25th Annual General Meeting 2018

Bashundhara Paper Mills Ltd.

AMARSTOCK

Contents

Sl.no.	Contents	Page
1	Letter of Transmittal	03
2	Notice of the AGM English & Bangla version	04
3	Performance at a Glance 2017-2018	06
4	Bashundhara Group Overview	07
5	The Company Overview	08
6	Values and Mission Statements	11
7	Corporate Directory	12
8	Chairman's Message	13
9	Managing Director & CEO's Review	14
10	Director's Profile	15
11	Code of Conduct and Ethical Guidelines	18
12	Quality Policy and Environmental Policy	19
13	Comparative Financial Highlights of last 5 Years	21
14.	Director's Report to Shareholders & Director's Responsibility Statement along with	23
15	Shareholding Position	39
16	Report of the Audit Committee	40
17	Report of Remuneration & Nomination Committee	43
18	Statement of Corporate Governance	45
19	Certificate of Compliance of Corporate Governance	48
20	Corporate Governance Disclosure Checklist	49
21	Certificate of Due Diligence by CEO & CFO	60
22	Auditor's Report & Financial Statements	61
23	Statement of Financial Position	62
24	Statement of Comprehensive Income	63
25	Statement of Changes in Equity	64
26	Statement of Cash Flow	65
27	Notes to the Financial Statements	66
28	Proxy Form – Bangla & English	121

AMARSTOCK

Letter of Transmittal

To
All Shareholders of Bashundhara Paper Mills Ltd. (BPML)
Bangladesh Securities and Exchange Commission (BSEC)
Registrar of Joint Stock Companies and Firms (RJSC)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

Dear Sir (s),

We are pleased to enclose a copy of Annual Report of Bashundhara Paper Mills Limited together with the audited financial statements as on 30 June 2018, statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018 along with notes thereto of BPML for your kind information and record.

General review of this, unless explained otherwise, is based on the financials of the 'BPML'.

Best Regards
Your Sincerely,
Sd/-
M. Naseemul Hye FCS
Company Secretary

AMAR STOCK

NOTICE OF THE 25th ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the Members of Bashundhara Paper Mills Ltd. is scheduled to be held on Wednesday, 19 December, 2018 at 11:00 a.m. at "Rajdarshan" International Convention City Bashundhara (ICCB Hall No.-3), Bashundhara R/A, Dhaka to transact the following business:

AGENDA:

1. To receive, consider and adopt the Directors' and Auditors' Report and the Audited Accounts of the Company for the financial year ended on 30 June 2018;
2. To declare Dividend for the financial year ended on 30 June 2018;
3. To elect the Directors;
4. To appoint Auditors for the Financial Year 2018-2019 and to fix their remuneration.

By Order of the Board of Directors
Sd/-
M. Naseemul Hye FCS
Company Secretary

Date: 24 November, 2018

NOTES:

i. The Record Date of the Company has been fixed on 22/11/2018. Members whose names appear in the Company's Members Register (Depository) on the Record Date be entitled to attend the Annual General Meeting and to receive the dividend;

ii. Any member entitled to attend and vote at the Annual General Meeting may appoint a proxy on his/her behalf provided that such proxy must be a member of the company. The Proxy Form must be affixed with revenue stamp of Tk. 20/- and should be deposited at the Registered Office of the Company not later than 72 hours before the time fixed for the Meeting;

iii. Members are requested to notify the changes of their address (if any) through their respective Depository Participants well ahead in time;

iv. Admission to the meeting venue will be strictly on production of the attendance slip sent with the Notice as well as verification of signature(s) of Members(s) and/or Proxy-holder(s);

v. No gift or benefit in cash or kind shall be given to the shareholders in compliance with the terms of the Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

.

২৫তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা বসুন্ধরা পেপার মিলস্ লিমিটেডের সকল শেয়ারহোল্ডারবৃন্দসহ সংশ্লিষ্ট সকলের সদয় অবগতির জন্য জানানো যাচ্ছে যে, আগামী ১৯ ডিসেম্বর ২০১৮ইং রোজ বুধবার সকাল ১১.০০ ঘটিকায় "রাজদর্শন" বসুন্ধরা ইন্টারন্যাশনাল কনভেনশন সিটি (আইসিসিবি হল নং-৩), বসুন্ধরা আ/এ, ঢাকা-১২২৯-এ অত্র কোম্পানীর ২৫তম বার্ষিক সাধারণ সভা নিম্নবর্ণিত বিষয়াদি সম্পাদনকল্পে অনুষ্ঠিত হবে:

আলোচ্যসূচী ঃ

১. ৩০ জুন ২০১৮ইং তারিখে সমাপ্ত আর্থিক বৎসরের নিরীক্ষিত বার্ষিক আর্থিক প্রতিবেদন এবং তৎসঙ্গে নিরীক্ষক ও পরিচালকমন্ডলীর প্রতিবেদন সমুহ গ্রহণ, বিবেচনা ও অনুমোদন;
২. ৩০ জুন ২০১৮ইং তারিখে সমাপ্ত আর্থিক বৎসরের জন্য লভ্যাংশ ঘোষণা ও অনুমোদন;
৩. অত্র কোম্পানীর পরিচালকগণের নির্বাচন;
৪. ২০১৮-২০১৯ইং আর্থিক বৎসরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ ও তাদের পারিশ্রমিক নির্ধারণ।

পরিচালকমন্ডলীর আদেশক্রমে
স্বাক্ষরিত/-
এম. নাসিমুল হাই এফসিএস
কোম্পানী
সচিব

তারিখ- ২৪ নভেম্বর ২০১৮ইং

দ্রষ্টব্যঃ

১. অত্র কোম্পানীর রেকর্ড ডেট ২২/১১/২০১৮ইং তারিখে নির্ধারণ করা হয়েছে। উক্ত তারিখে যে সকল শেয়ারহোল্ডারগণের নাম অত্র কোম্পানীর সদস্য বহিতে (ডিপোজিটরি) অন্তর্ভূক্ত থাকবে তাঁরা কোম্পানীর ২৫তম বার্ষিক সাধারণ সভায় যোগদান এবং লভ্যাংশ প্রাপ্তির জন্য যোগ্য বলে বিবেচিত হবেন।

২. সাধারণ সভায় উপস্থিত থাকার জন্য ও ভোট দানের জন্য যোগ্য যে কোন সদস্য তার পরিবর্তে অত্র সাধারণ সভায় ভোট দানের জন্য প্রক্সি (Proxy) হিসেবে অন্য কাউকে নিয়োগ প্রদান করতে পারবেন। উক্ত প্রক্সি (Proxy) ফরমে ২০ টাকা মূল্যমানের রেভিনিউ স্ট্যাম্প সংযুক্ত করে তা যথাযথভাবে পূরণ-পূর্বক বার্ষিক সভা আরম্ভের অন্তত ৭২ ঘন্টা পূর্বে অত্র কোম্পানীর রেজিষ্টার্ড অফিসে জমা প্রদান করতে হবে।

৩. সম্মানিত শেয়ারহোল্ডারগণের ঠিকানা পরিবর্তন বিষয়ক তথ্যাদি (যদি থাকে) সংশ্লিষ্ট Depository Participants এর মাধ্যমে অত্র কোম্পানীকে অবহিত করার অনুরোধ করা যাচ্ছে।

৪. সদস্যগণ অথবা প্রক্সিগণ হাজিরা স্লিপে প্রদত্ত স্বাক্ষর যাচাই সাপেক্ষে বার্ষিক সাধারণ সভা কক্ষে প্রবেশ করতে পারবেন। উক্ত হাজিরা শ্লিপ অত্র বিজ্ঞপ্তির সাথে সংযুক্ত রয়েছে।

৫. বিএসইসি এর নির্দেশনা নংঃ SEC/SRMI/2000-1950 তারিখ ২৪/১০/২০০০ইং অনুসরন পূর্বক অত্র বার্ষিক সভায় আগত কোন শেয়ারহোল্ডারকে কোন রূপ নগদ কিংবা অন্য কোন রূপ আপ্যায়ন বা উপহার সামগ্রী প্রদান করা হবে না।

Performance at a Glance 2017 -2018

Net Revenue (Tk.mm)	:	10,821.10
Gross Profit (Tk.mm)	:	1,920.58
Net Profit Before Tax (Tk.mm)	:	494.14
Local Sales (Tk.mm)	:	10,438.96
Export Sales (Tk.mm)	:	382.13
Total Income Tax (Tk.mm)	:	548.94
Export Destination (Country)	:	21
Capacity Utilization	:	67%
Net Asset Values (NAV)	:	49.18
Earnings Per share (EPS)	:	4.63

Overview on Bashundhara Group

BASHUNDHARA GROUP
For the People, for the Country

The Bashundhara Group has started its journey as a real estate venture known as **"Bashundhara"** under the aegis of the group's first concern - the East-West Property Development (Pvt) Ltd in 1987. This project turned out to be a very successful one and had helped faster the growth of trust and confidence of the urban people in "Bashundhara". Dhaka's burgeoning population, coupled with a conspicuously slow growth of housing led to the landmark success of Bashundhara.

Driven by the ramifications of this success, Bashundhara concentrated to invest in many new arians like Manufacturing, Trading and Service. Most of the enterprises were established in the early 1990s, covering diverse activities involving the production of Cement, Paper and Pulp, Tissue paper, Shipping, Foods, Refinairy, LPG bottling and distribution, and trading company, among others. The group experienced this tremendous growth in a span of less than 10 years. The Group's first publicly-traded company, the Bashundhara Paper Mills Limited, is listed in 1996 and the last addition by Bashundhara Paper Mills Ltd. on 2018 with the two Stock Exchanges of Bangladesh.

The Group now has over 35 major concerns located in different areas of the country. The multi-faceted shopping mall-cum-recreation center called the Bashundhara City (BCDL) has added glamour to the growth of this group.

The group has established a media house named "East West Media Group Ltd" which was in 2009. This house owns Bangla daily – "Kaler Kantho", "Bangladesh Pratidin", English daily "Daily Sun" and online portal "Banglanews24.com". The media house also introduced a FM radio known as "Radoi Capital 94.80" and a television news channel "News24" in 2016 as well.

A micro-credit program under Bashundhara Foundation, Bashundhara Technical Institute, Bashundhara ad-din Medical College Hospital, Bashundahara Eye-hospital & Research Institute te and Bashundhara Special Children Foundation are the non -profitable concern of the group.

The Group has come a long way in reaching its goals by listening to customers needs, learning real-time lessons from past projects, innovating and partnering its project implementation process. Around 50,000 employees directly and 200,000 indirectly continuously contributing to grow up this Group. Through major investment undertakings in all key sectors, Bashundhara has meaningfully contributed to the country's socio-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 customers. Most of its projects have been success stories - this fact alone is enough to justify its moto " For the **People**, for the **Country**".

AMARSTOCK

Overview on the Company

Bashundhara Paper Mills Ltd.

Bashundhara Paper Mills Limited (BPML) is a sister concern of Bashundhara Group. The Company was incorporated in Bangladesh in 1993 as a private limited company. Subsequently it was converted into a public limited Company now a publicly listed company.

After starting its commercial operation as an import-substitute local paper manufacturing company another 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 caring out its business as a single legal entity and operated three separate units as “Unit 1”, “Unit-2” and “Unit-3” for the administrative purpose.

The three industrial units, are separate in their location and product diversity. All are equipped with industry-best state-of-the-art facilities and are regularly going through meticulously opted refurbishment processes to cope up achieving "scale of economies" and "resource conservation" esp. in energy (power consumption) and water usage per unit output. These significant alterations have been easily accomplished backed by dependable partnerships with World’s top technology providers e.g. Valmet, Andritz, ABB, Siemens, Voith, Caterpillar, Gapcon, Cleaverbrooks, Thermex, Sigma Engineering, Recard, Parker, Eurotherm, OK Machineries, Adpep, Taisan, Omet, ZWC etc.

Having positioned in a fast-growing market set, Bashundhara has been relentless over two decades to offer its diversified products ranging from different types of Paper, Tissue & Hygiene portfolio, thereby it has rightly been entrusted from customers fraternity of home and abroad. At present, Bashundhara Paper is the trusted source of volume Paper-needs of both Government level and, while keep general consumers pace of exporting to over 25 different global destinations. Noteworthy, it has been successful to become the only Company in Bangladesh having the certification of ISO 9001:2015 and FSC-CoC at the same time, certainly due to its thrust on environment is visible in various eco-friendly initiatives at the Plant sites by adopting modern technology and process innovations.

Run by a group of sturdy technical and highly experienced paper professionals of the Country since its inception, all the production units of BPML is absolutely environment friendly through leverage of most-modern Effluent Treatment Plants (ETPs). The Company runs through unique ERP solution (SAP), where this transformational technology enables to bring together best practices across all functions of the organization to deliver highest value to all external and internal stake-holders. The Company continues to conduct regular audits for its quality standards and customer satisfaction through conducting in-house resource and also by independent agencies, which in turn helps to be updated with changing customer needs and their preferences and develop its products to stay well ahead of the curve.

These pioneering moves have given Bashundhara Paper a pride of place as the change leader, ushering in a phase of complete makeover in the Bangladeshi paper market.

BPML (Unit-1)

The unit-1 was established in 1993 with an integrated paper plant with 36,000 MT/per annam installed capacity. It commenced its commercial production in February 1997 to address the rapidly growing local demands of Paper and Paper products. Over the years, the production capacity has been enhanced with the addition of 3 more paper plants and 10 converting units.

In this Unit the company produce a diversified product range from 20 GSM to 110 GSM of different grades of White Writing & Printing Papers, Carbonless Paper, Colored/ Offset Printing & Wrapping Papers, Color Ledger Paper, Sticker Papers, Cigarette Tipping Papers, OGR Paper, Exercise Books, A4 Paper, Paper Sack also time to time produce plng warps stiffener Glassine paper, PP woven Bag, MG paper, Coted & uncoated Paper Board etc. The very Company was the pioneer to introduce local-made Offset Paper in the Market.

Periodic renovation and modernization of the Plant machineries well foreseen by the skilled resources of home and abroad have helped the plant to remain in healthy condition even after decades. The Company's firm commitment and success delivering high quality products and services to customers has been the major reason to attain and retain the leadership position sector of this country.

Furthermore, in a bid to retain the leadership, a turn-key agreement has already been signed with Andritz AG, Austria in order to set-up the most sophisticated Paper production line, having the capacity of 120 MT per day.

BPML (Unit-2)

Unit-2 of Bashundhara Paper Mills Limited was set up in 1994. It was formally known as Bshundhara Newspaper & Duplex Board Ltd. The Unit-2 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 plant 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.
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.

BPML (Unit-3)

Unit–3 of Bashundhara Paper Mills Limited, formerly known as Bashundhara Tissue Industries Limited, was set up at Anarpura, Gazaria, Munshiganj 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 Unit-3 was set up This first basic tissue paper manufacturing facility in Bangladesh later emerged as the pioneer in the trade at the backdrop of rising demands of Tissue products thanks to changing lifestyle of urban to suburban consumers – 'Bashundhara Tissue' has become a trusted name with solid brand equity.

The unit, obsession towards Quality and Customer Satisfaction is reflected in understanding & fulfilment of expectations of the consumers, big or small. This in turn has been a key factor in its growth and the advantage

that the Company has been able to build over the years in terms of a wide and loyal distribution network throughout Bangladesh.

Out of five production lines, dozens of tissue products are being successfully manufactured to cater the consumer demands, where diverse types of Tissues ranges from Facial Tissue to Pocket Tissue, from Napkin Tissue to Kitchen Towel Tissue, from Toilet Rolls to Clinical Bed Sheets, from Wet Tissue to MG Hard Tissue. Not only pure Tissue products, but also different hygiene to other paper items e.g. Monalisa Sanitary Napkin, Bashundhara Baby Diaper, Bashundhara Diapant, Hand Gloves, Cotton Bud, Drinking Straw, Tooth Pick, Paper Carton Container, MG Poster Paper, Ledger Print Paper, Colour Printing Paper (Pink, Yellow, Green, Blue), Liner Paper, Manifold Paper (White, Pink, Yellow, Green, Blue), Plug-wrap Paper are among the premier products of this Plan.

AMAR STOCK

Mission

We Are Passionate About Helping the World Excel In Education, Communication, Business And Salutariness By Offering Eco-Sustainable Paper-Based Solutions.

Values

Values form the acronym SPIRIT and it is the SPIRIT in which we operate. The word SPIRIT stands for SOUL, ESSENCE, LIFE and ATTITUDE. This the Spirit that nourishes the SOUL of the people of 'Bashundhara Paper'; it is the ATTITUDE and the ESSENCE that gives LIFE to our winning culture.

AMAR STOCK

Corporate Directory

Chairman of the Company	:	Mr. Ahmed Akbar Sobhan
Directors	:	Mr. Md. Imrul Hassan
		Mr. Md. Nazmul Alam Bhuiyan
		Nominated by: East West Property Development (Pvt.) Ltd
Independent Director	:	Mr. Khawaja Ahmedur Rahman
		Mr. Zeaur Rahman
Managing Director & CEO	:	Mr. Safwan Sobhan
Company Secretary	:	Mr. M. Naseemul Hye FCS
Statuary Auditors	:	Ahmed Zaker & Co.
		Chartered Accountants
Governance Compliance Auditors	:	Itrat Husain & Associates
		Chartered Secretaries in Practices
Legal Adviser	:	M/S. Law Valley
Tax Consultants	:	M/S. Ahsraf & Associates

Board Committees:

Audit Committee	:	Mr. Khawaja Ahmedur Rahman
		Mr. Imrul Hassan
		Mr. M. Naseemul Hye FCS
Nomination & Remuneration Committee	:	Mr. Khawaja Ahmedur Rahman
		Mr. Zeaur Rahman
		Mr. M. Naseemul Hye FCS

AMARSTOCK

Chairman's Massage

Dear Stakeholders,

I am immensely pleased to welcome you all on this auspicious occasion of the 25th Annual General Meeting of Bashundhara Paper Mills Ltd. which is, on the other hand, the first annual general meeting after the listing of BPML in the capital market of our country.

On this special occasion I would like to convey my heartfelt gratitude and sincere thanks for extending huge support and confidence on us by our investors, members, and stakeholders during the process of listing of BPML in both the bourses which made all of us in this company encouraged.

We, all of in BPML, have been committed to discharge our duties and responsibilities to add values to all our customers, members and stakeholders and safe guard their interest. When our investors, stakeholders and customers choose BPML, they know they are placing their trust on a quality paper and paper products manufacturer having over two decades of experience and a proven track-record of excellence. Keeping this in mind, everything that we envision, plan, execute and deliver is all aligned to this strategy. For the longer term, we are pursuing a strategic approach of further diversification of our business portfolio and expanding our geographical reach, product and service offerings as well as cementing stronger business partnerships, to solidify our position in the market.

We have engaged our concentrated efforts to generate new ideas and options for the customers and users giving special preference for their satisfaction and to ensure further growth. And have put attention to the aspects as to keep up our image high.

This year is BPML is celebrating its 25th Anniversary. Every business has competitions and only the fittest survive. In our journey in a very competitive business environment we have engaged all our efforts as to attain the positive result. With single-mindedness and unwavering passion, we have made our vision a reality.

I would like to take the opportunity to thank all our customers and request to continue their support by which we will continue to strive towards building a more sustainable business and enhancing shareholders' value in the near and long term. In our future endeavors I hope and believe that we would get full support and cooperation from all of our members, patrons and wide range of consumers and come out successful.

May Allah bless us all.

Sd/-
Ahmed Akbar Sobhan
Chairman

Managing Directors' Review

Respected Members,

Assalamu Alaikum.

You are aware that more than two decades ago our company has started its journey and by this time it has become the market leader in the paper sector of this country. In this year this company got listed in the DSE and CSE after successful completion of the IPO process under the revised Book Building Method. The investors of this country showed their huge confidence on this company in the whole IPO process. And a bondage between this company with the general investors and stakeholders now has been established.

We express our profound gratitude to the stakeholders for their excellent support in the entire IPO process.

Interestingly, another great event also falls in this year - as this Company has been celebrating its 25th Anniversary. During the long eventful journey of this company it tried to contribute to the society substantially in course of its business operations and various services. The operational track record and growth of this company over the two decades is the solid evidence of its excellence.

The primary concern of BPML's business venture has always been to meet up the demand and supply gap of this country's import-based paper industry. With the operational excellence this company has ensured superior product quality, which has initiated a new dimension in the paper sector of Bangladesh and also set a milestone.

Meanwhile, the company has executed its plan to raise its capacity by importing and setting up of new plants and machineries in factory premises and engaged its efforts to expand its business horizon by utilizing its IPO proceeds as per the commitment towards its stakeholders within the timeline. The company has been producing some new products which have good demands in the market and we hope that these products would help us to acquire more market share in this particular sector.

We all in this company express our profound gratitude to all of the shareholders, stakeholders and consumers for their cordial support, co-operation and patronage without which this company could not come up to this position. And we also look forward for getting more cooperation in the days to come.

Lastly, I would like to express my special note of gratitude to the Board of Directors of this Company for its excellent guidance, and all our business partners, associates, well-wishers and above all my colleague team members for their untiring efforts, support and cooperation without which we cannot achieve our objectives and come to this position.

Thanking you all.

Sd/-
Safwan Sobhan
Managing Director

Directors Profile

Ahmed Akbar Sobhan
Chairman

Mr. Ahmed Akbar Sobhan is one of the Sponsor Directors and Chairman of this Company. He graduated in Business Studies from the University of Dhaka. He founded Bashundhara Group back in the 80s, which is now a leading industrial group of Bangladesh. Bashundhara Group (BG) now consisting of more than dozens of companies comprising of moderate to heavy industrial and business units. His leadership, commitment and vision placed this group in a formidable position and now BG emerged as one of the biggest industrial and commercial conglomerates in the country.

He is the Director of East West Property Development (Pvt.) Ltd., Bashundhara Paper Mills Ltd., Bashundhara LP Gas Ltd., Bashundhara Industrial Complex Ltd., Bashundhara Food & Beverage Industries Ltd., East West Media Group Ltd., Bashundhara Multi Paper Industries Ltd., Bashundhara Infrastructure Development Ltd., East West Special Economic Zone Ltd., Bashundhara International Trade Center Limited, Bashundhara Cement Industries Ltd., Bashundhara Agricultural Products Ltd., Dhaka Multi Agricultural Complex Ltd., and many other companies of the group.

He was the President of many financial institutions, trade organizations and trade bodies including Bangladesh Paper Mills Association, Bangladesh Land Developers Association, Bangladesh Cement Manufacturers Association etc. He was also member of general body of FBCCI, DCCI, ICC and currently serving as the Chairman, Standing Committee of REHAB.

Mr. Akbar received many accolades at home and abroad, in recognition of his excellent business leadership, performance and remarkable contributions in the socio-economic fields, international understanding, conflict resolution and bringing peace, including President's Gold Medal in 1994, Kazi Nazrul Islam National Award in 1992, Moulana Bhasani National Award in 1993, Arthakantha Business Award in 2001, USA Summit International Award in 2002 and Janata Bank Prime Customer Award in 2002 and Agrani Bank Best Client Award in 2010. He was a sports man and now a sponsor of sports in the country. He is the owner of Bashundhara Kings, a leading Sports Club of Bangladesh.

He is the Chairman of Board of Trustees of Bashundhara Foundation and the Chief Patron of Afroza Begum Welfare Foundation. These Foundations have been working tirelessly for the betterment of the poor and unprivileged people of this country by providing various supports including the interest free loan and running of technical School etc. These two foundations have been living up to Bashundhara Group's promise of "For the People for the Country".

Md. Imrul Hasan
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 Post Graduation from University of Dhaka. 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 also a sports loving personality. Preentely he has been holding the position of President, Bashundhara Kings- the runner-up team Club football Tournament. 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.

Md. Nazmul Alam Bhuiyan
Representing East West Property Development (Pvt.) Ltd

East West Property Development (Pvt.) Ltd. is the flagship company of Bashundhara Group, which was founded back in 1987 to address the ever increasing housing needs of the citizens in Dhaka. East West Property Development (Pvt.) Ltd. has successfully developed several integrated residential projects adjacent to the capital city and also taking up more and more projects in the vicinity of the capital. Since the very first day of its inception, East West Property Development (Pvt.) Ltd. has been doing business with reputation and has earned a great deal
of trust of people.

The first and prime projects which is popularly known as " Bashundhara" near the Baridhara Diplomatic Zone, Dhaka has been developed on several hundred 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 Scout Jamburee and the fifth Project named "River View Dokhina Project" which is located at Dakhin Keranigonj nearer to River View Project and 4 km away from Dhaka Maowa highway. Some lucrative land projects are under way under same umbrella of East West Property Development (Pvt.) Ltd.

East West Property Development (Pvt.) Ltd. has also been constructing apartments at different blocks of Baridhara and River View Projects for contributing to mitigate the burgeoning housing need of city dwellers.

East West Property Development (Pvt.) Ltd. currently holding 58.14% of the shares of the Bashundhara Paper Mills L td. The EWPD has nominated Mr. Md. Nazmul Alam Bhuiyan, Executive Director the company as the Director in the board of Bashundhara Paper Mills Ltd.

Mr. Alam was born in Brammonbaria on December 25, 1971 in a recognized Muslim family. Mr. Alam visited various countries including India, India, China, Hong Kong, Singapore, Thailand, Nepal, Malaysia, Macao, Egypt, UAE, USA, Switzerland, France, Australia, Turkey, Qatar, South Korea. A successful personality and holding a fabulous track of experience, he is business graduation from university of Dhaka and very known person for his social work and activities.

Safwan Sobhan
Managing Director

Mr. Safwan Sobhan is a young enterprising entrepreneur. He had his schooling in Oxfordshire in the UK and had his bachelor's degree in business administration. He established various corporate houses at home and abroad and earned laurels for his leadership qualities. At present, he is the Managing Director of Bashundhara Paper Mills Ltd. He is also Director of Bashundhara LP Gas Ltd., City Multi Agricultural Company Ltd., Bashundhara Horticulture Ltd., Bashundhara Infrastructure Development Company Ltd., Bashundhara Logistics Ltd., Bashundhara Airways Ltd., Bashundhara Amusement Park Ltd., Bashundhara Multi Paper Industries Ltd., Bashundhara Agricultural Products Ltd., Bashundhara Electricity Ltd., Toggi Real Estate and Construction Ltd., Bashundhara Textile Mills Ltd., and many other companies of Bashundhara Group. He is also a Trustee of Bashundhara Foundation.

