shown at transaction cost.</p> <p>FINANCIAL ASSETS:</p> <p>Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.</p>										
IAS 1.78(b)	3.05.01	TRADE AND OTHER RECEIVABLES:										
		Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to uncollectibility of any amount so recognized.										
	3.05.02	ADVANCES, DEPOSITS AND PREPAYMENTS:										
		Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.										

		<p>Deposits are measured at payment value.</p> <p>Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.</p>
IAS 1.45	3.05.03	CASH AND BANK BALANCES:
		<p>Cash and Cash equivalents are carried in the financial position at cost and include cash in hand and with banks on current and deposit accounts, which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.</p>
IAS 1.119	3.06	FINANCIAL LIABILITY:
		<p>Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.</p> <p>Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.</p>
	3.06.01	TRADE AND OTHER PAYABLE AND ACCRUALS:
		<p>The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.</p> <p>Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company. Liabilities for trade and other creditors, which are normally settled on shortly and payable to related parties, are initially recognized at fair value. Liabilities are recorded at the level of estimated amount payable in settlement.</p>
IAS 37.85	3.07	PROVISION:
		<p>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.</p> <p>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)</p> <p>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.</p>
IAS 1.114(d)	3.08	CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS:
		<p>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.</p>

		Details are given in note no. # 34.
IAS 12.47	3.09	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.
IAS 12.47	3.09.01	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 35% (2015: 35%). Finance Act, 2011 introduced minimum tax vide section 16CCC shifted to section 82C (4) by the Finance Act, 2016 of Income Tax Ordinance 1984. Provision for taxation has been made on the basis of the Finance Act, 2016.
IAS 12.47 IAS 12.15.12.24	3.09.02	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.
	3.09.03	CURRENT AND DEFERRED TAX FOR THE PERIOD:
		Current tax and deferred tax are recognized in the statement of profit or loss and other comprehensive income, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.
	3.10	WORKERS' PROFIT PARTICIPATION AND WELFARE FUND
		This is made in terms of section 234(1)(b) of Bangladesh Labour (Amendment) Act 2013, 5% of the net profit of each year, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 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.
IAS 19.120	3.11	EMPLOYEE BENEFIT
	3.11.01	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

		<p>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).</p> <p>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.</p>
	3.11.02	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.
IAS 21.23	3.12	FOREIGN CURRENCY TRANSACTIONS:
		<p>Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transactions date.</p> <p>The monetary assets and liabilities, if any, denominated in foreign currencies at the balance sheet date are translated at the applicable rates of exchanges 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.</p>
IAS 1.119	3.13	REVENUE RECOGNITION:
	3.13.1	Revenue arising from sale of goods
	3.13.1.1	Goods Sold
		<p>In compliance with the requirements of IAS 18: Revenue, revenue recognized at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:</p> <ul style="list-style-type: none"> / the company has transferred to the buyer the significant risks and rewards of ownership of the goods. / the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. / the amount of revenue can be measured reliably. / it is probable that the economic benefits associated with the transaction will flow to the company; and / the costs incurred or to be incurred in respect of the transaction can be measured reliably.
	3.13.1.2	<p>Cash on delivery sales</p> <p>Revenue is recognized when delivery is made and cash is received by the seller.</p>
	3.13.2	Interest income on bank deposits and short-term investments is recognized on accrual basis.
	3.13.3	Other income is recognized on receipt or due basis.
IAS 1.119 IAS 23.1	3.14	BORROWING COSTS:
		<p>Interest and other incurred by the company in respect of borrowing of fund are recognized as expenses in the period 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 BAS 23:</p>

		Borrowing Costs.
	3.15	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.
IAS 1.111	3.16	STATEMENT OF CASH FLOWS:
		Statement of Cash Flows has been prepared in accordance with Bangladesh Accounting Standards BAS-7: "Statement of Cash Flows". Cash flow from operating activities has been presented under direct method.
	3.17	STATEMENT OF CHANGES IN EQUITY:
		Statement of changes in equity has been prepared in accordance with Bangladesh Accounting Standards BAS-1: "Presentation of Financial Statements".
IAS 33.66	3.18	EARNINGS PER SHARE:
		<p>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 period.</p> <p>Basic Earnings per Share (Numerator/Denominator)</p> <p>Earnings (Numerator)</p> <p>This represents earning for the period attributable to ordinary shareholders.</p> <p>No. of Ordinary shares (Denominator)</p> <p>This represents weighted average number of ordinary share outstanding during the period.</p> <p>Diluted Earnings per Share</p> <p>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.</p>
	3.19	RELATED PARTY TRANSACTIONS:
		As per Bangladesh Accounting Standards BAS-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. # 37.
	3.20	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.
	3.21	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.
	3.22	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.
	3.23	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.
	3.24	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).
IAS 10.12	3.25	EVENTS AFTER REPORTING PERIOD:
		In compliance with the requirements of "BAS-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.
	3.26	COMPARATIVES AND RECLASSIFICATION:
	3.26.01	These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith;
	3.26.02	Figures appearing in these accounts have been rounded off to the nearest taka;
	3.26.03	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 period.
	3.26.04	In the year 2015 the Company has revalued its some items of property, plant and equipment as per BAS 16: Property, Plant and Equipment by incorporating an expertise committee instead of involving independent valuer in factory. Considering all pros. and cons. As per BoD meeting dated 17 April 2016, the Board of Directors has decided that no frequent revaluation is required to be carried out in each year. So, the such revaluation and its related all records of books of account has restated.

04.00	PROPERTY, PLANT AND EQUIPMENT	30-Jun-16	31-Dec-15	
			Restated	Reported
	<u>1. Based on Cost:</u>			
	<u>A. Cost:</u>			
	Opening Balance	8,217,993,657	7,331,153,410	7,331,153,410
	Less: Transfer/ Disposal during the period	-	(91,404,636)	(87,837,413)
	Add: Addition during the period	282,969,089	978,244,883	978,244,883
	Closing Balance	8,500,962,745	8,217,993,657	8,221,560,880
	<u>B. Accumulated depreciation:</u>			
	Opening Balance	2,121,854,473	1,570,070,158	1,570,070,158
	Less: Transfer/ Disposal during the period	-	(8,939,275)	(5,372,052)
	Add: Charged during the period	328,053,795	560,723,590	560,723,590
	Closing Balance	2,449,908,268	2,121,854,473	2,125,421,696
	C. Written down value on cost (A-B)	6,051,054,477	6,096,139,184	6,096,139,184
	<u>2. Based on Revaluation:</u>			
	<u>A. Cost:</u>			
	Opening Balance	2,848,359,994	1,346,663,451	1,346,663,451
	Less: Transfer/ Disposal during the period	27,857	(32,625)	(32,625)
	Add: Addition during the period	-	1,501,729,168	1,505,759,308
	Closing Balance	2,848,387,851	2,848,359,994	2,852,390,134
	<u>B. Accumulated depreciation:</u>			
	Opening Balance	157,419,011	125,838,321	125,838,321
	Less: Transfer/ Disposal during the period	-	(32,625)	(32,625)
	Add: Charged during the period	15,649,799	31,613,316	31,613,316
	Closing Balance	173,068,811	157,419,011	157,419,011
	C. Written down value on revaluation (A-B)	2,675,319,040	2,690,940,983	2,694,971,123
	3. Written down value on cost and revaluation (1+2)	8,726,373,517	8,787,080,166	8,791,110,306

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

- IAS 36.130(a) to (g)
- 4.01 During the period 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. It also may mentioned here that no indication of impairment was determined in the year 2015 as well.
- 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 period 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 periods as per decision of the both Companies management.
- 4.03 Depreciation begins when the asset is available for use and continues until the asset is derecognized.
- 4.04 In the year 2015 the Company has revalued its some items of property, plant and equipment as per BAS 16: Property, Plant and Equipment by incorporating an expertise committee instead of involving independent valuer in factory. Considering all pros. and cons. As per BoD meeting dated 17 April 2016, the Board of Directors has decided that no frequent revaluation is required to be carried out in each year. So, the such revaluation and its related all records of books of account has restated.

05.00 CAPITAL WORK-IN-PROGRESS

A. Plant and machinery:

Opening balance	190,010,970	184,588,004
Add: Addition made during the period	161,298,202	497,324,492
Less: Transfer to appropriate asset category	(12,784,699)	(491,901,526)
Closing balance	338,524,474	190,010,970

B. Factory building and other constructions:

Opening balance	-	-
Add: Addition made during the period	-	-
Less: Transfer to appropriate asset category	-	-
Closing balance	-	-

C. Intangible assets (SAP Software):

Opening balance

Add: Addition made during the period

Less: Transfer to appropriate asset category**Closing balance****D. Total (A+B+C)**

NOTE 05.01

Amount in Taka	
30-Jun-16	31-Dec-15
149,772,070	149,772,070
13,975,000	-
-	-
163,747,070	149,772,070
502,271,543	339,783,039

05.01 This represent Systems Applications and Products (SAP) in data processing, the comprehensive software for overall operation of the company and which is under process of full implementation and that will be completed soon.

05.02 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.

06.00 INVESTMENT

Investment in shares (unquoted)

Total

265,000,000	265,000,000
265,000,000	265,000,000

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

IAS 1.54 (b)& **07.00 INVENTORIES***IAS 2.36 (b)*

Raw material

Finished goods

Stores and spare parts

Work-in-process

Material in transit

Total

1,645,651,663	1,762,685,373
712,505,088	434,921,791
828,167,352	871,575,277
476,883,988	384,067,835
1,723,821,741	1,481,438,302
5,387,029,832	4,934,688,578

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

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

IAS 2.36(d) 07.03 The cost of inventories recognized as an expense during the period in Statement of profit or loss and other comprehensive income .

IAS 2.36(a) 07.04 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 .

IAS 1.78 (b) **08.00 TRADE & OTHER RECEIVABLES****08.01 Trade Receivables:**

Hygiene product

Paper product

Demy paper

Paper sack product

PP Woven Bag product

Tissue products

Export

1,666,796,068	1,609,352,456
49,273,858	50,601,840
1,091,636,179	1,173,084,807
9,190,997	-
91,223,037	89,595,229
289,327,890	216,666,146
113,997,270	61,857,653
22,146,838	17,546,781

08.02 Other receivables:

Bashundhara Industrial Complex Ltd.

Bashundhara Food & Beverage Industries Ltd.

Bashundhara Amusement Park Ltd.

Bashundhara Pulp & Board Mills Ltd.

Bashundhara Airways Ltd.

Pioneer Insurance Company Limited

Total

1,910,004	75,983,112
14,462	14,462
1,603,042	1,563,042
29,500	-
3,000	-
260,000	-
-	74,405,608
1,668,706,073	1,685,335,568

IFRS 7.37 (a) **08.03 Age of trade receivables that are past due but not impaired based on products basis are shown under:**

30-Jun-16	Dues within 6 months	Dues over 6 months	Total
Paper products	569,577,450	531,249,726	1,100,827,176
Tissue products	106,405,325	7,591,945	113,997,270
Hygiene products	48,016,040	1,257,818	49,273,858
PP Woven Bag products	289,327,890	-	289,327,890
Paper sack products	91,223,037	-	91,223,037
Export	15,706,724	6,440,113	22,146,838
Total	1,120,256,466	546,539,602	1,666,796,068

31-Dec-15	Dues within 6 months	Dues over 6 months	Total
Paper products	363,364,826	809,719,980	1,173,084,806
Tissue products	54,826,064	7,031,588	61,857,651
Hygiene products	24,232,648	26,369,193	50,601,841
PP Woven Bag products	197,767,938	18,898,208	216,666,146
Paper sack products	159,863,449	(70,268,220)	89,595,229
Export	11,092,781	6,454,001	17,546,782
Total	811,147,705	798,204,751	1,609,352,456

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

Maturity less than 6 months
Maturity more than 6 months
Total

1,120,256,466	811,147,705
546,539,602	798,204,751
1,666,796,068	1,609,352,456

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

1,158,413,565	771,606,461
-	-
-	-
-	-
508,382,503	837,745,995
-	-
1,666,796,068	1,609,352,456

08.05 All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

08.06 There is no such trade receivable due by or to directors or other officers of the Company.

08.07 Management considered the receivables are collectable and thus no provision had been made for any receivable.

IAS 1.77 &
IFRS 7.7

09.00 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances:

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

NOTE 9.03

Amount in Taka	
30-Jun-16	31-Dec-15
527,660	639,160
100,000	100,000
359,582	388,381
105,801,339	105,801,339
4,599,315	426,416
720,183	891,351
754,220	901,307
7,648,507	19,133,389
49,375,781	41,900,059
978,044	645,963
11,244,617	18,212,274
182,109,247	189,039,639

		Amount in Taka	
		30-Jun-16	31-Dec-15
<u>Deposit:</u>			
Bank guarantee margin	NOTE 9.06	14,267,136	15,849,396
Deposit to Bangladesh Bank	NOTE 9.07	150,000,000	150,000,000
Deposit to Finance Lease		6,184,054	6,184,054
L/C margin deposit	NOTE 9.08	424,196,717	289,426,887
Security deposit	NOTE 9.09	51,944,124	51,175,719
Total deposits		646,592,030	512,636,055
Total		828,701,278	701,675,695
09.01 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994			
Advance, deposits & prepayments considered good & secured		828,701,278	701,675,695
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		828,701,278	701,675,695
09.02	All advances and deposits amount are considered good and recoverable. There is no agreement amount due from directors or officers of the Company.		
09.03	This represent advance paid for earth and sand filling and land purchase. The procured land will be transferred to PPE when the registration will be completed.		
09.04	Advance to suppliers due to advances given to suppliers for packing materials, spare parts, construction materials etc.		
09.05	The company has no pending current liability for VAT. VAT current account showed positive balance (advance payment) as of 30 June 2016.		
09.06	This represents the guarantee margins with different banks against guarantee provided by them favoring Commissioner of customers and other parties.		
09.07	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.		
09.08	<u>Break up of L/C margin deposit:</u>		
Agrani Bank Ltd.		1,029,092	1,029,092
Bank Asia Ltd.		1,471,855	7,020,000
IFIC Bank Ltd.		26,900,000	53,218,000
Social Islami Bank Ltd.		23,985,013	24,781,000
Mercantile Bank Ltd.		378,067	29,742,410
National Bank Ltd.		80,122,000	51,069,560
National Credit & Commerce Bank Ltd.		79,331,000	29,698,000
Shahjalal Islami Bank Ltd.		62,399,664	28,831,960
South East Bank Ltd.		2,057,340	881,068
Janata Bank		44,117,100	54,142,000
Standard Bank Ltd		102,405,585	9,013,797
Total		424,196,717	289,426,887

09.09 Break up of Security Deposit:

		Amount in Taka	
Name of Company/ Party	Purpose	30-Jun-16	31-Dec-15
Titas Gas Co. Ltd.	Supply of GAS	39,508,967	39,515,894
DESA	Supply of Electricity	3,600,000	3,600,000
BTCL	Telephone line	125,000	125,000
Rent-A-Car	Transport support	277,000	277,000
Narayangonj Polli Bidyut Samity	Supply of Electricity	464,000	464,000
CSD Filling Station	Gas filling for vehicle	75,000	75,000
Bangladesh Oxygen Ltd.	Supply of Oxygen	40,000	40,000
Unique Power Plant Ltd.	Supply of Electricity	2,475,000	2,475,000
Telecommunication	Using sim card	398,562	398,562
REB	Supply of Electricity	2,534,400	2,534,400
Ansar & VDP Munshigonj	Security Service	490,134	297,920
Different Institution	Tender purpose	1,956,061	1,372,943
Total		51,944,124	51,175,719

10.00 ADVANCE INCOME TAX

Opening balance		430,698,973	676,297,769
Add: addition during the period, on:		46,129,264	85,770,779
Import of raw materials and machineries		19,923,554	34,436,505
Interest income		42,780	218,262
Sales		25,519,930	49,894,012
License, renewal and registration		643,000	1,222,000
Less: adjusted during the period	NOTE 23.01	(98,454,703)	(331,369,575)
Closing balance		378,373,534	430,698,973

10.01 Advance income tax paid during the period represents income tax deducted by customs authority on purchase of raw materials, tax deducted by customers on bill for paper supply, tax deducted at source from export sales, tax deducted at source from interest income etc.

10.02 Advance income tax paid has been setoff with provision for corporate tax to comply with BAS 1 and BAS 32 as and when the Assessment is completed.

IAS 1.54 (b)

11.00 INTER COMPANY CURRENT ACCOUNT

Bashundhara Airways Ltd.	48,803,549	3,200,000
Bashundhara Cement Industries Ltd.	39,233,436	46,033,436
Bashundhara Dredging Company Ltd.	3,281,222	3,281,222
Bashundhara Food & Beverage Industries Ltd.	193,521,254	226,721,254
Bashundhara Fine Paper Mills Ltd.	800,000	-
Bashundhara Industrial Complex Ltd.	(9,765,066)	(4,502,437)
Bashundhara LP Gas Ltd.	(189,946,366)	(190,228,866)
Bashundhara Pulp & Board Mills Ltd.	(800,000)	-
Bashundhara Multi-paper Industries Ltd.	393,339,739	404,733,739
Bashundhara Steel & Engineering Ltd.	61,622,293	63,422,293
East West Property Development (Pvt.) Ltd.	184,439,581	-
East West Media Group Ltd.	138,404,617	138,404,616
Meghna Cement Mills Limited	54,218,621	54,218,621
Sundarban Industrial Complex Ltd.	33,022,314	41,441,859
Total	950,175,193	786,725,737

11.01 Inter company receivables/ (payables) represents short term financial facility arrangement availed from/ given to its sister companies.

11.02 There was no formal agreement between the company and the sister concern in this regard.

11.03 All loans are Interest free. All receivables/(payables) will be recovered or paid within shortly.

IAS 7.45

12.00 CASH AND BANK BALANCES

Amount in Taka	
30-Jun-16	31-Dec-15
Cash in hand	31,487,134
Cash at bank	170,730,832
Current deposit	89,941,473
Short term bank deposits (STD)	80,789,359
Cash and bank balances in the statement of cash flows	202,217,966
	152,751,064

IAS 7.48

All bank balances are reconciled with bank statements. Details of bank account has given in note 50.01.C.

13.00 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:

IAS 1.79
(a)(i)**Authorized share capital:**

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

5,000,000,000	5,000,000,000
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IAS 1.79
(a)(ii)**Issued, subscribed & paid up:**

147,749,775 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.

1,477,497,750	1,477,497,750
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Total

1,477,497,750	1,477,497,750
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13.01 Movement of share capital:**Opening balance**

1,477,497,750	495,355,900
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Issuance of stock dividend during the period

-	-
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Issuance of ordinary shares during the period

NOTE 13.1.1

-	982,141,850
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Closing balance

1,477,497,750	1,477,497,750
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- 13.1.1 The company in its meeting held on 08 May 2013 decided to offer 98,214,185 ordinary shares of Tk. 10 each to its existing shareholders after that the shareholders deposited their respective contribution. The company applied to Bangladesh Securities and Exchange Commission (BSEC) on 14 May 2015 for their consent for raising share capital through issuance of Ordinary Shares. BSEC has given their consent for raising Share Capital on 06 October 2015 through issuance of 98,214,185 Ordinary Shares of Tk. 10 each totaling Tk. 982,141,850 from the existing shareholder East West Property Development (Pvt.) Limited in cash consideration.

13.02 Position of shareholding

Name of shareholders	30 June 2016		31 December 2015	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	3,783,000	2.56%	3,783,000	2.560%
Mrs. Afroza Begum	6,102,200	4.13%	6,102,200	4.130%
Mr. Sadat Sobhan	8,203,000	5.55%	8,203,000	5.552%
Mr. Shafiat Sobhan	8,203,000	5.55%	8,203,000	5.552%
Mr. Sayem Sobhan	8,203,000	5.55%	8,203,000	5.552%
Mr. Safwan Sobhan	8,203,000	5.55%	8,203,000	5.552%
Mr. Md. Imrul Hassan	182,000	0.12%	-	-
Mr. Mahaboob Morshed Hassan	-	-	52,000	0.035%
Mrs. Rawshan Ara Begum	-	-	2,600	0.002%
Mrs. Laila Anjuman Begum	-	-	2,600	0.002%
Mr. Md. Shafiqur Rahman	-	-	7,800	0.005%
Mr. Md. Gias Uddin	-	-	62,400	0.042%
Mr. Md. Abdus Samad	-	-	54,600	0.037%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	104,870,575	70.99%	104,870,575	70.979%
Total	147,749,775	100%	147,749,775	100%

13.03 Classification of shareholder's by holding

	No of Share holders		No of shares	
	30-Jun-16	31-Dec-15	30-Jun-16	31-Dec-15
500 to 5,000 shares	0	2	-	5,200
5,001 to 20,000 shares	0	1	-	7,800
20,001 to 50,000 shares	0	0	-	-
50,001 to 100,000 shares	0	3	-	117,000
100,001 to 1,000,000 shares	1	0	182,000	-
over 1,000,000 shares	7	7	147,567,775	147,567,775
Total	8	13	147,749,775	147,697,775

IAS 1.106(d)& IAS 1.106 A	14.00 REVALUATION RESERVE	30-Jun-16	31-Dec-15	
			Restated	Reported
	Opening Balance	2,187,496,766	942,640,289	942,640,289
	Add: Increase arising on revaluation of properties	-	1,501,729,168	1,505,759,308
	Less: Tax on revaluation reserve	-	(225,259,375)	(1,410,549)
	Transferred to retained earnings	(15,649,799)	(31,613,316)	(31,613,316)
	Closing Balance	2,171,846,967	2,187,496,766	2,415,375,732

IAS 1.106(b), (d) IAS 106 A	15.00 RETAINED EARNINGS		
	Opening balance	548,408,983	324,461,831
	Add: Profit attributable to the owners of the Company	316,578,047	264,672,844
	Transferred from properties revaluation reserve	15,649,799	31,613,316
	Prior year adjustment	617,107	-
	Less: Loss of goods destroyed by fire in prior years	(10,860,055)	-
	Adjustment for current tax of prior periods	(14,884,985)	(72,339,008)
	Closing balance	855,508,897	548,408,983

IFRS 7.8 (f) IAS 17.31 (b)	16.00 LONG TERM BORROWINGS		
	Bank loan:	4,035,434,573	3,998,905,617
	LTR (long term)-Janata Bank Ltd.	373,777,980	385,908,276
	Project Loan-Janata Bank Ltd.	975,406,790	1,004,012,551
	Term loan-Southeast Bank Ltd.	674,894,784	406,621,141
	Term loan-IFIC Bank Ltd.	46,749,301	-
	Term loan-Mercantile Bank Ltd.	1,628,202,578	1,824,368,695
	Term loan-National Bank Ltd.	172,448,297	169,314,468
	Term loan-Standard Bank Ltd.	163,954,844	208,680,488
		702,345,017	868,992,318
	Finance Lease obligation:		
	Islamic Finance & Investment Ltd.	64,043,998	90,683,259
	Phoenix Finance & Investment Ltd.	27,677,346	37,064,646
	Premier Leasing & Finance Ltd.	22,174,133	35,466,645
	GSP Finance Company (BD) Ltd.	63,841,677	69,025,991
	Shahjalal Islami Bank Ltd.	227,637,386	283,632,830
	Social Islami Bank Ltd.	30,868,593	36,450,521
	United Commercial Bank Ltd.	266,101,884	316,668,426
	Total Long Term borrowings	4,737,779,590	4,867,897,935
	Less: Current portion of long term borrowings	(1,122,530,545)	(1,202,736,694)
	Due after one year	3,615,249,045	3,665,161,241

16.01 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.

IAS 17.31 (b) 16.02 Finance lease liabilities:

Particulars	30-Jun-16	31-Dec-15
Not later than one year	441,510,959	279,891,032
Later than one year but not later than five years	359,048,113	733,343,801
Later than five years	-	-
	800,559,072	1,013,234,833
Less: Future finance charge	(98,214,056)	(144,242,515)
Present value of minimum lease payments	702,345,017	868,992,318

Included in the financial statements as:

current borrowings

non-current borrowings

Total

Amount in Taka	
30-Jun-16	31-Dec-15
414,913,348	408,034,767
287,431,669	460,957,551
702,345,017	868,992,318

16.03 The details of bank loan arrangement is enumerated below:

Institution	Particulars
Janta Bank Limited	Limit amount : Tk. 117.71 Crore
	Purpose : To establish and support the project.
	Security : Project land at Sonargoan, Narayangonj and plant & machineries
	Interest rate : Fixed at respective contract dates.
	Mode of payment : Monthly installment
	Type of Facility : Project Loan
	Validity : 30.06.2022
National Bank Limited	Limit amount : General: Tk. 21.26 crore & 8.04 crore; CC(Hypo): Tk. 120 crore; LTR: Tk. 100 Crore; UPAS: Tk. 600 crore
	Purpose : To meet working capital requirements.
	Security : i) 1188.11 decimal of land from BRP ii) Hypothecation of stock iii) 630.84 decimal of land from BRA.
	Interest rate : Fixed at respective contract dates.
	Type of Facility : General loan, CC (Hypo) LTR & UPAS.
	Validity : 31.03.2018 & 28.02.2017
Mercantile Bank Limited	Limit amount : Term loan Tk. 49.49 Crore, 13.15 crore & 118.31 crore
	Purpose : Importation of raw materials and spare parts
	Security : 300 decimal of land at block-I of BRA & 14,431 sft. 9th floor of BCDL.
	Interest rate : Fixed at respective contract dates.
	Type of Facility : Term loan
	Validity : 30.12.2016; 28.12.2018
Standard Bank Limited	Limit amount : Tk. 26.20 Crore
	Purpose : To retire import documents.
	Security : 33,177 sft of level 16th, 17th, 18th of BCDL.
	Interest rate : Fixed at respective contract dates.
	Type of Facility : Term Loan
	Validity : 30.06.2017
Southeast Bank Limited	Limit amount : Tk. 28.87 crore; Tk. 22.28 crore; Tk. 10.45 crore; Tk. 1.97 crore, 14.42 crore, 10.63 crore & 7.02 crore
	Purpose : To retire import documents.
	Security : 22,100 sft of 11th & 19th floor of BCDL; 293.04 katha of land at BRA project.
	Interest rate : Fixed at respective contract dates.
	Type of Facility : Term loan
	Validity : 23.09.2016; 30.07.2018; 30.06.2016; 30.12.2016; 30.04.2017

16.04 The details of finance lease arrangement is enumerated below:

Institution	Particulars
Phoenix Finance & Investment Limited	Limit amount : Tk. 8 crore Purpose : Capital machinery and vehicle. Security : Machinery and Vehicle title/ownership. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Finance Lease Validity : 48/60 months
Islamic Finance & Investment Limited	Limit amount : Tk. 22.15 crore Purpose : Machinery and vehicle. Security : Machinery and Vehicle title/ownership. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Finance Lease Validity : 48/60 months
Premier Leasing & Finance Limited	Limit amount : Tk. 10 crore Purpose : Machinery and Gas Generator. Security : Machinery title/ownership. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Finance Lease Validity : 48/60 months
GSP Finance Company (BD) Ltd.	Limit amount : Tk. 7.15 crore Purpose : Machinery Security : Machinery title/ownership. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Finance Lease Validity : 60 months
Shahjalal Islami Bank Limited	Limit amount : Tk. 60.14 Crore Purpose : To import machinery. Security : Land property 430.76 katha & 03 nos. of building at Anarpura Gozaria & 1.3250 acre of land at BRA projects. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Hire Purchase Validity : 31.10.2017
United Commercial Bank Limited	Limit amount : Tk. 42 Crore Purpose : To import machinery. Security : 44,200 sft floor at BCDL & land at BRA projects. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Hire Purchase Validity : 31.10.2017
Social Islami Bank Limited	Limit amount : Tk. 3.80 Crore Purpose : To meet working capital. Security : 116.52 decimal land at BRA projects. Interest rate : Fixed at respective contract dates. Mode of payment : Monthly installment Type of Facility : Hire Purchase Validity : 31.10.2016

17.00 DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS/BAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:

	30-Jun-16	31-Dec-15	
		Restated	Reported
Opening balance	1,389,039,044	1,094,811,942	1,094,811,942
Provided during the period:	(11,778,931)	294,227,101	70,378,276
Deferred tax income	(13,064,468)	-	-
Deferred tax expense	1,285,537	294,227,101	68,967,727
Tax on revaluation reserve	-	-	1,410,549
Adjustments made during the period	-	-	-
Closing balance	1,377,260,113	1,389,039,044	1,165,190,218

	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	6,264,082,346	(2,898,835,251)	3,365,247,094
Pre-operating expenses	-	(69,786,273)	(69,786,273)
Net taxable temporary difference	6,264,082,346	(2,968,621,524)	3,295,460,822
Applicable tax rate			35%
Deferred tax liability-30 June 2016			1,153,411,288
Deferred tax liability-31 December 2015			1,165,190,218

Deferred tax expense/ (income) for the period			(11,778,931)
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IAS 12.81(a),
(g) 17.02 Deferred tax (assets)/ liabilities in relation to:

Year/ Period	Particulars	Opening balance	Recognized in profit & loss	Recognized in Other Comprehensive Income	Closing balance
30-Jun-16	Property, plant & equipment	1,190,900,950	(13,064,468)	-	1,177,836,482
	Pre-operating expenses	(25,710,732)	1,285,537	-	(24,425,195)
	Total	1,165,190,218	(11,778,931)	-	1,153,411,287
12/31/2015 (Restated)	Property, plant & equipment	1,149,239,206	265,510,570	-	1,414,749,776
	Pre-operating expenses	(27,063,928)	1,353,196	-	(25,710,732)
	Carry forward business loss	-	27,363,335	-	27,363,335
	Total	1,122,175,278	294,227,101	-	1,416,402,379
12/31/2015 (Reported)	Property, plant & equipment	1,149,239,206	41,661,744	-	1,190,900,950
	Pre-operating expenses	(27,063,928)	1,353,196	-	(25,710,732)
	Carry forward business loss	(27,363,335)	27,363,335	-	-
	Total	1,094,811,943	70,378,275	-	1,165,190,218

18.00 INTERCOMPANY PAYABLE

East West Property Development (Pvt.) Ltd.