Mr. Safwan is a keen sportsman and a sports loving personality. He Has been involved in various activities to promote sports activities in this country and abroad. He is now the Managing Director of Toggi Sports Ltd. and the Chairman of the Rangpur Riders, the Champion Cricket Team in the prestigious Bangladesh Premier League (BPL) - 2017. He is the current President of Lt. Sheikh Jamal Dhanmondi Club Ltd. He is also one of the patrons of the Army Golf Club, Dhaka and a Member of the Dhaka Club Ltd.

He also acted as the Chairman of the Editorial Boards of the Daily Sun, Bangladesh Protidin and the Online News Portal BDnews24.com.

He was appointed in the Board as Managing Director in 2015 before that he was a Director of this company. Since his inclusion in the Board, he has been contributing actively in overall planning, strategy formulation, HRM, decision-making process of this company and Bashundhara Group as well. His specialization in the time management, branding of products and promotion, risk management and crisis management brought positive results and wide acclamation. Mr. Safwan is also a member of the Audit Committee of this company.

Khawaja Ahmedur Rahman
Independent Director

Mr. Khawaja Ahmedur Rahman (66) completed his Graduation in 1969 and started his career as a government officer. After his retirement from civil service, he started his business career by setting up various business ventures in audio video & electronics sector in this country. He has been associated with many companies as sponsor directors including Rose Valley Audio Video Ltd., Rumki Electronics Industries Ltd., Matsha & Krishi Khamar, Singha Bangladesh Ltd. and Link-up International Ltd., etc. He has a vast knowledge of finance, business, corporate management, industrial, trade and labour laws. He is the Managing Director of Link-up International Ltd. He is associated with many socio-cultural and philanthropic organizations.

He has been in the Board of this Company since 2015 as an Independent Director and is the current Chairman, Audit Committee of this Company. He is also the Chairman of the Remuneration and Nomination Committee of the Board of Directors of this company.

Zeaur Rahman
Independent Director

Mr. Zeaur Rahman (58) completed his graduation in 1981 from the University of Chittagong in Business Studies. He promoted various business ventures in this Country and has vast experience in business consultancy, business advisory and management.

He has been associated with a good number of business enterprises. At present, he is the Chairman of M/S. NK Group, WOTBD Pvt. Ltd, Kalka Engineers Ltd., Civil and Electrical Engineering Ltd., etc. He has been associated with many social organizations including Chittagong Club Ltd., Chittagong Boat Club, Privilege Club, Club 21 etc.

He has been in the Board of Directors of Bashundhara Paper Mills Ltd. as an Independent Director since 2017 and is a member of the Audit Committee and nomination & Remuneration Committee.

Code of Conduct

Fair governance practice is the key to inclusive and sustainable growth. We have clearly articulated in our orginational code of conduct- guidelines. All the probable are as involving ethical dilemmas for the responsible and values - driven management and control. i.e.; our code of conduct and ethical guidelines are as follows:

Compliance of Laws	All our employees are to follow and comply with the laws of the land and internal rules and regulations of the Bashundhara Group.
Integrity in Business Practice	The Company maintains business practices with highest integrity and ensure accuracy of all transactions. It shores up the privacy of the customers' affairs. Employees of the company divulge the BPML's plans, methods, and activities considered by the employer to be proprietary and confidential'. Moreover, employees are not expected to disclose such information without proper authorization.
Integrity	Our employees are expected to act honestly and with due integrity at all times. They should act rightly equitably when dealing with the stakeholders the consumers and public as well as and other employees of the Company.

Policies of the Company

Quality Policy

This Company is aimed to provide products and services of high quality within the affordable range of our clientele.

Our quality policy is to -

- Achieve excellence by understanding and providing products as per customers' expectations.
- Follow consistent quality in our production and supply of products to meet all regulatory requirements of our businesses.
- Consider and follow due procedures to ensure compliance with all quality standards.
- Develop all our human resources as asset of the Company through training and skill development.

Environmental Policy

The is committed to run its operations by following environment friendly, ensuring continual improvement in the utilization of resources and prevention of pollution or degradation of the environment.

In pursuit of this, the Company follows the policy to -

- Comply with all environmental related legislations and regulations of this country.
- Conserve mother nature by adopting environmentally safe production processes.
- Ensure appropriate treatment of all effluents prior to discharge.
- Create and maintain awareness on environmental issues within the Company.
- Ensure waste management system runs through continuous upgradation process.

Occupational Health and Safety Policy

The occupational health and safety for all related persons as well as employed by the BPML is of the utmost importance. As per the provision of the common law, various codes and regulations of all employed persons. The BPML has introduced a full code of conduct for its employees since long.

BPML has developed comprehensive policies and procedures in relation to occupation health, safety, and welfare policies. The company –

- Ensures, as far as reasonably practicable, the health, safety, and welfare of its employees and associated persons;
- Ensures, as far as reasonably practicable, that people who aren't our

employees (i.e. visitors, participants) are not exposed to health or safety risks;

-

Specific duties requires that BPML:

- Identify and reduce risks in the workplace;
- Provide and maintain safe systems at work place;
- Provide and maintain equipment and substances in a safe condition;
- Provide facilities in a safe and healthy condition for the welfare of employees;
- Provide adequate information, instruction, training and supervision;
- Maintain our environment and facilities in a safe condition;
- Maintain accurate and up-to-date records about the health of employees and volunteers including information about accidents and incidents;
- Develop and implement policies and procedures about working in the human resources safely;
- Consult with employees about safety issues;
- Provide and share adequate information with the employees regarding health & safety issues;

BPML is committed to providing a safe and positive working environment for all its staff and acknowledging that the wellbeing of staff is a prime factor in enabling them to perform their duties to the best of their abilities. In return, The BPML desires that staff accept their responsibilities to work safely.

Competitive Financial Highlights for last Five Years

Operating Performance

Particular	2017-2018	2016-2017	2015-2016	2015	2014
Revenue	10,821.10	10,004.08	10,834.64	10,435.76	10,335.09
Gross Profit	1,920.58	1,824.41	1,956.45	1,802.63	1,790.01
Income from Operating	1,390.59	1,423.88	1,515.64	1,383.05	1,350.52
Profit Before Interest, Tax & Dep.	2,214.35	2,168.97	2,156.35	1,975.38	1,876.57
Net profit after Tax	693.64	385.13	430.02	264.67	218.12

Financial Position

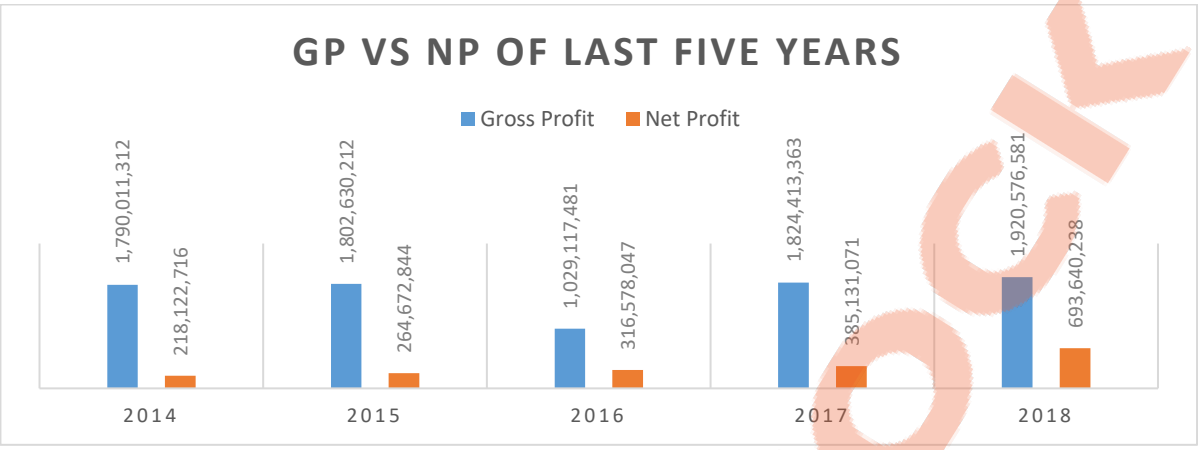
Particular	2017-2018	2016-2017	2015-2016	2015	2014
Paid-up-Capital	1,737.91	1,477.50	1,477.50	1,477.50	495.36
Shareholders' Equity	7,549.50	4,887.17	4,504.85	4,213.40	2,744.60
Total Assets	25,062.14	20,677.89	18,908.85	18,083.74	17,078.55
Total Liabilities	17,512.64	15,790.71	14,404.00	13,870.34	14,333.95
Working Capital	2,665.46	2,926.87	3,495.44	3,454.03	2,826.04
Capital Employed	0.11	0.13	0.16	0.15	0.17

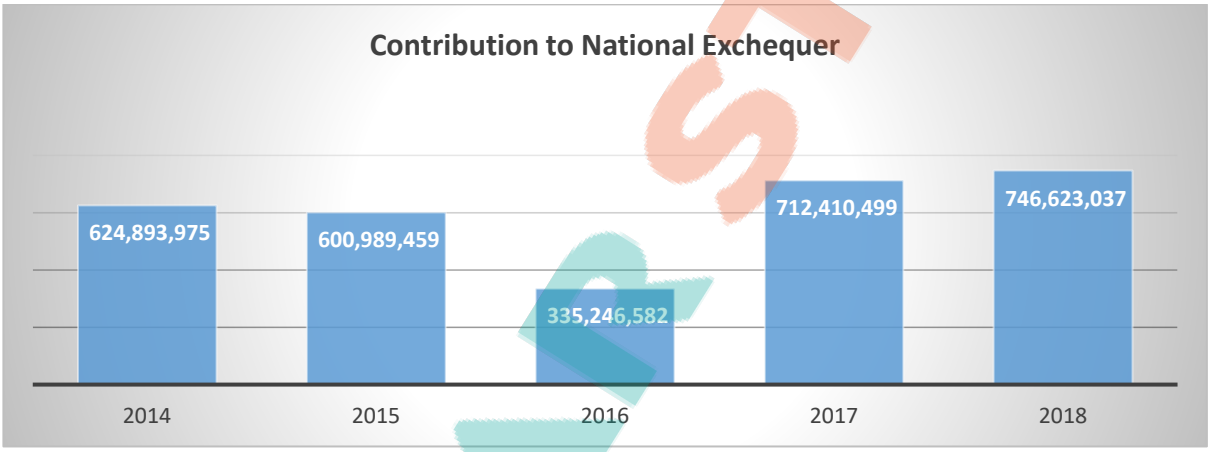
Financial Ratio

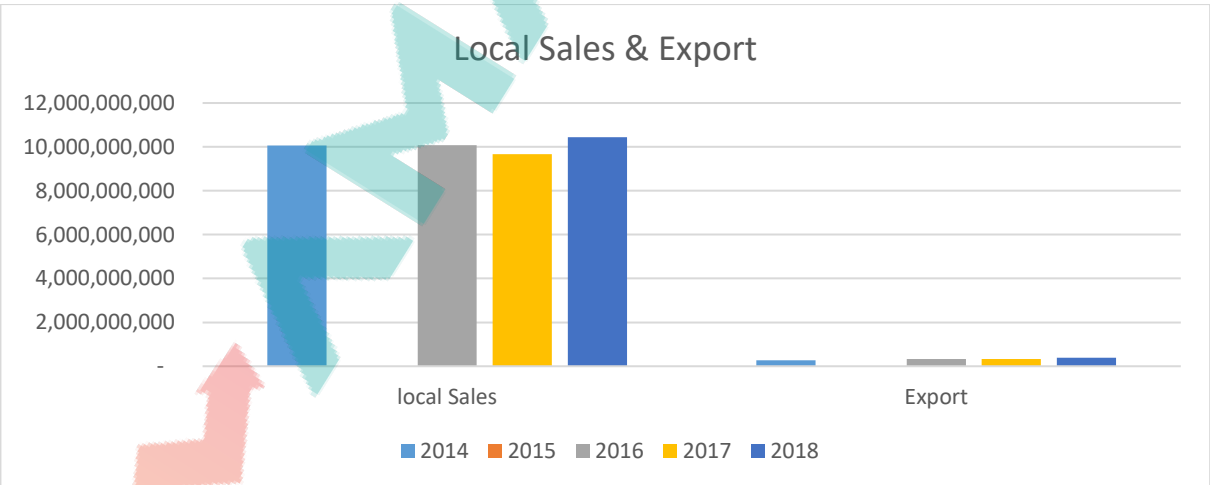
Particular	2017-2018	2016-2017	2015-2016	2015	2014
Current Asset to Current Liabilities	1.10	1.04	1.00	1.02	1.01
EBIT to Net Interest Cover (Times)	1.60	1.78	1.57	1.39	1.25
Debt to Equity	2.32	3.23	3.20	3.29	5.22
Gross Profit Margin	17.75%	18.24%	18.08%	17.27%	17.32%
Operating Profit Margin	12.85%	14.23%	13.99%	13.25%	13.07%
Net profit Margin	6.41%	3.85%	3.97%	16.97%	2.11%

Market Performance

Particular	2017-2018	2016-2017	2015-2016	2015	2014
Face value per share	10	10	10	10	10
Dividend on paid up capital	20%	-	-	-	-
NAV per share	49.18	31.38	30.49	28.52	18.58
Earnings per Share	4.63	2.57	2.91	1.79	1.48
Price Earning Ratio (P/E Ratio)	20.75	37.38	32.99	53.59	65.03


GP VS NP OF LAST FIVE YEARS
Gross Profit
Net Profit
1,790,011,312
218,122,716
1,802,630,212
264,672,844
1,029,117,481
316,578,047
1,824,413,363
385,131,071
1,920,576,581
693,640,238
2014
2015
2016
2017
2018


Contribution to National Exchequer
624,893,975
600,989,459
335,246,582
712,410,499
746,623,037
2014
2015
2016
2017
2018


Local Sales & Export
12,000,000,000
10,000,000,000
8,000,000,000
6,000,000,000
4,000,000,000
2,000,000,000
-
local Sales
Export
2014
2015
2016
2017
2018

PAKISTOCK

Directors Report to the Shareholder's

Dear Respected Members,

Assalamu Alaikum wa Rahmatullah

We take the pleasure to welcome you all in the 25th Annual General Meeting of Bashundhara Paper Mills Ltd. (BPML). It is and also a great privilege for us to present the 25th Annual Report and first Annual Report of Board of Directors after the listing of BPML along with the Audited Financial Statements for the financial year ended on 30 June 2018, Notes to the Accounts as well as the Statutory Auditors' Report thereon and the Board Audit Committee's Report, Corporate Governance Statement, Compliance Report, Audit Committee Report and Nomination and Remuneration Committee Report to you for your kind consideration, approval and adoption.

An Overview of the Economy of Bangladesh

The economy of Bangladesh has grown up by 7.28% during the year under review while it was 7.1% in the previous year. The risks to the growth outlook from the modest global growth and weaker remittances inflows and inflation risks from rise in the livelihood expenses and its spillover into the inflation played pivotal role on the overall economy of our country. However by some supportive policy measures along with stable inflation condition and macro-economic environment helped Bangladesh to become a role model of sustainable development for the least developed countries. Bangladesh is now placed in the middle income transitions and continuing its focus on easing infrastructure bottlenecks, improving of livelihood, containing of cost of doing business and skills; and increasing of investment scene will help to create some more and better job opportunities in the years to come.

Present Global Scenario of Paper Industry

It is the global production of paper and viewed that paper products continuously increased over the last few decades from 125 mm tons in 1970 to 365 mm tons in 2006. It is expected that the market for paper and paper board will continue to grow until 2030, with particularly sharp increases in developing countries. It was due to increases in population, literacy rates, and quality of life and a slight decline in the most advanced industrialized counties due to advanced their preference to the electronic communications systems.

Although over the last three decades, the demand for paper and paper products has increased globally but production levels have not reached to the level to meet the demand of the entire paper consumers. The overall global paper industry is fragmented in consequence of rapid urbanization, improvements in lifestyle of consumers, rise in disposable income and literacy rate. Some special factors - demographic condition, economic condition and environmental regulations have a significant impact on the global paper industry dynamics. The increase in the literacy rate, recycling, population, and economic growth are anticipated as the significant factors to boost the global paper industry. Through innovation and energy diversification the paper industry in the developed countries has been turning away from natural forest resources as its raw materials. The industry witnessed many up and downs over the last few decades due to remarkable changing pattern in publications. The publication sector has long been considered as the significant user of papers for publishing the newsletters, journals, and other print media etc. The global demand for paper and paper products has increased rapidly as some emerging countries' economies have

depicted significant growth. The population growth and increasing business activity also have direct influence on the consumption of specialty papers. Increasing market share of some emerging economies in global trade and rapid industrialization have impact on demand for paper. Population growth, urbanization, increase in middle class population, rises in standard of living and increase in the literacy rates all over the globe also have role over the growth of paper sector.

However, the global paper industry has also been facing certain challenges posed by increased use of electronic media, increased trend of automations, enhanced environmental regulations in the developed countries as well as other countries, volatility in raw materials availability and prices, energy inputs and increasing trend of transportation costs etc.

Overall Paper Market Scenario

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

Over the last three decades, the paper production has been increased globally but has not yet reached to the optimum production levels and the paper market needs more and more supplies. It is projected that the market for paper and paper products will continue to grow globally at 2.3% per annum till the Year 2030, with particularly sharp increases in developing countries and a slight decline in the most advanced industrialized counties. The global production of paper and board has also been increased in the last few decades continuously e.g. from 125 million MT in 1970 to 485 million MT in 2017.

In Bangladesh, the paper industry went into operation during late 1950s when the Karnaphuli Paper Mill (KPM) at Chandragona in Chittagong was established and the private sector paper mills started to operate since in the early 1980s. Gradually the private sector has taken over its hold on the paper sector of the country and now the private sector producing 90-95% paper products as used by the consumers of Bangladesh.

At present, more than 40 paper mills are operating all over the country out of about 100 mills and produce different grades of paper including writing, printing, packaging, liner, media, simplex, duplex, board, newsprint, cigarette, etc. Bashundhara Paper Mills Ltd possess around 30% market share at this moment.

Overall Tissue Paper Market Scenario

Per capita consumption of Tissues in Bangladesh is 145 gm;
Our tissue product's contribution to national GDP is 0.025%;
Yearly growth rate is around 13% whereas global growth rate is 4.90%.

Demand and Supply Gap

According to the recent trend we believe the demand will cross 3200 MT within next 1 or 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, religious personalities, 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 day by day and people in the rural and urban areas have started using tissue products which definitely increasing the demands.

Though our production capacity is around 2,000 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 on the process to start a converting unit with 500MT production capacity in Kolkata, India and another converting unit with more 500 MT production capacities at Shiliguri, India. Jumbo rolls of papers for such converting will be sent from our factory in Bangladesh.

Over last few years this company has been exporting considerable quantity of papers in various countries of the world including England, Australia, Bahrain, UAE, India, China etc. Considering more margins we earlier focused on domestic markets rather than export markets. However by getting good response and continuous requests from overseas customers this company has been exploring to expand its export markets and trying hard to reach it products to more and more destinations. And our expert sales teams are working hard in implementing the plan of further business expansion outside of the country.

Considering above circumstances this company has also taken up the well planned strategy to increase its production capacity to further more extent for which it has already imported some new plant and machineries and within a very short period of time some more will reach to this company against its opened L/Cs.

A brief description of Business Strategy

Paper industries are highly complex and integrate many different process areas, options and types before determination of the final product. Bashundhara Paper Mills Ltd. is a modern paper industry which is divided into several sections and process areas. The company is the pioneer in paper production industries of the private sector in Bangladesh. The venture, since its incorporation in the year 1993, has been producing quality papers and paper products having wide market demand and with this it has been helping the nation to save huge amount of hard-earned foreign currency by cutting dependence on imported paper products.

BPML's business model is designed to deliver sustainable growth. The key objective of the company is managing business as to achieve static growth with sustainability and profitability, increase the value of the business for capital providers as well as the stakeholders. The Company's aim is to continue as the market leader in this particular sector of this country. During its colorful journey, which is spanned over more than 25 years, the company has established it as a supplier of innovative products by maintaining quality of its products at affordable price bracket.

It has also engaged all its efforts to introduce more and more new products and services to cater the requirements of the consumers.

Objective of the Company

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 this company has been facing strong competition. The Company views the need for a strategic plan in business operation of long-range.

Strategic Goal of the Company

This Company continues to develop its presence in the markets, particularly in the tissue and paper sector where inherent growth and cost benefits are most apparent. In its paper and tissue businesses, the company sees bigger opportunities 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. The Strategic Goal of the Company is:

- 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 effective plan is planning to fail. As competition increases and belts tighten in the paper sector this Company in the production and business operation put emphasis on:

- Growth plans, which may include expanding the business, introducing new products, locations, and market segments;
- Product diversification;
- Changes in manufacturing methods;
- Supply chain revisions;
- Safety initiatives;
- Ways to reduce the cost of goods sold including efficiencies in manufacturing and reduction of water and utility consumption;
- Asset consolidation/optimization;
- Asset preservation / maintenance plans including capital expenditures for meeting current regulations and maintaining the future of existing assets;
- Continuous training of the human resources to match with technological upgrades.

The business and strategies objectives of the company are summarized 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 optimize 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 resources allocation and maintain the focus on fund generation and its utilization most efficiently and effectively to attain success in the long run.
- 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.

Paper Market Scenario

It is viewed that the country's paper sector has been on a positive growth trajectory as the demand for paper rising on both the local and international markets. Only a few years back, the imported papers met a large portion of domestic demands, but now the market share and the capacity of local manufacturers has grown up significantly. The number of paper mills has now increased to more them 100 from around 50 five years back, while 15 or 20 more units are under process to go into operation soon, in a market survey it has been stated. The paper sector, which is churning out around 1.5 million tons of paper in a calendar year, has also generated about 1.0 million direct and indirect employments.

Recently, many factories in China and some European countries have faced closure due to higher production cost and other issues, which opened up opportunities for a country like Bangladesh. This country can take this advantage and grab a share of the global market, cashing in on the closure of around half of the mills in China and Europe. There is a huge demand for almost all types of paper, including packaging paper, art paper, newsprint and writing paper, in the country against the backdrop of rapid industrial growth.

Sources said the industry may capture a big share of the global market if provided with more policy supports such as raising cash incentive, checking illegal trade and promoting the sector abroad.

However, the paper sector needs to address several challenges effectively to make its growth sustainable. One of it is the increasing prices of raw materials in the international market including the cost of imported both hardwood and softwood pulps which have gone up almost double by just two years. But manufacturers could not adjust the price proportionately, resulting in marginal profitability. The paper sector has to import hardwood pulp mostly from Indonesia while softwood pulp from North America and Europe which produce pulps from various types of trees. As this country cannot produce pulp as it doesn't have adequate trees in forest area the local paper sector is fully dependent on pulp import which is a major barrier to becoming competitive in the global market.

The recurrent congestions in Chittagong port make it difficult to bring the pulp-laden containers to paper industries timely and the Chittagong seaport lacks suitable paper-handling facility. Beside these challenges, the paper sector has been facing another challenge of shortage of skilled human resources required in the factory.

In this country the packaging, printing, publication and education sectors, both public and private offices are the main consumers of various types of papers and paper products. A challenge for this sector is the wide scale import of several types of papers at a large volume which being imported every year despite gradual rise in local manufacturers' capacity. The illegal trade of papers which have been imported under bonded facility is also posing a threat serious to the local paper sector of Bangladesh. The threat further geared up when the export oriented apparel sector of this country prefers imported papers for its packaging and other process.

Despite all odds, this company is making headway by meticulously addressing all the challenges and running its business activities.

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 it was observed that the monthly requirement of tissue products was around 2,200 MT for which BPML's our contribution was around 80% of the total requirements. By the ceaseless efforts it is expected that this company will be able us to grab more market shares in the coming days.

Existing Market Segment:

Generally tissue products' market of Bangladesh can be divided into 03 following segments-

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

People under urban markets 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 along with small quantity of other tissue products.

However, the tissue paper market is growing due to increase of population, changed lifestyles, development of awareness. Besides, potential markets in rural areas are now expanding more than ever as around 70% people of the country live in such areas. From this point of view we expect that although the paper's market is lessening but the tissue paper's market will expand in future.

Market Competition

In every business there have some competition as many companies generally compete in the same sector or field. In the paper sector of this country there are more than 100 modern paper mills out which 40 mills are running and are producing a large quantity of paper and paper products. Few years back our country has to import paper and paper products entirely but the scenario has been changed gradually. And since the establishment of small numbers of paper mills in the private sector, these industries started to take lead and since then trying to make this country self-sufficient in production of paper and paper products to fulfill the local demand.

The paper industry in Bangladesh went into operation during late 1950s and currently out of more than 100 paper industries 40 local private paper mills are producing more than 550,000 MT of paper and paper products per year. The paper industry has become a successful sector in Bangladesh and it has a potential to become one of the country's major foreign currency earners. After readymade garments (RMG) and leather industry, this sector is playing a vital role in our national economy.

Despite this due to increase in imported items, the domestic production of paper and paperboard has to cut their production to some extent. Some of the Bangladesh's paper mills even are producing paper and paperboard at only half of their capacities.

The paper producers of this country are also exporting products to various countries. After meeting the local demand, they are exporting to about 40 countries, bringing in large amounts of foreign currency. According to the Export Promotion Bureau (EPB), paper product exports totaled to US$ 10 million in the fiscal year (2016-2017). By introducing modern technology, the paper producers adding values to this sector, and foreign buyers have started coming to import paper products because of the good quality from Bangladesh. Recently, many factories in China and some European countries were set close due to various reasons including higher production costs and environmental concerns, which opened up opportunities for a country like Bangladesh. The country can take some advantages by grabbing a share of the global market cashing in on the closures.

This company views that if the matters are being reviewed regularly, challenges are faced on time and necessary steps being taken at the right direction then adversity of competition can be contained. It has started to stitch to new techniques to reduce production costs and produce more export quality paper products maintaining international standards.

We have also introduced advanced technology to process some wastage coming out from our mills and converting it into by-products.

The management of the company perceives that the paper industry is an integral part of economic growth of Bangladesh.

Marketing Environment

It is the actor and force that affect the ability of a company to build and maintain successful relationships with the consumers and its clientele, fulfill and satisfy their demand on time as well. Market promotional activities are considered multi-dimensional which helps a number of activities and is a technique for gearing up sales of a company. Through which the selling of products increased, consumers' knowledge about the product increased and also help the consumers to save their time in purchasing of products. It also helps the manufacturers to sell their products. Hence quick selling is possible which leads to more production at less cost. The relation between intermediaries is improved through these activities and is the key to marketing communication of any product or brand. It helps to create awareness as well as to show the product attributes and benefits of the brand to the mass consumer level.

This company operates its promotional programs through continuous innovative activities and campaigns aimed for the consumers, sellers of various levels and users. The promotional activities of this company are carried out through wide range of promotional activities for the target customers and it has been carried out by a team of creative and energetic personnel who launch frequent programs including advertising, personal selling, sales promotion, training and knowledge sharing, public relations and direct marketing, etc.

Raw Materials Supply & Production

The history of paper making goes back to 2nd Century while first official report on the manufacture of paper was reported in China in 105 AD. The knowhow of paper manufacturing spread from there to outside countries, along with the silk and trade routes. Pulp and paper production has increased globally and will continue to increase in the near future and still is one of the largest manufacturing sectors in this globe. Per capita consumption of paper of a country sometimes considered as the yardstick for measurement of its industrialization. There are about several billions of people living on this earth and paper consumption during this century has increased to more than four times faster than population growth at the same time.

Paper industry consumes a wide variety of raw materials both cellulosic and non-cellulosic - from forest, agricultural residues, waste papers, coal, various chemicals etc. The major raw materials used in the paper industry is hard wood pulp, soft wood pulp, hard & soft wood kraft pulp, waste papers, various agricultural residues etc. Apart from this, paper industry consumes large amount of chemicals. Almost all the raw materials used for production of paper and paper products by the paper and paper products producers in Bangladesh are imported from various destinations including Indonesia, Canada, Sweden, Singapore, Oman, Malaysia, Philippines, China, South Korea, Brazil, Finland, USA etc.

The paper industry of this country has to import almost all raw materials for paper production in every year. It is due to the fact that our country lacks the natural forest resources for which it is unable to meet up the local paper producers' demand for pulp of different types as its raw materials.

The paper producers of Bangladesh has to import paper producing raw materials including pulp of all types from the countries like - Indonesia, Singapore, Germany, Canada, Finland, Sweden, Brazil, Chile, North American Countries etc. According to sources, hardwood pulp is mostly imported from Indonesia, while most softwood pulp imported from North America and Europe. These countries produce pulps from various types of trees. Due to this country's full dependence on the imported raw materials the paper and paper products sector has been facing the problem of continued increase of prices of raw materials in the international market. During the year under review the cost of imported hardwood pulp has gone up to double in comparison to its prices of just two years back. It is to be noted here that per metric ton softwood pulp's price in the international market shot up to US $950 during the year under review which was US $500 per metric ton just two years ago. It is very hard for the paper manufacturers of this country to adjust the increased price which ultimately results in marginal profitability.
According to sources, hardwood pulp is mostly imported from Indonesia, while softwood pulp from North American and European countries. These countries produce pulps from various types of trees of their natural vast forests.
In the paper manufacturing industry a major factor is power, as the production of paper and paper products are very much technology dependent which require huge supply of electricity. The power supply to the factories are met by the national power grid but interruption to power supply and fluctuation thereto result disruptions in production and increase of production costs.

Further, the transportation cost is also a factor as through this system the items on both the ways i.e., import of raw materials and supply of finished products are carried on and incur huge expenses for it. The products of the BPML are segmented in three broad segments: Bulk Papers; Tissue Paper Products; and Health & Hygiene Products.

Our Company has its own distribution channel which operates its supply network. For bulk raw materials and produced commodities carrying work and supplying this company has to use ships and cargo-vessels, some of which are owned by it. This company for its delivery of raw materials to the factory and supply of finished products - paper and paper products all over in the country uses cargo-vessel, chemical tankers, pick-ups, covered vans of different capacities, refrigerated vans and trucks as well.

Moreover, recurrent congestions in Chittagong port make it difficult to bring the pulp-laden containers to Dhaka and other parts of the country directly. This adversity to the paper sector further increased as the Chittagong seaport lacks suitable paper-handling facility.

Another challenge the paper sector of this country has, since the very inception, been facing - shortage of skilled manpower in the factory levels. Even for the paper and paper products handling there are shortages of skilled labour force which are being required for loading and unloading of paper and paper products.

Consumers Segmentation

Our country is located in South East Asia and culturally the people of this country contains the South Asian values and cultures. It is economically in lower middle income bracket and the society is divided into several economic groups : upper rich class, upper middle class, lower middle class and lower income people. As a it is multi dimensional society so the consumers' behavior pattern is little bit complex.

Now a day, the tissue paper industry of our country is mostly led by local factories. And this company was one of the pioneer of this particular segment. But in the past it was a fully import based item. The segment has kept growing gradually due to increase of population, developing of health and hygiene awareness, change in life styles and rising of incomes of our country people. It has been reported that 80 per cent of the people of this country are using tissue papers at least once a month. More than 1.0 million families use toilet paper rolls every week and facial tissue box in every month while hotel and restaurants consume about 10 million pieces of table napkin annually which helped to the growth of this sector.

Our country's tissue market's segments are-

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

People in under urban areas frequently purchase all types of tissue products, mostly facial tissue, wet tissue, napkin, pocket and toilet tissues whereas people living in semi-urban areas use tissue products like napkin, pocket and toilet tissue. On the other hand toilet tissues which are in the lower cost bracket are frequently sold in rural areas. The consumers of the pocket tissues are mostly the students and labour forces.
In a recent report is was published the demand for tissue paper was around 3,500 MT in 2007 while the country's paper companies produced 20,000 MT in FY 2017-2018. The local tissue paper industry meet most of the demand for toilet paper, facial tissue, kitchen towels, table napkin, and wrapping tissue, incentivised by diversified consumers of the country. And this company itself has produced 16,004 MT of tissue papers for local and foreign buyers during the year under review. The process of rapid urbanisation is leading the industry, and it is expected that the size of the market will increase in the coming years due to growing use of the paper and paper products in urban and rural areas.

BPML has started to build up its capacity through introducing latest technology to produce high quality products.

Transportation

The raw materials to produce paper and paper products as well as the finished products are considered as bulk commodities. The paper manufacturing industries of this country are fully dependent on imported raw materials. The most of the import of raw materials is made through waterways as the paper producers have to import raw materials in bulk quantity by sea. In view of this the cost of transportation is considered as very vital in paper sector. So, this company has to pay special attention on cost effective paper and paper products distribution channels. Our Company has its own distribution channel which operates its supply network. For raw materials and finished products carrying work and supplying ships and cargo-vessels are used, some of which are owned by this company. This company for its delivery of raw materials to the factory and supply of finished products - paper and paper products all over in the country uses cargo-vessel, chemical tankers, pick-ups, covered vans of different capacities, refrigerated vans and trucks as well.

During the year under review transportation costs in both the road and waterways were increased very significantly for which this company had to incur additional costs for transportation of the raw materials as well as finished goods. This is to be noted here that the fuel costs, water transportation costs were increased significantly and inflation of the country also raised and delays in unloading of raw materials in the ports also had negative effects on the cost of production in paper sector.

Seasonality

The products of the BPML are segmented in three broad segments:

i. Bulk Papers ;
ii. Tissue Paper Products;
iii. Health & Hygiene Products.

Every year during different part of the year the paper sector faces sharp variation in the demand for its products specially the bulk white paper. It was found that demand for bulk papers run to its peak during September to February months of a calendar year when the text books are printed and education year at the national level begins as well as the national book fair took place. This fair and enthusiast attracts huge crowds in the event irrespective of their nationalists ages, gender, class and castes. It is being regarded as the peak time for the printing and publication houses of this country. During the March to June period the demand for bulk white paper reduces to considerably lower extent. It is the off season of the bulk papers. But it almost reaches to the lowest level during the July – August period which is considered as the dull season for the bulk papers.

In the tissue paper products segment the dull season viewed during Ramadan month when the majority of the people of this country perform the rituals of fasting. During this month the demand for tissue paper reduces to the lowest level and for which it is considered as the dull period. However after the end of Ramadan and during the festivities the demand for tissue paper products come back to its position. The rainy season is considered as the

off season for the tissue paper products in our country. And during the remaining part of a year the demand for tissue paper products remain almost static.

In the Health & Hygiene Products segment of this company, it has been observed that the demand for hygiene products run to its peak in the winter months which usually continue during the months of November to January of a calendar year. After the winter period, the demand for health and hygiene products show decreasing trend and within the month of March it reduces to a lower level as such it is regarded as the off season of health and hygiene products segment.

The remaining part of a calendar year is considered as the dull season for the health and hygiene products.

Taking these matters into consideration this company has developed and following the season responsive approaches and to make the wheel to move has taking various steps including introducing of more new products which have demand during the dull or off seasons and delivering its products to the targeted consumers. These efforts helps this company to cope with the adversity of the dull and off seasons of this scetor.

Production - Supply management

In a manufacturing company like BPML the process of manufacturing of paper and paper products is technology dependent and very complex as well. The efficiency of production of paper and paper products are dependent on the effective supply management. It is a multi-functional approach that includes managing the movement of raw materials, processing of materials into finished goods, and the movement of finished goods towards the end users effectively, timely and efficiently. The paper and paper products are high-volume, low-value commodities so the transportation of the raw materials as well as the finished goods over distances have direct effects on the costs and earnings.

Another special feature of the paper sector is that it brings lower margins to the producers' way. And in the supply chain from the producers to the end users the paper and paper products there are many intermediaries.

Production and Sales

The paper sector of this country is placed in a very competitive market scenario. Once, our country was fully dependent on imported paper and paper products but the condition has been changed. Now this country have more than 100 modern paper mills out which 40 mills are running and are producing a large quantity of paper and paper products. And some paper producers are exporting their products and earning foreign exchanges for the country. Moreover, the paper industry of this country is no longer now limited to production of writing and printing papers.

There are several factors that have impact on production and supply of paper and paper products. The paper producers have to cope up with the market demand and supply is directly related to the changes in demand and quantity demanded. The paper sector is affected by some other factors - rate of inflation, fiscal policies and financing opportunities etc. which affect the buying power of the customers and thus result in change of supply situation of paper and paper products. This company has carefully designed its production and business strategy with the option of midterm evaluations on regular basis. We also have engaged our expert team to monitor the emergence of new competitions and risk issues. This also brought positive impact in the overall operational result. For example our monthly sales were only Tk. 20 lacs per month in the year 2000 when this company commenced its production, whereas the monthly sales of BPML stood to Tk. 94 crores per month during the FY 2017-2018 under review. And potential markets in rural areas are now exploring more than ever as around 70% people of the country live in such areas. Low overhead cost is the most significant facility it is being observed among the competitors in the sector. The production and sales of paper and paper products are inter dependent. The demand of paper and paper products in our country has some unique characteristics.

The products of the BPML are segmented in three broad segments:

i. Bulk Papers;
ii. Tissue Paper Products;
iii. Health & Hygiene Products;
iv. PPWB & Sacks.

This company sales its paper and paper products through various options including -

i. Distributors;
ii. Dealers;
iii. Retailers;
iv. Suppliers;
v. Industrial units/Offices;
vi. Printers & Publishers;
vii. Individual Consumers;
viii. Other Customers.

To gear up the sales, this Company has arranged series of idea sharing meetings, seminars, conferences, competitions and assemblies of the dealers, students, teachers, professionals and the consumers - existing and potential as well during the years 2017-2018.

In comparison to the previous year, during the year under review the production of the paper and papers products increased to some extent and the sales revenue in terms of money's worth was significantly increased.

In FY 2017-2018, the company was able to earn the net revenue by sale of paper and paper products amounting to Tk. 1131.73crore which was Tk. 1053.29crore in the FY 2016-2017 registering an increase of 7.45% during the year under review.

The company has also exported 3,229 MT of paper and paper products to 23 countries and earned Tk. 38.21 crore from export. The exported products included A3, A4 and legal-sized papers, exercise books, industrial paper, and health and hygiene products, toilet paper,

paper napkin, facial tissue, kitchen towel, pocket tissue, paper towel, clinical bed sheets and jumbo roll tissues etc.

Production Capacity Increase

The major pulp and paper industries in Bangladesh have grown in Dhaka and Chittagong regions. At present there are around 100 paper mills and 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. But energy crisis and shortage of quality raw material hampers production and supply scenario and hence limits optimum capacity utilization paper mills. The industry is highly correlated with offices, educational intuitions , agencies, Newspapers, industrial growth and daily life style. The per capita paper and board consumption in Bangladesh is about 3.5 to 4 kg and that in advanced countries is more the 300 kg per year and the world average is around 50 kg while the Asia average is around 30 kg. If Bangladesh desires to grow up to Asia level, consumption may increase to 10 times of current consumption.

To increase the market share BPML has taken up to enhance its production Capacity the management has already taken the following measures :

- Installation of brand new Machineries in the factory;
- Set up the new manufacturing Units;
- Renovate & re allocate the production line;
- To introduce more products and by products;
- Control overhead costs;
- Long term and short term product plan;
- Searching for best quality raw material sources at competitive price;
- Ensure the power and utility service in the production line;
- Training, development and hair of skilled human resource in the company.

Meanwhile BPML has imported modern machineries and equipment and undertaken necessary stapes to install those in the factories. It is expected that the company will able to increase our production capacity by utilizing these and produce 4,000 MT by 2019. In order to ensure market existence there is no other alternatives for BPML but to increase its capacity such to keep pace with the contemporary technology and customer demand, the company continuously investing and deploying its resources with the pursuit to market demand and strengthening long term sustainability of the Company.

Performance of the Company

This company has been striving hard to achieve its mission statement for which it has set out its business plan and drew up the roadmap to attain it. The management of the company views that every positive result out of the business operation will help it to sustain in this very competitive market condition. In this pursuit the company regularly reviews its periodic business performances, market positioning, customer base, and adjusted its marketing strategy at various stages and even revised the annual business plan.

Due to these factors the sales revenue of this company maintained its positive trend during the FY 2017-2018. In the FY under review the net sales revenue amounted to Tk. 1,082.10 crore compared to Tk. 1,000.40 crore in FY 2016-2017, registering an increase in sales revenue of Tk. 81.70 crore from the previous financial year's sales revenues, marking 8.17% increase to the previous year. Although the production costs had increased to a

significant extent and the selling and distribution expenses were also increased remarkably.

The management of the Company had undertaken some strategic drives, engaged untiring efforts, and tried extensively to negotiate the risks and challenges as far as possible. During the FY 2017-2018 under review the cost of goods sold was Tk. 890.05 crore whereas in the previous FY it was Tk. 817.97 crore, marking a rise of cost of goods sold by 8.81%. However, by careful handling of all the issues this company was able to earn a handsome amount of net profit amounting TK. 69.36 crore during the period under review which was Tk. 38.51 crore in the FY 2016-2017 by registering 80.11% increase in the net profit earnings in FY 2017-2018.

Environment Protection

BPML is very much concerned about environmental issues including its protection and conservation. The company already has designed and also been following a policy in its production process and business operation areas as to conserve the mother nature. In its business plans, action framework and decision making process the environmental issues gets the priority options. The environmental policy objectives of the company included the following:

- Ensure sustainable and equitable use of resources without degrading the environment;
- Consider health or safety risks in production and business operation and ensure adequate measures to those risks.
- Prevent and control degradation of land, water, vegetation and air in its operational areas
- Improve condition and productivity of in the factory and office premises
- Raise awareness and understanding of the link between environment and development

Promote individual and community participation

Dividend Policy

The company always consider the interests of its shareholders before all other issues and it has continued to share its profits and gains among the real owners of the company. The Board of Directors of this company has been pleased to recommend for payment of **20% Cash Dividend** for all the ordinary shareholders of this company for the period ended on 30 June 2018 marking as the first dividend declared after its listing.

The Members whose names appeared in the Members Register on the Record Date of this company on 22/11/2018 will be entitled for the Cash Dividend.

Contribution to the National Exchequer

Development of a country never takes place overnight as it is a continuous process. It could never be attained without accelerating growth in all sectors of a country's economy and contributions of its citizens. A country's development requires performing respective duties with dedication and commitment from all sections of people of a country. Since the beginning of the journey this company considers and values the benefits of the society and the nation as a whole. And in its business operations and activities this company has been maintaining integrity and transparency

in its strategy, policy and practices, including paying all applicable taxes, VAT and duties properly and duly. By paying these regularly to the national exchequer this company has been making significant contributions to the development and growth of our beloved country. During the FY 2017-2018, this company contributed an amount of Tk. 74.66 crore in the form of tax, customs duties, VAT etc. The contribution to the national exchequer was equivalent to 6.89% of the total sales revenue of the company during the period under review. Where in the Financial Year 2016-2017 the contributions of this company to the national exchequer was Tk. 71.20 crore which was 7.12% of the total sales of the same period.

Risk Factors and its Management

Every business is exposed to various risks associated with its production, operation, running and other activities. The business risks are influenced by multi-faceted factors and it is omnipresent in every type of business. Risk management is considered as a major concern of a company's management team. It is viewed that in every business there are uncertainties where some of the possibilities involve price fluctuations, currency fluctuations, inflation, economic recession, uneven competition, loss, natural calamities, catastrophe, change in laws, change of consumer behavior, raw material supply risks, technology related risk, other undesirable outcome, absence of complete certainty, existence of more than one possibility. In spite of a noticeable supply & demand opportunity in paper and allied products although there has also some risk factors. The paper sector of this country although has potentiality but there has also some risk factors involved with the industries.

Firstly, it is threatened by over supply resulting from huge capacity expansion by almost all leading market players. Secondly, almost all raw materials of paper and paper products manufacturing are imported, if the supplies of the same are cut-off due to adverse political cause or other disturbance, the industry may face serious challenges, even the risk of shutting down. Another risk predicted is the risk of global competition and global crisis including economic recession. Besides this there is also big risk of wide scale import of paper and paper products into this country. Further technological advancement in the paper manufacturing mills is another major threat to this sector.

However, this Company has put its special emphasis on the risk management matters. The risk monitoring and mitigation system has been well designed to face the challenges of the risk factors involved in this particular sector. The company has also chalk out its operational plans considering the risk issues and the risk management by identifying and characterizing the areas of risks and threats at the very early stages. By setting business strategies and taking of adequate measures the management of this company engaged its efforts to identify the risks at the earliest, tries to remove, or limit those as far as possible.

Related Party Transactions

The company in its business efforts and practices put special care to compliances to laws, protection and preservation of interests of the stakeholders by following the code of conduct for ethical behavior, accountability and transparency. The information on the related party transactions has been disclosed in the note no. 12 of the financial statement.

Initial Public offering:

BPML has completed its running for the last 25th Years in the FY 2017-2018. In this long journey the most colorful event has taken place during this year under review, as this company got listed in both Dhaka and Chittagong Stock Exchanges. The Board of Directors of the company earlier had decided to invite the general public to invest into this company and share its profits through the process of initial public offering (IPO). M/S. AAA Finance and Investment ltd. was appointed as the

Manager to the Issue and M/S. AFC Capital Management Ltd. was appointed as the Registrar to the Issue and post Issue Manager was United Corporate Advisory Service Ltd . And the lead banker was Southeast Bank Ltd. The company under the regulatory directives arranged the road-show to discover the Cut-Off Prices under the Book Building Method on 30 June, 2016. A wide response was received by this company in holding of the road show successfully. Subsequently BPML submitted application to the BSEC to allow the company for initiating the fund collection process. During the bidding by the Eligible Institutional Investors (EIIs) around 474nos. of EIIs expressed their interest through participating and submission of their bidding seeking allotment of shares of this company and the cut-off price of Tk. 80/- (face value Tk. 10 + premium Tk.70/-) was set. The Eligible Institutional Investors at the time of bidding have deposited in total Taka 957.19 crore which was 1,012.29% to the offered shares' value (as total Tk.125 Crore was stipulated to be allotted to the EIIs i.e. 60% of the IPO size) through 15,625,000nos. of ordinary shares for the EIIs at the cut-off price of Taka. 80/-. The remaining 75 Crore was kept for the general public who later were invited at the offered rate of Tk. 72/- per share including premium (face value Tk.10+ premium Tk.62/-). which was 40% of total offered shares.

After final Consent from BSEC on 28/03/2018 the company issued the Prospectus on 01/04/2018 for allotment of 40% i.e 10,416,666 nos. of ordinary shares allowing 10% discount from the cut-off price which was set at Taka. 72/- per share for General Public including NRB and Others with the premium of Taka. 62/- each for of the remaining part amounting fund of Taka 75 crore the general investors of the country had submitted their applications for more than 9 times. An automated transparent IPO Lottery Program was conducted by the BUET in the presence of all regulatory agencies involved in the process as well as a good number of investors to allot shares to the successful applicants of the primary shares. The IPO Lottery Program was held on 30/05/2018 at the ICCB Hall no. 2, Raj Darshan for allotment of 10,416,666nos. of ordinary shares.

After due compliance of all regulatory directives and listing guidelines the Company received its listing consents from the Chittagong Stock Exchange Ltd. and Dhaka Stock Exchange Ltd. on 12/06/2018 and 19/06/2018 respectively. The first trading of the Bashundhara Paper Mills Ltd. with both the Exchanges was held on 02/07/2018 with the trading code – BPML.

The IPO shares subscription money was credited to the account of this Company on 03/06/2018 and soon after that the utilization process was started by the BPML. The utilization of the IPO fund by this company during the FY 2017-2018 (up-to 30/06/2018) has been enumerated below:

Sl. no	**Particulars of Use of IPO Proceeds**	**Estimated Amount (BDT in Crore)**	**Utilized of fund during the FY 2017-2018 (BDT in Crore)**	**Percentage of Utilization**
1.	Imported & Local Machineries	135.00	10.8	8%
2.	Repayment of Bank loan	60.00	60.00	100%
3.	IPO Expenses	5.00	4.05	81%
	Total amount (Taka in Crore)	**200.00**	**74.85**	

Shareholders

The Shareholders are the real owners and play most important role in the financing, operations, governance and control aspects of a company. The Shareholders play both direct and indirect roles in a company's operations. The first and foremost consideration of the Board of this Company was the protection and value addition to the interests of the valued shareholders.

The total numbers of shareholders of this company were 20,522 nos. on the Record Date of the Company on 22.11.2018. The issued, subscribed and paid up share capital of the Company is Taka 1,737,914,410/- which has been participated by the Sponsors, Eligible Institutional Investors and General Public.

Minority Shareholders' Interest: The Board of Directors is very concerned about the interest of the stakeholders including the minority shareholders of this Company. It has dedicated all its efforts to ensure fair and equal treatment to every shareholder including the minority shareholders. In order to protect the interest of minority shareholders, the company undertook various measures to establish accountability and transparency and also established a practice to serve small investors and minority shareholders promptly. The company communicated all its strategic information as required in its operation under the regulatory directives without any delay and tried to serve the minority shareholders as and when they required so from time to time. With a view to serving the minority shareholders better, the Company disseminates all strategic decision through most popular and well-accessed channels/options to make them aware of the developments as well as activities of this Company.

Board of Directors

This is to report to the valued members that –

i. The Chairman and the Managing Director of this company are two separate persons. These positions were filled in by individual persons since the inception of this company. And the practice has been continued during the FY 2017-2018 in compliance to the directives in this respect.
The resume of the Chairman and the Managing Director are appended at the beginning of this Annual Report.

ii. The Board of Directors of this company is fairly independent and they play key role, discharge their duties and responsibilities freely and without any interferences. The role of the Board of Directors of this company is clearly defined in their Terms of References. During the year under review the Members of the Board of Directors of this company had discharged their duties and responsibilities freely and no matter of interference was occurred.

Roles & Responsibilities and Composition of the Board:

The board of directors of BPML had laid down the terms of reference for its members and compliance thereto. The Board of the company has discharged their duties and responsibilities independently as to ensure that the company's affairs and operations run at right direction by collective decision making process. In setting out their guidance and making decisions they foremost considered the interests of its shareholders and stakeholders and the sustainability of the company as well. In addition to business and financial issues the Boards dealt with the challenges, risks and issues relating to critical business affairs, compliance and governance issues.
It has overseen the top management team of the Company, their making of the appropriate decisions on timely basis, taking other necessary actions and optimizing long-term value on stockholders' behalf.
The Board of this company is consisted of 05 (Five) nos. of directors, out of which 03 (six) are from the part of Sponsor Shareholders/Members elected by the members of the company in the general meetings, and 02 (two) of the directors are Independent Directors.

The major roles of the directors of the company were as follows:

- Providing entrepreneurial leadership;
- Setting of goals and objectives for the company;
- Setting company's values and standards;
- Ensuring human and financial resources be available to achieve objectives;
- Constructive challenges mitigation and help in developing proposals on business strategy;
- Reviewing management team's performance and monitoring of performance reports;
- Satisfying themselves on integrity of financial information and reporting; controls and risk management systems and measures;
- Determining appropriate levels of remuneration and compensation issues;
- Appointment and removal of executive directors, and succession planning.
- Ensuring that obligations to shareholders and other stakeholders are understood and met.

Directors' Board Meeting Attendance

It is important that the meetings of the Board of Directors are held periodically so that directors can discharge their responsibilities, to have control over the company's overall operation, strategy and policy, and to monitor the exercise of any delegated authority, and so that individual directors can report on their particular areas of responsibility. The Board of Directors of BPML has conducted its meetings in accordance with the rules, regulations and procedures contained in its governing documents. The Board has taken collective decisions in its meetings likewise before. As a body, the directors deal with the affairs of the company those needed its attention. The meetings of the Board of Directors of this Company were held at regular intervals in accordance with the law as well as the need of this company.