Total

-	256,821,293
-	256,821,293

IAS 1.60(b)

19.00 LONG TERM BORROWINGS-CURRENT PORTION

Amount in Taka		
	30-Jun-16	31-Dec-15
Bank loan	710,227,322	794,701,927
Finance Lease obligation	412,303,223	408,034,767
Total	1,122,530,545	1,202,736,694

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

IAS 1.77

20.00 SHORT TERM BORROWINGS

Amount in Taka		
	30-Jun-16	31-Dec-15
Bai Muazzal-Shahjalal Islami Bank Ltd.	423,941,957	405,452,515
Cash Credit - Agrani Bank Ltd.	275,771,581	250,136,236
Cash Credit - Basic Bank Ltd.	517,178,314	535,610,000
Cash Credit - Janata Bank Ltd.	648,990,186	621,527,681
Cash Credit - National Bank Ltd.	1,221,280,241	1,253,107,193
CC (Hypo.)-Bank Asia Ltd.	152,182,723	155,693,260
CC (Hypo.)-United Commercial Bank Ltd.	154,978,452	132,237,030
Bai-Murabaha-First Security Islami Bank Ltd.	214,036,900	-
OD-Mercantile Bank Ltd.	101,120,324	100,268,529
SOD- Basic Bank Ltd.	-	28,471,216
Demand loan-Agrani Bank Ltd.	-	28,228,111
Demand & Term loan - Bank Asia Ltd.	1,994,615	125,159,598
Deferred - First Security Islami Bank Ltd.	-	11,866
Term loan - IFIC Bank Ltd.	-	104,563,536
Force loan (LG) - National Bank Ltd.	-	29,742,243
Term loan - National Credit & Commerce Bank Ltd.	-	59,676,624
LTR - Shahjalal Islami Bank Ltd.	60,675,419	64,078,104
Force loan - Social Islami Bank Ltd.	109,698,524	26,677,038
LTR & Term loan - Southeast Bank Ltd.	-	595,858,842
Time loan - United Commercial Bank Ltd.	-	29,118,971
UPAS - Bank Asia Ltd.	4,124,779	73,625,360
UPAS - National Bank Ltd.	588,792,129	278,357,075
UPAS - Shahjalal Islami Bank Ltd.	624,955,818	255,999,602
UPAS - Social Islami Bank Ltd.	120,685,491	235,278,711
UPAS - Standard Bank Ltd.	936,014,009	19,988,361
UPAS - Mercantile Bank Ltd.	-	297,551,960
UPAS - IFIC Bank Ltd.	-	251,534,246
UPAS - Janata Bank Ltd.	462,759,619	564,992,410
UPAS - Trust Bank Ltd.	728,015,934	-
UPAS - Agrani Bank Ltd.	5,809,843	-
Total	7,353,006,858	6,522,946,320

20.01 Short term credit facilities available as at 30 June 2016:

The Company enjoys both funded and non funded short term working capital facilities with 16 banks (2015: 15 banks). The non funded facilities include Letters of Credit (L/C), Letters of Guarantee. The funded facilities include overdraft facility, short term loan and import loan. The limit, purpose and security details of short term bank overdraft arrangement is enumerated below:

Name of Bank	Particulars
Agrani Bank Limited	Limit amount : CC: Tk. 30 Crore; L/C: Tk. 50 crore
	Purpose : To meet working capital requirements.
	Security : Mortgage of 453.97 katha land located at block-I.; Post dated cheque
	Interest rate : Fixed at respective contract dates.
	Type of Facility : Cash Credit (CC) & L/C
	Validity : 31.03.2017

National Bank Limited	Limit amount : General: Tk. 21.26 crore & 8.04 crore; CC(Hypo): Tk. 120 crore; LTR: Tk. 100 Crore; UPAS: Tk. 600 crore Purpose : To meet working capital requirements. Security : i)1188.11 decimal of land from BRP ii) Hypothecation of stock iii) 630.84 decimal of land from BRA. Interest rate : Fixed at respective contract dates. Type of Facility : General loan, CC (Hypo) LTR & UPAS. Validity : 31.03.2018 & 28.02.2017
BASIC Bank Limited	Limit amount : OD: Tk. 50 Crore; Term loan: Tk. 9.89 crore Purpose : To meet working capital requirements. Security : 2.1160 acres of land, Mouz-Joarshara, BRA and Charged doc. Interest rate : Fixed at respective contract dates. Type of Facility : OD/ Term loan Validity : 31.08.2015
United Commercial Bank Ltd.	Limit amount : CC (Hypo) Tk. 15 crore; Time loan Tk. 8.65 crore; UPAS L/C Tk. 50 Crore Purpose : To meet working capital requirements. Capital machinery purchase. Security : 44,200 sft. of BCDL, 223.34 decimal of land of BRA. Interest rate : Fixed at respective contract dates. Type of Facility : CC (Hypo), Time loan, UPAS Validity : 30.09.2016; 30.06.2016
Bank Asia Ltd.	Limit amount : OD: Tk. 15 Crore; LTR: Tk. 18 crore; UPAS: Tk. 60 crore Purpose : To meet working capital requirements. Security : i) 229.31 decimal of land at BRA. ii) Hypothecation of stock. Interest rate : Fixed at respective contract dates. Type of Facility : CC (Hypo), LTR & UPAS Validity : 30.12.2016
Shahjalal Islami Bank Ltd.	Limit amount : Bai-Muazzal Tk. 40 Crore; LTR Tk. 30 crore; HPSM Tk. 60.13 crore; UPAS Tk. 75 crore. Purpose : To meet working capital requirements. Capital machinery purchase. Security : 1.3250 acres of land at BRA. & 430.76 katha at Anarpura, Gazaria and 03 nos. of building at factory. Interest rate : Fixed at respective contract dates. Type of Facility : Bai-Muazzal (TR); UPAS & LTR Validity : 31..07.2016; 31.07.2016
Janata Bank Limited	Limit amount : CC (Hypo): Tk. 36 crore; CC (Pledge): Tk. 20 Crore Purpose : To meet working capital requirements. Security : Hypothecation of stock; 8.0861 acre land at BRA project; Stock under pledge godown. Interest rate : Fixed at respective contract dates. Type of Facility : CC Hypo and CC Pledge. Validity : 15.12.2016
Southeast Bank Limited	Limit amount : LTR: Tk. 160 crore; L/C (Sight/UPAS/ Deferred) Tk. 355 Crore; BG: 25 crore. Purpose : To retirement of shipping documents/ import of capital machinery. Security : 78,848.27 sft of level 1-8 of BCDL and 292 decimal of land at BRA. Interest rate : Fixed at respective contract dates. Type of Facility : LTR & UPAS L/C Validity : 31.05.2017
Standard Bank Limited	Limit amount : L/C (Sight/UPAS/ Deferred) Tk. 200 Crore Purpose : To retire import documents. Security : 33,177 sft of level 16th, 17th, 18th of BCDL. Interest rate : Fixed at respective contract dates. Type of Facility : UPAS L/C Validity : 30.11.2016
Social Islami Bank Limited	Limit amount : L/C: Tk. 150 Crore Purpose : To meet working capital requirements. Security : Registered mortgage properties. Interest rate : Fixed at respective contract dates. Type of Facility : UPAS & Term loan Validity : 31.08.2016

IFIC Bank Limited	Limit amount	: L/C: Tk. 100 Crore; LTR: Tk. 20 Crore ; Term Loan: Tk. 31.48 crore
	Purpose	: To meet working capital requirements.
	Security	: 22,100 sft 11th & 19th floor of BCDL.
	Interest rate	: Fixed at respective contract dates.
	Type of Facility	: L/C & LTR
	Validity	: 31.01.2017; 30.07.2016
First Security Islami Bank Limited	Limit amount	: L/C: Tk. 220 Crore.
	Purpose	: Importation of raw materials.
	Interest rate	: Fixed at respective contract dates.
	Type of Facility	: UPAS L/C
Trust Bank Limited	Limit amount	: L/C Tk. 150 Crore
	Purpose	: Importation of raw materials and spare parts.
	Security	: 10.1189 acre of land at River view projects.
	Interest rate	: Fixed at respective contract dates.
	Type of Facility	: UPAS
	Validity	: 24.06.2016

IAS 1.77

21.00 TRADE AND OTHER PAYABLES

		Amount in Taka	
		30-Jun-16	31-Dec-15
Trade Payable	NOTE 21.01	316,458,226	295,493,072
Other Payable	NOTE 21.02	535,134,559	385,133,274
Total		851,592,785	680,626,346

21.01 Trade Payables

Unit - 1	110,809,844	79,422,667
Unit - 2	71,736,328	79,009,520
Unit - 3	133,912,054	137,060,885
Total	316,458,226	295,493,072

IFRS 7.7

21.1.1 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.

IFRS 7.27(a),
(b)

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

IAS 1.77

21.02 Other Payable

Bashundhara Multi-paper Industries Ltd.	163,957,494	85,083,831
Bashundhara Steel & Engineering Ltd.	437,468	437,468
Payable for advertisement	22,817,863	10,483,125
Payable for C & F bill	13,379,113	16,581,921
Payable for constructions expenses	15,602	24,765
Payable for consultancy	-	50,000
Payable for expenses	815,872	1,096,812
Payable for insurance premium	424,769	102,624
Payable for motor vehicle	1,526,540	1,818,700
Payable for office rent	1,758,817	35,167
Payable for provident fund	2,374,298	2,248,866
Payable for tax & VAT at source	9,241,496	3,488,564
Payable for transportation	3,780,973	9,578,925
Payable for workers' profit participation & welfare fund	37,078,998	19,828,320
Payable to carrying contractor	47,065,700	36,547,988
Payable to contractors	3,848,132	4,029,640
Payable for Electric bill	11,281,902	8,506,165
Payable for Gas bill	138,475,006	102,977,017
Payable for Labor & wages	39,837,110	37,807,780
Payable for Salary and allowances	31,742,404	39,005,595
Security deposit payable	5,275,000	5,400,000
Total	535,134,559	385,133,274

21.2.1 All accrued expenses are paid on regular basis.

- 21.2.2 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.
- 21.2.3 Salary and allowances for the month of June 2016 has been paid in subsequent month.
- 21.2.4 All the utility bills like gas, electricity and others for the month of June 2016 has been paid to the subsequent month.

22.00 PROVISION FOR EXPENSES	Amount in Taka	
	30-Jun-16	31-Dec-15
Audit fees	405,000	287,500
Directors remuneration	1,750,000	1,750,000
Other expense	13,949,114	30,297,822
Finance Lease charges	996,726	2,192,396
Gas bill	1,783,117	3,594,440
Total	18,883,957	38,122,158

IAS 12.79

23.00 INCOME TAX PROVISION		
Opening balance	114,882,225	342,600,285
Add: Current tax expense in respect of the current period	34,159,513	31,312,507
Less: Adjustment made during the period	(83,569,718)	(259,030,567)
Closing balance	65,472,020	114,882,225

NOTE 23.01

23.01 Income tax adjustment of prior periods

Income period	Income Tax as per Accounts	Income Tax as per Assessment	Adjustment made		
			(Over)/under provision adjusted with retained earnings	AIT	Income tax provision
2013	52,536,292	64,032,866	11,496,574	64,032,866	52,536,292
2014	31,033,426	34,421,837	3,388,411	34,421,837	31,033,426
Total	83,569,718	98,454,703	14,884,985	98,454,703	83,569,718

23.02 Provision for Current Tax of the Company are as under:

Accounting period	Assessment period	Assessment Under Section of ITO 1984	Status	Tax Demand/ (Refundable)	Cumulative provision for current tax
2015-2016	2016-2017		Current year	-	65,472,020
2015	2016-2017		Return has submitted	-	114,882,225
2014	2015-2016	83(2)/156/159	Assessment Completed	(56,495,398)	342,600,285
2013	2014-2015	83(2)/156/159	Assessment Completed	(73,399,938)	413,039,692
2012	2013-2014	83(2)/156/173/152/ 159	Assessment Completed	-	360,503,401
2011	2012-2013	83(2)/156/159/173/152	Assessment Completed	-	448,032,263
2010	2011-2012	83(2)/156/159/173/152	Assessment Completed	18,255,861	402,547,494
2009	2010-2011	83(2)/156/159/173/152	Assessment Completed	20,716,492	391,930,362

24.00 REVENUE

In accordance with the paragraph 8 of BAS-18: Revenue, amounts on behalf of third parties such as Value Added Tax (VAT) and Supplementary Duty (if any) are excluded from revenue. The following is an analysis of the Company's revenue from operations of its major products and services:

Particulars	Unit-1	Unit-2	Unit-3	Jan to June 2016	Jan to June 2015
Gross Sales	2,314,952,277	862,636,340	2,702,855,558	5,880,444,175	5,451,745,380
VAT	(107,605,707)	(28,733,851)	(120,905,542)	(257,245,100)	(222,050,666)
SD	(3,667,920)	-	-	(3,667,920)	(405,012)
Sales Local	2,203,678,650	833,902,489	2,581,950,016	5,619,531,155	5,229,289,702
Sales Export	3,293,749	319,020	69,590,273	73,203,042	64,565,751
Total	2,206,972,399	834,221,508	2,651,540,289	5,692,734,196	5,293,855,453

24.01 Segment revenues:

The following is an analysis of the Company's revenue including export sales from operations of its major products and services by reportable segment for the period 01 January to 30 June 2016 excluding VAT:

PRODUCTS	UNIT-1	UNIT-2	UNIT-3	Total
Paper & Exercise product	1,730,049,229	862,636,340	848,225,248	3,440,910,817
Tissue product	-	-	1,713,655,336	1,713,655,336
P.P. Woven Bag product	434,740,739	-	-	434,740,739
Paper Sack product	150,162,309	-	-	150,162,309
Hygiene product	-	-	140,974,974	140,974,974
Local Sales	2,314,952,277	862,636,340	2,702,855,558	5,880,444,175
Export Sales	3,293,749	319,020	69,590,273	73,203,042
Total	2,318,246,026	862,955,360	2,772,445,831	5,953,647,216

24.02 Revenue from export	In USD (\$)		In BDT	
	Jan to June 2016	Jan to June 2015	Jan to June 2016	Jan to June 2015
Paper product	46,081.23	19,161	3,612,769	1,490,712
Tissue paper product	887,631.03	801,652	69,590,273	62,368,539
P.P. Woven Bag product	-	9,081	-	706,500
Hygiene product	-	-	-	-
Total	933,712	829,894	73,203,042	64,565,751

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.

25.00 COST OF SALES		Amount in Taka	
		Jan to June 2016	Jan to June 2015
Opening stock of finished goods		434,921,791	337,607,532
Add: Cost of goods manufactured	NOTE 25.01	4,941,200,012	4,568,956,050
Cost of goods available for sale		5,376,121,802	4,906,563,582
Less: Closing stock of finished goods		(712,505,088)	(495,009,199)
Cost of Sales		4,663,616,715	4,411,554,383

25.01 Cost of goods manufactured

Material Consumption

Opening stock
Add: Purchase during the period
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	
Jan to June 2016	Jan to June 2015
3,718,172,827	3,558,616,941
1,762,685,374	2,081,808,415
3,601,139,116	3,636,052,503
(1,645,651,663)	(2,159,243,976)
1,315,843,338	1,076,523,463
179,065,715	177,092,346
340,325,779	197,784,729
64,064,031	107,212,268
204,322,661	131,306,383
97,675,462	106,980,235
103,871,277	75,580,454
326,518,415	280,567,048
384,067,835	397,982,041
(476,883,988)	(464,166,395)
4,941,200,012	4,568,956,050

NOTE 25.2
Annex.-A

25.02 Other direct expenses

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

29,099,941	19,762,714
4,584,242	227,806
1,750,992	1,617,651
690,248	499,812
5,335,756	4,878,633
658,764	1,904,500
43,852,028	42,128,581
5,214,606	-
7,875,078	-
633,831	720,108
1,511,580	1,106,378
2,391,887	2,549,978
272,324	184,292
103,871,276	75,580,454

25.03 Analysis of materials consumed

Category	Unit	Quantity		Value	
		Jan to June 16	Jan to June 15	Jan to June 16	Jan to June 15
Waste Paper & Pulp	MT	49,799	58,626	2,797,336,252	2,692,795,105
Chemicals	MT	3,294	5,818	264,670,625	361,445,082
PP Resin	MT	2,301	1,313	287,946,728	162,654,708
Kraft Paper	MT	943	812	79,393,572	80,337,008
Packing materials	Various	-	-	288,825,650	261,385,038
Total		56,337	66,569	3,718,172,827	3,558,616,941

25.04 Quantitative details of raw materials

Period	Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
Jan to June 2016						
Waste Paper & Pulp	MT		20,140	46,169	49,799	16,510
Chemicals	MT		6,913	1,638	3,294	5,256
PP Resin	MT		669	2,591	2,301	959
Kraft Paper	MT		604	778	943	439

Period	Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
Jan to June 2015						
	Waste Paper & Pulp	MT	28,497	54,968	58,626	24,839
	Chemicals	MT	7,111	6,619	5,818	7,912
	PP Resin	MT	989	1,285	1,313	961
	Kraft Paper	MT	773	645	812	606

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

25.05 Quantitative details of finished goods

Description	Unit	Opening Stock	Production	Sales	Closing Stock
Jan to June 2016					
White writing & printing	MT	1,500	20,006	18,059	3,447
Bidi paper	MT	27	478	499	5
BBS	MT	461	2,608	2,196	874
Coated paper	MT	290	2,558	2,590	258
Newsprint	MT	565	6,272	6,833	4
Carbon less coating paper	MT	5	1,146	1,051	100
Glassine paper/Color/Ledger	MT	-	-	-	-
Liner Paper	MT	211	455	441	226
White Liner Paper	MT	22	192	194	20
Packaging Paper	-	93	79	82	89
Simplex Paper	-	13	-	-	13
Sludge Board	MT	-	79	79	-
Duplex Board	MT	21	143	88	76
Tissue product	MT	1,304	9,514	9,107	1,711.01
Paper Sack	Pcs.	122,471	4,812,319	4,884,350	50,440
PP Woven Bag	Pcs.	163,107	20,254,667	20,110,224	307,550
Monalisa Sanitary Napkin	Pkt.	427,254	2,267,248	2,236,352	458,150
Tooth pick, cotton buds, straw	-	8,136	-	-	8,136
Baby Diaper	Pkt.	204,875	944,400	156,300	992,975
	Pcs.	146,422	763,423	534,378	375,467
Hand Gloves	Box	26,733	19,551	5,992	40,292
Jan to June 2015					
White writing & printing	MT	1,535	19,802	18,831	2,506
Bidi paper	MT	103	831	860	75
BBS	MT	193	2,406	2,243	357
Coated paper	MT	109	3,146	3,176	79
Newsprint	MT	82	12,239	12,041	280
Carbon less coating paper	MT	33	1,121	1,123	31
Glassine paper/Color/ Ledger	MT	-	-	-	-
Liner Paper	MT	22	944	938	29
White Liner Paper	MT	8	257	265	1
Packaging Paper	-	5	-	-	5
Simplex Paper	-	36	-	23	13
Duplex Board	MT	19	320	303	36
Tissue product	MT	1,201	8,875	8,722	1,354
Paper Sack	Pcs.	235,000	4,075,755	4,195,440	115,315
PP Woven Bag	Pcs.	89,558	11,017,135	10,691,668	415,025
Monalisa Sanitary Napkin	Pkt.	407,616	2,043,960	1,817,280	634,296
Tooth pick, cotton buds, straw	-	5,616	3,960	-	9,576
Baby Diaper	Pkt.	110,700	609,930	480,560	240,070
	Pcs.	228,728	86,100	136,500	178,328
Hand Gloves	Box	23,579	21,846	15,008	30,417

		Amount in Taka	
		Jan to June 2016	Jan to June 2015
26.00	OTHER INCOME		
	Scrap sales & other recoveries	90,918	422,990
	Interest income	427,109	461,109
	Total	518,027	884,099
27.00	ADMINISTRATIVE EXPENSES		
	Audit fee	508,696	187,500
	Salaries and allowances	63,361,777	54,772,634
	Director remuneration	10,500,000	10,500,000
	Entertainment	920,325	846,093
	Insurance premium	-	7,078,072
	Legal and consultancy	1,523,248	1,080,545
	License, renewal and registration	4,137,252	1,456,791
	Office rent	10,807,200	9,470,230
	Office repair and maintenance	6,564,665	3,974,189
	IT & computer expense	875,341	408,835
	Postage, telegram and fax	543,962	509,397
	Contribution to WPP & WF	200,000	-
	Company's contribution to PF	3,438,550	-
	Stationery	1,009,978	581,037
	Telecommunication expense	4,704,047	2,668,641
	Conveyance	1,148,584	7,967,393
	Utilities	888,602	1,005,261
	Vehicle running and maintenance	1,042,600	248,973
	Vehicle oil, fuel & lubricant	3,093,442	2,029,705
	Vehicle rent	950,270	3,404,680
	Depreciation	17,185,180	14,766,687
	Total	133,403,719	122,956,663

Annex.-A

27.01 Payment/Perquisites to Directors and Officers

The aggregate amount paid/provided during the period in respect of Directors and Officers of the Company as defined in the Securities and Exchange Rules 1987 are disclosed below:

Particulars	Jan to June 2016	Jan to June 2015
Directors Remuneration	-	-
Managing Director Remuneration	7,350,000	7,350,000
Board Meeting fee	-	-
Total	7,350,000	7,350,000

27.02 Director Remuneration for the period

Name	Position held	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Ahmed Akbar Sobhan	Chairman	-	-	-
Mrs. Afroza Begum	Director	-	-	-
Mr. Sadat Sobhan	Director	-	-	-
Mr. Shafiat Sobhan	Director	-	-	-
Mr. Sayem Sobhan	Director	-	-	-
Mr. Safwan Sobhan	Managing Director	10,500,000	3,150,000	7,350,000
Total		10,500,000	3,150,000	7,350,000

- 27.03 The Company paid remuneration or other benefit in cash or kind stating to Managing Director of the Company in the current period.
- 27.04 No money was given to any directors for rendering special services to the Company.

IAS 1.97	28.00	SELLING AND DISTRIBUTION EXPENSES	Amount in Taka		
			Jan to June 2016	Jan to June 2015	
		Salaries and allowances	30,130,952	17,664,477	
		Advertisement	11,646,077	13,010,534	
		Carriage outwards	23,374,288	27,786,342	
		Company's contribution to PF	38,940	-	
		Foreign Exchange gain/ loss	496,765	-	
		Conveyance	-	3,717,240	
		Total	65,687,022	62,178,594	
IAS 23.26 (a)	29.00	FINANCE COSTS			
		Interest on bank overdrafts and loans	436,319,342	436,397,930	
		Bank charges and commission	2,037,432	2,467,282	
		Interest on obligations under finance lease	35,389,437	69,271,657	
		Total financial expense	473,746,211	508,136,869	
		Less: Amounts included in the cost of qualifying assets	-	-	
		Total	473,746,211	508,136,869	
IAS 1.99	30.00	WORKERS' PROFIT PARTICIPATION & WELFARE FUND	Amount in Taka		
			30-Jun-16	31-Dec-15	
		Opening Balance	19,828,320	-	
		Add: Addition during the period	17,839,928	19,828,320	
		Less: Adjustment made during the half year	(589,250)	-	
		Paid during the period	-	-	
		Closing balance	37,078,998	19,828,320	
30.01		Break up of WPP & WF			
		Profit Before WPP & WF	356,798,557	384,781,397	
		Add: Depreciation on Revaluation	-	31,613,316	
		Amount of profit for the period consider for WPP & WF	356,798,557	416,394,713	
		Rate	5%	5%	
		Workers' profit participation & welfare fund for the period	17,839,928	19,828,320	
As per provision of Workers' Profit Participation Fund (WPPF) of Labor Act 2006 that has Amendment 2013 was passed on Monday, July 22, 2013, the company has been maintaining provision of WPPF & WF. Subsequently Workers Participation Committee (WPC) was formed . However the company expects to distribute the fund as per WPP & WF					
IAS 12.79	31.00	INCOME TAX EXPENSE	Amount in Taka		
			30-Jun-16	30-Jun-15	31-Dec-15
In compliance with the requirements of Para 79 of BAS-12: Income Tax, the major components of tax expenses are given below:					
		a. Current tax expense:	34,159,513	15,884,219	31,312,507
		Current tax expense in respect of the current period	34,159,513	15,884,219	31,312,507
		Adjustments recognized in the current period in relation to the current tax of prior periods	-	-	-
		b. Deferred tax expense/ (income):	(11,778,931)	29,468,442	68,967,727
		Deferred tax expenses recognized in the current period	(11,778,931)	29,468,442	68,967,727
		Adjustments to deferred tax attributable to changes in tax rates and laws	-	-	-
		c. Total income tax expense recognized in the current period	22,380,582	45,352,661	100,280,234

32.00 EARNINGS PER SHARE (EPS)**Basic Earning Per Share:**

Profit attributable to the Ordinary Shareholders

Weighted Average Number of shares outstanding during the period

NOTE 32.01

Basic Earning Per Share**Basic Earning Per Share-restated****Diluted Earning Per Share:**

No diluted EPS was required to be calculated for the period since there was no scope for dilution of share during the period under review.

32.01 Number of Ordinary share outstanding

Opening number of shares outstanding

Add: Ordinary shares issued during the period

Total

Amount in Taka		
30-Jun-16	31-Dec-15	30-Jun-15
147,749,775	49,535,590	49,535,590
-	98,214,185	-
147,749,775	147,749,775	49,535,590

32.02 The calculation of the basic earnings per share is made in accordance with IAS 33 (Earnings Per Share), dividing the profit for the period by weighted average number of the shares issued.

32.03 Basic Earnings represents earnings for the period attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the period has been considered as fully attributable to the ordinary shareholders.

32.04 The Company has applied to BSEC for raising its share capital through issuance of 3,04,83,440 nos. bonus shares of Tk. 10 each on 24.08.2014 and issuance of 98,214,185 nos. ordinary shares of Tk. 10 each on 17.05.2015. Subsequently BSEC has given their consent regarding raising of share capital on 26.01.2016 and 06.10.2015 respectively.

33.00 CAPITAL COMMITMENT

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

Amount in Taka	
30-Jun-16	31-Dec-15
-	-

34.00 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.

VAT claimed which is under jurisdiction of Hon'ble Supreme Court.

Claim of income tax against the company.

Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company.

Claims against the Company acknowledge as debts.

Total**Capital commitment and Contingent liabilities**

4,241,967,166	2,894,268,876
20,752,670	20,752,670
(34,427,585)	(133,779,516)
142,671,360	158,493,960
-	-
4,370,963,612	2,939,735,990
4,370,963,612	2,939,735,990

34.01 L/C (Sight/UPAS/Deferred) Liabilities

Agrani Bank Ltd.

Bank Asia Ltd.

IFIC Bank Ltd.

Social Islami Bank Ltd.

Mercantile Bank Ltd.

National Bank Ltd.

National Credit & Commerce Bank Ltd.

Shahjalal Islami Bank Ltd.

South East Bank Ltd.

Janata Bank Ltd.

Standard Bank Ltd

Total

10,290,923	10,290,922
14,718,550	70,200,000
269,000,000	532,180,000
239,850,130	247,810,000
3,780,673	297,424,100
801,220,000	510,695,600
793,310,000	296,980,000
623,996,636	288,319,600
20,573,404	8,810,682
441,171,000	541,420,002
1,024,055,850	90,137,970
4,241,967,166	2,894,268,876

34.02 Bank Guarantee

Social Islami Bank Ltd.
 IFIC Bank Ltd.
 South East Bank Ltd.
 Standard Bank Ltd
 Shahjalal Islami Bank Ltd.
Total

Amount in Taka	
30-Jun-16	31-Dec-15
41,319,040	24,341,640
1,600,000	1,600,000
60,970,000	94,570,000
19,840,000	19,840,000
18,942,320	18,142,320
142,671,360	158,493,960

IAS 37.86(a) 34.03 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.

35.00 STATEMENTS OF CASH FLOWS

The statement cash flows shows the company's cash and cash equivalents changed during the period 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 period.

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.

35.01 Cash receipts from customers and others:

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

	Amount in Taka	
	Jan to June 2016	Jan to June 2015
Opening trade and other receivables	1,685,335,568	2,009,548,564
Add: Sales during the period	5,953,647,216	5,516,311,131
Closing trade and other receivables	(1,668,706,073)	(2,087,723,635)
Total	5,970,276,712	5,438,136,060

35.02 Cash payment to suppliers, employees and others:

Cash paid to suppliers arrived at after adjusting cost of raw materials and consumption cost of spares parts consumed with creditors for trade supplies, non-cash items and creditors for revenue expenses. Employee remuneration includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the Company's business.

The make-up of :

Purchase of raw materials during the period
 Administrative expense
 Workers' profit participation & welfare fund
 Selling & distribution expense
 Factory overhead
 Increase/ (decrease) in material in transit
 Increase/ (decrease) in Stores and spare parts
 (Increase)/ decrease in trade payables and other payable
 (Increase)/ decrease in provision for expense
 Increase/ (decrease) in advance, deposit & prepayments

Adjustment for non-cash item:

Accumulated depreciation
 Loss of goods destroyed by fire in prior years
 Adjustment of prior years
 Depreciation expense

Total

3,601,139,117	3,636,052,503
133,403,719	122,956,663
17,839,928	-
65,687,023	62,178,594
1,315,843,339	1,076,523,463
242,383,438	(217,486,256)
(43,407,925)	(4,316,430)
(171,258,599)	(24,719,905)
18,042,531	(132,514,290)
122,852,684	122,595,839
-	4,822,724
10,860,055	-
(589,250)	(5,873,724)
(343,703,594)	(295,333,735)
4,969,092,464	4,344,885,443

36.00 SEGMENT REPORTING

Business Segments Information	Particulars	30-Jun-16	30-Jun-15
Based on the business segment, segment result for the period ended 30 June 2016 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.	Revenue, net of VAT	5,692,734,196	5,293,855,453
	Cost of sales	4,663,616,715	(4,411,554,383)
	Gross Profit	1,029,117,481	882,301,070
	Assets and Liabilities		
	Segment Assets (excludes Cash & Cash Equivalents)	18,706,630,970	17,930,987,757
	Segment Liabilities (excludes tax liabilities)	14,338,523,303	13,755,453,096

37.00 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:

IAS 24.17, 18 37.01 Loans to/from related parties:

Name of related Companies	Relationship	Nature of transaction	Outstanding balance as on 30 June 2016	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	184,439,581	Market Price
East West Media Group	Sister Concern	Short term Loan	138,404,617	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	61,622,293	Market Price
Bashundhara Multi-paper Industries Ltd.	Sister Concern	Short term Loan	393,339,739	Market Price
Bashundhara Dredging Company Ltd.	Sister Concern	Short term Loan	3,281,222	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Short term Loan	(9,765,066)	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Investment	265,000,000	Market Price
Bashundhara Cement Industries Ltd.	Sister Concern	Short term Loan	39,233,436	Market Price
Sundarban Industrial Complex Ltd.	Sister Concern	Short term Loan	33,022,314	Market Price
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Short term Loan	193,521,254	Market Price
Bashundhara Fine Paper Mills Ltd.	Sister Concern	Short term Loan	800,000	Market Price
Bashundhara Pulp & Board Mills Ltd.	Sister Concern	Short term Loan	(800,000)	Market Price
Bashundhara LP Gas Ltd.	Sister Concern	Short term Loan	(189,946,366)	Market Price
Bashundhara Airways Ltd.	Sister Concern	Short term Loan	48,803,549	Market Price
Meghna Cement Mills Limited	Sister Concern	Short term Loan	54,218,621	Market Price

The movement during the period under review is enumerated below:

Name of related Companies	Transaction during the period		30-Jun-16	31-Dec-15
	Provided	Adjusted		
East West Property Development (Pvt.) Ltd.	671,160,875	229,900,000	184,439,581	(256,821,293)
East West Media Group	-	-	138,404,617	138,404,617
Bashundhara Steel and Engineering Ltd.	-	1,800,000	61,622,293	63,422,293
Bashundhara Multi-paper Industries Ltd.	29,906,000	41,300,000	393,339,739	404,733,739
Bashundhara Dredging Company Ltd.	-	-	3,281,222	3,281,222
Bashundhara Industrial Complex Ltd.	37,371	5,300,000	(9,765,066)	(4,502,437)
Bashundhara Industrial Complex Ltd.	-	-	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	-	6,800,000	39,233,436	46,033,436
Sundarban Industrial Complex Ltd.	7,680,455	16,100,000	33,022,314	41,441,859
Bashundhara Food & Beverage Industries Ltd.	-	33,200,000	193,521,254	226,721,254
Bashundhara Fine Paper Mills Ltd.	800,000	-	800,000	-
Bashundhara Pulp & Board Mills Ltd.	(800,000)	-	(800,000)	-
Bashundhara Airways Ltd.	45,603,549	-	48,803,549	3,200,000
Bashundhara LP Gas Ltd.	70,282,500	70,000,000	(189,946,366)	(190,228,866)
Meghna Cement Mills Limited	-	-	54,218,621	54,218,621
Total	824,670,750	404,400,000	1,215,175,194	794,904,444

37.02 Trading transactions:

During the period, 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 BAS 24 : Related Party Disclosure.

Name of related Companies	Relationship	Nature of transaction	30-Jun-16	31-Dec-15
East West Property Development Ltd.	Shareholder/ Sister Concern	Trade payable/ receivable	2,953,369	2,468,592
Bashundhara Airways Ltd.	Sister Concern	Do	260,000	-
Bashundhara Amusement park Ltd.	Sister Concern	Do	29,500	-
Bashundhara LP Gas Ltd.	Sister Concern	Do	-	(73,288)
Bashundhara Logistics Ltd.	Sister Concern	Do	(2,745,455)	-
Bashundhara Steel Complex Ltd.	Sister Concern	Do	-	(9,986,709)
Bashundhara Steel and Engineering Ltd.	Sister Concern	Do	(437,468)	-
Bashundhara Multi-paper Industries Ltd.	Sister Concern	Do	(161,829,143)	48,571,071
Bashundhara Pulp & Board Mills Ltd.	Sister Concern	Do	3,000	-
East West Media Group	Sister Concern	Do	163,776,670	457,859,963
Sundarban Industrial Complex Ltd.	Sister Concern	Do	26,500	26,500
Meghna Cement Mills Ltd.	Sister Concern	Do	101,375,230	80,480,008
Bashundhara Cement Industries Ltd.	Sister Concern	Do	(13,237,743)	-
International Convention City Bashundhara	Sister Concern	Do	158,295	153,073
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Do	6,514,262	21,842,238
Bashundhara Industrial Complex Ltd.	Sister Concern	Do	168,355,106	129,506,778
Total			265,202,123	730,848,226

Amount in Taka	
Jan to June 2016	Jan to June 2015
10,500,000	10,500,000
-	-
-	-
-	-
10,500,000	10,500,000

IAS 24.17

37.03 Compensation of key management personnel during the period was as follows:

Short-term benefits

Post-employment benefits

Other long term benefits

Termination benefits

	37.04	Transactions with related parties were carried out on commercial terms and conditions and at prices agreed based on intercompany prices.
IAS 24.21	37.05	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.
IAS 24.17	37.06	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 periods for bad or doubtful debts in respect of the amounts owed by the Company and its related parties.
IAS 24.16	37.07	The remuneration of Directors is determined by the BOD having regard to the performance of the individuals and market trends.