During the period under review 11 (Eleven) numbers of meetings of the Board of Directors were held. The attendance status of the Directors of the Company during the period under review were as follows:

Sl.no	Name of Directors	Position	No. of meetings held	No of meetings attended
1.	Mr. Ahmed Akbar Sobhan	Chairman	11	11
2.	Mr. Md. Imrul Hasan	Director	11	10
3.	Mr. Nazmul Alam Bhuiyan	Nominated Director	11	08
4.	Mr. Zeaur Rahman	Independent Director	11	05
5.	Mr. Khawaja Ahmedur Rahman	Independent Director	11	10

Directors' Shareholding Status

The shareholdings position of the Directors as on 30.06.2018 were as follows:

Sl.no.	Name	Position	No. of shares	% of holding
01	Mr. Ahmed Akbar Sobhan	Chairman	40,00,000	2.30%
02	Mr. Md. Imrul Hassan	Director	40,02,000	2.31%
03	East West Property Dev (Pvt.) Ltd. Represented by Mr. Nazmul Alam Bhuiyan	Director (Nominated)	10,10,50,575	58.14%
04	Mr. SafwanSobhan	Managing Director	82,03,000	4.72%
05	Mr. Khawaja Ahmedur Rahman	Independent Director	nil	0.00%
06	Mr. Zeaur Rahman	Independent Director	nil	0.00%

Directors' Remuneration

During the period under review the Directors of the company including the Independent Directors did not receive any remuneration from the Company likewise in the past years.

Appointment & Retirement of Directors

The board of directors of this company is concerned to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its stakeholders. During the year under review, the board of directors of this company, in addition to dealing with the business and financial issues, dealt with the challenges, compliances, corporate governance, corporate social responsibility and corporate ethical issues.

In accordance with the provisions of the Article no. 131 of the Articles of Association of the Company the following 02 (two) of the Directors of this company are retiring by rotation in this 25th Annual General Meeting and all of them are eligible under the Article no. 133 of the Articles of Association for reappointment as Directors of the company in this Annual General Meeting:

1. Mr. Ahmed Akbar Sobhan;
2. Mr. Md. Imrul Hassan.

The Board of Directors of this company has recommended for the reelection of the retiring Directors and placed the matter before shareholders in this 25th Annual General Meeting for their consent.
The brief resumes of the above noted 02 (Two) Directors have been appended along with the other directors' resume hereinbefore this report.

Independent Directors

The Bangladesh Securities and Exchange Commission has issued recently the Corporate Governance Guidelines. In pursuance to the new directives of the Bangladesh Securities and Exchange Commission's Corporate Governance Code as issued under the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 every listed company has to appoint the Independent Directors, to be 1/5th of the Board of Directors size, as the members of the Board of Directors.

The Independent Directors so appointed should not have material or pecuniary relationship with the appointing company or related persons. It is prescribed in the said Notification that the independent directors shall be knowledgeable with integrity to ensure compliance with financial, regulatory and corporate laws and can make significant and meaningful contributions to business operations and shall have at least 12 (twelve) years of corporate management or professional experiences. Bashundhara Paper Mills Ltd. had appointed two experienced corporate leaders having proven professional experiences as its independent directors under the directives of the Corporate Governance Code of BSEC.

During the period under review Mr. Khawaja Ahmedur Rahman and Mr. Zeaur Rahman continued as the Independent Directors of this Company under the BSEC's Corporate Governance Guidelines.

The resume of the present Independent Directors are appended hereinbefore in this report.

Audit Committee

The Board of Directors of Bashundhara Paper Mills Limited had reconstituted the Audit Committee in accordance with the directives of the Bangladesh Securities and Exchange Commission's Corporate Governance Code as issued under its Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 and has reset the Audit Committee's Terms of Reference.

The audit committee is responsible to provide oversight of the financial reporting process, the audit process, the system of internal controls and compliance with laws and regulations. The audit committee can expect to review significant accounting and reporting issues and recent professional and regulatory pronounpapers to understand the potential impact on financial statements. An understanding of how management develops internal interim financial information is necessary to assess whether reports are complete and accurate. The committee reviews the results of the audit with management and external auditors, including matters required to be communicated to the committee under generally accepted auditing standards.

The audit committee of this company is a responsible committee of the Board of Directors and during the year under review the committee assisted the Board to fulfill its corporate governance responsibilities and to oversee financial reporting system, internal control system, risk

management system and internal and external audit functions, provide advice and recommendations to the board within the scope of its terms of reference. The members of the Audit Committee were appointed by the Board of Directors, out of them two were Independent Directors and one member was the Sponsor Director. The Company Secretary of the Company has discharged the duties as the Secretary of the Audit Committee.

The Audit Committee comprised of Mr. Khawaja Ahmedur Rahman, the Independent Directors and Mr. Md. Imrul Hassan Director of the company during the period under review as the committee Members. The Board designated Mr. Khawaja Ahmedur Rahman as the Chairman of the Audit Committee and Mr. M. Naseemul Hye FCS, Company Secretary, functioned as the Secretary of the Committee as per the Corporate Governance code.

The Members of the Audit Committee of this Company have adequate experience and knowledge on business and trade, corporate laws, financially literacy, ability to analyze and interpret the financial statements for effective discharging of the duties and responsibilities as the members of the Audit Committee.

Key responsibilities of the audit committee of this company include:

- To monitor accounting policies and principles.
- To oversee financial reporting and disclosure process.
- To oversight of regulatory compliance matters;
- To monitor internal control system;
- To oversee performance of internal audit function;
- To oversee hiring, performance and independence of the external auditors;
- To discuss risk management policies and practices with management.

The report of the Audit Committee is appended herewith this report.

Financial Year

This company has adopted the July - June period as its financial year commencing from the FY 2016 in accordance with the directives of the National Board of Revenue (NBR) of Bangladesh in this respect and it is being followed during the financial year under review.

Auditors

The existing statutory auditors – M/S. Ahmed Zaker & Co., Chartered Accountants who were appointed in the 24th AGM have completed their responsibilities during the period under review. The Auditors have requested for their reappointment being they are eligible.

In view of this, the Board of Directors of BPML has recommended for the reappointment M/S. Ahmed Zaker & Co., Chartered Accountants as the Statutory Auditors of the company for the Financial Year 2018-2019 at a fee of Tk. 2,87,500/= inclusive of VAT and forwarded the matter for its approval by the shareholders of this company in this 25th Annual General Meeting.

Executives' Shareholding Status

The shareholding position of the top executives, governance officers, their spouses and children (**minor**) as on 30.06.2018 has been appended below:

Sl. no	Name	Designation	No of Shares		
			Self	Spouse	Children (minor)
1.	Mr. Md. Mustafizur Rahman FCS	Deputy Managing Director	nil	nil	nil
2.	Mr. Mirja Mujahidul Islam	Chief Financial Officer	nil	nil	nil
3.	Mr. M. Naseemul Hye FCS	Company Secretary	nil	nil	nil
4.	Mr. Eleas Hossain	Head of Internal Audit & Control	nil	nil	nil
5.	Mr. Md. Delwar Hossain	Head of HR & Admin	nil	nil	nil
6.	Mr. Md. Masuduzzaman	Head of Sales (Tissue)	nil	nil	nil
7.	Mr. Md. Masudur Rahman	Head of Sales (Paper)	nil	nil	nil
8.	Mr. Md. Shah Alam	Head of Production Unit-1	nil	nil	nil
9.	Mr. ABM Easin	Head of Production Unit-2	nil	nil	nil
10.	Mr. Md. Abul Hasan	Head of Production Unit-3	nil	nil	nil
11.	Mr. Towfique Hasan	Head of Brand	nil	nil	nil

Corporate Governance

No development takes place overnight as it is a continuous process, is the outcome of a blend of development-friendly policies and smooth and fair implementation of those policies. And without accelerating growth in all sectors of economy progress cannot be attained as it requires performing of respective duties with dedication, commitment of all involved in the process. And for economic progress establishment of good governance, smooth policies implementation and proper utilization of resources (money, manpower etc.) are necessary.

The corporate governance is aimed for increase of the accountability of a company, ensuring of transparency within a company. It is the set of rules, policies, procedures and practices by which a board ensures its accountability, fairness, and transparency. A company has to recognize the rights and privileges of its stakeholders, preserve the interests of the stakeholders including financiers, customers, management, employees, government, and the society, establish board's responsibilities by clearly outlining it, establish code of conduct for ethical behavior, establish and practice the business transparency for promoting shareholders' trust towards establishment of the good governance.

Corporate governance (CG) focus on creating better management and fewer ethical or legal problems rather than mere policies and procedures, rules. Under CG system a company is directed, guided and controlled by its Board and which is accountable to its stakeholders. It includes instituting of policies in compliance with rules, regulations and laws and for internal governance as well. CG removes conflicts of interest by instituting rules and brings down the irregularities as it is a multi-faceted system. By encompassing policies and processes which serve the needs of stakeholders by monitoring, directing and controlling corporate activities with good business savvy, objectivity, accountability and integrity it ensures the accountability. It is used for operating, controlling and structuring of a company as a tool with a view to achieve long term strategic goals

to satisfy shareholders, creditors, employees, customers and suppliers, complying with the legal and regulatory requirements, apart from meeting environmental and local community needs.

Corporate Governance Compliance Certification

The issue of corporate governance has now regarded, from strategy to compliance, as important consideration in every sector of a company. Bashundhara Paper Mills Ltd. during the financial year under review has complied with all the requirements of corporate governance issues as are required under the provisions of the Bangladesh Securities and Exchange Commission's Corporate Governance Code. Further in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) under Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018, the Board of Directors of this Company has appointed M/S. Itrat Husain & Associates, Chartered Secretaries in Practice, for the purpose of Compliance Certification of the corporate governance by this company under the BSEC guidelines.

The certificate on the corporate governance compliance by this company during the FY 2017-2018 as required under the BSEC's corporate governance guidelines has been appended hereinafter this report. The Corporate Governance Compliance Report of this company during the period under review has been prepared and presented hereinafter, in pursuance to the Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 as issued by the Bangladesh Securities and Exchange Commission, in Annexure-B.

Appointment for Corporate Governance Compliance Certification

M/S. Itrat Husain & Associates, Chartered Secretaries in Practice, had conducted the investigation work on compliance of the code of corporate governance by this company as issued by the BSEC vide Notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 during the FY 2017-2018.

The Board of Directors of this Company has recommended to reappoint M/S. Itrat Husain & Associates, Chartered Secretaries in Practice, for the purpose of Compliance Certification of the corporate governance by this company under the BSEC Code for the FY 2018-2019 and their remuneration to be fixed at Tk. 90,000/- and placing the matter before the Members of this company in the 25th Annual General Meeting for its approval.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is synonymous with responsible business practices of a body corporate. An effective CSR practice shall put emphasis and focus on social, environmental and economic sustainability issues. It is a form of corporate self-regulation which reflects the responsibility of it towards the impact it causes on the society and its own prosperity.

Bashundhara Group, a leading conglomerate of this country, is committed to its endeavors that unite the goals of customer value and sustainable development with the motto - For the People, for the Country. And Bashundhara Paper Mills Ltd., which has been established under the canopy of Bashundhara Group, is the 2nd manufacturing unit of the Group. Since the very inception of Bashundhara Paper Mills Ltd. it has practiced to serve the country and the community as a whole and the year under review is no exception. The company undertook various activities for the

betterment of the people of the society and promotion of education as well. The notable CSR activities of this company during the FY 2017-2018 are mentioned below –

- BPML has been supporting various educational institutions, all over the country, by providing educational materials, scholarships, arranging of debate competitions and sponsoring of sports events etc.;
- BPML has been maintaining necessary preparation to help the local people near its factory in the urgent i.e. calls during the natural disasters;
- It has donated to the campaign to upheld the spirit of the liberation war and welfare to the freedom fighters.
- It has donated for the treatment to the Acid victims and burn injuries in different incidents.
- It has donated considerable quantity of education materials, multi-media and photo copiers to different educational institutes;
- It has been sponsoring 'Toggi Sports Ltd.', a leading national level sports club. Under the sponsorship of BPML the Club has been providing and conducting training programs for sportsmen and players of different disciplines. Toggi sports Ltd. it's the owner of Rangpur Ridders- the champion of BPL-2017
- It has been allowing scholarships to the poor meritorious students of different areas.
- It has been providing medicines , warm clothes, health and sanitary items to poor people.
- A portion of its income from the health & hygine products are donated to the Acid survivors fund and Shandhani.

Acknowledgments

The Board of Directors of Bashundhara Paper Mills Ltd. is indebted to its customers for their excellent cooperation, support and having their confidence on us as their preferred list. We hope and believe that their support would continue during the coming days too.

The Members of Board of Directors would like to express their special thanks and gratitude to all the well-wishers, patrons and valued shareholders, for extending their commendable support, co-operation and patronage to this company without which we could not achieve our objectives.

We, all in the Board of Directors of this company, express our warmest regards and gratitude to the banking and non-banking financial institutions including Dutch Bangla Bank Ltd., Southeast Bank Ltd., First Security Islami Bank Ltd., IFIC Bank Ltd., Shahjalal Islami Bank Ltd., AB Bank Ltd., Mutual Trust Bank Ltd., Agrani Bank Ltd., Bank Asia Ltd., Janata Bank Ltd., BASIC Bank Ltd., Dhaka Bank Ltd., Trust Bank Ltd., Farmers' Bank Ltd., Islami Bank Bangladesh Ltd., Mercantile Bank Ltd., Pubali Bank Ltd., National Bank Ltd., NCC Bank Ltd., Social Islami Bank Ltd., Standard Bank Ltd., Union Bank Ltd., United Commercial Bank Ltd., Bangladesh Securities and Exchange Commission (BSEC), DSE, CSE, RJSC, BOI, MoC and various other government and semi-government agencies for their continued support and cooperation towards this company during the FY 2017-2018.

The Board of Directors would also extending its appreciation and gratitude to the management of this company for their concentrated efforts excellent teamwork and to all the employees of this

AMARSTOCK

company for their dedication, efforts and services for which this company could accomplish its goals and objectives.

Conclusion

This company is positioned in a very sensitive sector of this country –paper sector, wherein the consumers are very sensitive to commodity price and quality conscious as well. And for business operation in this sector, the competitive price is not the sole factor, it also requires building of the consumers' confidence. Our company has been running in a very competitive market condition wherein there more then 100 paper companies and about half of those are in operation and there are also foreign companies.

This sector has been facing various odds in consequence to inflation, lower foreign remittances and increase of the living costs etc. However, we have engaged our all out efforts to stand and face those odds and overcome the adversity hold and increase the market share to further extent in the coming years and trying to convert the adversity into opportunity with the cooperation of our consumers and stakeholders.

You are indeed very knowledgeable and aware that the image of a business organisation is very important for its success - in business, trade and operations. And you are also aware that the paper sector has been playing a pivotal role in the economy of Bangladesh which is in the transformation stage as an under developed country. This is noteworthy to let you know that we have engaged our every efforts and concentrations to generate new options, ideas and trying to bring those in our way for the satisfactions to our customers and users with special care and preferences. In our mind it is always been kept that in every business operation there shall have serious competitions and only the fittest would come out successful. Throughout our long journey in this small but eventful and competitive business scenario we engaged our every efforts to bring the positive result for our real owners and stakeholders and to protect their interest.

We are also concerned as to keep up our hard earned image high and uncompromised to our products' quality maintenance issue for which we are acclaimed. And we kept our keen observations as to be vigilant in discharging our duties, responsibilities and in providing all our services more effectively, efficiently and result oriented manner as to attain sustainable success and marching forward.

It is our privilege that in our endeavors we got support and cooperation from our members, patrons and stakeholders during the period under review. We are hopeful and determined that if the support and cooperation from our respected members, stakeholders, patrons and wide range of customers are continued then no odds shall obstruct our journey and we shall come out successful in the long run.

Thanking you all.

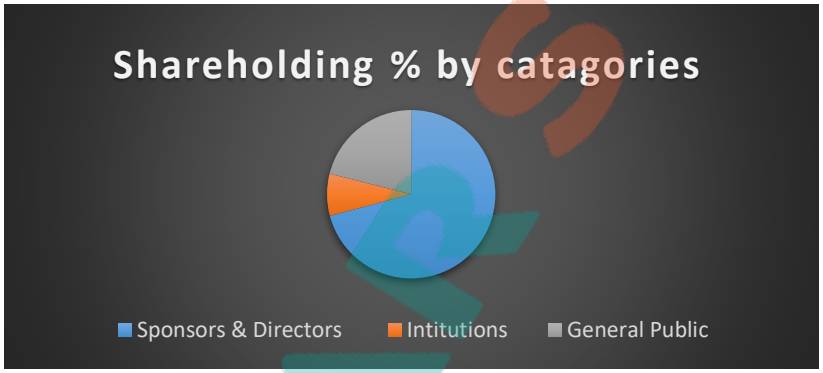
On behalf of the Board of Directors
Ahmed Akbar Sobhan
Chairman

Shareholding Status

Shareholding Position of the BPML as on 25th AGM Record Date

Shareholding on the basis of shareholders categories:

Particulars	Number of Shareholders	No. of Shares	Ownership (%)
Sponsor / Promoters /Directors	05	123,148,615	70.86%
Institutions	447	14,026,707	8.07%
General Public	20070	36,616,119	21.07%
Total :	**20,522**	**173,791,441**	**100.00%**



Distribution schedule of each class of equity security setting out the number of holders and percentage:

Share Holding Range	Number of Shareholders	No. of Shares	Ownership (%)
0000000001-0000000500	15,823	2,047,649	1.178%
0000000501-0000005000	3,797	6,512,535	3.747%
0000005001-0000010000	342	2,526,781	1.454%
0000010001-0000020000	346	4,352,091	2.504%
0000020001-0000030000	111	2,582,464	1.486%
0000030001-0000040000	27	931,256	0.536%
0000040001-0000050000	19	851,070	0.490%
0000050001-0000100000	30	2,023,812	1.165%
0000100001-0001000000	20	4,214,008	2.425%
0001000001-1000000000	7	147,749,775	85.016%
Total :	**20,522**	**173,791,441**	**100.00%**

Report of Audit Committee

Report of the Audit Committee

The Board of Directors has formed the Audit Committee required under the code of corporate governance of BSEC, with some specific assignments and by setting its Terms of Reference. The Committee is comprised of 03 members, appointed by the Board of the Company. The Committee includes 01 independent director, 01sponsor shareholder/director and the Company Secretary.

The Audit Committee of Bashundhara Paper Mills Ltd. being one of its prime Board Sub-committees, has been assigned by the Board to discharge its governance and compliance responsibilities.

Audit Committee

The role of the Audit Committee is to monitor the integrity of the financial statements of the Company, review of the same and when appropriate make its recommendations to the Board on matters including business risks, internal controls, compliance and audit. The Committee has to be satisfied by means of required information, proper and satisfactory internal control systems, identify and mitigate business risks and that the company's business is conducted in a proper and financially sound manner.

The Audit Committee of Bashundhara Paper Mills Ltd. has been constituted with the following persons as its members:

Sl. no.	Name of members	Designation in Company	Responsibility in Committee
1.	Mr. Khawaja Ahmedur Rahman	Independent Director	Chairman
2.	Mr. Imrul Hasan	Director	Member
3.	Mr. M. Naseemul Hye FCS	Company Secretary	Secretary

During the period under review the Independent Director of this Company- Mr. Khawaja Ahmedur Rahman performed as the Chairman of the Audit Committee and Mr. M. Naseemul Hye FCS, Company Secretary performed as the Secretary of the Audit Committee as per the Guidelines of the BSEC in this respect.

Meeting and attendance by the members

During the FY ended on 30 June 2018 the Audit Committee had sat in o6 nos. of meetings and the Proceedings of the meetings of the Audit Committee were reported regularly to the Board of Directors. The number of the Audit Committee meetings held and attendance of each members during the year 2017-2018 are mentioned below:

Sl. no.	Name of members	Designation	No of meeting held	Nos. of meeting attendance
1.	Mr. Khawaja Ahmedur Rahman	Chairman	06	06
2.	Mr. Imrul Hasan	Member	06	06
3.	Mr. M.Naseemul Hye FCS	Secretary	06	06

Qualifications of Members of the Audit Committee

The Members of the Audit Committee of Bashundhara Paper Mills Ltd. possess adequate knowledge on business management and all of them are financially literate as per the regulatory requirements and are also able to analyze and interpret, corporate laws, finance issues and the financial statements. The Audit Committee has to coordinate with the Internal and External Auditors of this Company as and when are required. The Committee has been empowered to examine the matters related to financial and internal control management and other affairs of the Company. The Audit Committee ensures that adequate internal check and balance system are in their places.

Roles and Responsibilities of the Audit Committee

The Audit Committee of this Company has been playing an effective role in providing a bridge between the Board, Members and other Stakeholders. The roles and responsibilities of the Audit Committee are clearly mentioned in the Terms of Reference of the Audit Committee. The Audit Committee in fulfilment of its responsibilities hold periodic meetings, at least once in a quarter and provide appropriate decision to the management. The Committee meetings usually considered operational performance, financial results, capital expenditures, products lines, procurement of raw materials, plant and machinery etc. The Audit Committee during the period under review had found that the overall internal control and management process of the company was satisfactory.

During the financial year ended on 30 June 2018 the Audit Committee of the company accomplished the following:

- Monitored and reviewed of the quarterly, half-yearly and periodic financial statements, other financial results of the company and on the basis of its review and recommendation the Board of Directors considered those and given its approval;
- Reviewed and recommended various issues pertaining the quarterly and annual financial statements;
- Submitted Reports to the Board of Directors on internal control issues and deviations on the basis of internal audit reports;
- Reviewed and monitored compliance issues with laws, rules, regulations, code of conducts etc. with a view to safeguard the interest of all stakeholders of this Company;
- Reviewed the performance of the external auditors of the Company and assessed their independence;
- Reviewed the statements of significant related party transactions submitted by the management from time to time;
- Overseen other issues within the terms of the code of conduct of the Audit Committee;
- Recommended to the Board of Directors to consider the appointment of the statutory auditors of the Company for the next FY 2018- 2019 in place of the existing auditors considering the proposal of the stakeholders.

Activities of the Audit Committee during the period ended on 30 June 2018

During the period ended on 30 June 2018, the Audit Committee had discharged the responsibilities as mentioned below:

AMARSTOCK

Financial Reporting

Reviewed, among other issues, the quarterly, half yearly and the annual financial statements of the company. It recommended to the Board of Directors for adoption and circulation those to the regulatory authorities as per the directives in this respect.

Internal Control

Reviewed the effectiveness of internal control, also reviewed the audit objections and observations raised by the Internal Audit Department and action plans of the Internal Audit Department. It monitored and ensured that the system of internal control was in place, effectively administered. It recommended to the Board of Directors for taking steps needed to improve the system of internal control derived from the findings of the internal and external auditors and from the understanding and by consultations of the audit committee members. In view of all, the Audit Committee is of the opinion that the internal control procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Audit Committee Reports

The Audit Committee has prepared the annual audit committee report and submitting it to the Board which includes the composition of the Audit Committee, its terms of reference, number of meetings held, summary of its activities during the Financial Year 2017-2018 and the existence of the internal audit services and summary of the activities for its inclusion in the audit report.

Internal Audit

During the period under review the Audit Committee had also overseen and reviewed the procedure and tasks of the internal audit department. The Committee has been satisfied that the Internal Audit Team has the competency and qualifications to complete its mandates and accomplish according to the approved audit plans. It observed that the Internal Audit has full, free and unrestricted access to all activities, records, property and other issues necessary to perform its responsibilities. The Audit Committee also got the co-operation of the Internal Audit Team in carrying out its duties and responsibilities during the FY 2017-2018.

External Audit

The committee has forwarded the draft financial statements (which were placed to it by the management earlier) to the external auditors after its review. The Board has to approve the audited financial statements and to place before the members of the Company for their discussion and consideration in the forthcoming 26th Annual General Meeting. It also reviewed the matters concerning the appointment and re-appointment, audit fee of the external auditors.

Related Party Transaction

During the year the company had carried out considerable numbers of transactions in carrying out its operation and also with the related parties in its normal courses of business. The names of the related parties, the nature of the related party relationships as well as information about the transactions, the amount of the transactions and the amount of outstanding balances at the financial year ending have been monitored, disclosed and set out in the financial statements in accordance with the provisions of BAS-24 “Related Party Disclosures”.

Khawaja Ahmedur Rahman
Chairman,
Audit Committee & Independent Director

M. Naseemul Hye FCS
Member Secretary, Audit Committee &
Company Secretary

Report of the Nomination and Remuneration Committee

Report of the Nomination and Remuneration Committee

In accordance with the directives of the Bangladesh Securities and Exchange Commission through its Corporate Governance Code under notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03/06/2018 the Nomination and Remuneration Committee (NRC) of Bashundhara Paper Mills Ltd. was constituted. And four members were appointed by the Board of Directors of the Company to adhere the directives as follows:

Sl. no	Name of members	Designation in Company	Responsibility in Committee
1	Mr. Khawaja Ahmedur Rahman	Independent Director	Chairman
2	Mr. Md. Imrul Hassan	Director	Member
3	Mr. M. Naseemul Hye FCS	Company Secretary	Secretary

During the period under review the Independent Director of this Company- Mr. Khawaja Ahmedur Rahman discharged the duties of the Chairman of the NRC and Mr. M. Naseemul Hye FCS, Company Secretary performed as the Secretary of the NRC as per the BSEC Corporate Governance Code.

Qualifications of the committee Members

The NRC members possess adequate knowledge on business management and corporate governance issues, financially literate able to analyze, understand and interpret corporate laws, finance and financial statements and have business acumen.

Roles and Responsibilities

The roles and responsibilities of the NRC have been clearly mentioned in the Terms of Reference of the Committee as approved by the Board of Directors of Bashundhara Paper Mills Ltd.

The Committee discharged its responsibility by holding a meeting in the FY-2017-2018 and provided required advises and suggestions to the Board of Directors management to execute those duly.

In the meeting the committee it considered and assisted the Board in formulation of the nomination criteria and determining of the qualifications of the prospective candidates attributes, experiences etc. of the directors and top level executives and the remunerations of directors, top level executive of the company as well as.

Succession planning

The Committee reviewed the drafted succession plan designed for the executive and non-executive appointments to the Board, taking into account the objectives of the Company and the rotation of directors. In this process the Committee also considered the business the skills, commitment and knowledge as to be required for operation of this Company.

Appointment/ Rotation of Non-Executive Director(s)

During the year under review the Committee has evaluated for recommendation of 02 (two) non-executive directors- i. Mr. Ahmed Akber Sobhan and ii. Md. Imrul Hassan who were to resign by rotation and eligible for their re-elections/appointments as per the provisions of the Article of Association of the Company.

Meeting Attendance by the Members

The Committee held 01 (one) no. of meeting during the period ended on 30 June 2018. The Committee has placed its report to the Board of Directors in due course.

The attendance status of the NRC Committee Meeting is appended below:

Sl. no	Name of members	Designation	No of meeting held	Nos. of meeting attendance
1.	Mr. Khawaja Ahmedur Rahman	Chairman	04	04
2.	Mr. Md. Imrul Hassan	Member	04	04
3.	Mr. M. Naseemul Hye FCS	Member	04	04

During the FY 2017-2018 the NRC accomplished the following:

- Reviewed the status of the Board composition along with their experience and track record of Board members, and made recommendation to the Board in this regard;
- Identified and nominated candidates for appointment/reappointment to the Board based on their knowledge experience and aptitude for attainment of the objectives of the company;
- Considered and accommodated various issues in connection with appointments, retirements and changes in the Board of Directors;
- Reviewed the issues including the company's requirement for employees as to be placed at different levels and determine their selection procedures and criteria;
- Reviewed the performance of the top-level executives of the Company and placed the recommendation on their findings;
- Reviewed the company's human resources status and the development and training policies of the Company aimed for the employees;
- Reviewed the scope and effectiveness of internal HR functions and adequacy of it;
- Overseen other issues within the Code of Conduct of the NRC.

The Nomination and Remuneration Committee expressing its of the view that the nomination, reelection and remuneration as well as internal control were adequate to present a true and fair view of the Administration, HR activities and internal governance status of the Company.

Khawaja Ahmedur Rahman
Chairman, Audit Committee & Independ Director

M. Naseemul Hye FCS
Member Seretary, Audit Committee & Company Secretary

ANNUAL STOCK

Statement on Corporate Governance

Dear Shareholders,

We are pleased to present to you the Annual Corporate Governance Report for the FY 2017-2018 of Bashundhara Paper Mills Limited.

The theme of moving forward, and how important it is that the company an ability to manage it responsibly and effectively, runs throughout our integrated report for the year.

One principle of corporate governance is shareholder recognition, which is a policy that ensures that all shareholders have a say in the inner workings of a company. This rules and responsibilities of board members must also be made clear to make sure that everyone shares a uniform vision of the company's future. Ethical guidelines of corporate governance are also crucial to secure higher profit and keep the company out of legal trouble. These rules apply to employees and board members. Transparency must be apparent, which should take the form of record keeping and reports on income. It is valuable therefore to reflect specifically on the milestones we have attained and the challenges we have considered in our corporate governance journey and to highlight our focus areas for the year ahead.

A Review on last year

Corporate governance makes companies more accountable and transparent to investors and gives them the tools to respond to legitimate stakeholder concerns such as sustainable environmental and social development. It contributes to development and increased access to capital encourages new investments, boosts economic growth, and provides employment opportunities. Good governance practices have become substantially important for the development and sustainability of the capital markets and the protection of investor interests.

These practices have also become a key factor for investors and lenders when making their investment and funding decisions.

In light of the growing interest among stakeholders, including shareholders and potential investors, we have given due attention in this report to cover governance issues that are of interest to all constituents of our ecosystem.

Frame Work on Corporate Governance

- **Shareholder recognition** is key to maintaining a company's stock price. More often than not, however, small shareholders with little impact on the stock price are brushed aside

to make way for the interests of majority shareholders and the executive board. Good corporate governance seeks to make sure that all shareholders get a voice at general meetings and are allowed to participate.

- **Stakeholder interests** should also be recognized by corporate governance. In particular, taking the time to address non-shareholder stakeholders can help your company establish a positive relationship with the community and the press.

- **Board responsibilities must be clearly outlined** to majority shareholders. All board members must be on the same page and share a similar vision for the future of the company.

- **Ethical behavior** violations in favor of higher profits can cause massive civil and legal problems down the road. Underpaying and abusing outsourced employees or skirting around lax environmental regulations can come back and bite the company hard if ignored. A code of conduct regarding ethical decisions should be established for all members of the board.

- Business **transparency** is the key to promoting shareholder trust. Financial records, earnings reports and forward guidance should all be clearly stated without exaggeration or "Creative" accounting. Falsified financial records can cause your company to become a Ponzi scheme, and will be dealt with accordingly.

Added concentration area for the Financial Year

- Companies Act 1994;
- BSEC'S Order & Directives
- Stock Exchanges Listing Regulations;
- Other applicable Law & Regulations;
- Proper Composition of the Board & Management & Executive Committee;
- Independency of the Board & Committee and its effectiveness;
- Separate entity of key Executive(s) and the role and responsibility;
- Statutory & Financial Reporting;
- Statuary General Meeting & Committee meeting;
- Relationship of Stakeholder & Shareholder;
- Corporate Social Responsibility & Relationship;
- Formulating Eco& Employee friendly work place and policy & guideline;

This ensures the report's reliability as a reference for the assessment of corporate governance practices in this Company d also reflects the efficiency and effectiveness of our

ARMAR STOCK

administrative processes and operational transparency of procedures at all levels across the company.

Looking Forward

We would like to take this opportunity to thank all regulatory bodies involved in overseeing the application of corporate governance across the bank and we have the highest regards for ensuring that good governance is fundamental to ensure the stability of the financial and banking sectors and therefore the overall economy.

In conclusion, through it is the 25th General Meeting but this is the first Annual General Meeting of the company. So emphasize our commitment to improve the wide range of improving corporate governance, We will pay special attention to support a culture of compliance that reflects adherence to business ethics and transparency and an unquestioned respect for law, legislations and regulations to ensure the effective contribution in the sustainable development of our country.

With best wishes,
Sd/-
M. Naseemul Hye FCS
Company Secretary

AMARSTOCK

Certificate of Due Diligence of CEO & CFO

Annexure-B

[As per condition No.1(5)(xxvii) of the Corporate Governance Code,2018]

Report to the shareholders of
Bashundhara Paper Mills Limited
on
Compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Bashundhara Paper Mills Limited for the year ended 30 June 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as Stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act,1994, the securities laws and other relevant laws; and

(d) The governance of the company is satisfactory.

For: Itrat Husain & Associates
Sd/-
Itrat Husain FCMA, FCS
Chief Executive

Dhaka, 27 October 2018

Corporate Governance Report

Annexure-C

[As per condition No.1(5)(xxvii) of the Corporate Governance Code,2018]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance,1969:
(Report under Condition No. 9)

Condition No	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	**Board of Director**			
1(1)	Total number of Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty);	√		
1(2)(a)	One-fifth (1/5) of the total number of directors in the company's Board be Independent Directors (ID);	√		
1(2)(b)(i)	ID does not hold any shares or holds less than one percent (1%) shares in the company;	√		
1(2)(b)(ii)	ID not a sponsor of the company nor connected with any sponsor/director/nominated director/ shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company by family relationship and his/ her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise;	√		
1(2)(b)(v)	who is not a member or TREC holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		

1(2)(b)(viii)	Independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a loan defaulter of Bank or NBFI);	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	Independent director(s) shall be appointed by the Board and approved by the shareholders in the AGM;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only;	√		
1(3)(a)	Independent director shall be a knowledgeable individual with integrity.	√		
1(3)(b)(i)	ID is business leader who is or was a promoter or director of an unlisted company having minimum paid-up-capital of Tk.100 million or any listed company or a member of any national or international chamber of commerce or business association;			
1(3)(b)(ii)	who is or was a top level executive not lower than CEO/MDDMD/CFO/Head of Finance or Accounts/ CS/HIAC/Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up-capital of Tk.100.00 million or of a listed company;			n/a
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;			n/a
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			n/a
1(3)(b)(v)	Professional who is or was an Advocate practicing at least in the High Court Division of Bangladesh Supreme Court or CA/CMA/CFA/CCA/CPA/ Chartered Management Accountant/ CS or equivalent qualification;			n/a
1(3)(c)	Independent director shall have at least 10 (ten) years of experiences in any field as clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			n/a
1(4)(a)	Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals;	√		

TEMAR STOCK

1(4)(b)	MD and/or CEO of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting;	√		
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat and negative impact on environment, if any;	√		
1(5)(vi)	A discussion on COGS, GP Margin and NP Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		n/a
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO,RPO, Rights Share Offer, Direct Listing, etc.;	√		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual F/S;	√		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the F/S prepared by the management of the issuer company present fairly its state of affairs	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that 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)	A statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the FY and any departure there from has been adequately disclosed;	√		

TRUE STOCK

1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt 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 there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	Total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			n/a
1(5)(xxiii)(b)	Directors, CEO,CS,CFO,HIAC and their spouses and minor children (name-wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5)(xxiv)(a)	a brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of Directors expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		

AMARSTOCK

1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The Report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records..	√		
1(7)(a)	The Board shall lay down a code of conduct, based on the NRC at condition No. 6.	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	√		
2.	**Governance of Board of Directors of Subsidiary Company.**			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			n/a
2(b)	At least 1 (one) Independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			n/a
2(c)	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
2(d)	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
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			n/a
3.	**MD/CEO/CFO/HIAC and CS**			
3(1)(a)	The Board shall appoint a MD or Chief Executive CEO, a CS, a CFO and a HIAC;	√		
3(1)(b)	The positions of the MD or Chief Executive Officer CEO, CS, CFO and HIAC shall be filled by different individuals;	√		

3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board	√		
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	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;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4.	**Board of Directors' Committee.**			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	**Audit Committee.**			
5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the FS reflect true and fair view of the state of affairs of the company.	√		
5(1)(c)	The Audit Committee shall be responsible to the Board;	√		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) Independent director;	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance	√		

	causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting.	√		
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members;	√		
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual F/S before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		

SMART STOCK

5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through IPO/ RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	√		n/a
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;	√		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	√		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	√		
5(6)(b)	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier	√		
5(7)	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6.	**Nomination and Remuneration Committee (NRC)**			
6(1)(a)	NRCas a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		

6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			n/a
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			n/a
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration or fees other than Director's fees or honorarium from the company.	√		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders:	√		
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		n/a
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee.	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes.	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		

ETHAN STOCK

6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7.	**External or Statutory Auditors.**	√		
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		n/a
7(1)(v)	Actuarial services			n/a
7(1)(vi)	Internal audit services or special audit services;			n/a
7(1)(vii)	Any service that the Audit Committee determines;			
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure.	√		

AMAR STOCK

7(3)	Representative of External or Statutory Auditors present in the Shareholders' Meeting AGM or EGM.	√		
8.	**Maintaining a website by the Company.**			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as per listing regulations.	√		
9.	**Reporting and Compliance of Corporate Governance**			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (CA or CMA or CS) and disclosed in the Annual Report.	√		
9(2)	The Compliance Auditors' shall be appoint by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C	√		

AMAR STOCK

Certificate of Due Diligence of CEO & CFO

Annexure-A

[As per condition No.1(5)(xxvi) of the Corporate Governance Code,2018]

Bashundhara Paper Mills Limited

Declaration by CEO and CFO

Date: 24 October 2018

The Board of Directors
Bashundhara Paper Mills Limited

Subject: Declaration on FinancialStatements for the year ended on 30/06/2018.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03/06/2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1) The Financial Statements of Bashundhara Paper Mills Limited for the year ended on 30/06/2018 have been prepared incompliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for them financial statements to reveal a true and fair view;
3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records
5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on 30/06/2018 and that to the best of our knowledge and belief:
   a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(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 in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Safwan Sobhan
Managing Director & CEO

Sd/-
Mirja Mujahidul Islam
Chief Financial Officer

AMARSTOCK

Auditor's Report & Financial Statements

Independent Auditor's Report

To the Shareholders of Bashundhara Paper Mills Ltd.

Report on the financial statements

We have audited the accompanying financial statements of **Bashundhara Paper Mills Ltd.** which comprise the Statement of Financial Position as at 30 June 2018 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in equity and Statement of Cash Flows for the year then ended, and 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 international Financial Reporting Standards (IFRS), the Company Act 1994, the Securities and Exchange Rules 1987. 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.

Auditor's 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 (BSA), 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, we consider 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, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2018 and of its financial performance and its Cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, We also report that following:

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 statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditures incurred were for the purpose of the Company's business.

23 October 2018
Dhaka

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) As at 30 June 2018

		Notes	30-Jun-18	30-Jun-17
IAS 1.51(d), (e)			Amount in Taka	
	ASSETS			
IAS 1.66	**Non-current assets**		**11,910,497,863**	**10,230,771,384**
IAS 1.54(a)	Property, plant and equipment, net	4	8,978,458,932	8,531,687,597
IAS 1.54(c)	Intangible Assets, net	5	174,414,054	182,029,780
IAS 1.54(a)	Capital work-in-progress	6	2,492,624,877	1,252,054,006
IAS 1.54(b)	Investment	7	265,000,000	265,000,000
IAS 1.66	**Current assets**		**13,151,640,417**	**10,447,116,550**
IAS 1.54(g)	Inventories	8	7,017,056,343	6,404,489,989
IAS 1.54(h)	Trade and other receivables	9	2,490,418,884	1,924,123,929
IAS 1.54(h)	Advances, deposits and prepayments	10	937,885,549	799,021,854
IAS 1.54(n)	Advance income tax	11	548,937,061	495,946,126
IAS 1.54(h)	Intercompany current account	12	191,985,058	676,422,504
IAS 1.54(i)	Cash and bank equivalents	13	1,519,454,492	147,112,149
IAS 1.54(j)	Assets held for sale	14	445,903,030	-
	Total assets		**25,062,138,280**	**20,677,887,934**
	EQUITY AND LIABILITIES			
	Capital and reserves		**7,549,501,544**	**4,887,173,860**
IAS 1.5(r),78(e)	Share capital	15	1,737,914,410	1,477,497,750
	Share premium	16	1,739,583,292	-
IAS 1.55	Revaluation reserve	17	2,112,514,322	2,141,302,617
IAS 1.5(r),78(e)	Retained earnings	18	1,959,489,520	1,268,373,494
	Liabilities			
IAS 1.71	**Non-current Liability**		**5,527,266,137**	**5,736,220,676**
IAS 1.55	Long term borrowings	19	3,824,172,892	3,951,198,382
IAS 1.54(o)	Deferred tax liability	20	957,392,014	1,355,892,166
	Intercompany Payable	21	745,701,231	429,130,127
IAS 1.69	**Current liabilities**		**11,985,370,600**	**10,054,493,398**
IAS 1.61	Long term borrowings-current portion	22	1,243,949,246	1,406,953,250
IAS 1.54(m)	Short term borrowings	23	8,975,971,861	7,177,429,134
IAS 1.54(k)	Trade and other payables	24	1,311,916,559	1,127,084,970
IAS 1.54 (l)	Provision for expenses	25	22,979,585	45,996,985
IAS 1.54 (l)	Income tax provision	26	430,553,348	297,029,058
	Total liabilities		**17,512,636,737**	**15,790,714,073**
	Total equity and liabilities		**25,062,138,280**	**20,677,887,934**
	Net Asset Value Per Share	43	**49.18**	**31.85**
	Net Asset Value Per Share-restated		**-**	**31.38**

The annexed notes 1 to 54 form an integral part of these financial statements.

Chief Financial Officer **Company Secretary** **Managing Director**

Director **Chairman**

As per our report of same date

23 October 2018
Dhaka

Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(b),81(b) **Statement of profit or loss and other comprehensive income**

IAS 1.51 (b), (c) for the year ended 30 June 2018

		Notes	01-Jul-2017 to 30-Jun-2018	01-Jul-2016 to 30-Jun-2017
IAS 1.113 / IAS 1.51(d), (e)			Amount in Taka	
IAS 1.82(a)	Revenue, net	27	10,821,096,081	10,004,078,641
IAS 1.82(b),103	Cost of sales	28	(8,900,519,500)	(8,179,665,278)
IAS 1.85	**Gross profit**		**1,920,576,581**	**1,824,413,363**
IAS 1.85	Other income	29	58,287,049	1,076,565
IAS 1.82(b)	Administrative expenses	30	(367,119,296)	(291,649,647)
IAS 1.82(b)	Selling & distribution expenses	31	(221,151,189)	(109,956,065)
IAS 1.82(b)	Finance costs	32	(870,449,569)	(800,190,175)
	Profit before distribution of WPP & WF		**520,143,575**	**623,694,041**
IAS 1.99	Workers' profit participation & welfare fund	33	(26,007,179)	(31,184,702)
IAS 1.85	**Profit before tax**		**494,136,396**	**592,509,339**
IAS 1.82 (d)	**Income tax expenses**	34	**199,503,842**	**(207,378,268)**
IAS 12.79	Current tax expense		(198,996,311)	(231,557,038)
IAS 12.81 (d)	Deferred tax (expense)/income		75,462,212	24,178,770
IAS 12.80 (d)	Deferred tax income resulting from reduction in income tax rate		323,037,940	-
IAS 1.82(f)	**Profit after tax**		**693,640,238**	**385,131,071**
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 year**		**693,640,238**	**385,131,071**
IAS 33.66	**Earnings per share**	35	**4.63**	**2.61**
	Earnings per share-restated		**-**	**2.57**

The annexed notes 1 to 54 form an integral part of these financial statements.

Chief Financial Officer **Company Secretary** **Managing Director**

Director **Chairman**

As per our report of same date

23 October 2018
Dhaka

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 year ended 30 June 2018

IAS 1.113		Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
IAS 1.51 (d), (e)		Amount in Taka				
	Balance as on 01 July 2016	1,477,497,750	-	2,171,846,967	854,088,596	4,503,433,313
	Transfer to retained earnings	-	-	(30,544,350)	30,544,350	-
IAS 1.106(a)	Total Comprehensive Income for the year	-	-	-	385,131,071	385,131,071
	Balance as at 30 June 2017-reported	**1,477,497,750**	**-**	**2,141,302,617**	**1,269,764,017**	**4,888,564,383**
	Less: Adjustment for deferred tax liability	-	-	-	(1,390,523)	(1,390,523)
	Balance as at 30 June 2017-restated	**1,477,497,750**	**-**	**2,141,302,617**	**1,268,373,494**	**4,887,173,860**
	Balance as at 01 July 2017	1,477,497,750	-	2,141,302,617	1,268,373,494	4,887,173,860
	Transfer to retained earnings	-	-	(28,788,295)	28,788,295	-
	Issuance of shares	260,416,660	-	-	-	260,416,660
	Share premium	-	1,739,583,292	-	-	1,739,583,292
	Adjustment for current tax of prior years	-	-	-	(31,312,506)	(31,312,506)
IAS 1.106(a)	Total Comprehensive Income for the year	-	-	-	693,640,238	693,640,238
	Balance as at 30 June 2018	**1,737,914,410**	**1,739,583,292**	**2,112,514,322**	**1,959,489,520**	**7,549,501,544**

Chief Financial Officer **Company Secretary** **Managing Director**

Director **Chairman**

As per our report of same date

23 October 2018
Dhaka

Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51(a) **BASHUNDHARA PAPER MILLS LIMITED**

IAS 1.10(d) **Statement of cash flows**

IAS 1.51(b), (c) for the year ended 30 June 2018

		Notes	01-Jul-2017 to 30-Jun-2018	01-Jul-2016 to 30-Jun-2017
IAS 1.113 / IAS 1.113(d), e			Amount in Taka	
IAS 7.10	**A) Cash flows from operating activities**			
IAS 7.18(a)	Receipts from customers		10,774,865,262	10,293,716,412
	Receipts from other income		35,843,459	1,076,565
			10,810,708,721	10,294,792,977
IAS 7.1(c)	Payment to suppliers, employees & others		(9,273,582,796)	(8,541,156,807)
	Cash generated from operations		1,537,125,925	1,753,636,170
	VAT paid	27	(486,520,332)	(515,593,183)
	SD Paid	27	(9,693,383)	(13,256,915)
IAS 7.35	Income taxes paid	11	(149,775,463)	(117,572,592)
IAS 7.31	Bank charges and commission	32	(6,931,780)	(5,615,046)
	Net cash (used in)/ generated by operating activities		**884,204,968**	**1,101,598,434**
IAS 7.10	**B) Cash flows from investing activities**			
IAS 7.16(a)	Payments for property, plant and equipment		(1,223,045,645)	(437,035,088)
	Payments for intangible assets		-	(25,880,635)
	Receipts/ transfer of capital work-in-progress		(1,726,238,946)	(1,047,014,695)
	Receipts from disposal of property, plant and equipment		-	1,120,887
	Net cash (used in)/ generated by investing activities		**(2,949,284,592)**	**(1,508,809,531)**
IAS 7.10	**C) Cash flows from financing activities**			
IAS 7.17(c)	Received/ (repayment) of short term borrowings		1,798,542,728	(175,577,724)
IAS 7.33	Payments of Bank interest and other charges		(872,099,769)	(795,571,855)
	Proceeds from issuance of shares		260,416,660	-
	Proceeds from shares premium		1,739,583,292	-
	Received/ (repayment) of Intercompany debt		801,008,550	702,882,817
IAS 7.17(d)	Received/ (repayment) of long term borrowings		(290,029,495)	620,372,042
	Net cash (used in)/ generated by financing activities		**3,437,421,966**	**352,105,280**
IAS 7.50(d)	**D) Net increase in cash and cash equivalents (A+B+C)**		**1,372,342,342**	**(55,105,817)**
	E) Cash and cash equivalents at the beginning	13	**147,112,149**	**202,217,966**
	F) Cash and cash equivalents at the end (D+E)	13	**1,519,454,492**	**147,112,149**
	Net Operating Cash Flows per share	44	**5.90**	**7.46**
	Net Operating Cash Flows per share-restated		**-**	**7.35**

The annexed notes 1 to 54 form an integral part of these financial statements.

Chief Financial Officer | **Company Secretary** | **Managing Director**

Director | **Chairman**

As per our report of same date

23 October 2018
Dhaka

Ahmed Zaker & Co.
Chartered Accountants

IAS 1.51 (a)

BASHUNDHARA PAPER MILLS LIMITED

IAS 1.51 (e)

Notes to the financial statements

IAS 1.51 (c)

As at and for the year ended 30 June 2018

IAS 1.38

1 REPORTING ENTITY

1.1 COMPANY PROFILE

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

Amalgamation of "Bashundhara Paper Mills Limited with Bashundhara Newsprint and Duplex Board Industries Limited (formerly Shahjalal Newsprint Industries Ltd.) and Bashundhara Tissue Industries Limited:"

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.

IAS 1.38 (a)

1.2 ADDRESS OF REGISTERED OFFICE AND FACTORIES

The registered office of the company is situated at 125/A, Basahundhara R/A, Block-A, Baridhara, Dhaka-1212. The industrial units 1 and 2 are established at New town, Meghna Ghat, Sonargoan, Narayangonj and Unit-3 is Anarpura, Gazaria, Munshigonj.

IAS 1.38 (b)

1.3 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.

IAS 1.117

2 SUMMARY OF SIGNIFICANT ACCOUNTING AND VALUATION POLICIES

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

2.1 BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRESENTATION

2.1.1 Accounting standards

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

2.1.2 Accounting Convention

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

2.1.3 Legal compliance

The financial statements have been prepared on a going concern basis following accrual basis of accounting except for the statement of cash flows. The disclosures of information made in accordance with the requirements of the Companies Act 1994, The Securities and Exchange Rules of 1987, and IASs and IFRSs adopted by the ICAB. On the basis of these regulations, International Accounting Standards (IAS) & International Financial Reporting Standards (IFRS) 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:

- 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
- The Bangladesh Labor (Amendment) Act 2013, 2006
- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)
- The listing regulations of Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange.

IAS 1.51(d)-(e)

2.2 FUNCTIONAL AND PRESENTATIONAL CURRENCY

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

IAS 1.122
IAS 1.125, 129,130

2.3 USE OF ESTIMATES AND JUDGMENT

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

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

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

Note 19: Finance lease obligations (classification and measurement)
Note 20: Deferred tax liabilities (manner of recovery of temporary differences for determination of deferred tax liabilities)
Note 27: Revenue (allocation of revenue among multiple elements, determination of percentage of completion for services rendered)
Note 34: Income tax expenses

Topic	Policy No.	Note No.
Property, plant & equipment-Cost	3.1.1	4.00
Property, plant & equipment-Depreciation	3.1.3	4.00
Valuation of inventories	3.5	8.00
Deferred tax	3.9.2	20.00
Impairment of property, plant & equipment	3.1.9	N/A

IAS 1.10

2.4 PRESENTATION OF FINANCIAL STATEMENTS

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements, The Financial Statements comprises:

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

IAS 1.38

2.5 CURRENT VS. NON-CURRENT CLASSIFICATION

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Company classifies all other liabilities as non-current.