		Amount in Taka	
		30-Jun-16	31-Dec-15
38.00	EMPLOYEES		
	Number of employees whose salary below Tk 3,000 per month	-	-
	Number of employees whose salary above Tk 3,000 per month	2,841	2,386
	Total	2,841	2,386

39.00 CAPACITY & UTILIZATION

Machine production capacity and its utilization as on 30 June 2016 is as follows:

Product	Unit	Annual Capacity	Six months Capacity	Actual Production	Capacity utilized
Paper & Tissue	MT	112,050	56,025	46,770	83%
Paper Section-Value addition	MT	34,308	17,154	8,906	52%
Printing Machine	PCS	25,200,000	12,600,000	7,784,403	62%
PPWB & Sack Bag	PCS	120,000,000	60,000,000	27,028,889	45%
Monalisa Sanitary Napkin	PKT	10,333,440	5,166,720	2,267,248	44%
Baby Diaper	PCS	53,913,600	26,956,800	9,489,359	35%
Hand Gloves	PCS	25,000,000	12,500,000	2,025,600	16%

		30-Jun-16	31-Dec-15	
			Restated	Reported
40.00	NET ASSET VALUE (NAV) PER SHARE			
	Total Assets	18,908,848,937	18,083,738,820	18,087,815,959
	Less: Intangible Assets	-	-	-
	Total Liabilities	(14,403,995,323)	(13,870,335,321)	(13,646,533,494)
	Net Asset Value (NAV)	4,504,853,614	4,213,403,500	4,441,282,465
	Weighted Average Number of Ordinary shares outstanding	147,749,775	147,749,775	147,749,775
	Net Asset Value (NAV) Per Share	30.49	28.52	30.06

		Amount in Taka	
		Jan to June 2016	Jan to June 2015
41.00	NET OPERATING CASH FLOW PER SHARE (NOCFPS)		
	Net Operating Cash Flows	692,622,559	817,855,120
	Weighted Average Number of Ordinary shares outstanding during the period	147,749,775	49,535,590
	Net Operating Cash Flows per share	4.69	16.51
	Net Operating Cash Flows per share-restated	-	5.54

42.00	RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)		
	Profit for the period	316,578,047	143,233,018
	Adjustment for:		
	Accumulated depreciation	(10,860,055)	(4,822,724)
	Property, plant & equipment	589,250	5,873,724
	Income tax expense recognized in profit and loss	22,380,582	46,680,025
	Finance cost recognized in profit and loss	471,708,779	505,669,588
	Depreciation of non-current assets	343,703,594	295,333,735
		1,144,100,197	991,967,366

	Amount in Taka	
	Jan to June 2016	Jan to June 2015
Movements in working capital:		
(Increase)/ decrease in inventories	(452,341,254)	(79,218,895)
(Increase)/ decrease in trade and other receivables	16,629,496	(78,175,071)
(Increase)/ decrease in advance, deposit and prepayment	(122,852,684)	(122,595,839)
Increase/ (decrease) in trade payables & other payables	171,258,599	24,719,905
Increase/ (decrease) in provision for expense	(18,042,531)	132,514,290
Cash generated from operations	(405,348,373)	(122,755,610)
Income taxes paid	(46,129,264)	(51,356,636)
Net cash (used in)/ generated by operating activities	692,622,559	817,855,120

43.00 DIRECTOR'S RESPONSIBILITY ON STATEMENT

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

44.00 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.

45.00 RECEIVABLE FROM DIRECTORS

No amount is lying as receivable from the Directors.

46.00 FOREIGN REMITTANCES

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

47.00 EVENTS AFTER THE REPORTING PERIOD

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.

48.00 STATUS OF TAX ASSESSMENT OF BPML

From the inception of the Company to the income Year 2014 (Assessment year 2015-2016) has been completed. The status of income tax assessment of the Company is as under:

Status	Income Year	Assessment Year	Demand/ (Refund)	Assessment completed U/S of ITO 1984
Assessment has completed	2009	2010-2011	20,716,492	93/83(2)/156/ 159/173/152
Assessment has completed	2010	2011-2012	18,255,861	83(2)/156/159/ 173/152
Assessment has completed	2011	2012-2013	-	83(2)/156/159/ 173/152
Assessment has completed	2012	2013-2014	-	83(2)/156/173/ 152/159
Assessment has completed	2013	2014-2015	(73,399,938)	83(2)/156/159
Assessment has completed	2014	2015-2016	(56,495,398)	83(2)/156/159
Return has submitted on 20 June 2016	2015	2016-2017	-	-

49.00 GOING CONCERN BASIS OF ACCOUNTING

The consolidated 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 16, 19 & 20.

The Companies retained earning stand at Tk. 855,508,897 as on 30 June 2016 which includes Tk. 316,578,047 net profit after tax of for the period 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.

IFRS 7.31

50.00 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.

IFRS 7.33

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.

IFRS 7.36(a) 50.01 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 period. 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 for over eight periods, 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:

IFRS 7.31, 33

a) Exposure to credit risk:

	Amount in Taka	
	30-Jun-16	31-Dec-15
Trade receivables		
Local customer	1,644,649,231	1,591,805,676
Foreign customer	22,146,838	17,546,781
Advance, deposit and prepayments	828,701,278	701,675,695
Due from inter companies	950,175,193	529,904,444
Cash and bank balances	202,217,966	152,751,064

	Amount in Taka	
	30-Jun-16	31-Dec-15
<i>The maximum exposure to credit risk for accounts receivable by geographic regions was:</i>		
Bangladesh	1,644,649,231	1,591,805,676
Asia	22,146,838	17,546,781
Europe	-	-
South America	-	-

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

Trade receivables		
Dues within 6 months	1,120,256,466	811,147,705
Dues over 6 months	546,539,602	798,204,751
	1,666,796,068	1,609,352,456

c) Credit exposure by credit rating:

Trade receivables	1,666,796,068	1,609,352,456
Advance, deposit and prepayments	828,701,278	701,675,695
Other receivables	1,910,004	75,983,112
<u>Cash and Bank balances:</u>		
Cash in hand	31,487,134	24,112,357

Cash at bank:

Bank name & branch	Account No.	Credit Rating	170,730,832	128,638,707
Agrani Bank Ltd., Principal Branch, Dhaka	CD: 11217-8	AAA	2,877	4,211
Bank Asia Ltd., Bashundhara Branch	CD: 404, 568, 569	AA3	12,261,764	21,834,482
Bank Asia Ltd., Principal Branch	CD: 00333005904	AA3	3,954,229	109,311
Basic Bank Ltd., Bashundhara Br.	STD: 057	CCC1	65,950	65,284
Dutch Bangla Bank Ltd., Bashundhara Branch	SND: 147.120.1895	AA1	7,573,489	1,466,613
Dutch Bangla Bank Ltd., Local Office	CD: 10111012348	AA1	85,035	229,088
First Security Islami Bank Ltd., Banani Branch	CD: 2215	A+	191,071	284,480
IFIC Bank Ltd., Kawranbazar Branch	CD: 313926-001	AA2	1,221,204	422,111
Islami Bank Bangladesh Ltd., Head Office Complex Br.	CD: 87816	AA+	1,436,695	660,408
Janata Bank Ltd., Helatola Branch, Khulna	CD:001039442	A+	3,332	3,332
Janata Bank Ltd., Janata Bhaban Corp. Br.	STD: 004001006	A+	254,408	1,766,916
Janata Bank Ltd., JBCB,Dhaka	CD: 001022542	A+	6,445,612	784,189
Janata Bank Ltd., JBCB,Dhaka	FC: 402000464	A+	12,678,627	5,960,284
Mercantile Bank Ltd., Main Branch, Dhaka	CD: 81042	AA-	586,906	5,337,566
Mutual Trust Bank Ltd., Bashundhara City Br.	CD: 15608,1015, 156:	AA-	4,668,707	1,703,343
Mutual Trust Bank Ltd., Sonargoan Branch	CD: 10258,10427,102	AA-	90,791	173,114
National Bank Ltd., Dilkusha Branch	CD: 233137485	AA-	1,782,980	2,666,892
NCC Bank Ltd., Motijheel Branch	CD: 22785	AA	22,024	-
Premier Bank Ltd., Banani Branch	CD: 1604-0	AA	3,565	4,140
Prime Bank Ltd., Gulshan Branch	CD: 19139	AA2	-	0.20
Shahjalal Islami Bank Ltd., Gulshan Branch	CD: 4061	AA3	839,007	19,213
Social Islami Bank Ltd., Bashundhara Branch	CD: 1330000079	AA-	3,858,001	6,512,218
Social Islami Bank Ltd., Panthapath Branch	CD: 12885, 16735,16:	AA-	23,488,389	19,425,439
Social Islami Bank Ltd., Sonargoan Branch	CD: 64,6459, 6718,66	AA-	5,784,040	1,895,472
Southeast Bank Ltd., Principal Branch, Dhaka	CD: 7935	AA-	878,072	6,616,039
Standard Bank Ltd., Principal Branch	CD: 00233009262	AA3	811,480	3,207,666
Trust Bank Ltd., Senakallyan Bhaban Branch	CD: 0003-021001120:	AA3	376,901	4,541,646
Union Bank Ltd., Gulshan Branch	CD: 1623	N/R	895,442	193,079
United Commercial Bank Ltd., Bashundhara Br.	STD: 119/198	A+	80,469,001	42,723,259
United Commercial Bank Ltd., Gulshan Branch	CD: 1360	A+	1,233	28,912

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 period to the distributor which is regularly monitored.

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/ Period	Carrying Amount	Contractual Cash Flows		
			Within 12 months	1 to 5 years	More than 5 years
Finance Lease	30-Jun-16	702,345,017	412,303,223	290,041,794	-
Long term bank loan		4,035,434,573	710,227,322	3,325,207,251	-
Short term bank loan		8,475,537,403	8,475,537,403	-	-
Trade and other payables		851,592,785	851,592,785	-	-
Provision for expenses		18,883,957	18,883,957	-	-
Finance Lease	31-Dec-15	868,992,318	408,034,767	460,957,551	-
Long term bank loan		2,796,168,923	794,701,927	2,001,466,996	-
Short term bank loan		7,725,683,014	7,011,870,577	-	-
Trade and other payables		680,626,346	680,626,346	-	-
Provision for expenses		38,122,158	38,122,158	-	-

Market risk is the risk that changes in market prices, such as foreign exchanges 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 return.

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, primarily the BDT Tk. but also USD. 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 (USD)	
	30-Jun-16 (USD)	31-Dec-15 (USD)
Assets:		
Trade receivables	282,485	223,526
Cash at bank	161,717	75,927
Liabilities:		
Trade and other payables	-	-

Net exposure:

The following significant exchange rates are applied during the period:

Exchange rate of US Dollar	\$	78.40	\$	78.50
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(ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures:

A strengthening or weakening of the Taka, as indicated below, against the USD at 30 June 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:
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.	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.

IFRS 7.25

50.04 Accounting classification and fair value

Fair value of financial assets and liabilities together with carrying amount shown in the statement of financial position are as follows:

	Carrying amount	Fair Value
	30-Jun-16	
Assets carried at fair value through profit and loss	-	-
Held to maturity assets:		
FDR with banks	-	-
Loans on Receivables:		
Trade Receivables	1,666,796,068	1,666,796,068
Security deposit	51,944,124	51,944,124
Cash and bank balances	202,217,966	202,217,966
Available for sale financial assets	Nil	Nil
Liabilities carried at fair value through profit and loss	Nil	Nil
Liabilities carried at amortized cost:		
Accounts and other payables	Nil	Nil
Short term bank borrowing	7,353,006,858	**N/A
Current portion of long term borrowing	1,122,530,545	**N/A

**As per the requirements of BFRS 7 Para 29, determination of fair value is not required for instruments for which fair value is not likely to be significantly different from the carrying amounts.

IAS 1.134,
135(a)-(b)

51.00 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.

No changes were made in the objectives, policies or processes for managing capital during the periods ended 30 June 2016 and 31 December 2015.

BASHUNDHARA PAPER MILLS LIMITED
Schedule of Property, Plant & Equipment

at 30 June 2016

Annexure-A

PARTICULARS	COST						DEPRECIATION						Written down value
	Opening balance	Adjustment	Restated opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Adjustment	Restated opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2			3	4	5=2+3-4	6			7	8	9=6+7+8	10=5-9
a) Based on Cost:	8,221,560,880	(3,567,223)	8,217,993,657	282,969,088	-	8,500,962,745	2,125,421,696	(3,567,223)	2,121,854,473	328,053,795	-	2,449,908,268	6,051,054,477
i) Own assets:	6,186,543,859	(3,567,223)	6,182,976,636	282,969,088	577,957,005	7,043,902,729	1,539,132,078	(3,567,223)	1,535,564,855	270,965,830	183,219,654	1,989,750,338	5,054,152,391
Land and land development	341,661,651	-	341,661,651	12,966,067	-	354,627,718	-	-	-	-	-	-	354,627,718
Plant and machinery	4,010,945,369	(3,754,612)	4,007,190,757	201,250,526	578,854,567	4,787,295,850	1,241,477,328	(3,754,612)	1,237,722,716	216,400,368	183,219,654	1,637,342,737	3,149,953,113
Office equipment	44,871,580	23,248	44,894,828	4,606,188	-	49,501,016	14,860,414	23,248	14,883,662	2,413,020	-	17,296,682	32,204,334
Furniture and fixture	22,085,496	-	22,085,496	9,666,220	-	31,751,716	7,664,285	-	7,664,285	846,667	-	8,510,952	23,240,764
Factory apparatus and loose tools	207,341,271	(156,430)	207,184,841	4,905,905	(897,562)	211,193,184	34,215,809	(156,430)	34,059,379	6,405,856	-	40,465,236	170,727,948
Motor Vehicles	273,525,584	800,000	274,325,584	27,631,045	-	301,956,629	67,238,453	800,000	68,038,453	17,891,845	-	85,930,297	216,026,332
Factory building and other constructions	1,242,219,782	(479,429)	1,241,740,353	19,557,185	-	1,261,297,538	153,729,492	(479,429)	153,250,063	24,693,068	-	177,943,130	1,083,354,408
Sundry assets	43,893,126	-	43,893,126	2,385,953	-	46,279,079	19,946,297	-	19,946,297	2,315,006	-	22,261,303	24,017,776
ii) Leased assets:	2,035,017,021	-	2,035,017,021	-	(577,957,005)	1,457,060,016	586,289,618	-	586,289,618	57,087,965	(183,219,654)	460,157,930	996,902,086
Plant and machinery	1,965,540,520	-	1,965,540,520	-	(577,957,005)	1,387,583,515	557,388,543	-	557,388,543	53,541,219	(183,219,654)	427,710,108	959,873,407
Motor Vehicles	69,476,500	-	69,476,500	-	-	69,476,500	28,901,075	-	28,901,075	3,546,746	-	32,447,822	37,028,679
b) Based on Revaluation:	2,852,390,134	(4,030,140)	2,848,359,994	-	27,857	2,848,387,851	157,419,010	-	157,419,010	15,649,799	-	173,068,809	2,675,319,042
Land and land development	2,107,635,598	-	2,107,635,598	-	-	2,107,635,598	-	-	-	-	-	-	2,107,635,598
Plant and machinery	115,739,971	(400,049)	115,339,922	-	27,857	115,367,779	48,803,320	-	48,803,320	4,869,991	-	53,673,311	61,694,468
Office equipment	1,733,807	-	1,733,807	-	-	1,733,807	729,190	-	729,190	72,249	-	801,438	932,369
Furniture and fixture	1,036,791	-	1,036,791	-	-	1,036,791	378,513	-	378,513	37,314	-	415,827	620,964
Factory apparatus and loose tools	4,239,614	(79,121)	4,160,493	-	-	4,160,493	1,126,477	-	1,126,477	112,242	-	1,238,719	2,921,774
Motor Vehicles	10,767,090	(3,000,000)	7,767,090	-	-	7,767,090	4,480,331	-	4,480,331	383,041	-	4,863,372	2,903,719
Building and other constructions	604,927,615	(550,970)	604,376,645	-	-	604,376,645	98,628,774	-	98,628,774	9,849,264	-	108,478,038	495,898,608
Sundry assets	6,309,647	-	6,309,647	-	-	6,309,647	3,272,405	-	3,272,405	325,699	-	3,598,104	2,711,543
Total (a+b)	11,073,951,014	(7,597,363)	11,066,353,650	282,969,088	27,857	11,349,350,596	2,282,840,706	(3,567,223)	2,279,273,483	343,703,594	-	2,622,977,077	8,726,373,519

Allocation of depreciation:

Administrative overhead @ 5%

17,185,180

Factory overhead @ 95%

326,518,415

Total

343,703,594

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.

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

Date of Capitalization: 30 June 2010 and 05 July 2015.

BPML (UNIT-1)

Annexure-A.1

PARTICULARS	COST						DEPRECIATION						Written down value
	Opening balance	Adjustment	Restated opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Adjustment	Restated opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2			3	4	5=2+3-4	6			7	8	9=6+7+8	10=5-9
a) Based on Cost:	2,997,659,004	-	2,997,659,004	140,640,234	-	3,138,299,237	649,307,061	-	649,307,061	99,360,542	-	748,667,603	2,389,631,634
i) Own assets:	2,410,767,099	-	2,410,767,099	140,640,234	577,957,005	3,129,364,337	461,123,575	-	461,123,575	98,864,158	183,219,654	743,207,387	2,386,156,950
Land and land development	125,829,093	-	125,829,093	12,966,067	-	138,795,160	-	-	-	-	-	-	138,795,160
Plant and machinery	1,420,612,854	-	1,420,612,854	81,033,691	578,854,567	2,080,501,112	305,562,324	-	305,562,324	75,925,707	183,219,654	564,707,685	1,515,793,427
Office equipment	23,689,306	-	23,689,306	3,421,823	-	27,111,129	7,895,120	-	7,895,120	1,186,343	-	9,081,463	18,029,666
Furniture and fixture	5,339,094	-	5,339,094	9,319,308	-	14,658,402	1,653,048	-	1,653,048	211,878	-	1,864,926	12,793,476
Factory apparatus and loose tools	189,924,464	-	189,924,464	2,926,358	(897,562)	191,953,260	29,142,730	-	29,142,730	5,100,396	-	34,243,126	157,710,134
Motor Vehicles	165,630,674	-	165,630,674	11,629,862	-	177,260,536	50,849,194	-	50,849,194	8,523,915	-	59,373,108	117,887,428
Factory building and other constructions	472,662,281	-	472,662,281	19,343,125	-	492,005,406	62,383,836	-	62,383,836	7,426,737	-	69,810,573	422,194,833
Sundry assets	7,079,331	-	7,079,331	-	-	7,079,331	3,637,322	-	3,637,322	489,183	-	4,126,505	2,952,826
ii) Leased assets:	586,891,905	-	586,891,905	-	(577,957,005)	8,934,900	188,183,486	-	188,183,486	496,383	(183,219,654)	5,460,216	3,474,684
Plant and machinery	577,957,005	-	577,957,005	-	(577,957,005)	-	183,219,654	-	183,219,654	-	(183,219,654)	-	-
Motor Vehicles	8,934,900	-	8,934,900	-	-	8,934,900	4,963,832	-	4,963,832	496,383	-	5,460,216	3,474,684
b) Based on Revaluation:	856,060,028	-	856,060,028	-	27,857	856,087,885	42,647,431	-	42,647,431	4,210,599	-	46,858,030	809,229,856
Land and land development	739,453,096	-	739,453,096	-	-	739,453,096	-	-	-	-	-	-	739,453,096
Plant and machinery	83,073,372	-	83,073,372	-	27,857	83,101,229	33,535,863	-	33,535,863	3,354,852	-	36,890,715	46,210,514
Office equipment	423,389	-	423,389	-	-	423,389	172,045	-	172,045	16,065	-	188,110	235,279
Furniture and fixture	354,654	-	354,654	-	-	354,654	126,780	-	126,780	12,678	-	139,458	215,196
Factory apparatus and loose tools	2,523,455	-	2,523,455	-	-	2,523,455	664,065	-	664,065	66,407	-	730,472	1,792,983
Motor Vehicles	6,493,899	-	6,493,899	-	-	6,493,899	3,789,269	-	3,789,269	324,656	-	4,113,925	2,379,974
Building and other constructions	21,226,067	-	21,226,067	-	-	21,226,067	2,964,199	-	2,964,199	296,420	-	3,260,619	17,965,448
Sundry assets	2,512,096	-	2,512,096	-	-	2,512,096	1,395,210	-	1,395,210	139,521	-	1,534,731	977,365
Total (a+b)	3,853,719,032	-	3,853,719,032	140,640,234	27,857	3,994,387,122	691,954,492	-	691,954,492	103,571,140	-	795,525,632	3,198,861,490
Allocation of depreciation:													
Administrative overhead @ 5%	5,178,557												
Factory overhead @ 95%	98,392,583												
Total	103,571,140												

BPML (UNIT-2)
Annexure-A.2

PARTICULARS	COST						DEPRECIATION						Written down value
	Opening balance	Adjustment	Restated opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Adjustment	Restated opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2			3	4	5=2+3-4	6			7	8	9=6+7+8	10=5-9
a) Based on Cost:	1,812,848,946	(4,469,638)	1,808,379,308	27,677,326	-	1,836,056,635	625,546,581	(4,469,638)	621,076,943	77,948,979	-	699,025,922	1,137,030,712
i) Own assets:	1,812,848,946	(4,469,638)	1,808,379,308	27,677,326	-	1,836,056,635	625,546,581	(4,469,638)	621,076,943	77,948,979	-	699,025,922	1,137,030,712
Land and land development	41,901,598	-	41,901,598	-	-	41,901,598	-	-	-	-	-	-	41,901,598
Plant and machinery	1,499,736,911	(3,833,779)	1,495,903,132	19,317,027	-	1,515,220,160	579,103,676	(3,833,779)	575,269,897	71,342,859	-	646,612,756	868,607,404
Office equipment	4,520,071	-	4,520,071	759,665	-	5,279,736	2,067,598	-	2,067,598	298,782	-	2,366,380	2,913,356
Furniture and fixture	2,119,485	-	2,119,485	-	-	2,119,485	875,736	-	875,736	97,361	-	973,097	1,146,388
Factory apparatus and loose tools	9,274,740	(156,430)	9,118,310	1,979,547	-	11,097,857	3,168,725	(156,430)	3,012,295	927,566	-	3,939,861	7,157,996
Motor Vehicles	5,525,510	-	5,525,510	5,407,027	-	10,932,537	716,790	-	716,790	504,765	-	1,221,555	9,710,982
Factory building and other constructions	228,758,071	(479,429)	228,278,642	214,060	-	228,492,702	29,645,988	(479,429)	29,166,559	3,753,618	-	32,920,177	195,572,526
Sundry assets	21,012,559	-	21,012,559	-	-	21,012,559	9,968,068	-	9,968,068	1,024,028	-	10,992,096	10,020,464
ii) Leased assets:	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	-
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
b) Based on Revaluation:	1,174,900,722	(1,030,140)	1,173,870,582	-	-	1,173,870,582	70,876,186	-	70,876,186	7,057,816	-	77,934,003	1,095,936,580
Land and land development	798,420,922	-	798,420,922	-	-	798,420,922	-	-	-	-	-	-	798,420,922
Plant and machinery	5,701,916	(400,049)	5,301,867	-	-	5,301,867	1,798,976	-	1,798,976	168,291	-	1,967,267	3,334,601
Office equipment	645,079	-	645,079	-	-	645,079	322,540	-	322,540	32,254	-	354,794	290,285
Furniture and fixture	47,843	-	47,843	-	-	47,843	21,749	-	21,749	2,175	-	23,924	23,919
Factory apparatus and loose tools	369,643	(79,121)	290,522	-	-	290,522	85,448	-	85,448	8,545	-	93,993	196,529
Motor Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Building and other constructions	366,577,510	(550,970)	366,026,540	-	-	366,026,540	67,078,568	-	67,078,568	6,689,662	-	73,768,230	292,258,310
Sundry assets	3,137,809	-	3,137,809	-	-	3,137,809	1,568,905	-	1,568,905	156,890	-	1,725,795	1,412,014
Total (a+b)	2,987,749,669	(5,499,778)	2,982,249,891	27,677,326	-	3,009,927,217	696,422,768	(4,469,638)	691,953,130	85,006,795	-	776,959,925	2,232,967,292
Allocation of depreciation:													
Administrative overhead @ 5%	4,250,340												
Factory overhead @ 95%	80,756,456												
Total	85,006,795												

PARTICULARS	COST						DEPRECIATION						Written down value
	Opening balance	Adjustment	Restated opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Adjustment	Restated opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2			3	4	5=2+3-4	6			7	8	9=6+7+8	10=5-9
a) Based on Cost:	3,411,052,930	902,415	3,411,955,345	114,651,529	-	3,526,606,873	850,568,054	902,415	851,470,469	150,744,274	-	1,002,214,743	2,524,392,130
i) Own assets:	1,962,927,814	902,415	1,963,830,229	114,651,529	-	2,078,481,758	452,461,922	902,415	453,364,337	94,152,692	-	547,517,029	1,530,964,729
Land and land development	173,930,960	-	173,930,960	-	-	173,930,960	-	-	-	-	-	-	173,930,960
Plant and machinery	1,090,595,604	79,167	1,090,674,771	100,899,808	-	1,191,574,579	356,811,327	79,167	356,890,494	69,131,802	-	426,022,296	765,552,282
Office equipment	16,662,202	23,248	16,685,450	424,700	-	17,110,150	4,897,696	23,248	4,920,944	927,895	-	5,848,839	11,261,311
Furniture and fixture	14,626,917	-	14,626,917	346,912	-	14,973,829	5,135,501	-	5,135,501	537,428	-	5,672,929	9,300,900
Factory apparatus and loose tools	8,142,066	-	8,142,066	-	-	8,142,066	1,904,354	-	1,904,354	377,894	-	2,282,248	5,859,818
Motor Vehicles	102,369,400	800,000	103,169,400	10,594,156	-	113,763,556	15,672,469	800,000	16,472,469	8,863,165	-	25,335,634	88,427,922
Factory building and other constructions	540,799,430	-	540,799,430	-	-	540,799,430	61,699,668	-	61,699,668	13,512,713	-	75,212,381	465,587,049
Sundry assets	15,801,236	-	15,801,236	2,385,953	-	18,187,189	6,340,907	-	6,340,907	801,795	-	7,142,702	11,044,486
ii) Leased assets:	1,448,125,116	-	1,448,125,116	-	-	1,448,125,116	398,106,132	-	398,106,132	56,591,582	-	454,697,714	993,427,402
Plant and machinery	1,387,583,515	-	1,387,583,515	-	-	1,387,583,515	374,168,889	-	374,168,889	53,541,219	-	427,710,108	959,873,407
Motor Vehicles	60,541,600	-	60,541,600	-	-	60,541,600	23,937,243	-	23,937,243	3,050,363	-	26,987,606	33,553,994
b) Based on Revaluation:	821,429,383	(3,000,000)	818,429,383	-	-	818,429,383	43,895,393	-	43,895,393	4,381,385	-	48,276,777	770,152,606
Land and land development	569,761,580	-	569,761,580	-	-	569,761,580	-	-	-	-	-	-	569,761,580
Plant and machinery	26,964,683	-	26,964,683	-	-	26,964,683	13,468,481	-	13,468,481	1,346,848	-	14,815,329	12,149,354
Office equipment	665,339	-	665,339	-	-	665,339	234,605	-	234,605	23,930	-	258,535	406,804
Furniture and fixture	634,294	-	634,294	-	-	634,294	229,984	-	229,984	22,462	-	252,446	381,848
Factory apparatus and loose tools	1,346,516	-	1,346,516	-	-	1,346,516	376,964	-	376,964	37,290	-	414,254	932,262
Motor Vehicles	4,273,191	(3,000,000)	1,273,191	-	-	1,273,191	691,062	-	691,062	58,385	-	749,447	523,744
Building and other constructions	217,124,038	-	217,124,038	-	-	217,124,038	28,586,007	-	28,586,007	2,863,182	-	31,449,189	185,674,849
Sundry assets	659,742	-	659,742	-	-	659,742	308,290	-	308,290	29,288	-	337,578	322,164
Total (a+b)	4,232,482,314	(2,097,585)	4,230,384,728	114,651,529	-	4,345,036,257	894,463,446	902,415	895,365,861	155,125,659	-	1,050,491,520	3,294,544,737
Allocation of depreciation:													
Administrative overhead @ 5%	7,756,283												
Factory overhead @ 95%	147,369,376												
Total	155,125,659												

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
BSEC	Bangladesh Securities & Exchange Commission
Capital/Revaluation reserves	Reserves identified for specific purposes and considered not available for distribution.
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.
Finance lease	Capital lease
IASs	International Accounting Standards
IFRSs	International Financial Reporting Standards
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.

b) Information as is required under section 186 of the কোম্পানি আইন, ১৯৯৪ relating to holding company;

Not applicable for Bashundhara Paper Mills limited since the company has no subsidiary.

c) Selected ratios as specified in Annexure-D;

BASHUNDHARA PAPER MILLS LIMITED
Statement of Ratio Analysis

We have examined the following earnings per share (EPS) and other ratios of BASHUNDHARA PAPER MILLS LIMITED for the period ended June 30, 2016 and for the year ended December 31, 2015, 2014, 2013, 2012 and 2011 which have been produced by the management of the Company and provided to us. The preparation of the EPS and the other ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using stated principle on the basis of audited consolidated and stand alone financial statements for the period ended June 30, 2016 and for the year ended December 31, 2015, 2014, 2013, 2012 and 2011. Based on the review, we certify that the Company has properly prepared the following EPS and other ratios using stated principles on the basis of audited consolidated and stand alone financial statements for period ended June 30, 2016 and for the year ended December 31, 2015, 2014, 2013, 2012 and 2011. Ratios pertinent to the prospectus are as specified in rule 4 (1) (d) / Annexure D of the Securities and Exchange Commission (Public Issue) Rules, 2015.

Name of ratio	Formula	30 June 2016	Result				
			2015	2014	2013	2012	2011

Liquidity ratios:

Current Ratio	Current assets/ Current liabilities	1.00	1.02	1.01	1.00	0.86	0.89
Quick Ratio	Total Quick assets / Current liabilities	0.43	0.44	0.47	0.43	0.46	0.52

Operating Efficiency Ratios

Accounts Receivable Turnover Ratio	Turnover/ Average receivables	3.48	5.80	4.80	5.03	5.54	5.65
Inventory Turnover Ratio	Cost of Goods Sold/ Average Inventories	0.90	1.73	1.68	2.07	2.69	2.45

Asset turnover Ratio	Turnover/ Average Total assets	0.31	0.59	0.62	0.68	0.72	0.72
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Profitability Ratios:

Gross Margin Ratio	100 * Gross profit/ Turnover	18.08	17.27	17.32	16.30	15.97	17.30
Operating Profit Ratio	100 * Operating profit/ Turnover	14.58	13.24	12.98	12.14	11.35	12.55
Net Profit Ratio	100 * Net Profit after Tax / Turnover	5.56	2.54	2.11	0.92	0.64	1.15
Return on Assets Ratio	100 * Net Profit after Tax/ Total assets	1.67	1.46	1.28	0.59	0.44	0.75
Return on Equity Ratio	100 * Net Profit after Tax/ Shareholders' equity	7.03	6.28	7.95	3.85	2.68	3.84
Earnings Per Share (EPS)	Net Profit after Tax/ Number of Shares	2.14	1.79	4.40	5.10	3.41	5.47
Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	(Operating Profit+ Depreciation)/ Revenue	0.21	0.19	0.18	0.17	0.15	0.16

Solvency Ratios:

Debt to Total Assets Ratio	Total Debt (Total Liabilities)/ Total Assets	0.76	0.77	0.84	0.85	0.83	0.80
Debt to Equity Ratio	Total Debt (Total Liabilities)/ Shareholders' equity	3.20	3.29	5.22	5.48	5.05	4.10
Times Interest Earned Ratio	EBIT/ Interest expense	1.76	1.39	1.25	1.22	1.18	1.26
Debt Service Coverage Ratio	Net Operating Income/ Total Debt Service Cost	0.70	0.44	0.51	0.39	0.91	0.67

Cash Flow Ratios:

Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flows / Nos. of ordinary shares outstanding during the year	4.69	16.47	39.11	(42.66)	19.01	135.61
NOCFPS to EPS Ratio	Net Operating Cash Flows / EPS	2.19	9.19	8.88	(8.37)	5.57	24.77

We have examined the calculation of the above ratios of Bashundhara Paper Mills Limited for the period ended June 30, 2016 and for the year ended December 31, 2015, 2014, 2013, 2012 and 2011 and are found them correct.