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

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

2.6.1 Notes to the financial statements marked from 3.00 to 3.28 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.

2.6.2 The accounting policies on all material areas have been stated clearly in the notes marked from 3.00 to 3.28

2.6.3 The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

Sl no	Name of IASs	IASs No	Applicable/ Not Applicable
1	Presentation of Financial Statements	IAS 1	Applicable
2	Inventories	IAS 2	Applicable
3	Statement of Cash Flows	IAS 7	Applicable
4	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applicable
5	Events After the Reporting Period	IAS 10	Applicable
6	Construction Contracts	IAS 11	Applicable
7	Income Taxes	IAS 12	Applicable
8	Property, Plant and Equipment	IAS 16	Applicable
9	Leases	IAS 17	Applicable
10	Revenue	IAS 18	Applicable
11	Employee Benefits	IAS 19	Applicable
12	Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	IAS 21	Applicable
14	Borrowing Costs	IAS 23	Applicable
15	Related Party Disclosures	IAS 24	Applicable
16	Accounting and Reporting by Retirement Benefit Plans	IAS 26	Not Applicable
17	Separate Financial Statements	IAS 27	Not Applicable
18	Investments in Associates and Joint Ventures	IAS 28	Not Applicable
19	Financial Reporting in Hyperinflationary Economies	IAS 29	Not Applicable
20	Financial Instruments: Presentation	IAS 32	Not Applicable
21	Earnings Per Share	IAS 33	Applicable
22	Interim Financial Reporting	IAS 34	Applicable
23	Impairment of Assets	IAS 36	Applicable
24	Provisions, Contingent Liabilities and Contingent Assets	IAS 37	Applicable
25	Intangible Assets	IAS 38	Applicable
26	Financial Instruments: Recognition and Measurement	IAS 39	Not Applicable
27	Investment Property	IAS 40	Not Applicable
28	Agriculture	IAS 41	Not Applicable

AMARSTOCK

Sl no	Name of IFRSs	IFRSs No	Applicable/ Not Applicable
1	First-time Adoption of International Financial Reporting Standards	IFRS 1	Not Applicable
2	Share-based Payment	IFRS 2	Not Applicable
3	Business Combinations	IFRS 3	Not Applicable
4	Insurance Contracts	IFRS 4	Not Applicable
5	Non-current Assets Held for Sale and Discontinued Operations	IFRS 5	Not Applicable
6	Exploration for and Evaluation of Mineral Assets	IFRS 6	Not Applicable
7	Financial Instruments: Disclosures	IFRS 7	Applicable
8	Operating Segments	IFRS 8	Not Applicable
9	Financial Instruments	IFRS 9	Applicable
10	Consolidated Financial Statements	IFRS 10	Not Applicable
11	Joint Arrangements	IFRS 11	Not Applicable
12	Disclosure of Interests in Other Entities	IFRS 12	Not Applicable
13	Fair Value Measurement	IFRS 13	Not Applicable
14	Regulatory Deferral Accounts	IFRS 14	Not Applicable
15	Revenue from Contracts with Customers	IFRS 15	Not Applicable

2.7 NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET ADOPTED

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of Initial application of 1 January 2017 have been considered. However, these amendments have no material impact on the financial statements of the Company.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 01 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 01 January 2017 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

- BFRS 9 Financial Instruments (to be adopted as IFRS 9)
- BFRS 15 Revenue from Contracts with Customers (to be adopted as IFRS 15)
- IFRS 16 Leases
- IFRS 17 Insurance Contracts

The Company has not yet assessed any potential Impact of aforesaid new standards on its financial statements.

IAS 1.51 (c)

2.8 REPORTING PERIOD

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

IAS 10.17

2.9 DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board of Directors and authorized for issue on 23 October 2018.

2.10 BOOKS OF ACCOUNTS

The Company maintains its books of accounts for main business in electronic form through its own customized software. Besides, the Company using SAP software which under process of full implementation. SAP ERP is enterprise resource planning software developed by the German company SAP SE 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).

IAS 1.38(a)

2.11 COMPARATIVE INFORMATION AND REARRANGEMENT THEREOF

Comparative information for the financial position has been disclosed in respect of the year ended June 30, 2017 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Figures for the year ended June 30, 2017 have been re-arranged wherever considered necessary to ensure better comparability with the current year.

IAS 1.112 (a)

3 SIGNIFICANT ACCOUNTING POLICIES

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

IAS 16.21

3.1 PROPERTY, PLANT AND EQUIPMENT

IAS 16.73 (a)

3.1.1 Recognition and Measurement

Land, building, plant and machinery, furniture, fixtures and equipments held for use in the production or supply of goods and services, or for administrative purposes, are stated in the statement of financial position at their cost and revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Capital work-in-progress represents the cost incurred for acquisition and/or construction of property, plant and equipment that were not ready for use at the end of June 30, 2018 and these are stated at cost. Revaluations are performed with sufficient regulatory such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

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

IAS 16.13

3.1.2 Subsequent Costs and Maintenance Activities

IAS 16.73(b) IAS 16.53.5

The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when the cost is incurred, it is probable that the future economic benefits embodied with the item will flow to the company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repair and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted

in an increase in the future economic benefit expected to be obtained from the use of fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the profit or loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.1.3 Depreciation

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

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

Freehold land is not depreciated.

IAS 16.73(c)

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

Category	Useful life (Year)
Land and Land Development**	Nil
Building and other constructions	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

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

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.

3.1.4 Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

3.1.5 Revaluation

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

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

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.

IAS 38.118

3.1.6 Software

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

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

3.1.7 Disposal of Fixed Assets

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

3.1.8 Maintenance Activities

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

IAS 16.63

3.1.9 Impairment

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

3.2 INTANGIBLE ASSETS

3.2.1 Recognition

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

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

IAS 38.118(b)

3.2.2 Measurement

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

3.2.3 Separately Acquired Intangibles Assets

The cost of a separately acquired intangible asset comprises:

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

3.2.4 Internally Generated Intangible Assets

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

3.2.5 Research Phase

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

3.2.6 Development Phase

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

3.2.7 Recognition of an Expense

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

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

3.2.8 Past Expenses

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

3.2.9 Revaluation of Intangibles

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

IAS 38.118(a)

3.2.10 Amortization

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

Sl no	Category	Useful lives
1	SAP Software	25
2	CRM Software	10

3.2.11 Derecognition of Intangible Assets

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

3.3 LEASED ASSETS

IAS 17. 8, 20,27

3.3.1 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.

3.3.2 Operating Leases

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

3.3.3 Initial Recognition

At the commencement of the lease term, the company recognises finance leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Any initial direct costs of the lessee are added to the amount recognised as an asset.

3.3.4 Subsequent Measurement

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge 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. Contingent rents are charged as expenses in the periods in which they are incurred. A finance lease gives rise to depreciation expense for depreciable assets as well as finance expense for each accounting period. The depreciation policy for depreciable leased assets is consistent with that for depreciable assets that are owned, and the depreciation recognised is calculated in accordance with IAS: 16 Property, Plant and Equipment and IAS: 38 Intangible Assets. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

IAS 17.25

3.3.5 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 year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.4 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 FINANCIAL ASSETS:

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.

IAS 1.78(b)

3.4.1.1 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.

3.4.1.2 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.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to profit and loss account.

IAS 1.45

3.4.1.3 CASH AND BANK BALANCES

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.

IAS 1.119

3.4.2 FINANCIAL LIABILITY

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.

Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.4.2.1 TRADE AND OTHER PAYABLE AND ACCRUALS

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.

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.

IAS 2.36(a)

3.5 INVENTORIES

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

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

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

Category	Basis of valuation
Finished goods and 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.

3.6 CAPITAL WORK-IN-PROGRESS

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

IAS 37.85

3.7 PROVISION

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

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

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

IAS 1.114(d)

3.8 CONTINGENT LIABILITIES AND CONTINGENT ASSETS AND COMMITMENTS

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. A provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year-end date. Contingent assets are not recognized or disclosed in these financial statements. Details are given in note no. # 37.

IAS 12.47

3.9 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

3.9.1 Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the company is 25% (2016-17: 35%). Provision for taxation has been made on the basis of the Finance Act, 2018.

IAS 12.47 IAS1.15. 12.24

3.9.2 Deferred Tax

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

IAS 19.120

3.10 EMPLOYEE BENEFIT

3.10.1 Defined contribution plan (provident fund)

Defined contribution plan is a post-employment benefit plan under which the Company provides benefits for all of its permanent employees. The recognized Employees' Provident Fund is being considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution. This fund is recognized by the National Board of Revenue (NBR) vide Letter No. ভবিঃতঃঅনুঃ(বসুন্ধরা)/রকইউ/২০১৫-২০১৬/২৩১২(৩) dated 29 February 2016.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligations are created when they are due.

3.10.2 Defined benefit plan (gratuity)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees. This fund is recognized by the National Board of Revenue (NBR) vide স্মারক নং-০৮.০১.০০০০.০৩৫.০২,০০২২,২০১৭/৭৫ তারিখঃ ০৭/০৯/২০১৭ খ্রিঃ. The net defined benefit liability (asset) in respect of a defined benefit plan is recognised in the statement of financial position. The net defined benefit liability (asset) is made up of:

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

The Company operates an unfunded gratuity scheme for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary. The Company calculated the provisions for maximum exposures as at the reporting date for all eligible employees. Gratuity payable at the end of each year is determined on the basis of following rules and regulations of the company:

Service length (Years)	Payment basis
0 < 10	Nill
10	30 days basic salary/ wages for every completed year of service
>10	45 days basic salary/ wages for every completed year of service

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

3.10.3 Group insurance scheme

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

3.10.4 Short-term employee Benefits

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

3.11 WORKERS' PROFIT PARTICIPATION AND WELFARE FUND

This is made in terms of section 234(1)(b) of Bangladesh Labour Law (Amendment) Act 2013, 5% of the net profit of each year, 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 21.23

3.12 FOREIGN CURRENCY TRANSACTIONS

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

The monitory 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.

IAS 1.119

3.13 REVENUE RECOGNITION

3.13.1 Revenue arising from sale of goods

3.13.1.1 Goods Sold

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:

- 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 Cash on delivery sales

Revenue is recognized when delivery is made and cash is received by the seller.

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 23.01

3.14 BORROWING COSTS

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

3.14.1 Recognition

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

3.14.2 Borrowing Costs Eligible for Capitalization

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

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

3.14.3 Commencement of Capitalization

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

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

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

3.15 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 IAS-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 IAS-1: Presentation of Financial Statements.

IAS 33.66

3.18 EARNINGS PER SHARE

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

Basic Earnings per Share (Numerator/Denominator)

Earnings (Numerator)

This represents earning for the year attributable to ordinary shareholders.

No. of Ordinary shares (Denominator)

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

Diluted Earnings per Share

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

3.19 RELATED PARTY TRANSACTIONS

As per Bangladesh Accounting Standards IAS-24: Related Party Disclosures, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties which have been given in note no. # 40.

AMAR STOCK

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.

IAS 1.29

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.

IAS 1.25

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.

IAS 1.27-28

3.24 ACCRUAL BASIS OF ACCOUNTING

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

3.25 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

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

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

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

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

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

3.26 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

3.27 EVENTS AFTER REPORTING PERIOD

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

3.28 COMPARATIVES, RECLASSIFICATION AND RESTATEMENT

3.28.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith;

3.28.2 Figures appearing in these accounts have been rounded off to the nearest taka;

3.28.3 Previous year's figures and account titles in the financial statements have been rearranged and reclassified, wherever necessary for the purpose of comparison, without, however, creating any impact on the profit and value of assets and liabilities as reported in the financial statements for the current year.

AMARSTOCK

IAS 1.78 (a)&
IAS 16.73 (a)

04.00 PROPERTY, PLANT AND EQUIPMENT

	Amount in Taka	
	30-Jun-18	30-Jun-17
1. Based on Cost:		
A. Cost:		
Opening Balance	9,043,400,307	8,509,902,022
Less: Transfer/ Disposal during the year	(576,482,472)	(39,390,693)
Add: Addition during the year	1,538,282,307	572,888,978
Closing Balance	**10,005,200,142**	**9,043,400,307**
B. Accumulated depreciation:		
Opening Balance	3,155,631,434	2,458,847,544
Less: Transfer/ Disposal during the year	(301,111,601)	(9,324,185.79)
Add: Charged during the year	784,979,269	706,108,075
Closing Balance	**3,639,499,101**	**3,155,631,434**
C. Written down value on cost (A-B)	**6,365,701,041**	**5,887,768,873**
2. Based on Revaluation:		
A. Cost:		
Opening Balance	2,848,342,604	2,848,387,851
Less: Transfer/ Disposal during the year	(4,627)	(45,247)
Add: Addition during the year	-	-
Closing Balance	**2,848,337,977**	**2,848,342,604**
B. Accumulated depreciation:		
Opening Balance	204,423,880	173,068,811
Less: Transfer/ Disposal during the year	(3,471)	(24,886)
Add: Charged during the year	31,159,677	31,379,955
Closing Balance	**235,580,086**	**204,423,880**
C. Written down value on revaluation (A-B)	**2,612,757,891**	**2,643,918,724**
3. Written down value on cost and revaluation (1+2)	**8,978,458,932**	**8,531,687,597**

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

IAS 36.130(a) to (g)

4.01 During the year management of the Company carried out a review of the recoverable amount of the manufacturing plant and other related assets. The review does not led to an impairment loss. The recoverable amount of the relevant assets has been determined on the basis of their value in use. It also may mentioned here that no indication of impairment was determined in the year 2016-2017 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 year for the said land bear by BPML but rent or any other cost regarding the use of land has not been bear in current or prior year's as per decision of the both Companies management.

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

05.00 INTANGIBLE ASSETS

IAS 38.118 (c) ,(e)

A. Cost:		
Opening Balance	189,627,705	-
Less: Transfer/ Disposal during the year	-	-
Add: Addition during the year	-	189,627,705
Closing Balance	**189,627,705**	**189,627,705**
B. Accumulated amortization:		
Opening Balance	7,597,925	-
Less: Transfer/ Disposal during the year	-	-
Add: Charged during the year	7,615,726	7,597,925
Closing Balance	**15,213,651**	**7,597,925**
C. Written down value (A-B)	**174,414,054**	**182,029,780**

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

06.00 CAPITAL WORK-IN-PROGRESS	Amount in Taka	
	30-Jun-18	30-Jun-17
A. Plant and machinery:		
Opening balance	799,545,623	338,524,474
Add: Addition made during the year	913,774,940	594,504,412
Less: Adjustment/transfer to appropriate asset category	(375,781,475)	(133,483,262)
Closing balance	**1,337,539,088**	**799,545,623**
B. Factory building and other constructions:		
Opening balance	452,508,384	-
Add: Addition made during the year	812,464,006	452,510,284
Less: Adjustment/transfer to appropriate asset category	(109,886,601)	(1,900)
Closing balance	**1,155,085,789**	**452,508,384**
C. Intangible assets (SAP Software):		
Opening balance	-	163,747,070
Add: Addition made during the year	-	-
Less: Adjustment/transfer to appropriate asset category	-	(163,747,070)
Closing balance	**-**	**-**
D. Total (A+B+C)	**2,492,624,877**	**1,252,054,006**

06.01 Capital work in progress - transferred

The amount of CWIP completed and transferred during the year to the corresponding items of property, plant and equipment was as follows:

Sl no	Assets category	2017-2018	2016-2017
1	SAP Software	-	163,747,070
2	Water Pump	-	4,321,806
3	Generator	-	49,003,726
4	Cooling Tower	-	1,439,242
5	Condensate Tank	-	110,000
6	Exhaust Blower Machine	-	9,000
7	Machine modification	-	71,468,106
8	Stitching Machine	-	7,131,383
9	Coating Machine	6,329,118	-
10	Diapant Machine	99,658,320	-
11	Napkin Machine	60,572,707	-
12	Press Roll	13,393,421	-
13	Tissue machine	31,643,686	-
14	Facial Tissue Folding Machine	10,746,485	-
15	Gas Generator	1,761,950	-
16	Wrapper machine	23,848,099	-
17	Printing Machine	3,682,218	-
18	Forklift	14,032,417	-
19	Baby Diaper Machine	9,729,904	-
20	Suction Roll	7,086,192	-
21	2nd Press Bottom Roll	4,805,447	-
22	Flexo Printing machine	17,714,926	-
23	Boiler	19,921,424	-
24	Laminating Machine	6,543,821	-
25	Inflation Machine	9,870,629	-
26	Seal Bag Macking Machine	5,423,905	-
27	Rotogravure Printing Machine	17,583,773	-
28	Rewinder Machine	4,858,457	-
29	Stem & condensate line	6,081,717	-
30	Paper Core Dryer	208,210	-
31	Various building & other construction	109,886,601	1,900
	Total	**485,383,427**	**297,232,232**

06.02 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.

		Amount in Taka	
07.00	**INVESTMENT**	**30-Jun-18**	**30-Jun-17**
	Investment in shares (unquoted)	265,000,000	265,000,000
	Total	**265,000,000**	**265,000,000**

07.01 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)& **08.00 INVENTORIES**

IAS 2.36 (b)

Raw material	2,623,923,219	2,237,011,068
Finished goods	1,012,008,949	1,079,434,795
Stores and spare parts	1,008,876,976	879,030,314
Work-in-process	775,023,910	728,391,007
Material in transit	1,597,223,289	1,480,622,803
Total	**7,017,056,343**	**6,404,489,989**

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

08.02 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) 08.03 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) 08.04 Inventories are valued at lower of cost or net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale .

IAS 1.78 (b) **09.00 TRADE & OTHER RECEIVABLES**

09.01	***Trade receivables:***	**2,193,647,639**	**1,898,337,971**
	Hygiene product	21,187,950	37,152,142
	Paper product	1,736,500,575	1,241,936,945
	Demy paper	1,366,282	25,990,644
	Paper sack product	62,372,007	90,468,021
	PP Woven Bag product	114,462,068	251,117,691
	Tissue products	232,205,772	140,975,458
	Export	25,552,986	110,697,071
09.02	***Other receivables:***	**296,771,245**	**25,785,958**
	Bashundhara Industrial Complex Ltd.	13,538,373	9,000
	Bashundhara Food & Beverage Industries Ltd.	1,603,042	1,603,042
	Bashundhara Amusement Park Ltd.	516,243	29,500
	Bashundhara Pulp & Board Mills Ltd.	3,000	3,000
	Sundorban Industrial Complex Ltd.	1,120,887	1,120,887
	Bashundhara Foundation	6,815,000	6,815,000
	Bashundhara Multi-Paper Industries Ltd.	246,881,810	-
	Bashundhara Industrial Economic Zone Ltd.	3,849,300	-
	Cash incentive receivables	22,443,590	-
	Pioneer Insurance Company Limited	-	16,205,529
	Total	**2,490,418,884**	**1,924,123,929**

IFRS 7.37 (a) **09.03 Age of trade receivables that are past due but not impaired based on products basis are shown under:**

30-Jun-18	0-90 days past due	90-180 days past due	Dues over 6 months	Total
Paper products	1,142,932,666	422,144,623	172,789,567	1,737,866,857
Tissue products	210,613,292	10,366,981	11,225,500	232,205,772
Hygiene products	14,542,402	1,655,377	4,990,171	21,187,950
PP Woven Bag products	264,195,915	(19,351,273)	(130,382,575)	114,462,068
Paper sack products	98,536,660	(1,223,144)	(34,941,510)	62,372,007
Export	16,527,734	810,449	8,214,802	25,552,986
Total	**1,747,348,670**	**414,403,014**	**31,895,955**	**2,193,647,639**

30-Jun-17	0-90 days past due	90-180 days past due	Dues over 6 months	Total
Paper products	822,541,924	273,126,188	172,259,476	1,267,927,588
Tissue products	132,079,506	3,364,906	5,531,045	140,975,458
Hygiene products	31,073,752	3,431,199	2,647,191	37,152,142
PP Woven Bag products	358,792,097	49,714,255	(157,388,661)	251,117,691
Paper sack products	108,540,007	(1,204,234)	(16,867,752)	90,468,021
Export	103,528,150	221,816	6,947,105	110,697,071
Total	**1,556,555,436**	**328,654,131**	**13,128,404**	**1,898,337,971**

09.04 Disclosure as per Schedule-XI, Part -I, of The Companies Act, 1994	*Amount in Taka* 30-Jun-18	30-Jun-17
Maturity within 3 months	1,747,348,670	1,556,555,436
Maturity over 3 months but within 6 months	414,403,014	328,654,131
Maturity more than 6 months	31,895,955	13,128,404
Total	**2,193,647,639**	**1,898,337,971**
Debts considered Good & Secured	1,828,176,363	1,448,460,834
Debts considered Good without security	-	-
Debts considered doubtful & bad	-	-
Debts due by directors or other officers & staffs	-	-
Debts due from companies under same management	365,471,276	449,877,136
Maximum debt due by directors or officers & staffs at any time	-	-
Total	**2,193,647,639**	**1,898,337,971**

09.05 All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

09.06 There is no such trade receivable due by or to directors or other officers of the Company.

09.07 Management considered the receivables are collectable and thus no provision had been made for any receivable.

IAS 1.77 & IFRS 7.7

10.00 ADVANCES, DEPOSITS AND PREPAYMENTS

Advances:			
Advance against advertisement		925,000	389,118
Advance against Legal and consultancy		1,980,000	100,000
Advance against insurance premium		530,576	425,753
Advance against land and land development	NOTE 10.08	53,801,339	55,801,339
Advance against motor vehicle		3,449,600	2,595,600
Advance against rental vehicle		6,290	184,600
Advance to employee		830,265	573,690
Advance to other expense		15,003,183	80,200,046
Advance to suppliers	NOTE 10.09	246,935,979	136,264,415
SD current account		27,745	221,129
VAT current account	NOTE 10.10	14,589,852	10,200,297
Total advance		**338,079,829**	**286,955,987**
Deposit:			
Bank guarantee margin	NOTE 10.11	17,856,893	21,542,384
Deposit to Bangladesh Bank	NOTE 10.12	150,000,000	150,000,000
Deposit to Finance Lease		4,266,145	4,266,145
L/C margin deposit	NOTE 10.13	370,067,149	286,905,811
Security deposit	NOTE 10.14	57,615,532	49,351,527
Total deposits		**599,805,719**	**512,065,867**
Total		**937,885,549**	**799,021,854**

10.01	These include dues realizable/adjustable within one year from the balance sheet date	284,278,490	231,154,648
10.02	These include aggregate amount due by, executives, managers, officers and staffs	830,265	573,690
10.03	The maximum aggregated amount due by executives, managers, officers and staffs of the company at the end of any month during the year	646,092	964,585
10.04	Advance recoverable in cash	830,265	613,690

		Amount in Taka	
		30-Jun-18	30-Jun-17
10.05	Advance outstanding for a period exceeding six months	53,801,339	55,801,339

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

Advance, deposits & prepayments considered good & secured	936,409,192	797,483,578
Advance, deposit & prepayments considered Good without security	-	-
Advance, deposit & prepayments considered doubtful & bad	-	-
Advance, deposit & prepayments due by directors or other officers & staffs	830,265	573,690
Advance, deposit & prepayments due from companies under same management	-	-
Maximum advance due by directors or officers & staffs at any time	646,092	964,585
Total	**937,885,549**	**799,021,854**

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

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

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

10.10 The company has no pending current liability for VAT. VAT current account showed positive balance (advance payment) as of 30 June 2018.

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

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

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

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

10.13 Break up of L/C margin deposit:

Agrani Bank Ltd.	17,161,044	-
First Security Islami Bank Ltd.	24,764,000	-
Bank Asia Ltd.	-	4,531,258
IFIC Bank Ltd.	28,240,000	9,684,000
Social Islami Bank Ltd.	950,000	20,077,418
Mercantile Bank Ltd.	18,507,805	73,104,000
National Bank Ltd.	183,661,813	113,462,333
Trust Bank Ltd.	5,199,000	484,000
Shahjalal Islami Bank Ltd.	19,396,177	19,136,784
Southeast Bank Ltd.	22,574,636	22,657,982
Standard Bank Ltd	49,612,674	23,768,036
Total	**370,067,149**	**286,905,811**

10.14 Break up of Security Deposit:

Name of Company/ Party	Purpose	Amount in Taka 30-Jun-18	30-Jun-17
Titas Gas Co. Ltd.	Supply of GAS	46,349,117	39,508,967
DESA	Supply of Electricity	3,600,000	3,600,000
BTCL	Telephone line	125,000	125,000
Rent-A-Car	Transport support	723,083	828,083
Narayanganj Polli Bidyut Samity	Supply of Electricity	464,000	464,000
Comilla polly Biddut Samity-1	Supply of Electricity	2,534,400	-
CSD Filling Station	Gas filling for vehicle	75,000	75,000
Bangladesh Oxygen Ltd.	Supply of Oxygen	40,000	40,000
Telecommunication	Using sim card	1,000	85,562
REB	Supply of Electricity	-	2,534,400
Pacific Bangladesh Telecom Limited	Telecom Service	2,500	-
Ansar & VDP Munshigonj	Security Service	490,134	490,134
Aktel	Mobile Service	82,062	-
Different Institution	Tender purpose	3,129,236	1,600,381
Total		**57,615,532**	**49,351,527**

11.00 ADVANCE INCOME TAX

Opening balance		**495,946,126**	**378,373,534**
Add: addition during the year, on:		**149,775,463**	**117,572,592**
Import of raw materials and machineries		49,429,246	41,668,925
Interest income		299,599	72,056
Sales		96,911,355	73,215,611
License, renewal and registration		2,725,500	2,616,000
Others		409,762	-
Less: adjusted during the year	NOTE 26.01	(96,784,527)	-
Closing balance		**548,937,061**	**495,946,126**

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

11.02 Advance income tax paid has been setoff with provision for corporate tax to comply with IAS 1 and IAS 12 as and when the assessment is completed.

IAS 1.54 (b)

12.00 INTER COMPANY CURRENT ACCOUNT

	Amount in Taka 30-Jun-18	30-Jun-17
Bashundhara Airways Ltd.	155,965,589	63,611,789
Bashundhara Amusement Park Ltd.	18,703,585	12,592,985
Bashundhara Cement Industries Ltd.	20,118,436	31,218,436
Bashundhara Infrastructure Development Ltd.	3,281,222	3,281,222
Bashundhara Food & Beverage Industries Ltd.	63,265,831	178,138,254
Bashundhara Fine Paper Mills Ltd.	800,000	800,000
Bashundhara Industrial Complex Ltd.	(84,106,492)	(16,400,437)
Bashundhara Pulp & Board Mills Ltd.	1,371,500	(800,000)
Bashundhara Multi-paper Industries Ltd.	(251,048,649)	125,184,769
Bashundhara Steel & Engineering Ltd.	59,190,293	60,390,293
East West Media Group Ltd.	138,334,392	138,371,171
Meghna Cement Mills Limited	54,218,621	54,218,621
Sundarban Industrial Complex Ltd.	11,890,731	25,815,403
Total	**191,985,058**	**676,422,504**

12.01 Inter company receivables/ (payables) represents short term financial facility arrangement availed from/ given to its sister companies.

12.02 There was no formal agreement between the company and the sister concern in this regard.

12.03 All loans are Interest free. All receivables/(payables) will be recovered or paid within shortly.

		Amount in Taka	
IAS 7.45	**13.00 CASH AND BANK EQUIVALENTS**	**30-Jun-18**	**30-Jun-17**

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

Cash in hand	**18,669,814**	**41,288,541**
Cash at bank	**1,500,784,678**	**105,823,608**
Current deposit	1,439,001,744	77,900,866
Short term bank deposits (STD)	61,782,934	27,922,742
IAS 7.48 **Cash and bank balances in the statement of cash flows**	**1,519,454,492**	**147,112,149**

All bank balances are reconciled with bank statements.

IAS 1.54(j) **14.00 ASSETS HELD FOR SALE**

IFRS 5.41
IFRS 5.38

The Company plans to dispose of its PPWB plant that manufactures PPWB Bag and anticipates that the disposal will completed by forthcoming year. The company is currently negotiate with some potential buyers and the directors of the Company expect that the fair value less costs to sell of the business will be higher than the aggregate carrying amount of the related assets as at June 30, 2018. The major classes of assets at the end of the reporting period are as follows:

PPWB-1ply machine	292,382,390	-
PPWB-2ply machine	140,945,027	-
Stitching Machine	6,539,380	-
Air Compressor	1,173,552	-
Saco Tex Machine	4,862,680	-
	445,903,030	**-**

15.00 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

IAS 1.79 (a)(ii) ***Issued, subscribed & paid up:***

173,791,441 nos. ordinary shares of Taka 10 each issued and fully paid-up in cash.	1,737,914,410	1,477,497,750
Total	**1,737,914,410**	**1,477,497,750**

15.01 Movement of share capital:

Opening balance	1,477,497,750	1,477,497,750
Issuance of ordinary shares during the year	260,416,660	-
Closing balance	**1,737,914,410**	**1,477,497,750**

15.02 Position of shareholding

15.02.1 Percentage of Shareholders

Name of shareholders	30-Jun-18		30-Jun-17	
	Nos. of Shares	Percentages of holdings	Nos. of Shares	Percentages of holdings
Mr. Ahmed Akbar Sobhan	4,000,000	2.30%	3,783,000	2.56%
Mrs. Afroza Begum	5,885,200	3.39%	6,102,200	4.13%
Mr. Sadat Sobhan	8,203,000	4.72%	8,203,000	5.55%
Mr. Shafiat Sobhan	8,203,000	4.72%	8,203,000	5.55%
Mr. Sayem Sobhan	8,203,000	4.72%	8,203,000	5.55%
Mr. Safwan Sobhan	8,203,000	4.72%	8,203,000	5.55%
Mr. Md. Imrul Hassan	4,002,000	2.30%	182,000	0.12%
East West Property Development (Pvt.) Ltd. Represented by-Mr. Md. Nazmul Alam Bhuiyan	101,050,575	58.14%	104,870,575	70.98%
General public and institutions	26,041,666	14.98%	-	-
Total	**173,791,441**	**100%**	**147,749,775**	**100%**

SMART STOCK

15.02.2 Classification of shareholder's by holding range

	No of Share holders		No of shares	
	30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
1-500 shares	23,029	0	2,789,033	-
501 to 5,000 shares	3,667	0	6,192,333	-
5,001 to 10,000 shares	318	0	2,334,074	-
10,001 to 20,000 shares	156	0	2,262,924	-
20,001 to 30,000 shares	283	0	6,291,522	-
30,001 to 40,000 shares	30	0	1,031,844	-
40,001 to 50,000 shares	15	0	650,088	-
50,001 to 100,000 shares	19	0	1,283,285	-
100,001 to 1,000,000 shares	20	1	3,206,363	182,000
1,000,001 to 1,000,000,000 shares	7	7	147,749,975	147,567,775
Total	**27,544**	**8**	**173,791,441**	**147,749,775**

16.00 SHARE PREMIUM

	Amount in Taka	
	30-Jun-18	30-Jun-17
Opening Balance	-	-
Add: Addition during the year	1,739,583,292	-
Less: Adjustment during the year	-	-
Closing Balance	**1,739,583,292**	**-**

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

IAS 1.106(d)& IAS 1.106 A

17.00 REVALUATION RESERVE

Opening Balance	2,141,302,617	2,171,846,967
Add: Increase arising on revaluation of properties	-	-
Less: Transferred to retained earnings	(28,788,295)	(30,544,350)
Closing Balance	**2,112,514,322**	**2,141,302,617**

IAS 1.106(b), (d)

18.00 RETAINED EARNINGS

IAS 106 A

	30-Jun-18	30-Jun-17	
		Restated	Reported
Opening balance	1,268,373,494	854,088,596	854,088,596
Add: Profit attributable to the owners of the Company	693,640,238	385,131,071	385,131,071
Transferred from properties revaluation reserve	28,788,295	30,544,350	30,544,350
Less: Adjustment for current tax of prior years	(31,312,506)	-	-
Adjustment for deferred tax liability	-	(1,390,523)	-
Closing balance	**1,959,489,520**	**1,268,373,494**	**1,269,764,017**

IFRS 7.8 (f)

19.00 LONG TERM BORROWINGS

Bank loan:	**4,767,534,930**	**5,009,797,523**
LTR (long term)-Janata Bank Ltd.	278,574,371	330,260,902
Project Loan-Janata Bank Ltd.	727,433,067	868,739,738
Term loan-Southeast Bank Ltd.	723,840,277	1,240,225,739
Term Loan-Basic Bank Ltd.	518,715,792	577,415,127
Term Loan-Janata Bank Ltd.	-	195,908,063
Term loan-Mercantile Bank Ltd.	1,509,991,578	1,498,549,854
Term loan-National Bank Ltd.	-	152,897,867
Term loan-Trust Bank Ltd.	-	90,165,074
Term loan-Standard Bank Ltd.	1,008,979,845	55,635,158

MAR STOCK

		Amount in Taka	
		30-Jun-18	30-Jun-17
IAS 17.31 (b)	***Finance Lease obligation:***	**300,587,208**	**348,354,110**
	Islamic Finance & Investment Ltd.	53,245,697	27,559,191
	Phoenix Finance & Investment Ltd.	-	7,883,199
	GSP Finance Company (BD) Ltd.	212,213,251	52,216,501
	Shahjalal Islami Bank Ltd.	-	86,284,549
	Social Islami Bank Ltd.	3,872,688	18,105,482
	United Commercial Bank Ltd.	31,255,572	156,305,187
	Total Long Term borrowings	**5,068,122,138**	**5,358,151,632**
	Less: Current portion of long term borrowings	(1,243,949,246)	(1,406,953,250)
	Due after one year	**3,824,172,892**	**3,951,198,382**

19.01 The company has been forming working capital from its scheduled bank. Interest rates underlying all obligations under these borrowings are fixed at respective contract dates.

IAS 17.31 (b)

19.02 Finance lease liabilities:

Particulars	30-Jun-18	30-Jun-17
Not later than one year	169,591,146	354,395,042
Later than one year but not later than five years	168,841,454	69,803,786
Later than five years	-	-
	338,432,600	**424,198,828**
Less: Future finance charge	(37,845,392)	(75,844,718)
Present value of minimum lease payments	**300,587,208**	**348,354,110**
Included in the financial statements as:		
current borrowings	144,348,670	291,488,843
non-current borrowings	156,238,538	56,865,266
Total	**300,587,208**	**348,354,110**

19.03 The details of bank loan arrangement is enumerated below:

Institution	Particulars	
Janta Bank Limited	**Limit amount**	Project: Tk. 117.71 Crore; Project Block: Tk. 5.81 crore; LTR & LTR Block : 45.34 Crore
	Purpose	To establish and support the project.
	Security	Project land at Sonargoan, Narayanganj and plant & machineries
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Project Loan
	Validity	30.06.2022
Mercantile Bank Limited	**Limit amount**	Term loan: Tk. 206.37 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	29.06.2020
Standard Bank Limited	**Limit amount**	Term Loan Tk. 113.66 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	23.09.2020
Southeast Bank Limited	**Limit amount**	Tk. 142.32 crore
	Purpose	To retire import documents.
	Security	78,848.27 sft of level 1-8 (78,848 sft.) of BCDL and 1.9157 acres of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	28.03.2019

Institution	Particulars	
BASIC Bank Limited	Limit amount	Term loan: Tk. 54.52 crore
	Purpose	To meet working capital requirements.
	Security	2.1160 acres of land at Bashundhara R/A.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Term loan
	Validity	01.04.2022

19.04 The details of finance lease arrangement is enumerated below:

Institution	Particulars	
Islamic Finance & Investment Limited	Limit amount	Tk. 15.12 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	20.03.2023
GSP Finance Company (BD) Ltd.	Limit amount	Tk. 25.15 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	25.10.2020
United Commercial Bank Limited	Limit amount	Tk. 42 Crore
	Purpose	To import machinery.
	Security	44,200 sft floor at BCDL & 2.2334 acres of land at BRA projects.
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Hire Purchase
	Validity	28.06.2018
Social Islami Bank Limited	Limit amount	Tk. 3.80 Crore
	Purpose	To meet working capital.
	Security	1.3250 acres land at BRA projects.
	Interest rate	Fixed at respective contract dates.
	Mode of payment	Monthly installment
	Type of Facility	Hire Purchase
	Validity	31.10.2018

20.00 DEFERRED TAX (ASSETS) / LIABILITIES

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12: Income Taxes. The following is the analysis of deferred tax (assets)/liabilities presented in the statement of financial position:

	30-Jun-18	30-Jun-17	
		Restated	Reported
Opening balance	**1,355,892,166**	**1,380,390,477**	**1,378,680,413**
Provided during the year:	**(398,500,152)**	**(24,498,311)**	**(24,178,770)**
Deferred tax income	(78,672,841)	(30,494,626)	(29,445,015)
Deferred tax income resulting from reduction in income tax rate	(323,037,940)	-	-
Deferred tax expense	3,210,629	5,996,315	5,266,245
Adjustment made during the year	-	-	-
Closing balance	**957,392,014**	**1,355,892,166**	**1,354,501,643**

20.01

	Accounting base Carrying Amount	Tax base	Temporary Difference
Property, Plant and equipment	6,386,689,028	(3,409,586,200)	2,977,102,828
Difference for vehicle	(6,674,928)	-	(6,674,928)
Intangible assets	174,414,053	(153,329,285)	21,084,768
Pre-operating expenses	-	(62,982,111)	(62,982,111)
Net taxable temporary difference	**6,554,428,153**	**(3,625,897,597)**	**2,928,530,556**
Applicable tax rate			25%
Deferred tax liability-30 June 2018			**732,132,639**
Less: Deferred tax liability-30 June 2017			**1,130,632,791**
Adjustment to opening deferred tax liability resulting from deduction in tax rate @ 10%			**323,037,940**
Deferred tax expense/ (income) for the year			**(75,462,212)**

IAS 12.81(a), (g)

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

Year	Particulars	Opening balance	Recognized in profit & loss	Recognized in Other Comprehensive Income	Closing balance
30-Jun-18	Property, plant & equipment	1,152,712,023	(408,436,316)	-	744,275,706
	Difference for vehicle	(2,920,281)	1,251,549	-	(1,668,732)
	Intangible assets	4,044,985	1,226,207	-	5,271,192
	Pre-operating expenses	(23,203,935)	7,458,408	-	(15,745,527)
	Revaluation	225,259,375	-	-	225,259,375
	Total	**1,355,892,166**	**(398,500,152)**	-	**957,392,014**
30-Jun-17 Restated	Property, plant & equipment	1,183,206,649	(30,494,626)	-	1,152,712,023
	Difference for vehicle	(3,650,351)	730,070	-	(2,920,281)
	Intangible assets	-	4,044,985	-	4,044,985
	Pre-operating expenses	(24,425,195)	1,221,260	-	(23,203,935)
	Revaluation	225,259,375	-	-	225,259,375
	Total	**1,380,390,477**	**(24,498,311)**	**-**	**1,355,892,166**
30-Jun-17 Reported	Property, plant & equipment	1,177,846,234	(29,445,015)	-	1,148,401,219
	Intangible assets	-	4,044,985		4,044,985
	Pre-operating expenses	(24,425,195)	1,221,260	-	(23,203,935)
	Revaluation	225,259,375	-	-	225,259,375
	Total	**1,378,680,413**	**(24,178,770)**	**-**	**1,354,501,643**

20.03 Difference for vehicle

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

	Amount in Taka	
21.00 INTERCOMPANY PAYABLE	**30-Jun-18**	**30-Jun-17**
East West Property Development (Pvt.) Ltd.	554,954,865	238,383,761
Bashundhara LP Gas Ltd.	190,746,366	190,746,366
Total	**745,701,231**	**429,130,127**

IAS 1.60(b)

22.00 LONG TERM BORROWINGS-CURRENT PORTION		
Bank loan	1,099,600,576	1,115,464,407
Finance Lease obligation	144,348,670	291,488,843
Total	**1,243,949,246**	**1,406,953,250**

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

IAS 1.77

23.00 SHORT TERM BORROWINGS

	Amount in Taka	
	30-Jun-18	30-Jun-17
Bai Muazzal-Shahjalal Islami Bank Ltd.	427,251,033	407,646,344
Cash Credit - Agrani Bank Ltd.	316,151,994	294,077,056
Cash Credit - Janata Bank Ltd.	571,343,810	569,866,934
Cash Credit - National Bank Ltd.	1,243,214,486	1,243,299,012
CC (Hypo.)-Bank Asia Ltd.	133,821,300	152,005,440
CC (Hypo.)-United Commercial Bank Ltd.	-	157,589,331
Bai Muazzal Wes Bills-Shahjalal Islami Bank Ltd.	312,495,634	-
Bai Murabaha-First Security Islami Bank Ltd.	312,448,010	290,471,827
OD-Mercantile Bank Ltd.	107,496,279	102,385,310
LTR & Force loan- Standard Bank Ltd.	-	776,761,389
Time loan - United Commercial Bank Ltd.	77,200,865	-
Force loan - IFIC Bank Ltd.	853,482,863	63,975,063
LTR - National Bank Ltd.	13,671,859	-
LTR - Shahjalal Islami Bank Ltd.	208,187,908	107,576,187
Force loan - Social Islami Bank Ltd.	53,580,464	-
Force loan - Southeast Bank Ltd.	386,810,344	302,876,613
LATR -Southeast Bank Ltd.	304,668,641	-
Time - Mercantile Bank Ltd.	758,020,063	-
Demand loan - Bank Asia Ltd.	53,616,125	-
Force - Trust Bank Ltd.	9,212,806	-
UPAS - Bank Asia Ltd.	-	6,049,860
UPAS - National Bank Ltd.	1,059,855,453	83,652,286
UPAS - Southeast Bank Ltd.	370,926,864	455,815,642
UPAS - Shahjalal Islami Bank Ltd.	262,533,138	134,077,360
UPAS - Social Islami Bank Ltd.	-	306,933,978
UPAS - Standard Bank Ltd.	326,381,167	417,145,114
UPAS - Mercantile Bank Ltd.	217,483,499	1,258,345,000
UPAS - Trust Bank Ltd.	113,541,844	-
UPAS - IFIC Bank Ltd.	482,575,410	46,879,389
Total	**8,975,971,861**	**7,177,429,134**

23.01 Short term credit facilities available as at June 30, 2018:

The Company enjoys both funded and non funded short term working capital facilities with 12 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	7.6220 acres of project land at Meghnaghat, Sonargoan, Narayanganj & Plant & Machineries.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Cash Credit (CC) & L/C
	Validity	31.03.2019
National Bank Limited	**Limit amount**	CC(Hypo): Tk. 120 crore; LTR: Tk. 100 Crore; L/C 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	CC (Hypo) LTR & L/C
	Validity	28.02.2019
United Commercial Bank Ltd.	**Limit amount**	Time Loan Tk. 15 crore;
	Purpose	To meet working capital requirements.
	Security	44,200 sft. of BCDL, 223.34 decimal of land of BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	OD, CC (Hypo)
	Validity	20.09.2018

Name of Bank	Particulars	
Bank Asia Ltd.	**Limit amount**	OD: Tk. 15 Crore; LTR: Tk. 18 crore; Demand Loan Tk.5.36 Crore, L/C: Tk. 60 crore
	Purpose	To meet working capital requirements.
	Security	i) 7.2655 acres of land at BRA. Ii) Hypothecation of stock.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	CC (Hypo), LTR, Demand Loan & L/C
	Validity	30.12.2018
Shahjalal Islami Bank Ltd.	**Limit amount**	Bai-Muazzal: Tk. 40 Crore; LTR: Tk. 30 crore;WES Bill (Force Loan) Tk.42.73 Crore, Bank Guarantee: Tk. 5 crore; L/C: Tk. 100 crore.
	Purpose	To meet working capital requirements. Capital machinery purchase.
	Security	1.3250 acres of land at BRA. & 7.075 acres of project land at Anarpura, Gazaria, Munshigonj.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	Bai-Muazzal (TR); WES Bill L/C, Bank Guarantee & LTR
	Validity	31.07.2019
Janata Bank Limited	**Limit amount**	CC (Hypo): Tk. 56 crore; L/C: Tk. 22 Crore
	Purpose	To meet working capital requirements.
	Security	Hypothecation of stock; 7.3775 acres of project land at Anarpura, Gazaria, Munshigonj, 8.0861 acre land at BRA project; Stock under
	Interest rate	Fixed at respective contract dates.
	Type of Facility	CC Hypo and L/C.
	Validity	15.12.2018
Southeast Bank Limited	**Limit amount**	LTR: Tk. 160 crore; L/C (Sight/UPAS/ Deferred) Tk.525Crore; BG: 50 crore.
	Purpose	To retirement of shipping documents/ import of capital machinery.
	Security	78,848.27 sft of level 1-8 (78,848 sft.) of BCDL and 1.9157 acres of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	LTR, BG & L/C
	Validity	31.05.2019
Standard Bank Limited	**Limit amount**	Tk. 200 Crore
	Purpose	To retire import documents.
	Security	33,177 sift of level 16th, 17th, 18th of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C
	Validity	31.12.2018
Social Islami Bank Limited	**Limit amount**	L/C: Tk. 350 Crore, Force Loan Tk.5.36 Crore
	Purpose	To meet working capital requirements.
	Security	1.3250 acres of land at BRA.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C & Force Loan
	Validity	31.08.2019
IFIC Bank Limited	**Limit amount**	L/C: Tk. 150 Crore; Force Loan Tk.85.35 crore, BG: Tk. 5 Crore
	Purpose	To meet working capital requirements.
	Security	22,100 sift 11th & 19th floor of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C , Force Loan & BG
	Validity	31.01.2019
First Security Islami Bank Limited	**Limit amount**	L/C: Tk. 220 Crore.& OD 30 Crore
	Purpose	Importation of raw materials.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C
	Validity	31.07.2019
Trust Bank Limited	**Limit amount**	L/C Tk. 250 Crore & Force Loan 1 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	L/C
	Validity	26.11.2018
Mercantile Bank Limited	**Limit amount**	L/C Tk. 300 Crore; LTR: Tk. 120 crore; Time (Force Loan) Tk.75.80
	Purpose	Importation of raw materials and spare parts.
	Security	3 acres of land at BRA & Level 9 (14,431sft.) of BCDL.
	Interest rate	Fixed at respective contract dates.
	Type of Facility	L/C, LTR, OD & BG
	Validity	31.10.2018

IAS 1.77

24.00 TRADE AND OTHER PAYABLES

Trade Payable	NOTE 24.01	667,238,986	551,095,691
Other Payable	NOTE 24.02	644,677,573	575,989,279
Total		**1,311,916,559**	**1,127,084,970**

24.01 Trade Payables

Unit - 1	214,028,988	176,081,748
Unit - 2	76,624,036	63,882,028
Unit - 3	376,585,963	311,131,915
Total	**667,238,986**	**551,095,691**

IFRS 7.7

24.1.1 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)

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

IAS 1.77

24.02 Other Payable

		Amount in Taka	
		30-Jun-18	**30-Jun-17**
Bashundhara Multi-paper Industries Ltd.		-	81,727,215
Bashundhara Steel & Engineering Ltd.		-	437,468
Payable for advertisement		47,064,047	29,918,176
Payable for C & F bill		25,757,215	28,438,602
Payable for constructions expenses		86,449	901,979
Payable for consultancy		322,500	127,500
Payable for director remuneration		1,212,500	-
Payable for expenses		70,412,209	54,752,888
Payable for insurance premium		2,905,026	1,013,609
Payable for motor vehicle		2,285,495	1,891,553
Payable for office rent		2,383,450	2,277,500
Payable for provident fund		2,854,604	2,887,114
Payable for tax & VAT at source		21,655,988	8,852,290
Payable for transportation		819,180	1,130,024
Payable for workers' profit participation & welfare fund	NOTE 33.00	57,204,064	49,024,630
Payable to carrying contractor		58,270,184	50,268,321
Payable to contractors		3,862,902	3,862,901
Payable for Electric bill		949,156	1,166,315
Payable for Gas bill		180,817,710	144,363,299
Payable for Labor & wages		37,201,423	34,363,565
Payable for Salary and allowances		106,403,428	73,409,331
Unclaimed Subscription		17,085,042	-
Security deposit payable		5,125,000	5,175,000
Total		**644,677,573**	**575,989,279**

25.00 PROVISION FOR EXPENSES

Audit fees	287,500	287,500
Directors remuneration	-	2,250,000
Other expense	14,110,106	38,721,725
Finance Lease charges	8,581,979	-
Gas bill	-	4,737,760
Total	**22,979,585**	**45,996,985**

IAS 12.79

26.00 INCOME TAX PROVISION

Opening balance		297,029,058	65,472,020
Add: Current tax expense in respect of the current year		198,996,311	231,557,038
Less: Adjustment made during the year	NOTE 26.01	(65,472,020)	-
Closing balance		**430,553,348**	**297,029,058**

AMAR STOCK

26.01 *Income tax adjustment of prior years*

Income Year	Income Tax as per Accounts	Income Tax as per Assessment	Adjustment made		
			(Over)/under provision adjusted with retained earnings	AIT	Income tax provision
2015	31,312,507	62,625,013	31,312,506	62,625,013	31,312,507
2016	34,159,513	34,159,513	-	34,159,513	34,159,513
Total	**65,472,020**	**96,784,526**	**31,312,506**	**96,784,526**	**65,472,020**

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

Accounting year	Assessment year	Assessment Under Section of ITO 1984	Status	Tax Demand/ (Refundable)	Cumulative provision for current tax
2017-2018	2018-2019		Current Year	-	430,553,348
2016-2017	2017-2018	83(2)	Assessment is underway	134,699,453	297,029,058
2015-2016	2016-2017	83(2)/156/173/159	Assessment Completed	-	65,472,020
2015	2016-2017	83(2)/156/173/159	Assessment Completed	-	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

IAS 18.35 (b)(i)

27.00 REVENUE

	Amount in Taka	
	2017-2018	2016-2017

In accordance with the paragraph 8 of IAS-18: Revenue, amounts on behalf of third parties such as Value Added Tax (VAT) and Supplementary Duty (SD) 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		
Gross Sales	10,935,175,223	10,202,662,337
VAT	(486,520,332)	(515,593,183)
SD	(9,693,383)	(13,256,915)
Sales Local	**10,438,961,508**	**9,673,812,239**
Sales Export	382,134,573	330,266,403
Total	**10,821,096,081**	**10,004,078,641**

IFRS 8.23, 23(a)

27.01 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 year ended June 30, 2018 excluding VAT:

Products	UNIT-1	UNIT-2	UNIT-3	Total
Paper product	3,023,866,447	1,791,145,669	1,583,006,674	6,398,018,790
Tissue product	-	-	3,590,907,321	3,590,907,321
P.P. Woven Bag product	491,346,187	-	-	491,346,187
Paper Sack product	153,007,046	-	-	153,007,046
Hygiene product	-	-	301,895,879	301,895,879
Local Sales	**3,668,219,680**	**1,791,145,669**	**5,475,809,874**	**10,935,175,223**
Export Sales	146,284,855	21,424,192	214,425,526	382,134,573
Total	**3,814,504,535**	**1,812,569,861**	**5,690,235,400**	**11,317,309,796**

27.02	Revenue from export	In USD ($) 30-Jun-18	In USD ($) 30-Jun-17	In BDT 30-Jun-18	In BDT 30-Jun-17
	Paper product	3,106,823	2,857,084.54	260,041,069	230,252,443
	Tissue paper product	1,458,704	1,241,022	122,093,504	100,013,960
	P.P. Woven Bag product	-	-	-	-
	Hygiene product	-	-	-	-
	Total	**4,565,527**	**4,098,107**	**382,134,573**	**330,266,403**

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.