Place: Dhaka;
Dated: August 01, 2017

SD/-
Ahmed Zaker & Co.
Chartered Accountants

BASHUNDHARA PAPER MILLS LIMITED

Name of Ratio			Amount in Taka											
			30.06.2016		31.12.2015		31.12.2014		31.12.2013		31.12.2012		31.12.2011	
			Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result	Calculation	Result
A. Liquidity Ratios:														
1	Current Ratio	Current Assets	9,415,203,876	1.00	8,691,875,615	1.02	9,497,282,063	1.01	9,003,503,985	1.00	7,398,061,913	0.86	7,111,653,762	0.89
		Current Liability	9,411,486,165		8,559,313,742		9,357,472,342		9,026,257,499		8,646,505,099		7,979,595,005	
2	Quick Ratio	Current Assets - Inventory	4,028,174,044	0.43	3,757,187,037	0.44	4,431,513,223	0.47	3,922,859,579	0.43	3,975,113,011	0.46	4,144,736,801	0.52
		Current Liability	9,411,486,165		8,559,313,742		9,357,472,342		9,026,257,499		8,646,505,099		7,979,595,005	
B. Operating Efficiency Ratios:														
1	Accounts Receivable Turnover Ratio	Turnover	5,692,734,196	3.48	10,435,756,308	5.80	10,335,094,709	4.80	10,501,929,489	5.03	10,231,758,607	5.54	9,086,822,654	5.65
		Average Receivables	1,638,074,262		1,799,484,124		2,151,876,244		2,087,761,981		1,846,761,129		1,607,104,002	
2	Inventory Turnover Ratio	Cost of Goods Sold	4,663,616,715	0.90	8,633,126,096	1.73	8,545,083,397	1.68	8,789,943,753	2.07	8,597,727,339	2.69	7,514,925,456	2.45
		Average Inventory	5,160,859,205		5,000,228,709		5,073,206,623		4,251,796,654		3,194,932,931		3,062,559,572	
3	Assets Turnover Ratio	Turnover	5,692,734,196	0.31	10,435,756,308	0.59	10,335,094,709	0.62	10,501,929,489	0.68	10,231,758,607	0.72	9,086,822,654	0.72
		Average Total Assets	18,496,293,878		17,581,144,669		16,715,353,901		15,513,323,536		14,250,285,031		12,608,813,908	
C. Profitability Ratios:														
1	Gross Margin Ratio	Gross Profit	1,029,117,481	18.08	1,802,630,212	17.27	1,790,011,312	17.32	1,711,985,736	16.30	1,634,031,268	15.97	1,571,897,198	17.30
		Turnover	5,692,734,196		10,435,756,308		10,335,094,709		10,501,929,489		10,231,758,607		9,086,822,654	
2	Operating Profit Ratio	Operating Profit	830,026,741	14.58	1,381,301,962	13.24	1,341,137,796	12.98	1,274,977,305	12.14	1,161,086,278	11.35	1,140,828,149	12.55
		Turnover	5,692,734,196		10,435,756,308		10,335,094,709		10,501,929,489		10,231,758,607		9,086,822,654	
3	Net Profit Ratio	Net Profit after Tax	316,578,047	5.56	264,672,844	2.54	218,122,716	2.11	97,070,736	0.92	65,003,069	0.64	104,291,426	1.15
		Turnover	5,692,734,196		10,435,756,308		10,335,094,709		10,501,929,489		10,231,758,607		9,086,822,654	

4	Return on Assets Ratio	Net Profit after Tax	316,578,047	1.67	264,672,844	1.46	218,122,716	1.28	97,070,736	0.59	65,003,069	0.44	104,291,426	0.75
		Total Assets	18,908,848,937		18,083,738,820		17,078,550,518		16,352,157,284		14,674,489,788		13,826,080,275	
5	Return on Equity Ratio	Net Profit after Tax	316,578,047	7.03	264,672,844	6.28	218,122,716	7.95	97,070,736	3.85	65,003,069	2.68	104,291,426	3.84
		Shareholders' Equity	4,504,853,613		4,213,403,499		2,744,599,870		2,524,292,261		2,427,221,524		2,713,251,356	
6	Earnings Per Share (EPS)	Net Profit after Tax	316,578,047	2.14	264,672,844	1.79	218,122,716	4.40	97,070,736	5.10	65,003,069	3.41	104,291,426	5.47
		Number of Shares	147,749,775		147,749,775		49,535,590		19,052,150		19,052,150		19,052,150	
7	Earnings before interest, taxes, depreciation and amortization (EBITDA) Margin	Operating Profit + Depreciation	1,173,730,335	0.21	1,973,638,868	0.19	1,867,190,730	0.18	1,750,249,639	0.17	1,581,783,321	0.15	1,415,044,285	0.16
		Revenue	5,692,734,196		10,435,756,308		10,335,094,709		10,501,929,489		10,231,758,607		9,086,822,654	
d	Solvency Ratios:													
1	Debt to Total Assets Ratio	Total Debt (Total Liabilities)	14,403,995,323	0.76	13,870,335,320	0.77	14,333,950,649	0.84	13,827,865,023	0.85	12,247,268,263	0.83	11,112,828,919	0.80
		Total Assets	18,908,848,937		18,083,738,820		17,078,550,518		16,352,157,284		14,674,489,788		13,826,080,275	
2	Debt to Equity Ratio	Total Debt (Total Liabilities)	14,403,995,323	3.20	13,870,335,320	3.29	14,333,950,649	5.22	13,827,865,023	5.48	12,247,268,263	5.05	11,112,828,919	4.10
		Total Shareholders' Equity	4,504,853,613		4,213,403,499		2,744,599,870		2,524,292,261		2,427,221,524		2,713,251,356	
3	Times Interest Earned Ratio	EBIT	830,026,741	1.76	1,381,301,962	1.39	1,341,137,796	1.25	1,274,977,305	1.22	1,161,086,278	1.18	1,140,828,149	1.26
		Interest Expenses	471,708,779		992,755,593		1,073,308,667		1,040,934,961		982,304,468		908,347,461	
4	Debt Service Coverage Ratio	Operating Income +Depreciation	1,173,730,335	0.70	1,973,638,868	0.44	1,867,190,730	0.51	1,750,249,639	0.39	1,581,783,321	0.91	1,415,044,285	0.67
		Total Debt Service Cost	1,684,381,843		4,458,711,682		3,662,880,839		4,474,185,296		1,736,147,465		2,112,733,916	

e **Cash Flow Ratios:**

1	Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow	692,622,560	4.69		2,432,763,191	16.47		1,937,364,129	39.11		(812,716,882)	(42.66)		362,124,441	19.01		2,583,631,703	135.61
		Nos. of ordinary shares outstanding during the year	147,749,775			147,749,775			49,535,590			19,052,150			19,052,150			19,052,150	
2	NOCFPS to EPS Ratio	Net Operating Cash Flow per Share	4.69	2.19		16.47	9.19		39.11	8.88		(42.66)	(8.37)		19.01	5.57		135.61	24.77
		EPS	2.14			1.79			4.40			5.10			3.41			5.4740	

Ratio compared with Industry Average:

Selected ratios as on 31/12/2015

Financial ratio	BPML	INDUSTRY AVERAGE(Ratio)	Remark/Explanation
Liquidity Ratio			
Current Ratio	1.02	2.12	BPML's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities
Quick Ratio	0.21	1.51	BPML's Ratio is lower than the industry average ratio as quick assets are relatively lower
Times Interest Earned Ratio	1.38	2.39	BPML's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense.
Debt Equity Ratio (In times)	5.22	0.28	BPML's Ratio is better as debt burden is lower than equity.
Operating Ratios			
Accounts Receivable Turnover Ratio (In times)	5.80	7.15	BPML's Ratio is lower as collection period is longer than the average industry
Inventory Turnover Ratio (In times)	1.73	4.78	BPML's Ratio is lower because of relatively high inventory level.
Asset Turnover Ratio (In times)	0.59	0.74	BPML's Ratio is lower than the industry average ratio as BPML generating sales with a relatively much amount of fixed assets.
Profitability Ratio			
Gross Margin Ratio %	17.27	13.66	BPML's Ratio is better than the industry average ratio as lower overhead cost
Operating Profit Ratio %	13.24	5.11	BPML's Ratio is better than the industry average ratio as higher operating profit
Net Profit Ratio %	2.54	4.09	BPML's Ratio is lower than the industry average ratio as lower net profit
Return on Assets Ratio (ROA) %	1.46	3.535	BPML's Ratio is lower than the industry average ratio as lower net profit.
Return on Equity Ratio (After Tax) %	5.96	4.77	BPML's Ratio is better than the industry average ratio as higher net profit.
Earnings Per Share Ratio (EPS)	3.63	0.98	BPML's EPS is better than the industry average EPS as higher net profit.
EBITDA Margin	0.19	0.1	BPML's Ratio is better than the industry average ratio as higher net operating profit.
Coverage Ratios			
Debt to total Assets Ratio	0.63	0.18	BPML's Ratio higher due to higher debt than industry average
Debt Service Coverage Ratio	0.12	1.16	BPML's Ratio is lower because of relatively higher debt.
Cash Flow			
Net Operating Cash Flow Per Share	16.47	-2.145	BPML's Ratio is better than the industry average ratio as net operating cash flow is relatively higher.
Net Operating Cash Flow Per Share/Earnings Per Share(EPS)	9.15	0.41	BPML's Ratio is better than the industry average ratio as net operating cash flow is relatively higher.

1. While calculating the Industry Average, the out layer results have not been considered.
2. The ratios of Bashundhara Paper Mills limited has been calculated based on Audited Financial Statements and Industry average ratios are calculated on the basis of financial data collected from Annual Report of following two publicly traded Companies corresponding accounting years:

Name of the Company	Considered accounting Years
Hakkani Pulp and Paper Industries Ltd.	For the year ended 30 June March 2011, 2012, 2013, 2014 and 2015
Khulna Printing and Packaging Limited	
	For the year ended 30 June March 2011, 2012, 2013, 2014 and 2015

** Annual Report for the 2016 is not available

3. The companies considered as peer of BPML are listed in the Stock Exchanges of Bangladesh, which are Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

4. Companies having annually published data have been considered only.

Selected ratios as on 31/12/2014

Financial ratio	BPML Ratio	INDUSTRY AVERAGE	Remark/Explanation
Liquidity Ratio			
Current Ratio	1.01	1.84	BPML's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities
Quick Ratio	0.24	1.96	BPML's Ratio is lower than the industry average ratio as quick assets are relatively lower
Times Interest Earned Ratio	1.24	2.97	BPML's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense.
Debt Equity Ratio (In times)	5.22	0.985	BPML's Ratio is better as debt burden is lower than equity.
Operating Ratios			
Accounts Receivable Turnover Ratio (In times)	4.80	8.93	BPML's Ratio is lower as collection period is longer than the average industry
Inventory Turnover Ratio (In times)	1.73	6.3	BPML's Ratio is lower because of relatively high inventory level.
Asset Turnover Ratio (In times)	0.59	0.79	BPML's Ratio is lower than the industry average ratio as BPML generating sales with a relatively much amount of fixed assets.
Profitability Ratio			
Gross Margin Ratio %	17.32	12.475	BPML's Ratio is better than the industry average ratio as lower overhead cost
Operating Profit Ratio %	12.98	5.34	BPML's Ratio is better than the industry average ratio as higher operating profit
Net Profit Ratio %	2.11	3.73	BPML's Ratio is lower than the industry average ratio as lower net profit
Return on Assets Ratio (ROA) %	1.28	3	BPML's Ratio is lower than the industry average ratio as lower net profit.
Return on Equity Ratio (After Tax) %	7.95	5	BPML's Ratio is better than the industry average ratio as higher net profit.
Earnings Per Share Ratio (EPS)	4.40	2.08	BPML's EPS is better than the industry average EPS as higher net profit.
EBITDA Margin	0.18	0.1	BPML's Ratio is better than the industry average ratio as higher net operating profit.
Coverage Ratios			
Debt to total Assets Ratio	0.68	0.18	BPML's Ratio higher due to higher debt than industry average
Debt Service Coverage Ratio	0.12	1.415	BPML's Ratio is lower because of relatively higher debt.

Cash Flow			
Net Operating Cash Flow Per Share	39.11	0.015	BPMLL's Ratio is better than the industry average ratio as net operating cash flow is relatively higher.
Net Operating Cash Flow Per Share/Earnings Per Share(EPS)	8.88	0.41	BPML's Ratio is better than the industry average ratio as net operating cash flow is relatively higher.

Selected ratios as on 31/12/2013

Financial ratio	BPML Ratio	INDUSTRY AVERAGE	Remark/Explanation
Liquidity Ratio			
Current Ratio	1.00	1.6	BPML's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities
Quick Ratio	0.27	0.9	BPML's Ratio is lower than the industry average ratio as quick assets are relatively lower
Times Interest Earned Ratio	1.22	2.4	BPMLL's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense.
Debt Equity Ratio (In times)	5.48	0.4	BPML's Ratio is better as debt burden is lower than equity.
Operating Ratios			
Accounts Receivable Turnover Ratio(In times)	5.03	11	BPML's Ratio is lower as collection period is longer than the average industry
Inventory Turnover Ratio (In times)	2.07	6.9	BPML's Ratio is lower because of relatively high inventory level.
Asset Turnover Ratio (In times)	0.68	1	BPML's Ratio is lower than the industry average ratio as BPML generating sales with a relatively much amount of fixed assets.
Profitability Ratio			
Gross Margin Ratio %	16.30	14	BPML's Ratio is better than the industry average ratio as lower overhead cost
Operating Profit Ratio %	12.14	6.6	BPML's Ratio is better than the industry average ratio as higher operating profit
Net Profit Ratio %	0.92	4.3	BPML's Ratio is lower than the industry average ratio as lower net profit
Return on Assets Ratio (ROA) %	0.59	4.3	BPML's Ratio is lower than the industry average ratio as lower net profit.
Return on Equity Ratio (After Tax) %	3.85	6.6	BPML's Ratio is lower than the industry average ratio as lower net profit.
Earnings Per Share Ratio (EPS)	0.66	1.7	BPML's EPS is lower r than the industry average EPS as lower net profit.
EBITDA Margin	0.17	13	BPML's Ratio is lower than the industry average ratio as lower net operating profit.
Coverage Ratios			
Debt to total Assets Ratio	1.22	1.5	BPML's Ratio higher due to higher debt than industry average
Debt Service Coverage Ratio	0.39	1.7	BPML's Ratio is lower because of relatively higher debt.
Cash Flow			
Net Operating Cash Flow Per Share	-42.66	0.9	BPMLL's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower.
Net Operating Cash Flow Per Share/Earnings Per Share(EPS)	(64.93)	1.4	BPML's Ratio is lower than the industry average ratio as net operating cash flow is relatively lower.

Selected ratios as on 31/12/2012

Financial ratio	BPML Ratio	INDUSTRY AVERAGE	Remark/Explanation
Liquidity Ratio			
Current Ratio	0.86	1.66	BPML's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities
Quick Ratio	0.25	1.46	BPML's Ratio is lower than the industry average ratio as quick assets are relatively lower
Times Interest Earned Ratio	1.18	2.065	BPML's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense.
Debt Equity Ratio (In times)	5.05	0.45	BPML's Ratio is better as debt burden is lower than equity.
Operating Ratios			
Accounts Receivable Turnover Ratio (In times)	5.55	13.2	BPML's Ratio is lower as collection period is longer than the average industry
Inventory Turnover Ratio (In times)	2.69	8.15	BPML's Ratio is lower because of relatively high inventory level.
Asset Turnover Ratio (In times)	0.72	1.22	BPML's Ratio is lower than the industry average ratio as BPML generating sales with a relatively much amount of fixed assets.
Profitability Ratio			
Gross Margin Ratio %	15.97	14.26	BPML's Ratio is better than the industry average ratio as lower overhead cost
Operating Profit Ratio %	11.35	8.34	BPML's Ratio is better than the industry average ratio as higher operating profit
Net Profit Ratio %	0.64	5.43	BPML's Ratio is lower than the industry average ratio as lower net profit
Return on Assets Ratio (ROA) %	0.44	6.23	BPML's Ratio is lower than the industry average ratio as lower net profit.
Return on Equity Ratio (After Tax) %	2.68	2	BPML's Ratio is higher than the industry average ratio as higher net profit.
Earnings Per Share Ratio (EPS)	0.44	2.38	BPML's EPS is lower r than the industry average EPS as lower net profit.
EBITDA Margin	0.15	0.97	BPML's Ratio is lower than the industry average ratio as lower net operating profit.
Coverage Ratios			
Debt to total Assets Ratio	1.25	0.26	BPML's Ratio higher due to higher debt than industry average
Debt Service Coverage Ratio	0.91	1.02	BPML's Ratio is lower because of relatively higher debt.
Cash Flow			
Net Operating Cash Flow Per Share	19.01	-0.065	BPML's Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
Net Operating Cash Flow Per Share/Earnings Per Share(EPS)	43.20	-0.027	BPML's Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.

Selected ratios as on 12/31/2011

Financial ratio	BPML Ratio	INDUSTRY AVERAGE(Ratio)	Remark/Explanation
Liquidity Ratio			
Current Ratio	0.89	1.97	BPML's Current Ratio is lower than the industry average current ratio because of relatively higher current liabilities
Quick Ratio	0.25	1.03	BPML's Ratio is lower than the industry average ratio as quick assets are relatively lower

Times Interest Earned Ratio	1.26	3.73	BPML's Ratio is lower than the industry average ratio as operating profit is relatively lower to pay financial expense.
Debt Equity Ratio (In times)	4.10	0.29	BPML's Ratio is better as debt burden is lower than equity.
Operating Ratios			
Accounts Receivable Turnover Ratio(In times)	5.55	10.67	BPML's Ratio is lower as collection period is longer than the average industry
Inventory Turnover Ratio (In times)	2.45	4.69	BPML's Ratio is lower because of relatively high inventory level.
Asset Turnover Ratio (In times)	0.72	0.87	BPML's Ratio is lower than the industry average ratio as BPML generating sales with a relatively much amount of fixed assets.
Profitability Ratio			
Gross Margin Ratio %	17.30	17.17	BPML's Ratio is better than the industry average ratio as lower overhead cost
Operating Profit Ratio %	12.55	11.73	BPML's Ratio is better than the industry average ratio as higher operating profit
Net Profit Ratio %	1.15	8.95	BPML's Ratio is lower than the industry average ratio as lower net profit
Return on Assets Ratio (ROA) %	0.76	9.12	BPML's Ratio is lower than the industry average ratio as lower net profit.
Return on Equity Ratio (After Tax)%	3.87	13.82	BPML's Ratio is lower than the industry average ratio as lower net profit.
Earning Per Share Ratio (EPS)	0.71	6.51	BPML's EPS is lower r than the industry average EPS as lower net profit.
EBITDA Margin	0.16	0.12	BPML's Ratio is higher than the industry average ratio as higher net operating profit.
Coverage Ratios			
Debt to total Assets Ratio	1.29	0.21	BPML's Ratio higher due to higher debt than industry average
Debt Service Coverage Ratio	0.67	1.51	BPML's Ratio is lower because of relatively higher debt.
Cash Flow			
Net Operating Cash Flow Per Share	135.61	1.05	BPML's Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.
Net Operating Cash Flow Per Share/Earnings Per Share(EPS)	190.96	0.16	BPML's Ratio is higher than the industry average ratio as net operating cash flow is relatively higher.

d) Auditors report under Section 135(1), Para 24(1) of Part II of Schedule III of the কোম্পানি আইন, ১৯৯৪;

BASHUNDHARA PAPER MILLS LIMITED

Auditors' Report under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994

As required under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994, management of Bashundhara Paper Mills Limited has prepared the following statements of its stand alone and consolidated assets and liabilities, profit and loss accounts and cash flows for the period ended June 30, 2016 and for the year ended December 31, 2011, 2012, 2013, 2014 & 2015, and submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the stand alone financial statements of the Company for the period ended June 30, 2016 and for the year ended December 31, 2011, 2012, 2013, 2014 & 2015, hereby confirm that the following information has been correctly extracted from those audited financial statements.

Financial statements for the period ended June 30, 2016 and for the year ended December 31, 2015 were audited by us. Financial statements for the year ended December 31, 2011, 2012, 2013 & 2014 were audited by Aziz Halim Khair Choudhury, Chartered Accountants. In pursuance of section 135(1) under paragraph 24(1) of part II of the Third schedule of the Companies Act 1994 our report is as under:

1. Statement of Assets and liabilities:

	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
Amount in Taka						
ASSETS						
Non-current assets	9,493,645,061	9,391,863,205	7,581,268,455	7,348,653,299	7,276,427,876	6,714,426,513
Property, plant and equipment, net	8,726,373,517	8,787,080,166	6,981,908,382	6,924,694,798	6,783,327,999	6,447,434,246
Capital work-in-progress	502,271,543	339,783,039	334,360,073	158,958,501	228,099,877	1,992,267
Investment	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000
Current assets	9,415,203,876	8,691,875,615	9,497,282,063	9,003,503,985	7,398,061,913	7,111,653,762
Inventories	5,387,029,832	4,934,688,578	5,065,768,840	5,080,644,406	3,422,948,901	2,966,916,961
Trade and other receivables	1,668,706,073	1,685,335,568	2,009,548,564	2,336,478,951	1,866,923,593	1,826,598,665
Advances, deposits and prepayments	828,701,278	701,675,695	651,222,775	644,565,058	785,456,325	1,008,763,211
Advance income tax	378,373,534	430,698,973	676,297,769	657,242,337	531,306,107	532,372,436
Intercompany current account	950,175,193	786,725,737	830,475,254	145,071,321	483,962,941	641,741,873
Cash and bank balances	202,217,966	152,751,064	263,968,861	139,501,913	307,464,046	135,260,616
Total assets	18,908,848,937	18,083,738,820	17,078,550,518	16,352,157,284	14,674,489,788	13,826,080,275
EQUITY AND LIABILITIES						
Capital and reserves	4,504,853,613	4,213,403,499	2,744,599,870	2,524,292,261	2,427,221,524	2,713,251,356
Share capital	1,477,497,750	1,477,497,750	495,355,900	190,521,500	190,521,500	190,521,500
Share money deposit	-	-	982,141,850	982,141,850	982,141,850	1,333,174,750
Revaluation reserve	2,171,846,967	2,187,496,766	942,640,289	974,076,597	1,005,512,912	1,036,978,164
Retained earnings	855,508,897	548,408,983	324,461,831	377,552,315	249,045,262	152,576,942
Liabilities						
Non-current Liability	4,992,509,158	5,311,021,579	4,976,478,307	4,801,607,524	3,600,763,164	3,133,233,914
Long term borrowings	3,615,249,045	3,665,161,242	3,197,201,901	3,728,734,325	2,617,654,183	2,219,843,450
Deferred tax liability	1,377,260,113	1,389,039,044	1,094,811,942	1,072,873,199	983,108,982	913,390,464
Intercompany Payable	-	256,821,293	684,464,463	-	-	-
Current liabilities	9,411,486,165	8,559,313,742	9,357,472,342	9,026,257,499	8,646,505,099	7,979,595,005
Long term borrowings-current portion	1,122,530,545	1,202,736,694	1,355,503,553	1,559,098,772	506,588,995	409,461,681
Short term borrowings	7,353,006,858	6,522,946,320	7,011,870,577	6,256,819,864	6,526,347,929	4,327,520,130
Trade and other payables	851,592,785	680,626,345	625,897,817	438,144,002	499,383,475	398,801,621
Intercompany payable	-	-	-	-	-	725,430,015
Provision for expenses	18,883,957	38,122,158	21,600,111	359,155,169	753,681,301	1,670,349,295
Income tax provision	65,472,020	114,882,225	342,600,285	413,039,692	360,503,400	448,032,263
Total liabilities	14,403,995,323	13,870,335,320	14,333,950,649	13,827,865,023	12,247,268,263	11,112,828,919
Total equity and liabilities	18,908,848,937	18,083,738,819	17,078,550,518	16,352,157,284	14,674,489,788	13,826,080,275
Net Asset Value Per Share-reported	30.49	60.88	55.36	132.49	127.40	142.64
Net Asset Value Per Share-restated	30.49	28.52	18.58	17.08	16.43	18.36

2. Statement of Operating Result:

	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
	Amount in Taka					
Revenue, net	5,692,734,196	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Cost of sales	(4,663,616,715)	(8,633,126,096)	(8,545,083,397)	(8,789,943,753)	(8,597,727,339)	(7,514,925,456)
Gross profit	1,029,117,481	1,802,630,212	1,790,011,312	1,711,985,736	1,634,031,268	1,571,897,198
Other income	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
Administrative expenses	(133,403,719)	(297,422,837)	(328,817,147)	(312,085,457)	(358,983,288)	(269,373,262)
Selling & distribution expenses	(65,687,022)	(123,905,413)	(120,056,369)	(124,922,974)	(113,961,702)	(161,695,787)
Finance costs	(473,746,211)	(998,266,502)	(1,077,238,571)	(1,040,934,961)	(982,304,468)	(908,347,461)
Profit before distribution of WPP & WF	356,798,557	384,781,397	273,279,778	239,371,246	185,916,051	242,611,912
Workers' profit participation & welfare fund	(17,839,928)	(19,828,320)	-	-	-	-
Profit before tax	338,958,629	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
Income tax expenses	(22,380,582)	(100,280,234)	(55,157,062)	(142,300,509)	(120,912,982)	(138,320,486)
Current tax expense	(34,159,513)	(31,312,507)	(31,033,426)	(52,536,292)	(51,194,464)	(45,484,769)
Deferred tax expense	11,778,931	(68,967,727)	(24,123,636)	(89,764,217)	(69,718,518)	(92,835,717)
Profit for the year	316,578,047	264,672,844	218,122,716	97,070,736	65,003,069	104,291,426
Other comprehensive income						
<i>Items that will not be reclassified subsequently to profit or loss:</i>						
Gain on revaluation of property	-	1,505,759,308	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Total Comprehensive Income for the year	316,578,047	1,770,432,151	218,122,716	97,070,736	65,003,069	104,291,426
Earning per Share (EPS) Basic-reported	2.13	3.63	4.40	5.10	3.41	5.51
Earning per Share (EPS) Basic-restated	-	1.79	1.48	0.66	0.44	0.71

3. Statement of Cash Flows:

	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
	Amount in Taka					
A) Cash flows from operating activities						
Receipts from customers	5,970,276,712	11,200,055,626	11,079,966,987	10,447,130,214	10,691,959,884	9,190,730,065
Receipts from other income	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224
	5,970,794,739	11,201,801,563	11,089,347,541	10,452,459,117	10,699,094,126	9,200,861,289
Payment to suppliers, employees & others	(4,969,092,464)	(8,237,623,361)	(8,609,583,355)	(10,724,483,685)	(9,698,786,480)	(5,940,428,056)
Cash generated from operations	1,001,702,275	2,964,178,202	2,479,764,185	(272,024,568)	1,000,307,645	3,260,433,233
VAT paid	(257,245,100)	(437,603,250)	(417,941,889)	(414,756,083)	(500,526,206)	(542,896,738)
SD Paid	(3,667,920)	(2,530,072)	-	-	-	-
Income taxes paid	(46,129,264)	(85,770,779)	(120,528,264)	(125,936,231)	(137,656,999)	(133,904,793)
Bank charges and commission	(2,037,432)	(5,510,909)	(3,929,904)	-	-	-
Net cash (used in)/ generated by operating activities	692,622,560	2,432,763,191	1,937,364,129	(812,716,882)	362,124,441	2,583,631,703
B) Cash flows from investing activities						
Payments for property, plant and equipment	(274,649,449)	(970,606,788)	(583,620,539)	(547,263,765)	(982,698,407)	(2,074,407,645)
Receipts/ transfer of capital work-in-progress	(175,273,202)	(5,422,965)	(175,401,573)	-	-	-
Payments for capital expenses	-	(200,000)	-	-	-	-
Disposal of property, plant and equipment	-	-	450,000	-	-	-
Net cash (used in)/ generated by investing activities	(449,922,652)	(976,229,753)	(758,572,113)	(547,263,765)	(982,698,407)	(2,074,407,645)
C) Cash flows from financing activities						
Received/ (repayment) of short term borrowings	830,060,538	(488,924,257)	755,050,713	(269,528,065)	2,198,827,799	631,809,762
Payments of Bank interest and other charges	(472,904,449)	(1,010,125,807)	(1,073,308,667)	(1,040,934,961)	(982,304,468)	(908,347,461)
Received/ (repayment) of Intercompany debt	(420,270,750)	(383,893,653)	(939,470)	338,891,620	(918,683,983)	(719,017,503)
Received/ (repayment) for Share money deposit	-	-	-	-	-	388,567,062
Received/ (repayment) of long term borrowings	(130,118,345)	315,192,482	(735,127,643)	2,163,589,919	494,938,047	(131,574,300)
Net cash (used in)/ generated by financing activities	(193,233,006)	(1,567,751,235)	(1,054,325,068)	1,192,018,513	792,777,395	(738,562,439)
D) Net increase in cash and cash equivalents (A+B+C)	49,466,902	(111,217,797)	124,466,949	(167,962,133)	172,203,430	(229,338,382)
E) Cash and cash equivalents at the beginning of the y	152,751,064	263,968,861	139,501,913	307,464,046	135,260,616	364,598,998
F) Cash and cash equivalents at the end of the year (D	202,217,966	152,751,064	263,968,861	139,501,913	307,464,046	135,260,616
Net Operating Cash Flow per Share-reported	4.69	33.21	39.11	(42.66)	19.01	135.61
Net Operating Cash Flow per Share-restated	-	16.47	13.11	(5.50)	2.45	17.49

Point to be noted:

- 4 Statement of Cash Flows for the period ended June 30, 2016 and for the year ended December 31, 2015, 2014, 2013, 2012 and 2011 were not part of the Auditor's Report and audited financial statement for the year then ended.
- 5 Dividend Declared: Dividend was declared by the company;
- 6 The Company was incorporated on September 28, 1993;
- 7 The Statement of Assets and Liabilities (Statement of Financial Position) as at June 30, 2016 and December 31, 2015 of the Company has been duly certified by us;
- 8 The Statement of Operating Results (Statement of Profit or Loss and other Comprehensive Income) for the period ended June 30, 2016 and for the year ended December 31, 2015 of the Company has been duly certified by us;
- 9 The Statement of Cash Flows for the period ended June 30, 2016 and for the year ended December 31, 2015 of the Company are enclosed certified by us;
- 10 The Company has no subsidiaries;
- 11 No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the Company in the purchase of any other business;
- 12 The Company did not prepare any financial statements for any period subsequent to December 31, 2015 except period from 01 January 2016 to 30 June 2016;
- 13 Net Asset Value Per Share, Earning per Share (EPS) Basic and Net Operating Cash Flow per Share has been re-stated on the basis of current no of share as on June 30, 2016.
- 14 Figures related to previous years have been rearranged whenever considered necessary;

Place: Dhaka;
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

(e) Financial spread sheet analysis for the latest audited financial statements;

Financial Spread Sheet Analysis

Statement of Financial Position

	30.06.2016	% on total assets	31.12.2015	% on total	31.12.2014	% on total assets	31.12.2013	% on total assets	31.12.2012	% on total assets	31.12.2011	% on total assets
	Amount in Taka											
ASSETS												
Non-current assets	9,493,645,061	50.21%	9,391,863,206	51.94%	7,581,268,455	44.39%	7,348,653,299	44.94%	7,276,427,876	49.59%	6,714,426,513	48.56%
Property, plant and equipment, net	8,726,373,517	46.15%	8,787,080,166	48.59%	6,981,908,382	40.88%	6,924,694,798	42.35%	6,783,327,999	46.23%	6,447,434,246	46.63%
Capital work-in-progress	502,271,543	2.66%	339,783,039	1.88%	334,360,073	1.96%	158,958,501	0.97%	228,099,877	1.55%	1,992,267	0.01%
Investment	265,000,000	1.40%	265,000,000	1.47%	265,000,000	1.55%	265,000,000	1.62%	265,000,000	1.81%	265,000,000	1.92%
Current assets	9,415,203,877	49.79%	8,691,875,615	48.06%	9,497,282,063	55.61%	9,003,503,985	55.06%	7,398,061,913	50.41%	7,111,653,762	51.44%
Inventories	5,387,029,832	28.49%	4,934,688,578	27.29%	5,065,768,840	29.66%	5,080,644,406	31.07%	3,422,948,901	23.33%	2,966,916,961	21.46%
Trade and other receivables	1,668,706,073	8.83%	1,685,335,568	9.32%	2,009,548,564	11.77%	2,336,478,951	14.29%	1,866,923,593	12.72%	1,826,598,665	13.21%
Advances, deposits and prepayments	828,701,278	4.38%	701,675,695	3.88%	651,222,775	3.81%	644,565,058	3.94%	785,456,325	5.35%	1,008,763,211	7.30%
Advance income tax	378,373,534	2.00%	430,698,973	2.38%	676,297,769	3.96%	657,242,337	4.02%	531,306,107	3.62%	532,372,436	3.85%
Intercompany current account	950,175,193	5.03%	786,725,737	4.35%	830,475,254	4.86%	145,071,321	0.89%	483,962,941	3.30%	641,741,873	4.64%
Cash and bank balances	202,217,966	1.07%	152,751,064	0.84%	263,968,861	1.55%	139,501,913	0.85%	307,464,046	2.10%	135,260,616	0.98%
Total assets	18,908,848,938	100.00%	18,083,738,821	100.00%	17,078,550,518	100.00%	16,352,157,284	100.00%	14,674,489,788	100.00%	13,826,080,275	100.00%
EQUITY AND LIABILITIES												
Capital and reserves	4,504,853,613	23.82%	4,213,403,500	23.30%	2,744,599,870	16.07%	2,524,292,261	15.44%	2,427,221,524	16.54%	2,713,251,356	19.62%
Share capital	1,477,497,750	7.81%	1,477,497,750	8.17%	495,355,900	2.90%	190,521,500	1.17%	190,521,500	1.30%	190,521,500	1.38%
Share money deposit	-	-	-	-	982,141,850	5.75%	982,141,850	6.01%	982,141,850	6.69%	1,333,174,750	9.64%
Revaluation reserve	2,171,846,967	11.49%	2,187,496,766	12.10%	942,640,289	5.52%	974,076,597	5.96%	1,005,512,912	6.85%	1,036,978,164	7.50%
Retained earnings	855,508,897	4.52%	548,408,983	3.03%	324,461,831	1.90%	377,552,315	2.31%	249,045,262	1.70%	152,576,942	1.10%
Liabilities												
Non-current Liability	4,992,509,158	26.40%	5,311,021,578	29.37%	4,976,478,307	29.14%	4,801,607,524	29.36%	3,600,763,164	24.54%	3,133,233,914	22.66%
Long term borrowings	3,615,249,045	19.12%	3,665,161,241	20.27%	3,197,201,901	18.72%	3,728,734,325	22.80%	2,617,654,183	17.84%	2,219,843,450	16.06%
Deferred tax liability	1,377,260,113	7.28%	1,389,039,044	7.68%	1,094,811,942	6.41%	1,072,873,199	6.56%	983,108,982	6.70%	913,390,464	6.61%
Intercompany Payable	-	0.00%	256,821,293	1.42%	684,464,463	4.01%	-	-	-	-	-	-
Current liabilities	9,411,486,165	49.77%	8,559,313,742	47.33%	9,357,472,342	54.79%	9,026,257,499	55.20%	8,646,505,099	58.92%	7,979,595,005	57.71%
Long term borrowings-current portion	1,122,530,545	5.94%	1,202,736,694	6.65%	1,355,503,553	7.94%	1,559,098,772	9.53%	506,588,995	3.45%	409,461,681	2.96%
Short term borrowings	7,353,006,858	38.89%	6,522,946,320	36.07%	7,011,870,577	41.06%	6,256,819,864	38.26%	6,526,347,929	44.47%	4,327,520,130	31.30%
Trade and other payables	851,592,785	4.50%	680,626,346	3.76%	625,897,817	3.66%	438,144,002	2.68%	499,383,475	3.40%	398,801,621	2.88%
Intercompany payable	-	-	-	-	-	-	-	-	-	-	725,430,015	5.25%
Provision for expenses	18,883,957	0.10%	38,122,158	0.21%	21,600,111	0.13%	359,155,169	2.20%	753,681,301	5.14%	1,670,349,295	12.08%
Income tax provision	65,472,020	0.35%	114,882,225	0.64%	342,600,285	2.01%	413,039,692	2.53%	360,503,400	2.46%	448,032,263	3.24%
Total liabilities	14,403,995,323	76.18%	13,870,335,321	76.70%	14,333,950,649	83.93%	13,827,865,023	84.56%	12,247,268,263	83.46%	11,112,828,919	80.38%
Total equity and liabilities	18,908,848,937	100.00%	18,083,738,820	100.00%	17,078,550,518	100.00%	16,352,157,284	100.00%	14,674,489,788	100.00%	13,826,080,275	100.00%
NAV Per Share with revaluation-reported	30.49		60.88		55.36		132.49		127.40		142.64	
NAV Per Share with revaluation-restated	-		28.52		18.58		17.08		16.43		18.36	
NAV Per Share without revaluation	15.79		13.71		12.20		10.49		9.62		11.35	

2. Statement of Operating Result:

	30.06.2016	% on revenue	31.12.2015	% on revenue	31.12.2014	% on revenue	31.12.2013	% on revenue	31.12.2012	% on revenue	31.12.2011	% on revenue
Amount in Taka												
Revenue, net	5,692,734,196	100.00	10,435,756,308	100.00	10,335,094,709	100.00	10,501,929,489	100.00	10,231,758,607	100.00	9,086,822,654	100.00
Cost of sales	(4,663,616,715)	81.92	(8,633,126,096)	82.73	(8,545,083,397)	82.68	(8,789,943,753)	83.70	(8,597,727,339)	84.03	(7,514,925,456)	82.70
Gross profit	1,029,117,481	18.08	1,802,630,212	17.27	1,790,011,312	17.32	1,711,985,736	16.30	1,634,031,268	15.97	1,571,897,198	17.30
Other income	518,027	0.01	1,745,937	0.02	9,380,554	0.09	5,328,902	0.05	7,134,241	0.07	10,131,224	0.11
Administrative expenses	(133,403,719)	2.34	(297,422,837)	2.85	(328,817,147)	3.18	(312,085,457)	2.97	(358,983,288)	3.51	(269,373,262)	2.96
Selling & distribution expenses	(65,687,022)	1.15	(123,905,413)	1.19	(120,056,369)	1.16	(124,922,974)	1.19	(113,961,702)	1.11	(161,695,787)	1.78
Finance costs	(473,746,211)	8.32	(998,266,502)	9.57	(1,077,238,571)	10.42	(1,040,934,961)	9.91	(982,304,468)	9.60	(908,347,461)	10.00
Profit before distribution of WPP & WF	356,798,557	6.27	384,781,397	30.89	273,279,778	2.64	239,371,246	2.28	185,916,051	1.82	242,611,912	2.67
Workers' profit participation & welfare fund	(17,839,928)	0.31	(19,828,320)	0.19	-	-	-	-	-	-	-	-
Profit before tax	338,958,629	5.95	364,953,078	31.08	273,279,778	2.64	239,371,246	2.28	185,916,051	1.82	242,611,912	2.67
Income tax expenses	(22,380,582)	(0.39)	(100,280,234)	0.96	(55,157,062)	0.53	(142,300,509)	1.35	(120,912,982)	1.18	(137,687,742)	1.52
Current tax expense	(34,159,513)	0.60	(31,312,507)	0.30	(31,033,426)	0.30	(52,536,292)	0.50	(51,194,464)	0.50	(45,484,769)	0.50
Deferred tax expense	11,778,931	0.21	(68,967,727)	0.66	(24,123,636)	0.23	(89,764,217)	0.85	(69,718,518)	0.68	(92,202,972)	1.01
Profit after tax	316,578,047	5.56	264,672,844	2.54	218,122,716	2.11	97,070,736	0.92	65,003,069	0.64	104,924,171	1.15
Other comprehensive income												
<i>Items that will not be reclassified subsequently to profit or loss:</i>												
Gain on revaluation of property	-		1,505,759,308	14.43	-	-	-	-	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss:</i>	-		-		-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	316,578,047	5.56	1,770,432,151	16.97	218,122,716	2.11	97,070,736	0.92	65,003,069	0.64	104,924,171	1.15
Earning per Share (EPS) Basic-reported	2.14		3.63		4.40		5.10		3.41		5.51	
Earning per Share (EPS) Basic-restated	-		1.79		1.48		0.66		0.44		0.71	

3. Statement of Cash Flows:

	30.06.2016	31.12.2015	31.12.2014	31.12.2013	31.12.2012	31.12.2011
	Amount in Taka					
Net cash (used in)/ generated by operating activities	692,622,559	2,432,763,191	1,937,364,129	(812,716,882)	362,124,442	2,583,631,703
Net cash (used in)/ generated by investing activities	(449,922,651)	(976,229,753)	(758,572,113)	(547,263,765)	(982,698,407)	(2,074,407,645)
Net cash (used in)/ generated by financing activities	(193,233,005)	(1,567,751,235)	(1,054,325,068)	1,192,018,514	792,777,395	(738,562,439)
Net increase in cash and cash equivalents	49,466,903	(111,217,797)	124,466,949	(167,962,133)	172,203,429	(229,338,382)
Cash and cash equivalents at the beginning of the year	152,751,063	263,968,861	139,501,912	307,464,045	135,260,616	364,598,998
Cash and cash equivalents at the end of the year (D+E)	202,217,966	152,751,064	263,968,861	139,501,913	307,464,045	135,260,616
Net Operating Cash Flow per Share-reported	4.69	33.21	39.11	(42.66)	19.01	135.61
Net Operating Cash Flow per Share-restated	-	16.47	13.11	(5.50)	2.45	17.49
Net Operating cash Flow Per Share/ EPS	2.19	9.15	8.88	(8.37)	5.57	24.62

Financial Spread sheet analysis

Worksheet Analysis

Bashundhara Paper Mills Limited

For the three months ended 31 March 2016

Particulars	Unadjusted Trial Balance		Adjustments		Adjusted Trial Balance		Statement of profit or loss and other comprehensive income		Statement of Changes in Equity	Statement of Financial Position	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit		Debit	Credit
Property, plant and equipment, net	8,725,756,410	-	617,107	-	8,726,373,517	-	-	-	-	8,726,373,517	-
Capital work-in-progress	502,271,543	-	-	-	502,271,543	-	-	-	-	502,271,543	-
Investment	265,000,000	-	-	-	265,000,000	-	-	-	-	265,000,000	-
Inventories	5,016,630,382	-	370,399,450	-	5,387,029,832	-	-	-	-	5,387,029,832	-
Trade and other receivables	1,679,566,128	-	-	10,860,055	1,668,706,073	-	-	-	-	1,668,706,073	-
Advances, deposits and prepayments	828,701,278	-	-	-	828,701,278	-	-	-	-	828,701,278	-
Advance income tax	393,258,519	-	-	14,884,985	378,373,534	14,884,985	-	-	-	378,373,534	-
Intercompany current account	950,175,193	-	-	-	950,175,193	-	-	-	-	950,175,193	-
Cash and bank balances	202,217,966	-	-	-	202,217,966	-	-	-	-	202,217,966	-
Share capital	-	1,477,497,750	-	-	-	1,477,497,750	-	-	1,477,497,750	-	1,477,497,750
Revaluation reserve	-	2,187,496,766	15,649,799	-	-	2,171,846,967	-	-	2,171,846,967	-	2,171,846,967
Retained earnings	-	548,408,983	25,127,933	15,649,799	-	538,930,850	-	-	538,930,850	-	538,930,850
Long term borrowings	-	4,737,779,590	1,122,530,545	-	-	3,615,249,045	-	-	-	-	3,615,249,045
Deferred tax liability	-	1,389,039,044	11,778,931	-	-	1,377,260,114	-	-	-	-	1,377,260,114
Intercompany Payable	-	-	-	-	-	-	-	-	-	-	-
Long term borrowings-current portion	-	-	-	1,122,530,545	-	1,122,530,545	-	-	-	-	1,122,530,545
Short term borrowings	-	7,353,006,858	-	-	-	7,353,006,858	-	-	-	-	7,353,006,858
Trade and other payables	-	833,752,858	-	17,839,928	-	851,592,785	-	-	-	-	851,592,785
Provision for expenses	-	18,478,957	-	405,000	-	18,883,957	-	-	-	-	18,883,957
Income tax provision	-	31,312,507	-	34,159,513	-	65,472,020	-	-	-	-	65,472,020
Revenue, net	-	5,692,734,196	-	-	-	5,692,734,196	-	5,692,734,196	-	-	-
Cost of sales	5,034,016,165	-	-	370,399,450	4,663,616,715	-	4,663,616,715	-	-	-	-
Other income	-	518,027	-	-	-	518,027	-	518,027	-	-	-
Administrative expenses	132,998,719	-	405,000	-	133,403,719	-	133,403,719	-	-	-	-
Selling & distribution expenses	65,687,022	-	-	-	65,687,022	-	65,687,022	-	-	-	-
Finance costs	473,746,211	-	-	-	473,746,211	-	473,746,211	-	-	-	-
Workers' profit participation & welfare fund	-	-	17,839,928	-	17,839,928	-	17,839,928	-	-	-	-
Current tax expense	-	-	34,159,513	-	34,159,513	-	34,159,513	-	-	-	-
Deferred tax expense	-	-	-	11,778,931	-	11,778,931	-	11,778,931	-	-	-
	24,270,025,537	24,270,025,537	1,598,508,207	1,598,508,207	24,297,302,045	24,312,187,030	5,388,453,108	5,705,031,154	4,188,275,566	18,908,848,938	18,592,270,891
Net Profit							316,578,047		316,578,047	-	316,578,047
	24,270,025,537	24,270,025,537	1,598,508,207	1,598,508,207	24,297,302,045	24,312,187,030	5,705,031,154	5,705,031,154	4,504,853,613	18,908,848,938	18,908,848,937

(f) Earnings Per Share (EPS) on fully diluted basis (with the total existing number of shares)

Sl No	Particulars	Amount in BDT (Jan- June, 2016)
1	Profit Attributable / Net profit after Tax	314,785,858
2	No. of shares before IPO	147,749,775
3	Earnings per Share (EPS)	2.13

(g) Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations:

Sl. No	Particulars	Amount in BDT (Jan- June, 2016)
1	Net Profit after Tax	314,785,858
2	Less: Extra-ordinary income or non-recurring income	518,027
3	Net profit excluding Extra-ordinary income or non-recurring income	314,267,831

Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:

Sl No	Particulars	Amount in BDT (Jan- June, 2016)
1	Net profit excluding Extra-ordinary income or non-recurring income	314,267,831
2	No. of shares before IPO	147,749,775
3	Earnings per Share (EPS) excluding Extra-ordinary income or non-recurring income	2.13

(h) Quarterly or half-yearly EPS should not be annualized while calculating the EPS:

BPML has not annualized the quarterly or half yearly EPS.

(i) Net Asset Value per Share:

Sl No	Particulars	Amount in BDT (Jan- June, 2016)
1	Share Capital as on June 30, 2016	1,477,497,750
2	Revaluation Reserve as on June 30, 2016	2,171,846,967
3	Retained Earnings as on June 30, 2016	854,598,351
	Total Shareholders' Equity as on June 30, 2016	4,730,940,390
	Number of share as on June 30, 2016	147,749,775
	NAV	30.49

Net Asset Value without revaluation:

Sl No	Particulars	Amount in BDT (Jan- June, 2016)
1	Share Capital as on June 30, 2016	1,477,497,750
2	Retained Earnings as on June 30, 2016	854,598,351
	Total Shareholders' Equity as on June 30, 2016	2,332,096,101
	Number of share as on June 30, 2016	147,749,775
	NAV without revaluation	15.78

- (j) The Commission may require the issuer to re-audit the audited financial statements, if any deficiency or anomaly is found in the financial statements. In such a case, cost of audit should be borne by the concerned issuer.**

It may not be applicable so far.

(k) Auditor's Certificate

Annexure- G (25), (a)

Auditors certificate regarding Long Term and Short Term Borrowings Including Borrowing from Related Party or Connected Persons with rate of interest and interest paid/accrued

Based on our scrutiny of the relevant financial statement of Bashundhara Paper Mills Ltd. which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company has taken the following long term and short term borrowings including borrowing from related party or connected persons during the last five years:

For the Preiod ended June 30, 2016

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as at 30 June, 2016	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Janata Bank Ltd.	Lender	Long Term	1,349,184,770	9.00%	45,004,239	-
Southeast Bank Ltd.	Lender	Long Term	674,894,784	12-14.5%	35,215,792	-
IFIC Bank Ltd.	Lender	Long Term	46,749,301		5,585,765	-
Mercantile Bank Ltd.	Lender	Long Term	1,628,202,578	13-15%	118,233,883	-
National Bank Ltd.	Lender	Long Term	172,448,297	13-15.5%	10,163,922	-
Standard Bank Ltd.	Lender	Long Term	163,954,844	13-15%	12,474,356	-
Sub Total			4,035,434,573		226,677,957	Nil
Islamic Finance & Investment Ltd.	Lender	Finance Lease	64,043,998	16.50%	4,976,530	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	27,677,346	15.00%	2,120,154	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	22,174,133	15.00%	2,510,938	-
GSP Finance Company (BD) Ltd.	Lender	Finance Lease	63,841,677	14.00%	4,682,656	-
Shahjalal Islami Bank Ltd.	Lender	Finance Lease	227,637,386	12.5-14.5%	16,329,257	-
Social Islami Bank Ltd.	Lender	Finance Lease	30,868,593	14-16.5%	2,155,318	-
United Commercial Bank Ltd.	Lender	Finance Lease	266,101,884	10-13%	2,614,584	-
Sub Total			702,345,017		35,389,437	Nil
Agrani Bank Ltd.	Lender	Short Term	281,581,424	13-15%	209,641,385	-
Bank Asia Ltd.	Lender	Short Term	158,302,117	13-15%		-
Basic Bank Ltd.	Lender	Short Term	517,178,314	12.5-15.5%		-
First Security Islami Bank Ltd.	Lender	Short Term	214,036,900	14-15.5%		-
IFIC Bank Ltd.	Lender	Short Term	-	13-15.5%		-
Janata Bank Ltd.	Lender	Short Term	1,111,749,805	9-12%		-
Mercantile Bank Ltd.	Lender	Short Term	101,120,324	13-15%		-
National Bank Ltd.	Lender	Short Term	1,810,072,370	13-15.5%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	-	14-16.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	1,109,573,194	12.5-14.5%		-
Social Islami Bank Ltd.	Lender	Short Term	230,384,015	14-17.5%		-
Southeast Bank Ltd.	Lender	Short Term	-	12-14.5%		-
Standard Bank Ltd.	Lender	Short Term	936,014,009	13-15.5%		-
Trust Bank Ltd.	Lender	Short Term	728,015,934	12.5-16%		-
United Commercial Bank Ltd.	Lender	Short Term	154,978,452	10-13%		-
Sub Total			7,353,006,858		209,641,385	Nil
Grand Total			12,090,786,448		471,708,779	Nil

For the Year ended 31 December, 2015

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December, 2015	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Janata Bank Ltd.	Lender	Long Term	1,389,920,827	9-12%	95,633,568	-
Southeast Bank Ltd.	Lender	Long Term	406,621,141	13-15.5%	28,683,632	-
Mercantile Bank Ltd.	Lender	Long Term	1,824,368,695	13-16%	190,762,523	-
National Bank Ltd.	Lender	Long Term	169,314,468	14-16.5%	28,522,399	-
Standard Bank Ltd.	Lender	Long Term	208,680,488	14-16.5%	45,315,566	-
Sub Total			3,998,905,618		388,917,688	Nil
Islamic Finance & Investment Ltd.	Lender	Finance Lease	90,683,259	16.50%	22,040,616	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	37,064,646	15.00%	11,770,531	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	35,466,645	15.00%	11,953,023	-
GSP Finance Company (BD) Ltd.	Lender	Finance Lease	69,025,991	14.00%	-	-
Shahjalal Islami Bank Ltd.	Lender	Finance Lease	283,632,830	13-14.5%	50,273,576	-
Social Islami Bank Ltd.	Lender	Finance Lease	36,450,521	13-16.5%	-	-
United Commercial Bank Ltd.	Lender	Finance Lease	316,668,426	13-16%	6,471,647	-
Sub Total			868,992,318		102,509,393	Nil

Agrani Bank Ltd.	Lender	Short Term	278,364,347	14-16%	501,328,512	-
Bank Asia Ltd.	Lender	Short Term	354,478,218	14-16.5%		-
Basic Bank Ltd.	Lender	Short Term	564,081,217	14-16%		-
First Security Islami Bank Ltd.	Lender	Short Term	11,866	14-16.5%		-
IFIC Bank Ltd.	Lender	Short Term	356,097,782	14-16.5%		-
Janata Bank Ltd.	Lender	Short Term	1,186,520,091	9-12%		-
Mercantile Bank Ltd.	Lender	Short Term	397,820,489	14-16.5%		-
National Bank Ltd.	Lender	Short Term	1,561,206,511	14-16.5%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	59,676,624	14-17.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	725,530,222	13-14.5%		-
Social Islami Bank Ltd.	Lender	Short Term	261,955,749	13-16.5%		-
Southeast Bank Ltd.	Lender	Short Term	595,858,842	13-15%		-
Standard Bank Ltd.	Lender	Short Term	19,988,361	14-16.5%		-
United Commercial Bank Ltd.	Lender	Short Term	161,356,001	13-15.5%		-
Sub Total			6,522,946,320		501,328,512	Nil
Grand Total			11,390,844,256		992,755,593	Nil

For the Year ended 31 December, 2014

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December, 2014	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Social Islami Bank Ltd.	Lender	Long Term	11,579,637	14-17.5%	3,695,403	-
Janata Bank Ltd.	Lender	Long Term	1,496,188,378	9-14%	103,969,619	-
IFIC Bank Ltd.	Lender	Long Term	245,281,729	13-17.5%	49,089,235	-
Mercantile Bank Ltd.	Lender	Long Term	1,314,556,525	13-16.5%	214,996,461	-
Standard Bank Ltd.	Lender	Long Term	276,503,363	14-16.5%	43,118,856	-
Sub Total			3,344,109,631	-	414,869,574	Nil
Bangladesh Finance & Investment Co. Ltd.	Lender	Finance Lease	121,539,228	16-18.5%	26,160,199	-
Islamic Finance & Investment Ltd.	Lender	Finance Lease	141,882,135	16.50%	14,067,067	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	50,809,023	15.00%	14,617,661	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	93,924,128	15.00%	18,324,010	-
Shahjalal Islami Bank Ltd.	Lender	Finance Lease	406,938,534	13-15.5%	-	-
United Commercial Bank Ltd.	Lender	Finance Lease	392,411,593	14-17.5%	27,953,541	-
Uttara Finance & Investment Ltd.	Lender	Finance Lease	1,091,181	16.00%	384,090	-
Sub Total			1,208,595,822		101,506,568	Nil
Agrani Bank Ltd.	Lender	Short Term	326,333,609	14-16%	556,932,525	-
Bank Asia Ltd.	Lender	Short Term	571,577,209	14-16.5%		-
Basic Bank Ltd.	Lender	Short Term	598,900,741	14-16.5%		-
First Security Islami Bank Ltd.	Lender	Short Term	49,674,937	14-17.5%		-
Janata Bank Ltd.	Lender	Short Term	585,984,234	12-14%		-
Mercantile Bank Ltd.	Lender	Short Term	104,355,789	14-17%		-
National Bank Ltd.	Lender	Short Term	1,170,422,979	14-16.5%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	134,974,560	14-17.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	610,811,061	13-15.5%		-
Social Islami Bank Ltd.	Lender	Short Term	524,670,218	15-17.5%		-
Southeast Bank Ltd.	Lender	Short Term	1,244,741,225	14-16.5%		-
Standard Bank Ltd.	Lender	Short Term	278,965,463	14-17%		-
Trust Bank Ltd.	Lender	Short Term	43,056,332	15-16.5%		-
United Commercial Bank Ltd.	Lender	Short Term	767,402,218	14-17.5%		-
Sub Total			7,011,870,575		556,932,525	Nil
Grand Total			11,564,576,029		1,073,308,667	Nil

For the Year ended 31 December, 2013

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December, 2013	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Janata Bank Ltd.	Lender	Long Term	1,620,945,306	12-15%	105,104,530	-
IFIC Bank Ltd.	Lender	Long Term	303,915,659	14-17.5%	51,956,286	-
Mercantile Bank Ltd.	Lender	Long Term	1,351,113,655	14-17.5%	1,599,401	-
Agrani Bank Ltd.	Lender	Long Term	223,577,788	14-16.5%	45,367,160	-
Bank Asia Ltd.	Lender	Long Term	269,893,218	14-16.5%	62,575,389	-
Trust Bank Ltd.	Lender	Long Term	94,644,935	15-17%	26,685,712	-
National Credit & Commerce Bank Ltd.	Lender	Long Term	138,442,893	15-17.5%	29,683,220	-
Standard Bank Ltd.	Lender	Long Term	186,868,095	14-17%	17,568,095	-
Sub Total			4,189,401,548	-	340,539,793	Nil
Bangladesh Finance & Investment Co. Ltd.	Lender	Finance Lease	149,029,741	16-18.5%	8,269,982	-
Islamic Finance & Investment Ltd.	Lender	Finance Lease	185,419,938	16.50%	19,045,918	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	64,135,097	15.00%	12,984,997	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	172,380,448	15.00%	7,160,566	-
Shahjalal Islami Bank Ltd.	Lender	Finance Lease	523,389,635	14-16.5%	-	-
Uttara Finance & Investment Ltd.	Lender	Finance Lease	4,076,691	16.00%	772,120	-
Sub Total			1,098,431,549		48,233,583	Nil
Agrani Bank Ltd.	Lender	Short Term	237,807,697	14-16.5%	652,161,585	-
Bank Asia Ltd.	Lender	Short Term	363,013,579	14-16.5%		-
Basic Bank Ltd.	Lender	Short Term	546,078,559	14-17%		-
First Security Islami Bank Ltd.	Lender	Short Term	61,930,345	15-17.5%		-
IFIC Bank Ltd.	Lender	Short Term	33,532,811	14-17.5%		-
Janata Bank Ltd.	Lender	Short Term	619,249,131	12-15.5%		-
Mercantile Bank Ltd.	Lender	Short Term	71,061,078	15-18%		-
National Bank Ltd.	Lender	Short Term	1,585,528,824	14-17%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	45,120,247	14-17.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	490,947,871	14-16.5%		-
Social Islami Bank Ltd.	Lender	Short Term	46,300,826	14-19%		-
Southeast Bank Ltd.	Lender	Short Term	1,210,905,038	14.5-17.5%		-
Standard Bank Ltd.	Lender	Short Term	252,385,241	14-17%		-
United Commercial Bank Ltd.	Lender	Short Term	692,958,617	14-16.5%		-
Sub Total			6,256,819,864		652,161,585	Nil
Grand Total			11,544,652,960		1,040,934,961	Nil

For the Year ended 31 December, 2012

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December, 2012	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Janata Bank Ltd.	Lender	Long Term	1,615,587,343	12-15%	110,260,174	-
Sub Total			1,615,587,343		110,260,174	Nil
Bangladesh Finance & Investment Co. Ltd.	Lender	Finance Lease	160,844,759	16-18.5%	-	-
Islamic Finance & Investment Ltd.	Lender	Finance Lease	217,099,981	16.50%	4,448,843	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	82,480,379	15.00%	-	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	227,437,319	15.00%	-	-
Shahjalal Islami Bank Ltd.	Lender	Finance Lease	609,921,764	14-16.5%	-	-
Uttara Finance & Investment Ltd.	Lender	Finance Lease	210,871,633	16.00%	1,109,717	-
Sub Total			1,508,655,835		5,558,560	Nil

Agrani Bank Ltd.	Lender	Short Term	595,629,310	14-16%	866,485,734	-
Bank Asia Ltd.	Lender	Short Term	512,766,477	14-16.5%		-
Basic Bank Ltd.	Lender	Short Term	612,313,737	15-17%		-
IFIC Bank Ltd.	Lender	Short Term	426,062,228	15-17.5%		-
Janata Bank Ltd.	Lender	Short Term	640,680,705	12-15%		-
Mercantile Bank Ltd.	Lender	Short Term	931,101,867	14-18%		-
National Bank Ltd.	Lender	Short Term	989,867,945	14-17%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	312,991,634	15-17.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	524,400,711	14-16.5%		-
Southeast Bank Ltd.	Lender	Short Term	315,907,873	14-17%		-
Standard Bank Ltd.	Lender	Short Term	93,087,193	14-17.5%		-
Trust Bank Ltd.	Lender	Short Term	209,403,762	15-17.5%		-
United Commercial Bank Ltd.	Lender	Short Term	362,134,487	15-17.5%		-
Sub Total			6,526,347,929		866,485,734	Nil
Grand Total			9,650,591,107		982,304,468	Nil

For the Year ended 31 December, 2011

Name of Party	Nature of Relationship	Nature of Borrowing	Balance as 31 December, 2011	Interest Rate	Interest Paid, (BDT)	Interest Accrued, (BDT)
Janata Bank Ltd.	Lender	Long Term	1,223,710,468	13-16%	110,099,369	-
Shahjalal Islami Bank Ltd.	Lender	Long Term	564,498,429	15-17.5%	99,000,000	-
Sub Total			1,788,208,897		209,099,369	Nil
Bangladesh Finance & Investment Co. Ltd.	Lender	Finance Lease	188,115,828	16-18.5%	16,742,029	-
Islamic Finance & Investment Ltd.	Lender	Finance Lease	138,558,253	16.50%	20,119,003	-
Phoenix Finance & Investment Ltd.	Lender	Finance Lease	98,003,796	15.00%	2,800,251	-
Premier Leasing & Finance Ltd.	Lender	Finance Lease	164,242,753	15.00%	15,156,398	-
Uttara Finance & Investment Ltd.	Lender	Finance Lease	252,175,604	16.00%	63,860,498	-
Sub Total			841,096,234		118,678,179	Nil
Agrani Bank Ltd.	Lender	Short Term	243,993,864	14-16.5%	580,569,913	-
Bank Asia Ltd.	Lender	Short Term	206,680,582	14-17%		-
Basic Bank Ltd.	Lender	Short Term	522,438,167	15-17.5%		-
IFIC Bank Ltd.	Lender	Short Term	391,746,025	15-17.5%		-
Janata Bank Ltd.	Lender	Short Term	1,029,224,799	14-16%		-
Mercantile Bank Ltd.	Lender	Short Term	142,787,010	16-19%		-
National Bank Ltd.	Lender	Short Term	656,956,769	15-17.5%		-
National Credit & Commerce Bank Ltd.	Lender	Short Term	16,509,704	15-17.5%		-
Shahjalal Islami Bank Ltd.	Lender	Short Term	282,238,780	14-16.5%		-
Southeast Bank Ltd.	Lender	Short Term	100,283,335	15-17.5%		-
Standard Bank Ltd.	Lender	Short Term	160,649,392	15-17%		-
Trust Bank Ltd.	Lender	Short Term	354,037,108	15-17.5%		-
United Commercial Bank Ltd.	Lender	Short Term	219,974,596	15-17.5%		-
Sub Total			4,327,520,131		580,569,913	Nil
Grand Total			6,956,825,262		908,347,461	Nil

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Annexure- G (25), (b)

Auditors certificate regarding principal terms of secured loans and assets on which charge have been created against those loans

Based on our verification of the related offer letter/sanction advice from concerned lenders and other related documents on test basis as produced to us by the management of Bashundhara Paper Mills Ltd., we certify that the following statement of secured loans and related principal terms including assets on which charges have been created against those loans are consistent with the copies of related offer letter/sanction advice as produced to us for scrutiny:

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Janata Bank Limited					
Purpose	To establish and support the project and to meet working capital requirements.					
Primary Security, Collateral / Other Security	Project land at Sonargoan, Narayanganj and plant & machineries, Hypothecation of stock; 8.0861 acre land at BRA project; Stock under pledge godown.					
Sanctioned Amount (Tk.)	Project Loan: Tk. 117.71 Crore, CC (Hypo): Tk. 36 crore; CC (Pledge): Tk. 20 Crore					
Rate of Interest	Project Loan: 9%, CC (Hypo, Pledge & Others): 9-12%	Project Loan: 9-12%, CC (Hypo, Pledge & Others): 9-12%	Project Loan: 9-14%, CC (Hypo, Pledge & Others): 12-14%	Project Loan: 12-15%, CC (Hypo, Pledge & Others): 12-15%	Project Loan: 12-15%, CC (Hypo, Pledge & Others): 12-15%	Project Loan: 13-16%, CC (Hypo, Pledge & Others): 14-16%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	2,460,934,575	2,576,440,918	2,082,172,612	2,240,194,437	2,256,268,048	2,252,935,267

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	National Bank Limited					
Purpose	To meet working capital requirements.					
Primary Security, Collateral / Other Security	i) 375.48 decimal of land of BRA, ii) 1,188.11 decimal of land from BRA. iii) Hypothecation of stock iv) 630.84 decimal of land from BRA.					
Sanctioned Amount (Tk.)	L/C: Tk. 4.7 Crore; OD: Tk. 13.30 Crore & LTR: Tk. 9.23 Crore, General: Tk. 21.26 Crore; CC (Hypo): Tk. 120 Crore., LTR: Tk. 100 crore; UPAS: Tk. 200 crore.					
Rate of Interest	13-15.5%	14-16.5%	14-16.5%	14-17%	14-17%	15-17.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	1,982,520,667	1,730,520,979	1,170,422,979	1,585,528,824	989,867,945	656,956,769

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Mercantile Bank Limited					
Purpose	Importation of raw materials and spare parts					
Primary Security, Collateral / Other Security	300 decimal of land at block-I of BRA & 14,431 sft. 9th floor of BCDL.					
Sanctioned Amount (Tk.)	Tk. 230.93 Crore					
Rate of Interest	13-15%	13-16.5%	13-16.5%	14-17.5%	14-18%	16-19%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	1,729,322,902	2,222,189,184	1,418,912,314	1,422,174,733	931,101,867	142,787,010

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Standard Bank Limited					
Purpose	To retire import documents.					
Primary Security, Collateral / Other Security	33,177 sft of level 16th, 17th, 18th of BCDL.					
Sanctioned Amount (Tk.)	LTR Tk. 200 Crore					
Rate of Interest	13-15.5%	14-16.5%	14-17%	14-17%	14-17.5%	15-17%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	1,099,968,853	228,668,849	555,468,826	439,253,336	93,087,193	160,649,392

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Southeast Bank Limited					
Purpose	To retire import documents and to retirement of shipping documents/ import of capital machinery.					
Primary Security, Collateral / Other Security	78,848.27 sft of 1-8th floor of BCDL; 293.04 katha of land at BRA project.					
Sanctioned Amount (Tk.)	LTR: Tk. 160 crore; L/C (Sight/UPAS/ Deferred) Tk. 355 Crore; BG: 25 crore.					
Rate of Interest	12-14.5%	13-15.5%	14-16.5%	14.5-17.5%	14-17%	15-17.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	674,894,784	1,002,479,983	1,244,741,225	1,210,905,038	315,907,873	100,283,335

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Phoenix Finance & Investment Limited					
Purpose	Capital machinery.					
Primary Security, Collateral / Other Security	Machinery title/ownership.					
Sanctioned Amount (Tk.)	Tk. 8 crore.					
Rate of Interest	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	27,677,346	37,064,646	50,809,023	64,135,097	82,480,379	98,003,796

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Islamic Finance & Investment Limited					
Purpose	Capital machinery.					
Primary Security, Collateral / Other Security	Machinery title/ownership					
Sanctioned Amount (Tk.)	Tk. 22.15 crore					
Rate of Interest	16.50%	16.50%	16.50%	16.50%	16.50%	16.50%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	64,043,998	90,683,259	141,882,135	185,419,938	217,099,981	138,558,253

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Premier Leasing & Finance Limited					
Purpose	Machinery and Gas Generator.					
Primary Security, Collateral / Other Security	Machinery title/ownership.					
Sanctioned Amount (Tk.)	Tk. 10 crore					
Rate of Interest	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	22,174,133	35,466,645	93,924,128	172,380,448	227,437,319	164,242,753

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	GSP Finance Company Bangladesh Ltd.					
Purpose	Renovation/ Expansion of factory building.					
Primary Security, Collateral / Other Security	Title/ownership of assets, personal guarantee and corporate guarantee.					
Sanctioned Amount (Tk.)	Tk. 7.15 crore					
Rate of Interest	14.00%	14.00%				
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	63,841,677	69,025,991	-	-	-	-

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Bangladesh Finance and Investment Company Ltd.					
Purpose	Capital machinery and vehicle					
Primary Security, Collateral / Other Security	Title/ownership of assets.					
Sanctioned Amount (Tk.)	Tk. 2267.10 lac					
Rate of Interest			16-18.5%	16-18.5%	16-18.5%	16-18.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	-	-	121,539,228	149,029,741	160,844,759	188,115,828

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Shahjalal Islami Bank Limited					
Purpose	To meet working capital requirement and importation of capital machinery.					
Primary Security, Collateral / Other Security	Land property at Anarpura Gozaria & BRA projects.					
Sanctioned Amount (Tk.)	Finance Lease: Tk. 60.14 Crore, Bai-Muazzal Tk. 40 Crore; LTR Tk. 30 crore; HPSM Tk. 60.13 crore; UPAS Tk. 75 crore.					
Rate of Interest	12.5-14.5%	13-14.5%	13-15.5%	14-16.5%	14-16.5%	14-16.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	1,337,210,580	1,009,163,052	1,017,749,595	1,014,337,506	1,134,322,475	846,737,209

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	United Commercial Bank Limited					
Purpose	To import machinery.					
Primary Security, Collateral / Other Security	44,200 sft floor at BCDL & land at BRA projects.					
Sanctioned Amount (Tk.)	Tk. 42 Crore					
Rate of Interest	10-13%	13-16%	14-17.5%	14-16.5%	15-17.5%	15-17.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	421,080,336	478,024,427	1,159,813,811	692,958,617	362,134,487	219,974,596

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Uttara Finance & Investment Limited					
Purpose	Vehicle and Capital machinery.					
Primary Security, Collateral / Other Security	Vehicle and Capital machinery title/ ownership.					
Sanctioned Amount (Tk.)	Tk. 102.75 Crore					
Rate of Interest			16.00%	16.00%	16.00%	16.00%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	-	-	1,091,181	4,076,691	210,871,633	252,175,604

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Social Islami Bank Limited					
Purpose	To meet working capital requirement.					
Primary Security, Collateral / Other Security	116.52 decimal land at BRA projects and stock of raw material.					
Sanctioned Amount (Tk.)	HPSM: Tk. 3.80 Crore, LC (Sight/ UPAS): Tk. 150 Crore					
Rate of Interest	Term loan: 13-15%, LC (Sight/ UPAS): 14-17.5%	13-16.5%	15-17.5%	14-19%		
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	261,252,608	298,406,270	536,249,855	46,300,826	-	-

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Agrani Bank Limited					
Purpose	To meet working capital requirements.					
Primary Security, Collateral / Other Security	Mortgage of 453.97 katha land located at block-I; Post dated cheque					
Sanctioned Amount (Tk.)	CC: Tk. 30 Crore; Demand loan: Tk. 21.24 crore; UPAS: Tk. 50 crore					
Rate of Interest	13-15%	14-16%	14-16%	14-16.5%	14-16%	14-16.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	281,581,424	278,364,347	326,333,609	461,385,485	595,629,310	243,993,864

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Bank Asia Limited					
Purpose	To meet working capital requirements.					
Primary Security, Collateral / Other Security	i) 229.31 decimal of land at BRA. ii) Hypothecation of stock.					
Sanctioned Amount (Tk.)	OD: Tk. 15 Crore; Term: 13.51 crore ; Demand loan: Tk. 1.2204 crore; LTR: Tk. 18 crore; UPAS: Tk. 60 crore					
Rate of Interest	13-15%	14-16.5%	14-16.5%	14-16.5%	14-16.5%	14-17%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	158,302,117	354,478,218	571,577,209	632,906,797	512,766,477	206,680,582

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Basic Bank Limited					
Purpose	To meet working capital requirements.					
Primary Security, Collateral / Other Security	2.1160 acres of land, Mouz-Joarshara, BRA and Charged doc.					
Sanctioned Amount (Tk.)	OD: Tk. 50 Crore.					
Rate of Interest	12.5-15.5%	14-16%	14-16.5%	14-17%	15-17%	15-17.5%
Re-payment schedule	Monthly installment					
Status (Outstanding balance Tk.)	517,178,314	564,081,217	598,900,741	546,078,559	612,313,737	522,438,167

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	National Credit & Commerce Bank Limited					
Purpose	To meet working capital requirements.					
Sanctioned Amount (Tk.)	Tk. 4.32 Crore & Tk. 3.56 Crore					
Rate of Interest	14-16.5%	14-17.5%	14-17.5%	14-17.5%	15-17.5%	15-17.5%
Re-payment schedule	At sight/ after maturity date.					
Status (Outstanding balance Tk.)	-	59,676,624	134,974,560	183,563,140	312,991,634	16,509,704

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	IFIC Bank Limited					
Purpose	To meet working capital requirements.					
Primary Security, Collateral / Other Security	22,100 sft 11th & 19th floor of BCDL.					
Sanctioned Amount (Tk.)	L/C: Tk. 100 Crore; LTR: Tk. 20 Crore ; Term Loan: Tk. 31.48 crore					
Rate of Interest	13-15.5%	14-16.5%	13-17.5%	14-17.5%	15-17.5%	15-17.5%
Re-payment schedule	At sight/ after maturity date.					
Status (Outstanding balance Tk.)	46,749,301	356,097,782	245,281,729	337,448,470	426,062,228	391,746,025

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	First Security Islami Bank Limited					
Purpose	Importation of raw materials and spare parts					
Primary Security, Collateral / Other Security	Hypothecation of stock of raw material.					
Sanctioned Amount (Tk.)	L/C: Tk. 220 Crore.					
Rate of Interest	14-15.5%	14-16.5%	14-17.5%	15-17.5%		
Re-payment schedule	At sight/ after maturity date.					
Status (Outstanding balance Tk.)	214,036,900	11,866	49,674,937	61,930,345	-	-

Particulars	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Names of lenders	Trust Bank Limited					
Purpose	Importation of raw materials and spare parts.					
Primary Security, Collateral / Other Security	10.1189 acre of land at River view projects and Hypothecation of stock of raw material.					
Sanctioned Amount (Tk.)	L/C: Tk. 150 Crore					
Rate of Interest	13-16%		15-16.5%	15-17%	15-17.5%	15-17.5%
Re-payment schedule	At sight/ after maturity date.					
Status (Outstanding balance Tk.)	728,015,934	-	43,056,332	94,644,935	209,403,762	354,037,108

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Certification on unsecured loan with terms and conditions of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the relevant financial statements as prepared by management of Bashundhara Paper Mills Ltd. and produced to us for verification, we understand the Company has not taken any unsecured loan from any person/ body except related party transaction from 01 January, 2011 to 30 June, 2016.

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding inventories of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the relevant financial statements of Bashundhara Paper Mills Ltd. which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had following amount of inventories as at the reporting date during the last five years:

Items	Amount in (BDT)					Year Ended 31 December, 2011
	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	
Raw Materials	1,645,651,663	1,762,685,373	2,081,808,416	1,816,603,736	1,521,926,585	1,407,229,578
Finished Goods	712,505,088	434,921,791	447,223,515	667,319,198	552,558,683	299,791,998
Consumable Items	-	-	-	-	-	-
Store & Spare parts	828,167,352	871,575,277	877,837,499	977,015,568	891,836,238	828,657,460
Work in Process	476,883,988	384,067,835	288,366,058	279,708,700	270,806,607	212,401,241
Material in Transit	1,723,821,741	1,481,438,303	1,370,533,352	1,339,997,205	185,820,789	218,836,683
Trading Goods	N/A	N/A	N/A	N/A	N/A	N/A
Total	5,387,029,832	4,934,688,579	5,065,768,840	5,080,644,406	3,422,948,901	2,966,916,961

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding trade receivable of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the relevant financial statements of Bashundhara Paper Mills Ltd. which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had following amount of trade receivables including receivables from related party or connected persons during the last five years:

SL	Product Line	Amount in BDT					
		Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	Year Ended 31 December, 2011
		Outstanding Amount	Outstanding Amount	Outstanding Amount	Outstanding Amount	Outstanding Amount	Outstanding Amount
1.0	Trade receivable	1,666,796,068	1,609,352,456	1,989,615,791	2,314,136,697	1,861,387,265	1,826,598,665
2.0	Related party receivable	-	-	-	-	-	-
3.0	Other receivable	1,910,004	75,983,112	19,932,772	22,342,254	5,536,328	-
Total:		1,668,706,072	1,685,335,568	2,009,548,563	2,336,478,951	1,866,923,593	1,826,598,665

Place: Dhaka

Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding loan given by the issuer Including Loans to Related Party or Connected Persons

Based on our scrutiny of the relevant financial statements of Bashundhara Paper Mills Ltd. which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statement, the Company had given (Dr.)/taken (Cr.) loan to/from following persons/institutions including related party or connected persons during the last five years:

Name	Amount in (BDT)						Year Ended 31 December, 2011
	Nature of Transaction	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	
East West Property Development (Pvt.) Ltd.	Long term Loan	184,439,581	(256,821,293)	(684,464,463)	(30,306,613)	240,486,863	(349,860,868)
East West Media Group	Short term Loan	138,404,617	138,404,616	218,575,700	229,173,299	150,716,415	103,917,798
Bashundhara Steel Complex Ltd.	Short term Loan	-	-	67,146,974	72,922,038	29,365,584	16,898,834
Bashundhara Steel and Engineering Ltd.	Short term Loan	61,622,293	63,422,293	63,422,293	2,022,293	31,765,742	6,592,142
Bashundhara Multi-paper Industries Ltd.	Short term Loan	393,339,739	404,733,739	507,633,739	88,903,825	8,403,825	10,852,250
Bashundhara Dredging Company Ltd.	Short term Loan	3,281,222	3,281,222	84,277,983	118,168,214	121,168,214	121,168,214
Bashundhara Industrial Complex Ltd.	Short term Loan	(9,765,066)	(4,502,437)	(159,180,655)	(387,566,397)	(124,518,447)	(374,098,947)
Bashundhara Industrial Complex Ltd.	Investment	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	Short term Loan	39,233,436	46,033,436	52,033,436	70,333,436	70,333,436	70,333,436
Sundarban Industrial Complex Ltd.	Short term Loan	33,022,314	41,441,859	54,941,859	88,041,859	98,041,859	105,455,859
Bashundhara Food & Beverage Industries Ltd.	Short term Loan	193,521,254	226,721,254	75,621,254	85,121,254	75,316,036	70,853,436
Bashundhara Fine Paper Mills Ltd.	Short term Loan	800,000	-	-	-	-	-
Bashundhara Pulp & Board Mills Ltd.	Short term Loan	(800,000)	-	-	-	-	-
Bashundhara Shipping Ltd.	Short term Loan	-	-	-	(300,000)	(300,000)	(300,000)
Bashundhara LP Gas Ltd.	Short term Loan	(189,946,366)	(190,228,866)	(190,228,866)	(248,887,196)	55,166,680	55,166,680
Bashundhara Airways Ltd.	Short term Loan	48,803,549	3,200,000	-	-	-	-
Meghna Cement Mills Limited	Short term Loan	54,218,621	54,218,621	56,231,537	57,445,308	79,049,634	79,333,024
Total		1,215,175,193	794,904,444	411,010,791	410,071,320	1,099,995,841	181,311,858

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding other income of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the relevant financial statements of Bashundhara Paper Mills Ltd. which have been prepared by management and produced to us for review, we certify that as per the disclosure provided in those financial statements, the Company had the following other income during the last five years:

Particulars	Amount in (BDT)					Year Ended 31 December, 2011
	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	
Interest Income	427,109	1,259,120	8,762,660	1,681,411		
Dividend Income	-	-	-	-	-	-
Discount Received	-	-	-	-	-	-
Other Non-Operating Income	90,918	486,817	617,894	3,647,491	7,134,241	10,131,224
Total	518,027	1,745,937	9,380,554	5,328,902	7,134,241	10,131,224

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding turnover of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the turnover statement prepared by management of Bashundhara Paper Mills Ltd. and verification of samples from those statements on test basis, we certify that in those statements the Company has disclosed the following amount of turnover through banking channel during the last five years:

Particulars	Amount in (BDT)					
	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	Year Ended 31 December, 2011
In Cash	Nil	Nil	Nil	Nil	Nil	Nil
Credit Sale	1,666,796,068	1,609,352,456	1,989,615,792	2,314,136,697	1,861,387,265	1,826,598,665
Through Banking Channel	4,286,851,149	9,266,537,174	8,763,420,807	8,602,548,875	8,870,897,548	7,803,120,727
Total	5,953,647,217	10,875,889,630	10,753,036,599	10,916,685,572	10,732,284,813	9,629,719,392

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors Certificate Regarding Related Party Transaction of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the financial statements and other relevant records of Bashundhara Paper Mills Ltd. which have been prepared by Management of the Company and produced to us for our review, and on the basis of representation from management, we certify that as per the disclosure provided in those documents the Company has entered into the following transactions during the last five years were as follows:

A: Director Remuneration

Name	Position	Amount in (BDT)					
		Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	Year Ended 31 December, 2011
Mr. Ahmed Akbar Sobhan	Chairman	-	-	-	-	-	-
Mrs. Afroza Begum	Director	-	-	16,000,000	42,000,000	48,000,000	-
Mr. Sadat Subhan	Director	-	-	-	6,000,000	38,250,000	-
Mr. Shafiat Sobhan	Director	-	-	-	-	-	-
Mr. Sayem Sobhan	Director	-	-	12,000,000	31,500,000	36,000,000	-
Mr. Safwan Sobhan	Director/ Managing Director	10,500,000	21,000,000	19,000,000	31,500,000	33,750,000	-
Sub Total		10,500,000	21,000,000	47,000,000	111,000,000	156,000,000	-

B: Board Meeting Fee

Name	Position	Amount in (BDT)					
		Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	Year Ended 31 December, 2011
Mr. Ahmed Akbar Sobhan	Chairman	-	-	-	-	-	-
Mrs. Afroza Begum	Director	-	-	-	-	-	-
Mr. Sadat Subhan	Director	-	-	-	-	-	-
Mr. Shafiat Sobhan	Director	-	-	-	-	-	-
Mr. Sayem Sobhan	Director	-	-	-	-	-	-
Mr. Safwan Sobhan	Director/ Managing Director	-	-	-	-	-	-
Sub Total		-	-	-	-	-	-

C. Intercompany Transaction

31-Dec-11	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	(966,990,009)	1,622,398,935	(1,005,269,794)	(349,860,868)	Mutually understanding
East West Media Group	Sister concern	Short term loan	(6,267,490)	282,178,288	(171,993,000)	103,917,798	Mutually understanding
Bashundhara Steel Complex Ltd.	Sister concern	Short term loan	21,490,154	4,868,502	(9,459,822)	16,898,834	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	(1,170,200)	7,762,342	-	6,592,142	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	-	16,964,250	(6,112,000)	10,852,250	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	-	121,168,214	-	121,168,214	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	-	128,781,053	(502,880,000)	(374,098,947)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	-	70,333,436	-	70,333,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	-	105,455,859	-	105,455,859	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	-	70,853,436	-	70,853,436	Mutually understanding
Bashundhara Shipping Ltd.	Sister concern	Short term loan	-	-	(300,000)	(300,000)	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	70,760,900	49,407,780	(65,002,000)	55,166,680	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	79,471,000	95,500	(233,476)	79,333,024	Mutually understanding
			(537,705,645)	2,480,267,596	(1,761,250,093)	181,311,858	

31-Dec-12	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	(349,860,868)	909,716,467	(319,368,736)	240,486,863	Mutually understanding
East West Media Group	Sister concern	Short term loan	103,917,798	48,000,000	(1,201,383)	150,716,415	Mutually understanding
Bashundhara Steel Complex Ltd.	Sister concern	Short term loan	16,898,834	62,710,750	(50,244,000)	29,365,584	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	6,592,142	25,173,600	-	31,765,742	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	10,852,250	9,600,000	(12,048,425)	8,403,825	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	121,168,214	-	-	121,168,214	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	(374,098,947)	249,580,500	-	(124,518,447)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	70,333,436	-	-	70,333,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	105,455,859	-	(7,414,000)	98,041,859	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	70,853,436	4,465,000	(2,400)	75,316,036	Mutually understanding
Bashundhara Shipping Ltd.	Sister concern	Short term loan	(300,000)	-	-	(300,000)	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	55,166,680	-	-	55,166,680	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	79,333,024	1,500,000	(1,783,390)	79,049,634	Mutually understanding
			181,311,858	1,310,746,317	(392,062,334)	1,099,995,841	

31-Dec-13	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	240,486,863	1,160,524,909	(1,431,318,385)	(30,306,613)	Mutually understanding
East West Media Group	Sister concern	Short term loan	150,716,415	176,337,315	(97,880,431)	229,173,299	Mutually understanding
Bashundhara Steel Complex Ltd.	Sister concern	Short term loan	29,365,584	143,316,454	(99,760,000)	72,922,038	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	31,765,742	32,931,551	(62,675,000)	2,022,293	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	8,403,825	119,038,039	(38,538,039)	88,903,825	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	121,168,214	-	(3,000,000)	118,168,214	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	(124,518,447)	42,560,377	(305,608,327)	(387,566,397)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	70,333,436	-	-	70,333,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	98,041,859	-	(10,000,000)	88,041,859	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	75,316,036	13,905,218	(4,100,000)	85,121,254	Mutually understanding
Bashundhara Shipping Ltd.	Sister concern	Short term loan	(300,000)	-	-	(300,000)	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	55,166,680	224,600,000	(528,653,876)	(248,887,196)	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	79,049,634	24,600,000	(46,204,326)	57,445,308	Mutually understanding
			1,099,995,841	1,937,813,864	(2,627,738,384)	410,071,321	

31-Dec-14	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	(30,306,613)	1,854,984,902	(2,509,142,752)	(684,464,464)	Mutually understanding
East West Media Group	Sister concern	Short term loan	229,173,299	5,411,787	(16,009,386)	218,575,701	Mutually understanding
Bashundhara Steel Complex Ltd.	Sister concern	Short term loan	72,922,038	38,039,436	(43,814,500)	67,146,974	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	2,022,293	63,800,000	(2,400,000)	63,422,293	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	88,903,825	618,969,060	(200,239,146)	507,633,739	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	118,168,214	19,000,000	(52,890,231)	84,277,983	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	(387,566,397)	612,017,566	(383,631,824)	(159,180,655)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	70,333,436	-	(18,300,000)	52,033,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	88,041,859	-	(33,100,000)	54,941,859	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	85,121,254	140,000,000	(149,500,000)	75,621,254	Mutually understanding
Bashundhara Shipping Ltd.	Sister concern	Short term loan	(300,000)	300,000	-	-	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	(248,887,196)	59,658,330	(1,000,000)	(190,228,866)	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	57,445,308	2,400,000	(3,613,771)	56,231,537	Mutually understanding
			410,071,321	3,414,581,081	(3,413,641,610)	411,010,791	

31-Dec-15	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	(684,464,464)	1,030,663,444	(603,020,274)	(256,821,294)	Mutually understanding
East West Media Group	Sister concern	Short term loan	218,575,701	-	(80,171,085)	138,404,616	Mutually understanding
Bashundhara Steel Complex Ltd.	Sister concern	Short term loan	67,146,974	-	(67,146,974)	-	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	63,422,293	-	-	63,422,293	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	507,633,739	211,520,000	(314,420,000)	404,733,739	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	84,277,983	-	(80,996,761)	3,281,222	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	(159,180,655)	355,740,926	(201,062,708)	(4,502,438)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	52,033,436	-	(6,000,000)	46,033,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	54,941,859	-	(13,500,000)	41,441,859	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	75,621,254	170,000,000	(18,900,000)	226,721,254	Mutually understanding
Bashundhara Airways Ltd.	Sister concern	Short term loan	-	63,200,000	(60,000,000)	3,200,000	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	(190,228,866)	-	-	(190,228,866)	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	56,231,537	3,485,000	(5,497,916)	54,218,621	Mutually understanding
			411,010,791	1,834,609,370	(1,450,715,719)	794,904,442	

30-Jun-16	Relationship	Types of transactions	Opening	Payment	Receipt	Closing	Terms and conditions
East West Property Development (Pvt.) Ltd.	Shareholder	Short term loan	(256,821,294)	671,160,875	(229,900,000)	184,439,581	Mutually understanding
East West Media Group	Sister concern	Short term loan	138,404,616	-	-	138,404,616	Mutually understanding
Bashundhara Steel and Engineering Ltd.	Sister concern	Short term loan	63,422,293	-	(1,800,000)	61,622,293	Mutually understanding
Bashundhara Multi-paper Industries Ltd.	Sister concern	Short term loan	404,733,739	29,906,000	(41,300,000)	393,339,739	Mutually understanding
Bashundhara Dredging Company Ltd.	Sister concern	Short term loan	3,281,222	-	-	3,281,222	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Short term loan	(4,502,438)	37,371	(5,300,000)	(9,765,067)	Mutually understanding
Bashundhara Industrial Complex Ltd.	Sister concern	Investment	265,000,000	-	-	265,000,000	Mutually understanding
Bashundhara Cement Industries Ltd.	Sister concern	Short term loan	46,033,436	-	(6,800,000)	39,233,436	Mutually understanding
Sundarban Industrial Complex Ltd.	Sister concern	Short term loan	41,441,859	7,680,455	(16,100,000)	33,022,314	Mutually understanding
Bashundhara Food & Beverage Industries Ltd.	Sister concern	Short term loan	226,721,254	-	(33,200,000)	193,521,254	Mutually understanding
Bashundhara Fine Paper Mills Ltd.	Sister concern	Short term loan	-	800,000	-	800,000	Mutually understanding
Bashundhara Pulp & Board Mills Ltd.	Sister concern	Short term loan	-	(800,000)	-	(800,000)	Mutually understanding
Bashundhara Airways Ltd.	Sister concern	Short term loan	3,200,000	45,603,549	-	48,803,549	Mutually understanding
Bashundhara LP Gas Ltd.	Sister concern	Short term loan	(190,228,866)	70,282,500	(70,000,000)	(189,946,366)	Mutually understanding
Meghna Cement Mills Limited	Sister concern	Short term loan	54,218,621	-	-	54,218,621	Mutually understanding
			794,904,442	824,670,750	(404,400,000)	1,215,175,192	

Note:

1. The figures represents from Audited Financial Statement for respective years.
2. Financial statements for the period ended June 30, 2016 and for the year ended December 31, 2015 were audited by us and Financial statements for the year ended December 31, 2011, 2012, 2013 & 2014 were audited by Aziz Halim Khair Choudhury, Chartered Accountants.

Place: Dhaka

Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding reconciliation of business income of Bashundhara Paper Mills Ltd.

Based on our review of the audited financial statements and related income tax return of Bashundhara Paper Mills Ltd. which have been prepared by management of the Company and produced to us for our checking, we certify that the following reconciliation of business income as shown in income tax return to net income (profit) as shown in audited financial statements of the Company during the last five years have been extracted from those documents:

Particulars	Amount in BDT					Year Ended 31 December, 2011
	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	
Net income before tax as per Audited Financial Statements	338,958,629	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
Add: Accounting base Depreciation	343,703,594	592,336,906	526,052,934	475,272,334	420,697,043	274,216,136
Add: Inadmissible expenses	-	-	-	-	-	5,000,000
	682,662,223	957,289,984	799,332,712	714,643,580	606,613,094	521,828,048
Less: Tax base Depreciation	310,406,683	707,340,321	633,128,395	682,970,198	706,496,946	667,056,921
Less: Admissible expenses	3,672,962	3,866,276	4,069,764	4,283,962	4,509,434	4,746,773
Total Business Income/ (Loss)	368,582,578	246,083,387	162,134,553	27,389,420	(104,393,286)	(149,975,645)
Less: Set off carry forward business loss	-	78,180,957	231,392,508	258,781,927	-	-
Less: Set off carry forward depreciation	368,582,578	167,902,430	-	-	-	-
Income shown in Tax Return	-	-	(69,257,954)	(231,392,508)	(104,393,286)	(149,975,645)

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Certification on Receipts and Payments above Tk. 500,000 (Five Lac) were made through Banking Channel of Bashundhara Paper Mills Ltd.

Based on our scrutiny of the financial statements and other relevant records of Bashundhara Paper Mills Ltd. which have been prepared by Management of the Company and produced to us for our review, and on the basis of representation from management, we certify that all transactions whether receipts and payments excepting adjustment entries of Bashundhara Paper Mills Ltd. above Tk. 5,00,000/- (Five lac) were not made through banking channel in all respect from January 1, 2011 to June 30, 2016.

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Auditors certificate regarding conformity of bank statements with books of accounts of Bashundhara Paper Mills Ltd.

Based on our examination of bank statements and related books of accounts (including financial statements, bank reconciliation) of Bashundhara Paper Mills Ltd. on test basis, we certify that bank statements of the Company as disclosed in books of accounts (financial statements) from January 01, 2011 to June 30, 2016 are in conformity conforms with the samples of related bank statements as produced to us by management.

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

Certification on Status of Payment of Tax, VAT and Others Taxes/ Duties of Bashundhara Paper Mills Ltd.

Based on our scrutiny of related income tax returns, value added tax returns and statement of import of Bashundhara Paper Mills Ltd. as prepared by and presented to us by the Company's management, we certify that the Company has disclosed followed amount of income tax, value added tax and other taxes/duties payment in those returns/statements for the last years:

Particulars	Amount in BDT					
	Period Ended 30 June, 2016	Year Ended 31 December, 2015	Year Ended 31 December, 2014	Year Ended 31 December, 2013	Year Ended 31 December, 2012	Year Ended 31 December, 2011
Tax	46,129,264	85,770,779	120,528,264	125,936,231	137,656,998	133,904,793
VAT	257,245,100	437,603,250	417,941,889	414,756,083	500,526,206	542,896,738
Supplementary Duty	3,667,920	2,530,072	-	-	-	-
Others Taxes/Duties	28,328,922	50,331,415	85,852,703	79,918,628	92,756,437	65,848,372
Total	335,371,206	576,235,516	624,322,856	620,610,942	730,939,641	742,649,903

Place: Dhaka
Dated: January 01, 2017

Sd/-
Ahmed Zaker & Co.
Chartered Accountants

CREDIT RATING AGENCY OF BANGLADESH LIMITED



Ref: AGL (01)/RCM/170623/2017- 10988

21 June 2017

Mr. Safwan Sobhan
Managing Director
Bashundhara Paper Mills Limited
125/A Bashundhara R/A, Block - A
Baridhara, Dhaka - 1212.

Subject: Credit Rating – Bashundhara Paper Mills Limited.

Dear Sir,

We are pleased to inform you that Credit Rating Agency of Bangladesh Ltd. (CRAB) has assigned the following ratings to Bashundhara Paper Mills Limited:

Particulars	Ratings	Remarks
Bashundhara Paper Mills Limited	AA ₃	
BDT 3,665.5 million Long Term Outstanding (LTO)	AA ₃ (Lr)	
BDT 2,460.0 million Bai-Muajjal/ Cash Credit (Hypo) limit*	AA ₃ (Lr)	Please see Appendix-1 for details
BDT 6,705.3 million aggregate fund based limit	ST-3	
BDT 19,330.0 million aggregate non fund based limit	ST-3	
Outlook	Stable	

Lr – Loan rating; ST – Short Term

The entity rating is valid up to 31 October 2017 and the loan ratings are valid up to limit expiry date of respective credit facilities or 31 October 2017 whichever is earlier. The ratings may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We hope the Rating Awards will serve the intended purpose of your organization.

Credit Rating Report

Bashundhara Paper Mills Limited

Particulars	Ratings	Remarks
Bashundhara Paper Mills Limited	AA ₃	
BDT 4,597.1 million Long Term Outstanding (LTO)	AA ₃ (Lr)	
BDT 2,460.0 million Bai-Muajjal/ Cash Credit (Hypo) limit*	AA ₃ (Lr)	Please see Appendix-I for details
BDT 11,686.3 million aggregate fund based limit	ST-3	
BDT 17,620.0 million aggregate non fund based limit	ST-3	
Outlook	Stable	

Lr- Loan rating; ST-Short Term

* Due to revolving nature CRAB views Bai-Muajjal/ CC (Hypo) as Long Term Facility

Date of Rating: 02 June 2016

Validity: The entity rating is valid up to 30 June 2017 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 June 2017 whichever is earlier.

Rating Based on: Audited financial statements up to 31 December 2015 and other relevant quantitative & qualitative information up to the date of rating declaration.

Methodology: CRAB's Corporate Rating Methodology (www.crab.com.bd)

Analysts:

Nur Elahee Molla

nur_elahee@crab.com.bd

Shaon Al Razi

shaon@crabrating.com

Financial Highlights

	Year ended Dec. 31		
(Mil. BDT)	2015	2014	2013
Net Sales	10,435.8	10,335.1	10,501.9
EBITDA	1,923.9	1,845.1	1,724.1
EBITDA Margin (%)	18.4	17.9	16.4
Net Profit Margin (%)	2.5	2.1	0.9
ROAA (%)	1.5	1.3	0.6
Quick Ratio (x)	0.4	0.5	0.4
Operating Cycle (Days)	277	294	251
Debt to Equity (x)	2.6	4.5	4.6
Borrowed Fund to EBITDA (x)	6.1	6.6	6.7
Cash Flow from Operation	1,363.1	123.2	(1,635.7)
Free Cash Flow	384.9	(462.4)	(2,252.2)
EBIT/Interest (x)	1.4	1.3	1.2

■ PROFILE

Bashundhara Paper Mills Ltd was incorporated as a private limited company in 1993 and started commercial operation in 1997. The Company has the facility to produce almost all kind of paper and paper related value added products including tissue paper, baby diaper, sanitary napkin etc. The company has total 71.1 acres of land for three factories of which 52.3 acres are registered in the name of the company but Mutation has completed for 37.3 acres.

■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has assigned **AA₃** (Pronounced Double A three) rating to Bashundhara Paper Mills Limited (hereafter also referred to as BPML or the Company), **AA₃(Lr)** rating to BDT 4,597.1 million Long Term Outstanding (LTO) and BDT 2,460.0 million Bai-Muajjal/Cash Credit (Hypo) limit in the Long Term. CRAB has also assigned **ST-3** rating to BDT 11,686.3 million fund based limit and 17,620.0 million non fund based limit in the Short Term.

The assigned ratings incorporate the economies of scale achieved from large size of production facility having production planning flexibility as well almost all kind of auxiliary facilities, very well diversified product ranges, synergy regarding carrying raw materials & finished goods, management expertise, group strength and brand image of 'Bashundhara'.

Total sales of the Company remained almost stable during the last two years which reported 2.6% growth in 2013. The sales trend slowed down during the last three years following the strategic decision of the management to reduce the production of newsprint and other less value added products of Unit 2 due to lower profit margin. Total sales of Unit 2 declined to BDT 1,788.9 million in 2015 from BDT 3,344.0 million in 2012. Moreover overall market situation during the beginning of last three years put down the sales trend of overall industry and the Company as well. Very high volume of sales as a paper manufacturing company having increasing trend of profitability position led by 18.4% EBITDA margin and 2.5% net profit margin reveals very

sound financial strength of the Company. Although high financial expense (BDT 998.3 million in 2015) over the years partially reduce the benefit of sound business performance CRAB expects that following the repayment of loan the expenses will decline; hence profit margin as well as equity base will improve in the upcoming years. While the competitive pressure in the market remain high, CRAB derives comforts from BPML's successful track record in business at stable profitability, new addition of product mix as well as regular modernization of technology and ongoing efforts toward managing costs.

The liquidity position of the Company is reasonably sound over the years although the operating cycle (277 days) is quite prolonged to support the required volume of inventory to ensure flexible production planning and smooth production of diversified product ranges. Although improvement in receivable collection period and improved aging of accounts receivable also support comfortable liquidity position, comparatively high loan burden put pressure on loan repayment performance with late payments and restructuring of few loans which was considered while assigning short term ratings of the Company.

The assigned ratings are constrained by squeezed financial flexibility of the Company in terms of leverage position and coverage indicators following comparatively high borrowed fund. Debt ratio improved to 2.6x in 2015 from 4.5x in 2014 following increase in revaluation surplus by BDT 1,472.7 where as borrowed fund to EBITDA ratio remained almost stable during the last couple of year; 6.1x in 2015 which constrained the assigned ratings. Excluding revaluation surplus the adjusted equity stood at BDT 2,025.9 million resulted in 5.7x debt ratio. Total borrowed fund of BDT 11,647.7 million comprises BDT 6,522.9 short term loans, BDT 4,867.9 million long term loans and BDT 256.8 million loan from associated company. Although borrowed fund to EBITDA ratio is comparatively high (6.1x in 2015) over the years, positive cash flow position mitigate the credit risk profile of the Company. CRAB expects that following the repayment of term loan, increasing trend of equity base from internal fund generation and successful infusion of equity through planned IPO will support the Company to improved leverage position in the upcoming years which was considered while assigning the ratings.

The assigned ratings also incorporate overall business & financial performance of the Bashundhara Group (hereinafter also referred to as 'the Group'). Through economies of scale, country wide effective distribution network and strong auxiliary facilities including indenting transport & logistics the Group has developed a formidable edge in terms of cost efficiency and growth opportunity especially in paper, cement and land business which will eventually further improve business strength of the Group. The assigned ratings also reflect promoters' long record of successful business accomplishment in the industrial sector including paper industry, management experience, succession planning, ongoing improvement in management structure & MIS system, sound distribution channel, free land for further expansion, wide range of product mix having excess capacity, regular up-gradation of production facility and the brand image of "Bashundhara".

■ COMPANY PROFILE

Bashundhara Paper Mills Ltd, one of the pioneer concerns of Bashundhara Group, was incorporated as a private limited company in 1993, later converted as a public limited company in January 1994 and started commercial operation in 1997. Later the Company expanded its business through establishing Shahjalal Newsprint Industries Ltd in 1999 (renamed as Bashundhara Newsprint and Duplex Board Industries Ltd) and setting another unit named as Bashundhara Tissue Industries Ltd. After amalgamation of both the units with Bashundhara Paper Mills Ltd with approval of The Supreme Court of Bangladesh, High Court Division, dated 01 July 2009 the Company has become one of the largest as well as diversified paper manufacturing companies of the country. Product ranges of the Company includes all types of paper & paper related products including white writing & printing paper, exercise books, newsprint, P.P woven bags, liner paper, duplex board, simplex paper, different kinds of tissue products, baby diaper, sanitary napkin etc. Based on the existence of factory in different location having different product mix the Company has divided its operation in three units where Unit 1 and Unit 2 are located at Meghnaghat, Sonargaon, Narayanganj on total land area of 12.8 acres and 12.6 acres subsequently. The third unit is located at Anurpura, Gazaria, Munshigonj on total land area of 11.9 acres. The company has total 71.1 acres of land for three factories of which 52.3 acres are registered in the name of the company but Mutation has completed for 37.3 acres.

■ GROUP STRENGTH

Bashundhara Group started operation by incorporating East West Property Development (Pvt) Ltd., flagship concern of the Group, in 1987 which later turned out as one of the biggest land developers of the country developing brand as “Bashundhara”. Driven by the ramifications of this success, Bashundhara geared up to invest in new business & industrial arenas. Most of the major enterprises were established in the 1990s, covering diverse activities involving the production of cement, paper & pulp, tissue paper, steel, LP Gas bottling and distribution. The Group experienced tremendous growth in a span of around 10 years. The Group's first publicly traded company, Meghna Cement Mills, is listed with two Stock Exchanges of Bangladesh.

The Group has decentralized management system with specific reporting channel in the Corporate Head Office through which all companies are managed. Overall operation of the Company is managed under the common management of paper sector of the Group although it has separate department and delegated executives in the mid level. Most of the executives in the top level and mid level, having substantial experience in related sector, are working with the Group for long time. The Company is trying to develop decentralized management system with specific reporting channel to control the overall operation of the factories located in different areas. The practices of internal control system and transparency along with detailed plan & policy of governance, IT infrastructure along with easy and quick flow of information assist the management of the Group to effectively monitor the Company. The Group is in the process of developing its MIS system, flow of information which has already reflected in the daily update of liability position, production and inventory related information of all the companies, monthly financial statements among others. Moreover continuous development of transparency, corporate governance, and intercompany transaction will support the Group to ensure further improvement in management efficiency and business growth of the Group.

In Bashundhara Group almost all types of transport facilities are available. The Group has 6 nos. of mother vessel, 72 nos. of light vessel, 3 nos. of cargo vessel for import of raw materials, 05 nos. of Jetty, 402 nos. of Mixture Truck, Open Truck, Heavy Truck, Covered Van, Pickup, Bulk Cement Carrier, Cargo Van, Dump Truck, Closed Truck, Gas Tanker, Road Tanker etc. for transporting goods from different port of the country to factory premises and sending goods to different location of the customer & dealer and 129 nos. of vehicles for pick and drop facilities to employees. The Group is committed to provide their goods door to door to the valuable customers on the other hand minimized transportation cost.

Table 1

List of Major Companies of Bashundhara Group (Provided by management)	
Name of Company	Incorporation Year
East West Property Development (Pvt.) Ltd.	1987
Meghna Cement Mills Ltd	1992
Bashundhara Paper Mills Ltd.	1993
Bashundhara LP Gas Ltd	1997
Bashundhara City Development Ltd.	1998
Bashundhara Steel Complex Ltd	1999
Bashundhara Industrial Complex Ltd.	2000
Bashundhara Steel and Engineering Ltd.	2002
Bashundhara Logistics Ltd	2004
Bashundhara Foundation	2005
Bashundhara Convention Canter	2006
East West Media Group Ltd.	2009
Bashundhara Dredging Ltd.	2010
Bashundhara Food & Beverage Ltd.	2010
Bashundhara Technical Institute	2010
Bashundhara Multi Paper Industries Ltd.	2011

■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Bashundhara Paper Mills Ltd was incorporated with an aim to produce and sell different types of papers mainly focusing on different types of writing paper ranges from white writing paper, colour printing paper, offset printing paper, brown wrapper, newsprint, carbonless paper, sticker paper, cement paper & poly bags etc. The Company initially started its commercial operation in 1997. Later the Company has diversified its product ranges in almost all section of paper manufacturing business. After amalgamation of Bashundhara Paper Mills Ltd with Bashundhara Newsprint and Duplex Board Industries Ltd (formally Shahjalal Newsprint Industries Ltd) and Bashundhara Tissue Industries Limited with approval of The Supreme Court of Bangladesh, High Court Division, dated 01 July 2009, the Company has become one of the largest paper manufacturing companies of the Country having diversified product ranges. Depending on the manufacturing facilities along with segregated locations of factory set and for management efficiency the Company has segregated entire operation into three different units. The company has total 71.1 acres of land for three factories of which 52.3 acres are registered in the name of the company but Mutation has completed for 37.3 acres.

Unit 1 started commercial operation from 1997 having the facilities of manufacturing a diversified range of high quality paper products including white writing & printing paper, exercise books, bidi/cigarette paper, newsprint paper, carbonless paper, coated paper, PP woven bag, paper sack etc. The factory of Unit 1 is located at Meghnaghat, Sonargaon, Narayangonj on total land area of 12.8 acres.

Unit 2 of the Company started commercial operation in 1999. The factory operates three modern plants in producing newsprint, duplex board, liner paper and other paper products including art paper, card paper, matt paper, matt card. Apart from that the Company has installed de-inking facility which uses waste paper to manufacture recycled pulp for various newsprint and paper board application and manufacture. The factory of Unit 2 is located at Meghnaghat, Sonargaon, Narayangonj on total land area of 12.6 acres.

Unit 3 of the Company, previously known as Bashundhara Tissue Industries Ltd, presently operates five production plants having the facilities to manufacture different types of tissue products, paper & exercise products, baby diaper, sanitary napkin and hand gloves. The factory of Unit 3 is located at Anurpura, Gazaria, Munshigonj having total land area of 11.9 acres.

The well diversified product ranges in different units support BPML to manage the portfolio in a profitable way. Moreover the capacity of different product line ensure economies of scale as well as provide production planning flexibility to the management which also support to maintain available supply of products in the market. Therefore BPML is able to report good profit margin as well as continuous supply of products in the market. The capacity utilization is the highest in paper & tissue section of Unit 3 followed by paper section of Unit 1 having increasing trend over the years. Although capacity utilization of other sections of different units are comparatively low following the measurement of capacity considering three shift the increasing trend of utilization and free capacity reveals prospects of further growth both in quantity sold as well as revenue. BPML earned BDT 10,875.9 million (including VAT) in 2015 with 18.4% EBITDA margin having prospects of further growth which eventually reveals operational efficiency and managerial competency of the Company. Unit 3 manufactures more valuable products which also contributed highest shares (47.0%, amounting BDT 5,172.9 million) of total sales having increasing contribution during last three years. The Capacity utilization of Unit 2 declined during the last two years following strategic management decision considering market competition and comparatively less profit margin.

Table 2

Performance of Business			
	2015	2014	2013
Annual Capacity			
Unit 1			
Paper Section (MT)	36,900	36,000	54,828
Paper Section –Value adding (MT)	31,788	31,428	–
Bag Section (Pcs)	120,000,000	120,000,000	120,000,000
Printing Machine (Pcs)	25,200,000	25,200,000	–
Unit 2			
Different kinds (MT)	84,600	84,600	81,000
Unit 3:			
Paper & Tissue Section (MT)	54,000	54,000	54,000
Sanitary Napkin Section (Pcs)	10,333,440	10,333,440	10,333,440
Baby Diaper Section (Pcs)	53,913,600	53,913,600	53,913,600
Hand Gloves Section (Pcs)	25,000,000	25,000,000	25,000,000
Capacity Utilization			
Unit 1			
Paper Section	78%	68%	67%
Paper Section –Value adding	53%	57%	
Bag Section	25%	30%	31%
Printing Machine	34%	32%	–
Unit 2			
Different kinds	30%	35%	50%
Unit 3			
Paper & Tissue Section	82%	69%	70%
Sanitary Napkin Section	35%	23%	15%
Baby Diaper Section	21%	19%	21%
Hand Gloves Section	11%	12%	39%
Gross sales (Mil. BDT)			
Unit 1	3,914.2	3,764.9	3,657.6
Unit 2	1,788.9	2,316.6	2,680.3
Unit 3	5,172.9	4,671.6	4,578.8
Total	10,875.9	10,753.0	10,916.7
EBITDA	1,923.9	1,845.1	1,724.1
EBITDA Margin	18.4%	17.9%	16.4%

The Company is less exposed to raw material price movement compared to product risk arising from market competition following product diversification, production planning flexibility, moderate pricing flexibility, effective procurement policy, the long experience of raw material management not only for paper mill but also for other manufacturing units. In 2015 the Company purchased raw materials amounting BDT 6,245.6 million where BDT 4,573.6 million was imported raw materials mainly from Indonesia, Thailand and Korea. Although to ensure proper supply of imported raw materials for large volume of production facilities the Company needs to keep huge inventory putting pressure on liquidity position, the Company is less susceptible to raw material management risk.

The machinery set up of the factory is mixed aged due to starting of commercial operation in long years back. Although machinery set up of unit 2 is comparatively old but German based machineries and technologies support smooth operation of the factory. Following the addition of new products as well as few replacement of machinery set up especially in Unit 1 and Unit 3 the Company has upgraded its technology and factory set up during the last five years when the BPML had addition of total assets amounting BDT 5,121.7 million. The machineries used in the Unit 3

are more contemporary where few product lines are completely automated including napkin, tissue, baby diaper. Machineries of the Company are mostly made of Germany, Italy, France, Japan, China and Taiwan. Necessary auxiliary facilities including packaging materials are also manufactured in the factory of the Company. Following strong monitoring system, flow of daily production and other factory related information, nature of business and facilities of reusing wastage as well as contemporary technology installed in recent years reduces technological risk of the Company. Recently installed de-inking facility to manufacture recycled pulp for various newsprint & paper board application and manufacture using waste paper as well as achievement of FSC certificates by RINA Service Spa which reveals management philosophy regarding technological up-gradation and environment.

The Company sells its products all over the country through its country wide spread distribution channel. The Company has 217 dealers and distributors apart from which the Company also sales channel including corporate sales, super shop, contract, inter company, employee, export, inter unit and scrap sales. All the ten channels of the Company have prescribed guidelines and terms & conditions. The credit terms ranges from 30 to 60 days depending on the size, relations and creditability of the dealers & distributors having a specific time frame to reconcile the amount through repaying entire due.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Paper milling industry in Bangladesh is largely dominated by private sector players and importers due to limited presence of public sector mills in the market. Progress in education system, improvement in life style, printed media, publications and official use, the demand for different types of papers is growing but domestic production is not sufficient especially for printing and premium publications, which let importers to come in. However, per capita consumption of paper in Bangladesh is still very low (less than 5 kg) compared to the World average, which is more than 10 times compared to Bangladesh per annum. Availability of cost effective energy, especially gas, and quality raw materials requirement are very important for paper mills which limits investors to come in production. However, recycling industry acts an imperative role for supplying the raw materials for most of the paper mills which ease the supply side to some extent for generic papers (newsprint and whiteprint). Moreover, some private players grew big in terms of production capacity and product variations. The largest traditional wholesale market for paper is based in Nayabazar, Dhaka which is mostly the center for retail and wholesale distribution nationwide.

The major pulp and paper industries in Bangladesh have grown in Dhaka and Chittagong regions. At present total production capacity of paper in Bangladesh is around 500,000 MT to 600,000 MT per year. Although there are around 80 paper mills, only Karnaphuli Paper Mills Ltd (KPML) is the integrated pulp and paper producing company in Bangladesh having 30,000 MT production capacities per year. Except KPML all other paper mills use foreign pulps and recycled fibre. Substitute for paper, which is online media or publications (books, magazine and journals) is not yet popular in Bangladesh which suggests steady growth of demand for papers in the upcoming years. Moreover, due to the existence of demand-supply gap, the incumbents in the industry don't face tough competition for unsold inventories but energy crisis and shortage of quality raw material hampers production and hence limits optimum capacity utilization. Projections of paper are relatively high including its raw materials like wastage and pulp throughout the Country. The industry is highly correlated with office, school, universities, Govt. agencies', Newspapers', industrial growth and daily life style. The per capita paper and board consumption in Bangladesh is about 3.5~4 kg and that in advanced countries is more the 300 kg and the world average is around 50 kg while the Asia average is around 30 kg. If Bangladesh can grow up to Asia level, consumption will increase to 10 times of current consumption. However the present trend of reducing use of paper in official and other purposes may affect the growth trend of the industry.

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

The Board of BPML comprises six members of same family where all the members have vast level of experience in industrial sector. The Company has 12 individual shareholders and one institutional shareholder. Total authorized capital of the Company is BDT 5,000.0 million and paid up capital as of 31 December 2015 was BDT 1,477.5 million dividing into 147.7 million shares of BDT 10.0 each. Details shareholding position of the Company is given in the appendix-3. The Company is managed under the Group's common management especially for strategic issues which is headed by Mr. Ahmed Akbar Sobhan, the founder of Bashundhara Group. He is one of the successful businessmen and Industrialists in Bangladesh holding a mentionable track record successful business experience. Mr. Sobhan has been awarded the President's Gold Medal in 2002 for significant contribution towards the development of the real estate sector of Bangladesh. Under the dynamic and prudent leadership, all the industrial units of Bashundhara Group have been running successfully with a vision 'For the people, For the Country'. Mr. Ahmed Akbar Sobhan is the Chairman & Managing Director of East West Property Development (Pvt) Limited, the flagship concern of the Group which is also the institutional shareholder of the Company. He is also the Chairman of Bashundhara Group, which has emerged as one of the leading industrial conglomerates of the country. Mr. Safwan Sobhan is the Managing Director (current charge) of the Company. He is involved mainly with strategic business plan, budget & its controls, formulation of quality policy & control, business expansion and financial approval related issues including investment apart from monitoring of regular operation of the Company. They are also assisted by a group of experienced senior executives. The Group has good succession plan as three sons of Mr. Sobhan are closely involved in the key operation of the Group.

The Group has decentralized management system with specific reporting channel in the Corporate Head Office through which BPML, like other companies, are managed. Overall operation of the Company is managed under the common management of paper sector of the Group although it has separate department and delegated executives in the mid level. Most of the executives in the top level and mid level, having substantial experience in related sector, are working with the Group for long time. The Company is trying to develop decentralized management system with specific reporting channel to control the overall operation of the factories located in different areas. The practices of internal control system and transparency along with detailed plan & policy of governance, IT infrastructure along with easy and quick flow of information assist the management of the Company to effectively monitor the Company.

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

The revenue sources of the Company are the sale of almost all kind of paper products. The Company reported BDT 1,0435.8 million net sales in 2015 comprising BDT 3,745.5 million (36%) from Unit 1, BDT 1,758.3 million (17%) from Unit 2 and BDT 4,931.9 million (47%) from Unit 3.

Table 3

Segment wise revenue (Mil. BDT)				
2015	Unit 1	Unit 2	Unit 3	Total
Paper & Exercise products	3,140.0	1,788.9	1,748.1	6,677.0
Tissue products			3,032.6	3,032.6
P.P. Woven bag product	525.1			525.1
Paper sack product	243.7			243.7
Hygiene product			261.4	261.4
VAT & SD	-168.7	-30.5	-240.9	-440.1
local sales (net)	3,740.2	1,758.3	4,801.2	10,299.7
Export sales	5.3		130.7	136.0
Total	3,745.5	1,758.3	4,931.9	10,435.8
2014	Unit 1	Unit 2	Unit 3	Total
Paper & Exercise products	2,950.7	2,316.6	1,674.9	6,942.1
Tissue products			2,535.5	2,535.5
P.P. Woven bag product	556.1			556.1
Paper sack product	255.0			255.0
Hygiene product			197.0	197.0
VAT	-161.4	-27.1	-229.3	
local sales	3,600.3	2,289.4	4,178.0	10,067.8
Export sales	3.1		264.2	267.3
Total	3,603.4	2,289.4	4,442.3	10,335.1

Paper & exercise products are manufactured in all the three units and contributed highest portion of total sales which was BDT 6,677.0 million in 2015 followed by tissue products amounting BDT 3,032.6 million during the same period.

Total sales of the remained almost stable during the last two years which reported 2.6% growth in 2013. The sales trend slowed down during the last three years following the strategic decision of the management to reduce the production of newsprint and other less value added products of unit 2 due to lower profit margin. Total sales of unit 2 declined to BDT 1,788.9 million in 2015 from BDT 3,344.0 million in 2012. Moreover overall market situation of the during the beginning of last three years put down the sales trend of overall industry and the Company as well.

Overall profitability position of the Company remained almost stable during the last two years where gross profit margin of 17.3% in 2015 reveals sound business performance and operational efficiency of the Company. The diversified product mix as well as value added products support the Company to report very sound gross profit margin of the Company over the years. Following the high financial expense (BDT 998.3 million in 2015) over the years partially eliminate the benefit of sound gross profit margin resulted in 2.5% net profit margin in 2015 when the Company also paid 100.3 million tax.

The liquidity position of the Company is reasonably sound over the years although the operating cycle is quite prolonged to support the required volume of inventory to ensure flexible production planning and smooth production of diversified product ranges. The operating cycle of the Company improved to 277 days in 2015 from 294 days in 2014 following the improvement in receivable collection; 65 days in 2015 and 77 days in 2014. Improvement in aging of accounts receivable also support improved liquidity position of the Company. However comparatively high burden of short tenure loan put slight pressure on the loan repayment performance of the Company.

Leverage position of the Company substantially improved in 2015 following the

equity infusion by existing shareholder, East West Property Development (Pvt) Ltd, amounting BDT 982.1 million. Total equity of the Company stood at BDT 4,441.3 million in 2015 when total borrowed fund was BDT 11,647.7 million resulted in 2.6x debt ratio. Although borrowed fund to EBITDA ratio is comparatively high (6.1x in 2015) over the years positive cash flow position mitigate the credit risk profile of the Company.

Recently the Company has undertaken a plan to issue around 50.0 million ordinary shares subject to the approval of concerned regulatory authority to raise fund to invest for upgrading existing machineries and capacity expansion as well as to repay a portion of bank loan which will eventually improve operational efficiency, profit margin and leverage position of the Company.

Operation	Industry/Market
Management	Financial
Credit Facility	Collateral

Bashundhara Paper Mills Ltd has banking relationship with 17 banks and non banking financial institutions having total short term funded limit of 14,146.3 million, total short term non funded limit of BDT 17,620.0 million, and long term outstanding of BDT 4,597.1 million.

As per information received from the banks it is found that the Company has satisfactory loan repayment performance having several overdue, late payments and rescheduling the payment period and force loan with few banks. However the Company is repaying obligations subsequently. Details bank liability position of the Company is given in appendix – 1.

APPENDIX – 1 : CREDIT FACILITIES OF BASHUNDHARA PAPER MILLS LIMITED

Details of Credit Facilities of Bashundhara Paper Mills Limited as of 30 April 2016 (Mil. BDT)						
Loan Type	Funded/Non Funded	Bank	Nature of Facility	Limit	Outstanding	Limit Expiry
Long Term	Funded	Janata bank Ltd.	Project loan	1,177.1	960.8	30.06.2022
			Long term	58.1	30.4	30.06.2022
		GSP Finance	Finance Lease	71.5	65.6	
		Phoenix Finance & Investment Ltd.	Finance Lease	80.0	34.1	25.06.2017
		Islamic Finance & Investment Ltd.	Finance Lease	221.5	77.3	25.07.2018
		Premier Leasing	Finance Lease	100.0	28.0	05.11.2016
		United commercial bank Ltd.	Lease	420.0	283.9	28.06.2018
		Bank Asia Ltd.	Term loan	135.1	45.9	31.03.2016
		Southeast bank Ltd.	Term loan	1,600.0	714.2	30.08.2018
		Standard Bank Ltd.	Term loan	262.0	184.1	24.08.2017
		Mercantile Bank Ltd.	Term loan	1,800.0	1,838.9	28.12.2018
		IFIC Bank Ltd.	Term loan	307.6	52.9	30.06.2016
		Basic Bank Limited	Term loan	98.9	11.0	31.12.2015
		Shahjalal Islami Bank Ltd.	HPSM	246.4	237.4	01.11.2017
		Social Islami Bank Ltd.	HPSM	38.0	32.8	19.04.2017
			Total Long Term		4,597.1	
Short Term	Funded	Shahjalal Islami bank Ltd.*	MRI TR	300.0	58.0	31.07.2016
			Bai-Mujjal	400.0	415.0	31.07.2016
		Bank Asia Ltd.	LTR	180.0	-	30.12.2016
			OD	150.0	148.1	30.12.2016
		Basic bank Ltd.	OD	500.0	543.0	31.08.2015
		Southeast bank Ltd.*	LTR	1,600.0	28.7	31.05.2016
		Mercantile Bank Ltd.	SOD (General)	1,000.0	923.3	31.10.2016
			LTR	453.5	379.7	
		Janata Bank Ltd.	CC (Hypo)	360.0	330.5	15.12.2016
			CC (pledge)	200.0	291.0	15.12.2016
			LTR	1,000.0	-	28.02.2017
		National bank Ltd.*	LG	4,766.3	3,388.3	31.03.2018
			CC (Hypo)	1,200.0	1,230.5	28.02.2017
		Agrani bank Ltd.	CC (HYPO)	300.0	225.7	31.03.2017
		United commercial bank Ltd.	Time Loan	86.5	30.2	31.03.2016
			OD	150.0	153.8	28.09.2016
		Social Islami Bank Ltd.	Force Loan	1,500.0	72.5	19.04.2017
			Total Short Term			
			Funded	14,146.3	8,218.3	
Short Term	Non Funded		L/C		4.0	31.05.2016
		Southeast bank Ltd.*	BG	3,550.0	5.4	31.05.2016
			Acceptance		5.9	31.05.2016
		Standard bank Ltd.*	L/C	2,000.0	493.9	02.12.2016
			ABP		424.8	02.12.2016
		Bank Asia Ltd.	L/C (UPAS)	600.0	70.7	31.12.2016
		Agrani Bank Ltd.	LC	500.0	6.7	31.03.2016
			L/C (UPAS)		877.6	28.02.2017
		National bank Ltd.*	ABP	4,000.0	4,493.5	28.02.2017
		Mercantile bank Ltd.	L/C (UPAS)	18,00.0	204.3	31.10.2016
			BG	100.0	88.7	31.10.2016
			L/C	750.0	76.7	31.07.2016
		Shahjalal Islami bank Ltd.*	ABP		615.0	31.07.2016
			BG	50.0	24.1	31.07.2016

Trust Bank Ltd.*	L/C	1,500.0	9.9	28.10.2016
	ABP		621.4	28.10.2016
Janata Bank Ltd.	L/C	220.0	541.4	15.12.2016
IFIC bank Ltd.	BG	50.0	3.2	31.01.2017
	L/C	1,000.0	163.7	31.01.2017
Social Islami Bank Ltd.*	Baim Wes bill	1,500.0	185.1	19.04.2017
Total Short Term				
Non Funded		17,620.0	8,881.2	

* The limits are jointly enjoyed by different companies of Bashundhara Group

APPENDIX – 2: FINANCIAL HIGHLIGHTS OF BASHUNDHARA PAPER MILLS LTD.

Financial Highlights					
		--Year ended December 31--			
	(Mil. BDT)	2015	2014	2013	2012
Earnings & Stability	Net Sales	10,435.8	10,335.1	10,501.9	10,231.8
	Sales Growth (%)	(1.0)	(1.6)	2.6	12.6
	CoGS as % of Sales	82.7	82.7	83.7	84.0
	EBITDA	1,923.9	1,845.1	1,724.1	1,557.5
	EBITDA Growth (%)	4.3	7.0	10.7	11.8
	EBITDA Margin (%)	18.4	17.9	16.4	15.2
	Net Profit after tax	264.7	218.1	97.1	65.0
	Net profit after tax growth (%)	21.3	124.7	49.3	(37.7)
Profitability	Gross Profit Margin (%)	17.3	17.3	16.3	16.0
	Operating Profit Margin (%)	13.2	13.0	12.1	11.3
	Net Profit Margin (%)	2.5	2.1	0.9	0.6
	Return on Average Asset (%)	1.5	1.3	0.6	0.5
	Return on Average Equity (%)	7.4	8.3	3.9	2.5
Liquidity	Current Ratio (x)	1.0	1.0	1.0	0.9
	Quick Ratio (x)	0.4	0.5	0.4	0.5
	Inventory +AR to TA (%)	36.6	41.4	45.4	36.0
	Net Working Capital to TA (%)	42.6	48.3	46.8	37.3
	Inventory Turnover Ratio (x)	1.7	1.7	2.1	2.7
	Average Inventory Processing Period (Days)	212	217	177	136
	Receivable Turnover Ratio (x)	5.6	4.8	5.0	5.5
	Average Receivable Collection Period (Days)	65	77	74	66
	Payable Turnover Ratio (x)	25.7	21.0	18.8	19.1
	Average Payable Payment Period (Days)	15	18	20	20
	Operating Cycle (Days)	277	294	251	202
	Cash Conversion Cycle (Days)	262	276	231	182
Leverage & Capital Structure	Equity Capital	4,441.3	2,744.6	2,524.3	2,427.2
	Adjusted Equity Capital	2,025.9	1,802.0	1,550.2	1,421.7
	Total Borrowed Fund	11,647.7	12,249.0	11,544.7	9,650.6
	Total Long Term Debt	3,922.0	3,881.7	3,728.7	2,617.7
	EBITDA	1,923.9	1,845.1	1,724.1	1,557.5
	Fund Flow from Operation (FFO)	825.4	712.7	540.9	454.2
	Cash Flow from Operation (CFO)	1,363.1	123.2	(1,635.7)	(1,289.0)
	Retained Cash Flow (RCF)	1,363.1	123.2	(1,635.7)	(1,289.0)
	Free Cash Flow (FCF)	384.9	(462.4)	(2,252.2)	(2,151.3)
	Debt to Equity (x)	2.6	4.5	4.6	4.0
	Debt to Adjusted Equity (x)	5.7	6.8	7.4	6.8
	Borrowed Fund/EBITDA (x)	6.1	6.6	6.7	6.2
	FFO/Debt (%)	7.1	5.8	4.7	4.7
	CFO/Debt (%)	11.7	1.0	(14.2)	(13.4)
	RCF/Debt (%)	11.7	1.0	(14.2)	(13.4)
	FCF/Debt (%)	3.3	(3.8)	(19.5)	(22.3)

APPENDIX – 3: SHAREHOLDING POSITION OF BASHUNDHARA PAPER MILLS LTD.

Shareholding Position as of 31 December 2015		
Name	Number of shares	% of shares
Mr. Ahmed Akbar Sobhan	3,783,000	2.6%
Mrs. Afroza Begum	6,102,200	4.1%
Mr. Sadat Sobhan	8,203,000	5.6%
Mr. Shafiat Sobhan	8,203,000	5.6%
Mr. Sayem Sobhan	8,203,000	5.6%
Mr. Safwan Sobhan	8,203,000	5.6%
Mr. Mahboob Morshed Hassan	52,000	0.0%
Mrs. Rawshan Ara Begum	2,600	0.0%
Mrs. Laila Anjuman Begum	2,600	0.0%
Mr. Md. Shafiqur Rahman	7,800	0.0%
Mr. Md. Gias Uddin	62,400	0.0%
Mr. Md. Abdus Samad	54,600	0.0%
East West Property Development (Pvt.) Ltd.	104,870,575	71.0%
Total	147,749,775	100.0%

CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
AAA Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
A₁, A₂, A₃ Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
B₁, B₂, B₃ Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
CC Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
D (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

CRAB RATING SCALES AND DEFINITIONS
LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS
(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
AAA (Lr) (Triple A) Highest Safety	Loans/facilities rated AAA (Lr) are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
AA (Lr)* (Double A) High Safety	Loans/facilities rated AA (Lr) are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
A (Lr) Adequate Safety	Loan/facilities rated A (Lr) are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
BBB (Lr) (Triple B) Moderate Safety	Loans/facilities rated BBB (Lr) are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
BB (Lr) (Double B) Inadequate Safety	Loans/facilities rated BB (Lr) are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
B (Lr) High Risk	Loans/facilities rated B (Lr) are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
CCC (Lr) Very High Risk	Loans/facilities rated CCC (Lr) are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favourable circumstances continue.
CC (Lr) Extremely High Risk	Loans/facilities rated CC (Lr) are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) Near to Default	Loans/facilities rated C (Lr) are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
D (Lr) Default	Loans/facilities rated D (Lr) are in default or are expected to default on scheduled payment dates.

****Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS

(All loans/facilities with original maturity within one year)

RATING	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
ST-3 Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
ST-4 Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
ST-5 Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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Step-1 (Applicant)

1. An applicant for public issue of securities shall submit application/buy instruction to the Stockbroker/Merchant Banker where the applicant maintains customer account, within the cut-off date (i.e. The subscription closing date), which shall be the **25th (twenty fifth) working day** from the date of publication of abridged version of prospectus.
2. The application/buy instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time:
 - a. Other than non-resident Bangladeshi (NRB) and Foreign applicants shall make the application money and service charge available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. In case the application is made through a margin account, the application money shall be deposited separately and the Stockbroker/Merchant Banker shall keep the amount segregated from the margin account, which shall be refundable to the applicant, if become unsuccessful.
 - b. Non-resident Bangladeshi (NRB) and Foreign applicants shall submit bank drafts (FDD), issued in favor of the Issuer for an amount equivalent to the application money, with their application to concerned Stockbroker/Merchant Banker. The draft (FDD) shall be issued by the Bank where the applicant maintains NITA/Foreign Currency account debiting the same account. No banker shall issue more than two drafts from any NITA/Foreign Currency account for any public issue. At the same time, the applicant shall make the service charge available in respective customer account maintained with the Stockbroker/Merchant Banker.

Step-2 (Intermediary)

3. The Stockbroker/Merchant Banker shall maintain a separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/ Merchant Banker shall:
 - a. post the amount separately in the customer account (other than NRB and Foreign applicants), and upon availability of fund, block the amount equivalent to the application money;
 - b. accumulate all the application/buy instructions received up to the cut-off date, deposit the amount in the "Public Issue Application Account" maintained with its bank **within the first banking hour of next working day** of the cut-off date. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account";
 - c. instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard.
4. Banker of the Stockbroker/Merchant Banker shall block the account as requested for, issue a certificate confirming the same and handover it to the respective Stockbroker/Merchant Banker.
5. For Non-resident Bangladeshi (NRB) and Foreign applicants, the Stockbroker/Merchant Banker shall hold the bank drafts (FDD) submitted by the applicants in their custody with a list containing the draft information against the respective applicant's particulars.

6. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and **within 03 (three) working days** from the cut-off date, send it to the respective Stock Exchange in electronic (text format with tilde '~' separator) format and the certificate(s) issued by its banker.
7. **On the next working day**, the stock exchanges shall provide the Issuer with the information received from the Stockbroker/ Merchant Bankers. Stock Exchanges shall verify and preserve the bankers' certificates in their custody.
8. The application/buy instructions shall be preserved by the Stockbroker/Merchant Bankers up to 6 months from listing of the securities with exchange.

Step-3 (Issuer)

9. The Issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text) format in a CDROM to CDBL for verification. The Issuer shall post the consolidated list of applicants on its website. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not.
10. **On the next working day**, CDBL shall provide the Issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account and Bank Account Information along with the verification report.
11. After receiving verification report and information from CDBL, the Issuer shall scrutinize the applications, prepare category wise consolidated lists of valid and invalid applications and submit report of final status of subscription to the Commission and the stock exchanges **within 10 (ten) working days** from the date of receiving information from the stock exchanges.
12. The Issuer and the issue managers shall conduct category wise lottery with the valid applications **within 03 (three) working days** from the date of reporting to the Commission and the Stock Exchanges, if do not receive any observation from the Commission or the Stock Exchanges.
13. The Issuer and issue managers shall arrange posting the lottery result on their websites **within 06 (six) hours** and on the websites of the Commission and Stock Exchanges **within 12 (twelve) hours** of lottery.
14. **Within 02 (two) working days** of conducting lottery, the Issuer shall:
 - a. Send category wise lists of the successful and unsuccessful applicants in electronic (text format with tilde '~' separator) format to the respective Stock Exchange.
 - b. send category wise lists of unsuccessful applicants who are subject to penal provisions as per conditions of the Consent Letter issued by the Commission in electronic (text format with tilde '~' separator) format to the respective Stock Exchange mentioning the penalty amount against each applicant.
 - c. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stock Exchange in electronic form.
 - d. send consolidated allotment data (BOID and number of securities) in electronic text format in a CDROM to CDBL to credit the allotted shares to the respective BO accounts.

Step-4 (Intermediary)

15. **On the next working day**, Stock Exchanges shall distribute the information and allotment letters to the Stockbroker/Merchant Bankers concerned in electronic format and instruct them to:
 - a. remit the amount of successful (other than NRB and Foreign) applicants to the Issuer's respective Escrow account opened for subscription purpose and unblock the amount of unsuccessful applicants;
 - b. send the bank drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange and return the drafts submitted by unsuccessful applicants;
 - c. send the penalty amount of other than NRB and Foreign applicants who are subject to penal provisions to the Issuer's respective Escrow Accounts along with a list and unblock the balance application money;
 - d. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the respective Stock Exchange, along with a list.
16. **On the next working day** of receiving the documents from the Stock Exchanges, the Stockbrokers/Merchant Bankers shall request its banker to: a. release the amount blocked for unsuccessful (other than NRB and Foreign) applicants; b. remit the aggregate amount of successful applicants and the penalty amount of unsuccessful (other than NRB and foreign) applicants who are subject to penal provisions to the respective 'Escrow' account of the Issuer opened for subscription purpose.
17. **On the same day** the Stockbrokers/Merchant Bankers shall:
 - a. send the drafts (FDD) submitted by successful NRB and Foreign applicants to the Stock Exchange concerned and return the drafts submitted by unsuccessful NRB and Foreign applicants;
 - b. send the drafts (FDD) submitted by unsuccessful NRB and Foreign applicants who are subject to penal provisions to the respective Stock Exchange separately along with a list of the applicants.
18. **On the next working day** of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the Issuer's 'Escrow' account.
19. **Simultaneously**, the Stockbrokers/Merchant Bankers shall release the application money in the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions. The Stockbroker/Merchant Banker shall be entitled to recover the withdrawal charges, if any, from the applicant who wants to withdraw the application money, up to an amount of Tk. 5.00 (five) per withdrawal.
20. **On the same day**, Stock Exchanges shall send the drafts submitted by successful NRB and Foreign applicants and also by unsuccessful NRB and Foreign applicants who are subject to penal provisions, to the Issuer.
21. In case of drafts (FDD) submitted by successful NRB or Foreign applicant for any amount excess to the value of securities to be allotted or by unsuccessful NRB and Foreign applicants who are subject to penal provisions, refund of the balance amount shall be made by the Issuer to the applicant through bank drafts issued in the same currency within **7 (seven) working days** of receiving the drafts from Stock Exchange.

Miscellaneous:

22. The Issuer and Issue Manager(s) shall jointly ensure compliance of the above.
23. The bank draft (FDD) shall be issued considering TT Clean exchange rate of Sonali Bank Ltd. on the date of publication of abridged version of prospectus.
24. Amount deposited and blocked in the “Public Issue Application Account” shall not be withdrawn or transferred during the blocking period. Amount deposited by the applicants shall not be used by the Stockbrokers/Merchant Bankers for any purpose other than public issue application.
25. The Issuer shall pay the costs related to data transmission, if claimed by the Stock Exchange concerned.
26. The Stockbrokers/Merchant Bankers shall be entitled to a service charge of 5.00 (taka five) only per application irrespective of the amount or category. The service charge shall be paid by the applicant at the time of submitting application.
27. The Stockbroker/Merchant Banker shall provide the Issuer with a statement of the remittance and drafts sent.
28. The Issuer shall accumulate the penalty amount recovered and send it to the Commission through a bank draft/payment order issued in favor of the Bangladesh Securities and Exchange Commission.

All eligible Stock Brokers and Merchant Bankers shall receive the IPO subscription.

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন”

APPLICATION FOR PUBLIC ISSUE

Date:

Name of applicant	:																
Client Code	:																
BO ID No.	:																
Category of applicant	:																
Name of the Company	:																
Number of Shares	:																
Total amount in Tk.	:																
Amount in word	:																

Applicants

Authorized Officer

Additional disclosures relating to Financial Statements of Bashundhara Paper Mills Ltd.**Issue 01:**

Amount of gross receipts and payments separately as per the following formats:

Auditors' disclosure:

Particulars	For the 3 months' period ended 31-Mar-16	For the year ended				
		31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Short term loan receipt	1,331,430,344	2,095,489,114	2,044,121,266	2,753,497,986	2,824,035,275	1,519,128,351
Short term loan repayment	883,922,392	2,584,413,371	1,289,070,553	3,023,026,050	625,207,475	887,318,589
Long term loan receipt	45,183,686	1,191,224,291	561,444,072	2,573,814,204	623,573,569	185,493,566
Long term loan repayment	326,713,240	876,031,809	1,296,571,715	410,224,285	128,635,522	317,067,866
Intercompany debt receipt	45,598,078	352,727,735	796,841,129	627,150,176	10,145,816	394,722,463
Intercompany debt repayment	22,774,877	736,621,388	797,780,598	288,258,555	928,829,799	1,113,739,966

Issue 02:

Explanations regarding the discrepancies in tax rate as applicable and charged as detailed below:

Particulars	For the 3 months period ended 31-Mar-16	For the year ended				
		31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Applicable income tax rate	35.00%	35.00%	35.00%	37.50%	37.50%	37.50%
Net Income before tax	128,870,368	364,953,077	273,279,779	239,371,246	185,916,051	242,611,912
Income tax charged	1,121,744	100,280,234	55,157,062	142,300,509	120,912,982	137,668,991
% of charge	0.87%	27.48%	20.18%	59.45%	65.04%	56.74%

Auditors' disclosure:

The applicable tax rate of the Company was 37.5% of the year 2011, 2012 and 2013 and 35% for the year 2014, 2015 and March 31, 2016 respectively. As per records and documents due to carry forward business loss and

setoff carry forward depreciation the Company required to pay minimum tax @ 0.50% for the year 2011, 2012, 2013 and 0.30% for the year 2014, 2015 and March 31, 2016 respectively of the amount representing the Company's gross receipts from all sources for the year payable under Section 16CCC of The Income Tax Ordinance 1984 in that jurisdiction. Statement of business income/ (loss) and minimum tax thereon is as follows:

Statement of Business Income/ (Loss):

Particulars	31-Mar-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Profit before tax as per income statement	128,870,369	364,953,078	273,279,778	239,371,246	185,916,051	242,611,912
Pre-operating expenses	(3,672,962)	(3,866,276)	(4,069,764)	(4,283,962)	(4,509,434)	(4,746,773)
Add: Inadmissible expenses - estimated	-	-	-	-	-	5,000,000
Add: Accounting depreciation charged to accounts	173,732,261	592,336,906	526,052,934	475,272,334	420,697,043	274,216,136
Less: Depreciation as per IT rules	(147,020,883)	(707,340,321)	(681,116,251)	(648,673,801)	(705,028,592)	(668,119,816)
Total Business income/(loss)	151,908,784	246,083,387	114,146,697	61,685,817	(102,924,931)	(151,088,540)
Set off carry forward business loss	-	(78,180,957)	(192,327,654)	(254,013,471)	(151,088,540)	-
Set off carry forward depreciation**	(151,908,784)	(167,902,430)	-	-	-	-
Business income/ (loss) for the year	-	-	(78,180,957)	(192,327,654)	(254,013,471)	(151,088,540)

****Carry forward depreciation as per assessment U/S 83(2)/156/159/173/152 dt. 25/10/2015 of ITO 1984**

Particulars	2012	2011	Total
Total depreciation as per 3rd schedule	705,028,592	668,119,816	1,373,148,408
Allowed/adjusted in that respective assessment year	579,893,507	249,924,916	829,818,423
Adjustable depreciation U/S 42(6)-carry forward	125,135,085	418,194,900	543,329,985
Set off in the year 2015			(167,902,430)
Set off in the year 2016 (1st quarter)			(151,908,784)
Carry forward balance remaining			223,518,771

Calculation of minimum tax:

Particulars	31-Mar-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11
Sales	3,061,662,292	10,435,756,308	10,335,094,709	10,501,929,489	10,231,758,607	9,086,822,654
Other Income	67,645	1,745,937	9,380,553	5,328,902	7,134,241	10,131,224
Total gross receipts	3,061,729,937	10,437,502,245	10,344,475,262	10,507,258,391	10,238,892,848	9,096,953,878
Tax rate	0.30%	0.30%	0.30%	0.50%	0.50%	0.50%
Minimum tax	9,185,190	31,312,507	31,033,426	52,536,292	51,194,464	45,484,769

Issue 03:

Details of transfer of leased motor vehicles amounting Tk. 3,56,08,819 to owned motor vehicles during the year ended December 31, 2014;

Auditors' disclosure:

Based on documents and management explanation given to us, the following vehicles were procured through finance lease from Bangladesh Finance and Investment Company Ltd. The Company has transferred ownership of vehicles on December 26, 2013 but the letter was available to our office after the date of financial statements authorized for issue. So, the company could not transfer these vehicles in 2013 accordingly transferred it in opening balance next year. Such transfer does not occur any changes in the total value of property, plant and equipment, Statement of Financial Position and Statement of Profit or loss and other Comprehensive Income.

Details of transfer of leased motor vehicles amounting Tk.3,56,08,819 to owned motor vehicles during the year ended December 31, 2014 is enumerated below:

Particulars	Registration no.	Amount	Leased with
Mitsubishi Jeep 2970CC	DHK Metro Gha 13-2579	9,954,000	Bangladesh Finance and Investment Company Ltd.
Mitsubishi Jeep 3000CC	DHK Metro Gha 13- 2425	8,709,750	
Toyota 3500CC	DHK Metro Bha 11-1335	10,546,500	
Toyota Fielder X 1500CC	DHK Metro Ga 25-9456	1,333,125	
Toyota Corolla X 1500CC	DHK Metro Ga- 25-3816	1,362,319	
Nissan Sunny 1496CC	DHK Metro Ga- 25-9497	1,066,500	
Toyota Assista X 1500CC	DHK Metro Ga- 25-9428	1,303,500	
Toyota Fielder X 1500CC	DHK Metro Ga- 25-9496	1,333,125	
Total		35,608,819	

Issue 04:

Explanations regarding the following additions of revaluation in the fixed asset schedule without revaluation report:

SL.	Name of the assets	Amount (BDT)	Included in the year ended
1	Motor Vehicles	935,970	31-Dec-14
2	Plant & machinery	400,049	31-Dec-15
3	Factory apparatus and Loose Tools	79,121	31-Dec-15
4	Motor Vehicles	3,000,000	31-Dec-15
5	Factory Building & other constructions	550,970	31-Dec-15

Auditors' disclosure:

As per following explanations produced to us by the company subsequent rectification made in the Financial Statement for the year ended June 30, 2016:

Sl. 1 Motor Vehicles Tk. 935,970

In the revaluation report of the year 2010 a motor vehicle (Mercedes Benz Car - 4800cc) DM-Bha-11-1495 was purchased from Mr. Zakir Hossain. The valuer did not consider the car as the vehicle of Bashundhara Paper Mills Limited because at that time the vehicle was registered in the name of Mr. Hossain. Total carrying amount of all vehicles as at 31.12.2010 was Tk. 97,828,880 (12,284,161+ 85,544,719) including Tk. 935,970 of the carrying

value of the said motor vehicle and total assessed value was Tk. 104,660,000 (15,200,000 + 89,460,000). So, after revaluation the assets were shown Tk. 6,831,120 (104,660,000 - 97,828,880) which was mistakenly accounted for instead of Tk. 7,767,090. The carrying value Tk. 935,970 was not reduced/ eliminated from total value while calculating revaluation surplus/ assets. As a result, total revalued assets decreased by Tk. 935,970 which was discovered by the management during the year 2014. Considering total value instead of individual value for journal entry of revaluation is the main reason for the said mistake. In view of that, Tk. 935,970 is not an addition to revaluation it is actually an adjustment of error.

Sl 2	Plant & machinery	Tk. 400,049
Sl 3	Factory apparatus and Loose Tools	Tk. 79,121
Sl 4	Motor Vehicles	Tk. 3,000,000
Sl 5	Factory Building & Other Constructions	Tk. 550,970

The useful lives and value of these assets have become zero. As a result these items of property, plant and equipment have been revalued as per BAS 16: Property, Plant and Equipment by incorporating an expert committee instead of involving independent valuer in factory. Considering all pros and cons management has decided that no frequent revaluation is required to be carried out in each year and to comply with BSEC notification No. SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013. Such revaluation was not conducted properly. So, all records of books of account concerning the said frequent revaluation have been restated accordingly.

Issue 05:

Auditor opinion as per section-6 of Part A of BSEC notification No. SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013 in connection to the revaluation of assets as included in the audited financial statements for the year ended December 31, 2011;

Auditors' Opinion:

The Valuation has been conducted by SF Ahmed & Co., Chartered Accountants in the year 2010 and valuation effect made in the financial statement for the year ended December 31, 2011. BSEC notification has issued on 18 August 2013.

Issue 06:

Auditor opinion as per section-6 of Part A of BSEC notification No. SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013 in connection to the revaluation of assets as included in the audited financial statements for the year ended December 31, 2015;

Auditors' Opinion:

The valuation report was conducted by an independent valuer, **Mahfel Huq & Co**, Chartered Accountants. The report has been made as per BSEC notification No. SEC/CMRRCD/2009-193/150/Admin dated 18 August 2013 and complies with section-6 of Part A of the same notification. The report has been prepared and treated in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable rules and regulations. Proper provisions, tax and other liabilities arising from the effect of revaluation have been made in the Financial Statements.

Issue 07:

Payment status of contribution to workers' profit participation & welfare fund;

Auditors' disclosure:

80% of Workers' profit participation & welfare fund for year ended December 31, 2015 has been paid 2/3 to its eligible members and 1/3 is kept for investment. Rest of 20% transferred to Workers welfare fund.

Issue 08:

Compliance status of BAS regarding retrospective effects of loss by fire incidence as occurred on August 24, 2015;

Auditors' disclosure:

A fire incident occurred on 24.08.2015 at 12.30 am due to electrical short circuit at Bashundhara Paper Mills Limited factory site Anarapura, Munshigonj. The Company has claimed against that accidental loss on fire amounting to Tk. 82,672,898 to Pioneer Insurance Company based on the report of Fire service and Civil Defense Department. As the claim has not been settled within the reporting period, the company has expected (estimates) that Tk. 74,405,608 of claim value will be realized from Pioneer Insurance Company Limited as per understanding with them. Hence, the said amount shown as receivable and the remaining amount Tk. 8,267,290 shown as net loss by fire (administrative expense) in the financial statement ended December 31, 2015.

Meanwhile, in the year 2016 the insurance company has agreed to pay Tk. 63,545,553 instead of Tk. 74,405,608 as final settlement. As such the company recognized receivables written down by Tk. 10,860,055 (Tk. 74,405,608 - Tk. 63,545,553) and the amount has been charged to administrative expense in the March 31, 2016 quarterly financial statements on which the Prospectus was published.

Due to the observation of various regulatory bodies concerning the treatment of Tk. 10,860,055 of receivable loss as to why it was charged to administrative expense, the management of the company scrutinized the issue and made further decision that the estimation of fire loss was not estimated and accounted for properly and then as per paragraph 42 of BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, "Subject to paragraph 43, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

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

As per paragraph 43 "A prior period error shall be corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error."

So, the company has adjusted Tk. 10,860,055 with retained earnings in the financial statements for the year ended June 30, 2016.

Issue 09:

A detailed description of land development costs;

Auditors' disclosure:

Based on documents provided to us by the company, land and land development costs are as follows:

Particular	30-Jun-16	31-Dec-15	31-Dec-14	31-Dec-13	31-Dec-12	31-Dec-11	Total
Sand and Earth filling	9,330,667	75,710,935	45,818,430	29,763,315	5,461,960	42,675,489	208,760,796
Labor bill	-	4,231,275	-	-	-	200,000	4,431,275
Other Cost	188,000	247,069	23,162	22,163	2,625,868	78,779	3,185,041
Total	9,518,667	80,189,279	45,841,592	29,785,478	8,087,828	42,954,268	216,377,112

Issue 10:

Specify whether all factory buildings located in unit I and unit II are under one boundary wall. Also specify whether lands belongs to East West Property Development (Pvt.) Ltd. measuring 18.7709 acres as mentioned in note 4.02 is situated under the above mentioned same boundary wall;

Auditors' disclosure:

Factory building of unit-1 and unit-2 are not located under one boundary wall. These units are established separate place in New Town, Meghnaghat, Sonargoan, Narayangnj. Lands belongs to East West Property Development (Pvt.) Ltd. is not located within the same boundary wall. Some land in unit-1, some in unit-2 and some in Unit-3.

Issue 11:

Compliance of section 103 of the companies Act, 1994 regarding intercompany loans as mentioned in notes 11.00 and 37.00 of the audited accounts;

Auditors' disclosure:

The Company has complied section 103 of the companies Act, 1994 regarding intercompany loans. Necessary disclosures and presentation in the financial statements concerning intercompany loans has been made properly.

Issue 12:

Date of investment, return received from such investment, location and nature of business where investment in shares was made as mentioned in note 6.00 of the audited accounts;

Auditors' disclosure:

Investment was made amounting Taka 15,000,000.00 (One Crore fifty lacs) on 20.10.2010 and Taka 250,000,000.00 (Twenty five crore) on 26.04.2010 and the subsequent Board resolution date 22.12.2011. There is no such return on investment received by the Company. Bashundhara Paper Mills Limited invested Tk. 265,000,000 in shares of Bashundhara Industrial Complex Limited and is the owner of 6.63% of the shares. Bashundhara Industrial Complex Limited having its registered office at: 125/A, Bashundhara R/A, Baridhara, Dhaka-1229. The nature and principal business activities of the Company are to manufacture and distribute (market) ordinary Portland cement and Portland composite cement under the brand name "Bashundhara Cement". The Company has production capacity of 3,720,000 MT cement per year. The company has commenced commercial production on November 12, 2012 and subsequently made a profit of Tk. 14.83 crore, Tk. 19.36 crore and Tk. 13.25 crore in the year ended December 31, 2014, year ended December 31, 2015 and June 30, 2016 respectively and the retained profit stood as on June 31, 2016 was Tk. 67.78 crore.

Paid-up capital of the company is Tk. 400 crore. The Board of Directors of the company decided that there is no significant amount to be kept on the retained earnings as to declared dividend. After retaining a substantial amount in the retained earnings, the company (BICL) shall announce dividend in near future.

Ahmed Zaker & Co.

Chartered Accountants

Management Additional Disclosure relation to Initial Public Offering (IPO) of Bashundhara Paper Mills Limited

Issue 01:

It appears that total debt is 63% of total assets of the company, which indicates that your company is highly leveraged. Explain;

Management Disclosure:

The Company has satisfactory record for repayment of bank liability. All the loans are regular. The Company has pleasing operating profit but it is huge finance costs which makes the net income lower. Considering the fact the Company intends to go to equity financing to minimize its existing debt. In the upcoming years it is expected that the sales of the Company will be increased significantly which has been stated above. Besides, the Company has adequate assets against liabilities. So, the risk for the Company to become bank defaulter in future is very minimum.

Issue 02:

Regarding non-charging leased land from East West Property Development Ltd.

Management Disclosure:

East West Property Development (Pvt.) Ltd. (EWPD) is the one of the Directors and holding Company of Bashundhara Paper Mills Ltd. (BPML). BPML has been using 18.7709 acres of land owned by EWPD situated around the factory of BPML'S premises under a lease agreement dated 26/05/2009 between the parties. In consideration of the capability of the sister concern i.e. BPML the Board of Directors of EWPD has decided not to charge as rent or lease value for the land from the BPML during for the initial ten years w.e.f 26/05/2019. After the expiry of the initial ten years the lease/rental value will be fixed/charged @ Taka 50,000/- per acre per year from the user i.e. the BPML.

Issue 03:

Regarding non-pecuniary benefit enjoyed by the Managing Director;

Management Disclosure:

Mr. Safwan Sobhan is the salary paid Managing Director of Bashundhara Paper Mills Limited. Besides his salary, he enjoys two Mercedes Benz car with driver, maintenance and actual fuel cost. There is no other non-pecuniary benefit enjoyed by the Managing Director from the Company.

Issue 04:

Regarding different addresses of Bashundhara Paper Mills Limited;

Management Disclosure:

There exist different business addresses of Bashundhara Paper Mills Limited for its smooth business operation. The addresses used by the Company are as under:

Registered Office	Plot # 125/A, Level#5, #Road-2, Block # A, Bashundhara R/A, Dhaka-1229
Corporate Office:	Bashundhara Industrial Head Quarters-2, Plot#56/A, Block #C, Umme Kulsum Road, Bashundhara R/A, Dhaka-1229
Factory Office:	Unit 1: Meghnaghat, Baranagar P/O: Newtown, Sonargaon, Narayangonj; Unit 2: Meghnaghat, P/O: Newtown, Sonargaon, Narayangonj; Unit 3: Anurpura, Gazaria, Munshigonj.
Other Office:	Bashundhara City ,13/KA/1, Panthpath, Dhaka-1215

Issue 05:**Regarding vehicles owned by Bashundhara Paper Mills Limited with full description;****Management Disclosure:**

The description of vehicles own by Bashundhara Paper Mills Limited is as under:

Sl. no.	Type of vehicle	User	Work Station	Model/CC	Brand
1	Audi Car	Chairman	Corporate Office	M-2013, CC: 1984	Audi
2	Land Cruiser Jeep	Chairman	Corporate Office	M-2008, CC: 4800	Toyota
3	Mercedes Benz	Managing Director	Corporate Office	M-2005, CC: 5500	Mercedes Benz
4	Mercedes Benz	Managing Director	Corporate Office	M-2014, CC: 2143	Mercedes Benz
5	Pejaro Jeep	Executive Director	Corporate Office	M-2006, CC: 3000	Toyota
6	Jeep	Mr. Md. Belayet Hossain, Sr. DMD	Corporate Office	M-2005, CC: 4663	Toyota
7	Jeep Prado	Mr. Md. Mustafizur Rahman, DMD	Corporate Office	M-2012, CC: 2693	Toyota
8	Car	Mr. Md. Mustafizur Rahman, DMD	Corporate Office	M-2010, CC: 1500	Toyota
9	Car	Mr. Maynal Hossain Chowdhury, Advisor	Corporate Office	M-2003, CC:1500	Toyota
10	Jeep	Mr. Toffail Hossain, CFDO	Corporate Office	M-2006, CC: 3000	Mitsubishi
11	Car	Mr. Engr. Aman Ullah, Sr. ED	Corporate Office	M-2004, CC: 1500	Toyota
12	Car	Mr. Abul Hasan, Head of Project	Factory	M-2008, CC: 1500	Toyota
13	Car	Mr. Md. Shah Alam, Head of Project	Factory	M-2005, CC: 1500	Toyota
14	Car	Mr. ABM Easin, Head of Project	Factory	M-2009, CC: 1500	Toyota
15	Car	Mr. Kajol Kumar Banik, HOD	Factory	M-2008, cc-1500	Toyota
16	Car	Mr. Md. Masudur Rahman, HOD	Corporate Office	M-2010, cc-1500	Toyota
17	Car	Mr. Md. Delwar Hossain, HOD	Corporate Office	M-2010, cc-1500	Toyota
18	Car	Mr. Mirza Muzahidul Islam, HOD	Corporate Office	M-2009, cc-1500	Toyota
19	Car	Mr. Sarwar, HOD	Factory	M-2009, cc-1500	Toyota
20	Car	Mr.Kingsuk Hossain, HOD	Factory	M-2005, cc-1500	Toyota
21	Car	Mr. Saad Tanvir, GM	Factory	M-2010, cc-1500	Toyota
22	Car	Mr. Mohammad Kamrul Hassan, GM	Corporate Office	M-2010, cc-1500	Toyota
23	Jeep	Mr. Foyzur Rahman, PS	Corporate Office	M-2014, cc-1500	Honda Vezzel
24	Car	Mr. Md. Shaheenur Rahman, DGM	Bogra	M-2010, cc-1500	Toyota
25	Car	Mr. Golam Sarwar, DGM	Corporate Office	M-2011, cc-1500	Toyota

26	Car	Mr. Khijir ahamed, DGM	Corporate Office	M-2011, cc-1500	Toyota
27	Car	Mr. Major Tawhidur Rahman, DGM	Corporate Office	M-2010, cc-1500	Toyota
28	Car	Mr. Md. Eleus Hossain, DGM	Corporate Office	M-2011, cc-1500	Toyota
29	Car	Mr. Major Tanvir Ahmed (Rtd.), DGM	Corporate Office	M:2012, cc:1500	Toyota
30	Car	Mr. Sifat Jahan Nur, AGM	Corporate Office	M-2010, cc-1500	Toyota
31	Car-Axio	Mr. Monjur Hossain, AGM	Corporate Office	M-2011, cc-1500	Toyota
32	Car	Mr. Engr. Ismail Hossain, AGM	Corporate Office	M:2011, CC:1500	Toyota
33	Car	Mr. Quazi Imdadul Haque, AGM	Corporate Office	M-2011, cc-1500	Toyota
34	Car-Probox	Mr. Shamim Mia, AGM	Corporate Office	M-2011, cc-1500	Toyota
35	Car	Mr. Engr. Biswajit Dhar, AGM	Corporate Office	M-2011, CC-1500	Toyota
36	Car	Mr. Rashed, AGM	Corporate Office	M-2011, cc-1500	Toyota
37	Microbus	Mr. Abdullahil Mahmood, AGM	Corporate Office	M-2010, cc-1500	Toyota
38	Car	Mr. Gazi Billal Hossain, AGM	Corporate Office	M-2004, cc-1500	Toyota
39	Car	Mr. Fahim Islam, Manager	Corporate Office	M-2011, cc-1496	Toyota
40	Car	Mr. Md. Sohidul Rahman, Manager	Narayongonj	M-2011, cc-1496	Toyota
41	Car	Mr. Razu Ahmed, Manager	Cumilla	M-2011, cc-1496	Toyota
42	Car	Mr. Khaled Kawser, Manager	Chittagong	M-2011, cc-1496	Toyota
43	Car	Mr. Tuhin Ahmed, Deputy Manager	CTG	M-2011, cc-1496	Toyota
44	Car	Mr. Mizanur Rahman, Deputy Manager	Gazipur	M-2011, cc-1496	Toyota
45	Car	Mr. Abdul Mannan, DSM	Sylhet	M-2011, cc-1496	Toyota
46	Car	Mr. Farid Ahmed Kajol, APS	Corporate Office	M-2005, cc-1500	Toyota
47	Car	Mr. Mohammad Atiqul Ehsan, DSM	Khulna	M-2011, cc-1496	Toyota
48	Car	Mr. Md. Alamgir Hossain, DSM	Barisal	M-2011, cc-1496	Toyota
49	Car	Mr. Md. Mahmud Hasan	Corporate Office	M-2003, cc-1496	Toyota
50	Car	Mr. Md. Monir Rana	Corporate Office	M-2004, cc-1500	Toyota
51	Car	Mr. Md. Mustafa Mamum	Corporate Office	M-2004, cc-1500	Toyota
52	Delivery Van	BPML-1 Factory	Factory	M-2002, cc-1800	TOYOTA
53	Cargo Van	BPML-1 Factory	Factory	M-1999, cc-6540	Ashok Leyland
54	Covered Van	BPML-3 Factory	Factory	M-2011, cc-2957	TATA
55	Car	Pool	Corporate Office	M-2004, cc-1500	Toyota
56	Car	Pool	Corporate Office	M-2008, CC:2000	Toyota

57	Microbus	BPML-1 Factory	Factory	M-2005, cc-1500	Toyota
58	Microbus	BPML-1, Pool	Factory	M-2006, cc-2400	Nissan
59	Open Truck	BPML-1 Factory	Factory	M-2013, cc-5883	TATA
60	Covered Van	BPML-1 Factory	Factory	M-2014, cc-3783	TATA
61	Covered Van	BPML-1 Factory	Factory	M-2014, cc-3783	TATA
62	Covered Van	BPML-1 Factory	Factory	M-2012, cc-2956	TATA
63	Covered Van	BPML-1 Factory	Factory	M-2012, cc-2956	TATA
64	Covered Van	BPML-1 Factory	Factory	M-2012, cc-2956	TATA
65	Delivery Van	BPML-1 Factory	Factory	M-2013, cc-3298	Eicher
66	Delivery Van	BPML-1 Factory	Factory	M-2013, cc-3298	Eicher
67	Delivery Van	BPML-1 Factory	Factory	M-2013, cc-3298	Eicher
68	Delivery Van	BPML-1 Factory	Factory	M-2016, cc-2953	Ashok Leyland
69	Delivery Van	BPML-1 Factory	Factory	M-2016, cc-2953	Ashok Leyland
70	Delivery Van	BPML-1 Factory	Factory	M-2016, cc-2953	Ashok Leyland
71	Delivery Van	BPML-1 Factory	Factory	M-2016, cc-2953	Ashok Leyland
72	Minibus	BPML-1 Factory Pool	Factory	M-2012, cc-3298	Eicher
73	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
74	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
75	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
76	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
77	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
78	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
79	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
80	Minibus	Staff Bus	Corporate Office	M-2014, cc-4200	Nissan
81	Open Truck	BPML-1 Factory	Factory	M-2016, cc-5759	Ashok Leyland
82	Open Truck	BPML-1 Factory	Factory	M-2016, cc-5759	Ashok Leyland
83	Open Truck	BPML-1 Factory	Factory	M-2016, cc-5759	Ashok Leyland
84	Open Truck	BPML-1 Factory	Factory	M-2016, cc-5759	Ashok Leyland
85	Microbus	Pool	Corporate Office	M-2009, cc-1500	Toyota
86	Microbus	Pool	Corporate Office	M-2011, cc-2000	Toyota
87	Minibus	BPML-2 Factory Pool	Factory	M-2009, cc-4000	Toyota
88	Microbus	BPML-2, Factory Pool	Factory	M-2010, cc-1500	Toyota
89	Pickup	Delivery Van	Factory	M:2012, CC:1998	Toyota
90	Covered Van	BPML-3 Factory	Factory	M-2012, cc-5883	TATA
91	Covered Van	BPML-3 Factory	Factory	M-2012, cc-5883	TATA
92	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5883	TATA
93	Covered Van	BPML-3 Factory	Factory	M-2013, cc-5883	TATA
94	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5759	Ashok Leyland
95	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5759	Ashok Leyland
96	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5759	Ashok Leyland

97	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5759	Ashok Leyland
98	Covered Van	BPML-3 Factory	Factory	M-2014, cc-5759	Ashok Leyland
99	Covered Van	BPML-3 Factory	Factory	M-2016, CC-5883	TATA
100	Covered Van	BPML-3 Factory	Factory	M-2016, CC-5883	TATA
101	Covered Van	BPML-3 Factory	Factory	M-2016, CC-5883	TATA
102	Covered Van	BPML-3 Factory	Factory	M-2016, CC-5883	TATA
103	Covered Van	BPML-3 Factory	Factory	M-2016, CC-5883	TATA
104	Delivery Van	BPML-3 Factory	Factory	M-2011, cc-2771	Isuzu
105	Delivery Van	BPML-3 Factory	Factory	M-2011, cc-2771	Isuzu
106	Delivery Van	BPML-3 Factory	Factory	M-2011, cc-2771	Isuzu
107	Delivery Van	BPML-3 Factory	Factory	M-2011, cc-2771	Isuzu
108	Delivery Van	BPML-3 Factory	Factory	M-2011, cc-2771	Isuzu
109	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-2953	Ashok Leyland
110	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-2953	Ashok Leyland
111	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-2953	Ashok Leyland
112	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-2953	Ashok Leyland
113	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-2953	Ashok Leyland
114	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-1478	Ashok Leyland
115	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-1478	Ashok Leyland
116	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-1478	Ashok Leyland
117	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-1478	Ashok Leyland
118	Delivery Van	BPML-3 Factory	Factory	M-2016, cc-1478	Ashok Leyland
119	Minibus	BPML-3 Factory	Factory	M-2012, cc-3298	Eicher
120	Jeep Pajero	Pool	Corporate Office	M-2012, cc-2350	Mitsubishi
121	Car	Pool	Corporate Office	M-2010, cc-1500	Toyota
122	Microbus	SCD, Foreign Procurement, Carrying	Corporate Office	M-2010, cc-1500	Toyota
123	Microbus	Pool	Corporate Office	M-2008, cc-1500	Toyota
124	Microbus	Pool	Factory	M-2016, cc-2500	Nissan
125	Microbus	BPML-3, Pool	Factory	M-2012, cc-2000	Toyota
126	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
127	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
128	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
129	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
130	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
131	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
132	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
133	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
134	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
135	Covered Van	BPML-3 Factory	Factory	M-2010, cc-4948	Eicher
136	Covered Van	BPML-3 Factory	Factory	M-2011, cc-2956	TATA
137	Dump Truck	BPML-3 Factory	Factory	M-2009, cc-4948	Eicher

138	Microbus	BPML-3, Pool	Factory	M-2006, cc-2400	Nissan
139	Cargo Van	BPML-3 Factory	Factory	M-1999, cc-6540	Ashok Leyland
140	Cargo Van	BPML-3 Factory	Factory	M-1999, cc-6540	Ashok Leyland
141	Cargo Van	BPML-3 Factory	Factory	M-1999, cc-6540	Ashok Leyland
142	Cargo Van	BPML-3 Factory	Factory	M-1994, cc-2770	Toyota
143	Cargo Van	BPML-3 Factory	Factory	M-1994, cc-2770	Toyota
144	Cargo Van	BPML-3 Factory	Factory	M-1994, cc-2770	Toyota
145	Pickup	BPML-2	Factory	M-1994, CC-1990	Toyota
146	Pickup	Carrying	Corporate Office	M-2011, CC1998	Toyota
147	Minibus	Factory Pool	Factory	M:2000, CC:6540	Ashok Leyland
148	Open Truck	BPML-3 Factory	Factory	M-2010, cc-5759	Ashok Leyland
149	Open Truck	BPML-3 Factory	Factory	M-2010, cc-5760	Ashok Leyland
150	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
151	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
152	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
153	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
154	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
155	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
156	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
157	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
158	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
159	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
160	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
161	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
162	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
163	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA
164	Covered Van	BPML-3 Factory	Factory	M-2017, CC-5883	TATA

Safwan Sobhan
Managing Director