28.00	COST OF SALES		Amount in Taka 2017-2018	2016-2017
	Opening stock of finished goods		1,079,434,795	712,505,088
	Add: Cost of goods manufactured	NOTE 28.01	8,833,093,653	8,546,594,986
	Cost of goods available for sale		**9,912,528,449**	**9,259,100,073**
	Less: Closing stock of finished goods		(1,012,008,949)	(1,079,434,795)
	Cost of Sales		**8,900,519,500**	**8,179,665,278**

28.01	Cost of goods manufactured			
	Material Consumption		**6,248,078,600**	**6,093,279,578**
	Opening stock		2,237,011,068	1,645,651,663
	Add: Purchase during the year		6,634,990,751	6,684,638,984
	Less: Closing stock		(2,623,923,219)	(2,237,011,068)
	Factory overhead		**2,631,647,956**	**2,704,822,426**
	Salary and allowances		487,535,792	441,589,793
	Gas bill		681,380,571	674,088,691
	Electricity bill		24,530,251	33,182,399
	Labour and wages		395,934,070	450,180,724
	Repair and maintenance		157,966,331	199,521,620
	Other direct expenses	NOTE 28.02	108,968,944	205,645,570
	Depreciation	*Annex.-A*	775,331,998	700,613,629
	Add: Opening work in process		**728,391,007**	**476,883,988**
	Less: Closing work in process		**(775,023,910)**	**(728,391,007)**
	Total		**8,833,093,653**	**8,546,594,986**

28.02	Other direct expenses		
	Carriage inwards	12,638,574	87,859,606
	Conveyance	15,377,579	1,379,566
	Entertainment	4,554,674	1,042,788
	License, renewal and registration	518,137	1,686,780
	Office expense	6,367,504	8,094,997
	Office repair & maintenance	254,975	2,370,464
	Oil, fuel, CNG & lubricant	44,542,558	81,113,676
	Company's contribution to PF	10,230,381	10,538,880
	Insurance premium	6,303,504	4,729,724
	Postage, telephone and fax	1,788,527	355,278
	Rent, rates & taxes	3,286,188	2,933,325
	Stationery	99,342	2,930,100
	Packing & product development	2,197,444	-
	Utility bill	809,557	610,386
	Total	**108,968,944**	**205,645,570**

AMAR STOCK

28.03 Analysis of materials consumed

Category	Unit	Quantity		Value	
		30-Jun-18	30-Jun-17	30-Jun-18	30-Jun-17
Waste Paper & Pulp	MT	88,057	99,945	4,787,586,714	4,324,111,593
Chemicals	MT	5,673	6,358	483,042,850	480,660,890
PP Resin	MT	3,337	4,952	414,202,490	574,308,176
Kraft Paper	MT	899	1,651	73,241,788	129,194,859
Packing materials	Various	-	-	490,004,758	585,004,060
Total		**97,965**	**112,906**	**6,248,078,600**	**6,093,279,578**

28.04 Quantitative details of raw materials

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-18					
Waste Paper & Pulp	MT	21,926	92,981	88,057	26,851
Chemicals	MT	3,445	5,527	5,673	3,299
PP Resin	MT	979	2,359	3,337	(0)
Kraft Paper	MT	381	1,510	899	992

Description	Unit	Opening Stock	Purchase	Consumption	Closing Stock
30-Jun-17					
Waste Paper & Pulp	MT	16,510	105,361	99,945	21,926
Chemicals	MT	5,256	4,546	6,358	3,445
PP Resin	MT	959	4,971	4,952	979
Kraft Paper	MT	439	1,592	1,651	381

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

28.05 Quantitative details of finished goods

Description	Unit	Opening Stock	Production	Sales	Closing Stock
30-Jun-18					
White writing & printing	MT	5,999	24,693	27,218	3,474
Bidi paper	MT	1	1,096	1,071	26
BBS	MT	997	3,109	3,320	786
Coated paper	MT	522	8,674	8,305	891
Newsprint	MT	441	8,341	8,729	53
Carbon less coating paper	MT	175	1,409	1,501	83
Glassine paper/Color/Ledger	MT	-	103	103	-
Liner Paper	MT	250	-	5	246
White Liner Paper	MT	23	74	60	38
Packaging Paper	-	79	1,058	1,071	66
Simplex Paper	-	13	24	37	-
Sludge Board	MT	-	50	50	-
Duplex Board	MT	52	9	29	32
Tissue product	MT	1,473	17,182	17,428	1,228.01
Paper Sack	Pcs.	195,053	5,108,727	5,253,780	50,000
PP Woven Bag	Pcs.	287,837	23,267,688	23,555,525	-
Monalisa Sanitary Napkin	Pkt.	292,764	1,977,694	1,460,501	809,957
Tooth pick, cotton buds, straw	-	8,136	100,707	108,075	768
Baby Diaper	Pkt.	564,625	322,979	747,277	140,327
	Pcs.	451,878	1,146,785	1,232,588	366,075
Baby Diapant	Pkt.	-	1,782,590	1,560,975	221,615
Baby wet wipes	Cont.	-	109,169	72,036	37,133
Wet Tissue	Pkt.	118,357	394,495	507,668	5,184
Hand Gloves	Box	38,426	4,155	24,103	18,478

30-Jun-17					
Description	Unit	Opening Stock	Production	Sales	Closing Stock
White writing & printing	MT	3,447	23,822	21,270	5,999
Bidi paper	MT	5	1,511	1,515	1
BBS	MT	874	3,300	3,177	997
Coated paper	MT	258	6,267	6,002	522
Newsprint	MT	4	20,988	20,551	441
Carbon less coating paper	MT	100	1,782	1,707	175
Glassine paper/Color/ Ledger	MT	-	60	59.62	-
Liner Paper	MT	226	438	414	250
White Liner Paper	MT	20	142	139	23
Packaging Paper	-	89	69	78	79
Simplex Paper	-	13	-	-	13
Sludge Board	MT	-	96	96	-
Duplex Board	MT	76	35	59	52
Tissue product	MT	1,711	17,199	17,437	1,473
Paper Sack	Pcs.	50,440	8,690,571	8,545,958	195,053
PP Woven Bag	Pcs.	307,550	43,411,489	43,431,202	287,837
Monalisa Sanitary Napkin	Pkt.	458,150	4,529,222	4,694,608	292,764
Tooth pick, cotton buds, straw	-	8,136	409,932	409,932	8,136
Baby Diaper	Pkt.	992,975	19,600	447,950	564,625
	Pcs.	375,467	1,382,525	1,306,114	451,878
Hand Gloves	Box	40,292	9,108	10,974	38,426

			Amount in Taka	
29.00	OTHER INCOME		2017-2018	2016-2017
	Scrap sales & other recoveries		27,780	357,270
	Cash Incentive		55,263,240	-
	Interest income		2,996,029	719,295
	Total		**58,287,049**	**1,076,565**
IAS 1.97	**30.00 ADMINISTRATIVE EXPENSES**			
	Audit fee		287,500	287,500
	Amortization	*Annex.-B*	7,615,726	7,597,925
	Salaries and allowances		145,027,904	126,343,166
	Director remuneration		27,000,000	27,000,000
	Entertainment		3,223,962	2,446,175
	Insurance premium		11,856,895	7,404,987
	Advisory, legal and consultancy		483,200	1,559,000
	License, renewal and registration		6,342,335	7,081,558
	Fire Loss		-	12,760,452
	Rent and rates		14,056,985	14,400,000
	Office repair and maintenance		9,846,743	10,948,027
	IT & computer expense		687,983	1,465,929
	IPO Expense	NOTE 30.01	55,845,006	-
	Incidental loss of assets		33,521	-
	Postage, telegram and fax		2,419,699	1,973,016
	Company's contribution to PF		6,895,850	6,648,471
	Stationery		1,105,391	1,373,946
	Telecommunication expense		7,526,165	6,414,882
	Travelling and Conveyance		4,289,296	3,395,184
	Utilities		8,516,526	3,493,880
	Vehicle running and maintenance		5,773,876	5,033,935
	Vehicle oil, fuel & lubricant		5,848,356	6,778,082
	Vehicle rent		1,629,429	369,131
	Depreciation	*Annex.-A*	40,806,947	36,874,402
	Total		**367,119,296**	**291,649,647**

30.01 IPO Expense

	Amount in Taka	
	2017-2018	2016-2017
Issue Manager Fee	19,125,000	-
Post Issue Manager Fee	6,447,577	-
Register to Issue Fee	525,000	-
Underwriting Commission	3,800,000	-
Listing Fee	6,613,744	-
Consent Fee	8,000,000	-
Advertisement Expense	6,752,693	-
Prospectus Printing	1,229,650	-
CDBL Fee	1,130,125	-
Lottery conduction Expense	1,162,552	-
Road Show Expense	658,665	-
Data Transmission Fee	400,000	-
Total	**55,845,006**	**-**

30.02 Payment/Perquisites to Directors and Officers

The aggregate amount paid/provided during the period in respect of Directors and Officers of the Company is as

Particulars	30-Jun-18	30-Jun-17
Directors Remuneration	-	-
Managing Director Remuneration	18,900,000	18,900,000
Board Meeting fee	-	-
Total	**18,900,000**	**18,900,000**

30.03 Director Remuneration for the year

Name	Position held	Gross Remuneration	Income Tax Deducted	Net Paid
Mr. Ahmed Akbar Sobhan	Chairman	-	-	-
Mr. Md. Imrul Hassan	Director	-	-	-
Mr. Md. Nazmul Alam Bhuiyar	Nominated Director	-	-	-
Mr. Zeaur Rahman	Independent Director	-	-	-
Mr. Khawaja Ahmedur Rahma	Independent Director	-	-	-
Mr. Safwan Sobhan	Managing Director	27,000,000	8,100,000	18,900,000
Total		27,000,000	8,100,000	18,900,000

30.04 The Company paid remuneration in cash stating to Managing Director of the Company in the current year.

30.05 No money was given to any directors for rendering special services to the Company.

IAS 1.97

31.00 SELLING AND DISTRIBUTION EXPENSES

Salaries and allowances	136,912,408	58,872,372
Advertisement	23,793,771	15,353,571
Carriage outwards	39,165,711	31,652,767
Company's contribution to PF	92,400	81,730
Foreign Exchange gain/ loss	3,223,084	1,022,963
Commission on sales	16,452,794	2,972,662
Conveyance	1,511,022	-
Total	**221,151,189**	**109,956,065**

IAS 23.26(a)
IAS 1.82(b)

32.00 FINANCE COSTS

Interest on bank overdrafts and loans	822,588,875	740,634,685
Bank charges and commission	6,931,780	5,615,046
Interest on obligations under finance lease	40,928,915	53,940,444
Total financial expense	**870,449,569**	**800,190,175**
Less: Amounts included in the cost of qualifying assets	-	-
Total	**870,449,569**	**800,190,175**

IAS 1.104

33.00 WORKERS' PROFIT PARTICIPATION & WELFARE FUND

		Amount in Taka	
		2017-2018	2016-2017
Opening Balance		49,024,630	37,078,998
Add: Addition during the year	NOTE 33.01	26,007,179	31,184,702
Less: Paid during the year		(17,839,928)	(19,239,070)
Adjusted made during the year		12,183	-
Closing balance		**57,204,064**	**49,024,630**

33.01 Workers' profit participation & welfare fund for the year:

Profit before Workers' profit participation & welfare fund	520,143,575	623,694,041
Rate	5%	5%
Workers' profit participation & welfare fund for the year	**26,007,179**	**31,184,702**

IAS 12.79
IAS 1.82(d)

34.00 INCOME TAX EXPENSE

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

a. Current tax expense:	**198,996,311**	**231,557,038**
Current tax expense in respect of the current year	198,996,311	231,557,038
Adjustments recognized in the current year in relation to the current tax of prior year's	-	-
b. Deferred tax expense/ (income):	**(398,500,152)**	**(24,178,770)**
Deferred tax expenses recognized in the current year	(75,462,212)	(24,178,770)
Adjustments to deferred tax attributable to changes in tax rates and laws	(323,037,940)	-
c. Total income tax expense recognized in the current year (a+b)	**(199,503,842)**	**207,378,268**

As per the provisions of Finance Act 2018, applicable tax rate for the company has been reduced to 25% from 35% as a result of being listed with the stock exchanges. Such change in tax rate has resulted in a significant reduction in deferred tax provisions made in earlier years. This adjustment of deferred tax has been made Tk 323,037,940 recognised with income statement as per para-60 (a) of IAS-12. This is one of income and will not continue in future unless the company's tax rate is reduced.

IAS 12.81(c)

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

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

Accounting profit for the year	494,136,396	592,509,339
Less: Share of profit of equity	-	-
	494,136,396	**592,509,339**
Tax on accounting profits @ 25% (2016-17 @ 35%)	123,534,099	207,378,269
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	-	-
Effect of concessions (research and development and other allowances)	-	-
Impairment losses on goodwill that are not deductible	-	-
Effect of unused tax losses and tax offsets not recognized as deferred tax assets	-	-
Effect of previously unrecognized and unused tax losses and deductible temporary differences now recognized as deferred tax assets	-	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	-	-
Effect on deferred tax balances due to the change in income tax rate	(323,037,940)	-
Effect of unused tax credits	-	-
	(199,503,841)	207,378,269
Adjustments recognized in the current year in relation to the current tax of prior years	-	-
Income tax expense recognized in profit or loss	**(199,503,842)**	**207,378,268**

IAS 33.70

35.00 EARNINGS PER SHARE (EPS)

	30-Jun-18	30-Jun-17 Restated	30-Jun-17 Reported
Profit attributable to the Ordinary Shareholders	693,640,238	385,131,071	385,131,071
Weighted Average Number of shares	149,961,533	149,961,533	147,749,775
Basic Earnings Per Share considering one of income for changes in tax rate	**4.63**	**2.57**	**2.61**
Basic Earnings Per Share without considering one of income for changes in tax rate	**2.47**	**2.57**	**2.61**

35.01 Diluted Earnings Per Share

No diluted EPS was required to be calculated for the year since there was no scope for dilution of share during the year under review.

Profit attributable to the Ordinary Shareholders	693,640,238	385,131,071	385,131,071
Total Number of shares	173,791,441	173,791,441	147,749,775
Diluted Earnings Per Share considering one of income for changes in tax rate	**3.99**	**2.22**	**2.61**
Diluted Earnings Per Share without considering one of income for changes in tax rate	**2.13**	**2.22**	**2.61**

IAS 33.70(b)

35.02 Weighted average number of ordinary shares

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

Allotment of shares-existing	X	Days of utilization of shares / Days of whole year	=	147,749,775 X 365 / 365	147,749,775
Allotment of shares-existing	X	Days of utilization of shares / Days of whole year	=	26,041,666 X 31 / 365	2,211,758
Total weighted average number of shares outstanding during the year					**149,961,533**

35.03 Total Number of Ordinary Share outstanding

	Amount in Taka 2017-2018	Amount in Taka 2016-2017
Opening number of shares outstanding	147,749,775	49,535,590
Add: Ordinary shares issued during the year	26,041,666	98,214,185
Total	**173,791,441**	**147,749,775**

35.04 The calculation of the basic earnings per share is made in accordance with IAS 33: Earnings Per Share, dividing the profit for the year by weighted average number of the shares issued.

35.05 Basic Earnings represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

36.00 CAPITAL COMMITMENT

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

IAS 37.86

37.00 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

		Amount in Taka	
		2017-2018	2016-2017
	Letter of credit for importation of raw materials.	3,700,671,494	2,869,058,109
IAS 37.86(a)	VAT claimed which is under jurisdiction of Hon'ble Supreme Court.	20,752,670	20,752,670
IAS 37.86(a)	Claim of income tax against the company.	43,776,470	(34,427,585)
	Guarantees issued by the Company's scheduled bank to third parties on counter indemnities given by the Company.	178,568,928	215,423,836
	Claims against the Company acknowledge as debts.	-	-
	Total	**3,943,769,562**	**3,070,807,030**
	Capital commitment and Contingent liabilities	**3,943,769,562**	**3,070,807,030**

37.01 L/C (Sight/UPAS/Deferred) Liabilities

Agrani Bank Ltd.	171,610,440	-
First Security Islami Bank Ltd.	247,640,000	-
Bank Asia Ltd.	-	45,312,580
IFIC Bank Ltd.	282,400,000	96,840,000
Social Islami Bank Ltd.	9,500,000	200,774,180
Mercantile Bank Ltd.	185,078,054	731,040,000
National Bank Ltd.	1,836,618,131	1,134,623,330
Trust Bank Ltd.	51,990,000	4,840,000
Shahjalal Islami Bank Ltd.	193,961,766	191,367,840
South East Bank Ltd.	225,746,363	226,579,820
Standard Bank Ltd	496,126,740	237,680,360
Total	**3,700,671,494**	**2,869,058,110**

37.02 Bank Guarantee

Social Islami Bank Ltd.	26,748,930	77,003,840
Mercantile Bank Ltd.	600,000	600,000
Southeast Bank Ltd.	132,277,678	99,037,678
Standard Bank Ltd.	-	19,840,000
Shahjalal Islami Bank Ltd.	18,942,323	18,942,320
Total	**178,568,928**	**215,423,838**

IAS 37.86(a) 37.03 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.

38.00 STATEMENTS OF CASH FLOWS

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

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

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

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

38.01 Cash receipts from customers and others:

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

	Amount in Taka	
	2017-2018	2016-2017
Opening trade and other receivables	1,924,123,929	1,668,706,073
Add: Sales during the year	11,317,309,796	10,532,928,739
Closing trade and other receivables except receivable against machinery	(2,466,568,463)	(1,907,918,400)
Total	**10,774,865,262**	**10,293,716,412**

AMAR STOCK

38.02 Cash payment to suppliers, employees and others:

	Amount in Taka	
	2017-2018	2016-2017

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	6,634,990,751	6,684,638,984
Administrative expense	367,119,296	291,649,647
Workers' profit participation & welfare fund	26,007,179	31,184,702
Selling & distribution expense	221,151,189	109,956,065
Factory overhead	2,631,647,956	2,704,822,427
Increase/ (decrease) in material in transit	116,600,486	(243,198,937)
Increase/ (decrease) in Stores and spare parts	129,846,662	50,862,963
(Increase)/ decrease in trade payables and other payable	(184,437,647)	(275,127,172)
(Increase)/ decrease in provision for expense	14,435,421	(28,109,754)
Increase/ (decrease) in advance, deposit & prepayments	140,009,696	(27,675,709)
Adjustment for non-cash item:		
Accumulated depreciation	-	(20,361)
Property, plant & equipment	-	(12,740,091)
Incidental loss of assets	(33,521)	-
Amortization	(7,615,726)	(7,597,925)
Depreciation expense	(816,138,946)	(737,488,030)
Total	**9,273,582,796**	**8,541,156,807**

39.00 SEGMENT REPORTING

BPML essentially provides similar products and services to customers across the country and its products and services essentially have similar risk profile. BPML's business is not organized in product or geographical components and its operating result is reviewed as a whole by its management. Hence, segment information is not relevant. However, based on the business segment, segment result for the year ended June 30, 2018 and segment assets and liabilities as included in the internal management reports that are reviewed by the Board of Directors. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results is as follows:

	Particulars	2017-2018	2016-2017
IFRS 8.23, 23(a)	Revenue, net of VAT	10,821,096,081	10,004,078,641
	Cost of sales	8,900,519,500	8,179,665,278
	Gross Profit	**1,920,576,581**	**1,824,413,363**
	Assets and Liabilities		
IFRS 8.23, 28(c)	Segment Assets excludes Cash & Cash Equivalents	23,542,683,789	20,530,775,785
IFRS 8.23, 28(d)	Segment Liabilities excludes tax liabilities	17,082,083,388	15,493,685,015

40.00 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 **40.01 Loans to/from related parties:**

Name of related Companies	Relationship	Nature of transaction	30-Jun-18	Compensation
East West Property Development (Pvt.) Ltd.	Shareholder & Sister Concern	Long term Loan	(554,954,865)	Market Price
East West Media Group Ltd.	Sister Concern	Short term Loan	138,334,392	Market Price
Bashundhara Steel and Engineering Ltd.	Sister Concern	Short term Loan	59,190,293	Market Price
Bashundhara Multi-paper Industries Ltd.	Sister Concern	Short term Loan	(251,048,649)	Market Price
Bashundhara Infrastructure Development Ltd.	Sister Concern	Short term Loan	3,281,222	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Short term Loan	(84,106,492)	Market Price
Bashundhara Industrial Complex Ltd.	Sister Concern	Investment	265,000,000	Market Price
Bashundhara Cement Industries Ltd.	Sister Concern	Short term Loan	20,118,436	Market Price
Sundarban Industrial Complex Ltd.	Sister Concern	Short term Loan	11,890,731	Market Price
Bashundhara Food & Beverage Industries Lt	Sister Concern	Short term Loan	63,265,831	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	1,371,500	Market Price
Bashundhara LP Gas Ltd.	Sister Concern	Short term Loan	(190,746,366)	Market Price
Bashundhara Airways Ltd.	Sister Concern	Short term Loan	155,965,589	Market Price
Bashundhara Amusement Park Ltd.	Sister Concern	Short term Loan	18,703,585	Market Price
Meghna Cement Mills Limited	Sister Concern	Short term Loan	54,218,621	Market Price
Total			**(288,716,173)**	

The movement during the year under review is enumerated below:

Name of related Companies	Transaction during the year		30-Jun-18	30-Jun-17
	Provided	Adjusted		
East West Property Development (Pvt.) Ltd.	200,475,849	517,046,952	(554,954,864)	(238,383,761)
East West Media Group Ltd.	1,129,000	1,165,779	138,334,392	138,371,171
Bashundhara Steel and Engineering Ltd.	-	1,200,000	59,190,293	60,390,293
Bashundhara Multi-paper Industries Ltd.	321,779,290	698,012,708	(251,048,649)	125,184,769
Bashundhara Infrastructure Development Ltd.	-	-	3,281,222	3,281,222
Bashundhara Industrial Complex Ltd.	90,867,361	158,573,416	(84,106,492)	(16,400,437)
Bashundhara Industrial Complex Ltd.	-	-	265,000,000	265,000,000
Bashundhara Cement Industries Ltd.	-	11,100,000	20,118,436	31,218,436
Sundarban Industrial Complex Ltd.	4,375,328	18,300,000	11,890,731	25,815,403
Bashundhara Food & Beverage Industries Lt	10,000,000	124,872,423	63,265,831	178,138,254
Bashundhara Fine Paper Mills Ltd.	-	-	800,000	800,000
Bashundhara Pulp & Board Mills Ltd.	2,171,500	-	1,371,500	(800,000)
Bashundhara Airways Ltd.	99,344,483	6,900,000	156,056,272	63,611,789
Bashundhara Amusement Park Ltd.	8,937,770	2,827,170	18,703,585	12,592,985
Bashundhara LP Gas Ltd.	-	-	(190,746,366)	(190,746,366)
Meghna Cement Mills Limited	2,000,000	2,000,000	54,218,621	54,218,621
Total	**741,080,580**	**1,541,998,448**	**(288,625,489)**	**512,292,379**

40.02 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 IAS 24 : Related Party Disclosure.

Name of related Companies	Relationship	Nature of transaction	30-Jun-18	30-Jun-17
East West Property Development Ltd.	Shareholder/ Sister Concern	Trade payable/ receivable	3,323,941	1,131,669
Bashundhara Airways Ltd.	Sister Concern	Do	(790,913)	(118,249)
Bashundhara Amusement park Ltd.	Sister Concern	Do	2,708,821	855,964
Bashundhara LP Gas Ltd.	Sister Concern	Do	(372,001)	4,346
Bashundhara Logistics Ltd.	Sister Concern	Do	113,696	(1,240,734)
Bashundhara Oil & Gas Company Ltd.	Sister Concern	Do	33,000	33,000
Bashundhara Steel and Engineering Ltd.	Sister Concern	Do	-	437,468
Bashundhara Multi-paper Industries Ltd.	Sister Concern	Do	244,619,839	(347,327,088)
Bashundhara Pulp & Board Mills Ltd.	Sister Concern	Do	3,000	3,000
East West Media Group Ltd.	Sister Concern	Do	(100,638,215)	110,073,053
Sundarban Industrial Complex Ltd.	Sister Concern	Do	148,804	1,151,303
Meghna Cement Mills Ltd.	Sister Concern	Do	3,545,640	103,371,008
Bashundhara Cement Industries Ltd.	Sister Concern	Do	188,160	(2,318,000)
International Convention City Bashundhara	Sister Concern	Do	(1,117,098)	179,756
Bashundhara Food & Beverage Industries Ltd.	Sister Concern	Do	(4,823,386)	(7,004,412)
Bashundhara Infrastructure Development Ltd.	Sister Concern	Do	147,008	147,008
Bashundhara Industrial Complex Ltd.	Sister Concern	Do	132,799,355	123,944,760
Total			**279,889,651**	**(16,676,149)**

IAS 24.17 40.03 **Compensation of key management personnel during the year as follows:**

	Amount in Taka	
	2017-2018	2016-2017
Short-term benefits	27,000,000	27,000,000
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
	27,000,000	**27,000,000**

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

IAS 24.21 40.05 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 40.06 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 40.07 The remuneration of Directors is determined by the BOD having regard to the performance of the individuals and market trends.

41.00 EMPLOYEES

Number of employees whose salary below Tk 3,000 per month	-	-
Number of employees whose salary above Tk 3,000 per month	3,477	3,163
Total	**3,477**	**3,163**

42.00 CAPACITY & UTILIZATION

Machine production capacity and its utilization as on June 30, 2018 is as follows:

Product	Measure Unit	Annual Capacity	Actual Production	Capacity utilized
Paper & Tissue	MT	113,050	77,213	68%
Paper Section-Value addition	MT	34,308	16,282	47%
Paper Section-Printing Machine	PCS	18,900,000	12,368,963	65%
PPWB & Sack Bag	PCS	120,000,000	28,681,173	24%
Monalisa Sanitary Napkin	PKT	10,333,440	1,977,694	19%
Baby Diaper	PCS	53,913,600	10,326,123	19%
Baby Diapant	PCS	81,648,000	17,605,249	22%
Sludge Board	MT	1,667	814	49%
Hand Gloves	PCS	25,000,000	1,094,200	4%

43.00 NET ASSET VALUE (NAV) PER SHARE

	30-Jun-18	30-Jun-17 Restated	30-Jun-17 Reported
Total Assets	25,062,138,280	20,677,887,934	20,677,887,934
Less: Intangible Assets	(174,414,054)	(182,029,780)	(182,029,780)
Total Liabilities	(17,512,636,737)	(15,790,714,073)	(15,790,714,073)
Net Asset Value (NAV)	**7,375,087,490**	**4,705,144,080**	**4,705,144,080**
Weighted Average Number of Ordinary shares outstanding	149,961,533	149,961,533	147,749,775
Net Asset Value (NAV) Per Share	**49.18**	**31.38**	**31.85**

44.00 NET OPERATING CASH FLOW PER SHARE (NOCFPS)

Net Operating Cash Flows	884,204,968	1,101,598,434	1,101,598,434
Weighted Average Number of Ordinary shares outstanding	149,961,533	149,961,533	147,749,775
Net Operating Cash Flows per share	**5.90**	**7.35**	**7.46**

45.00 CASH FLOW FROM OPERATING ACTIVITIES (INDIRECT METHOD)

IAS 7.18(b)	Profit for the year	693,640,238	385,131,071
	Adjustment for:		
	Loss on disposal of assets	33,521	12,760,452
	Income tax expense recognized in profit and loss	(199,503,842)	207,378,268
	Finance cost recognized in profit and loss	863,517,790	794,575,129
	Amortization on intangible assets	7,615,726	7,597,925
	Depreciation of non-current assets	816,138,946	737,488,030
		2,181,442,379	**2,144,930,875**
	Movements in working capital:		
	(Increase)/decrease in inventories	(612,566,355)	(1,017,460,157)
	(Increase)/decrease in trade and other receivables	(564,888,124)	(239,212,328)
	(Increase)/decrease in advance, deposit and prepayment	(140,009,696)	27,675,709
	Increase/(decrease) in trade payables & other payables	184,437,647	275,127,172
	Increase/(decrease) in provision for expense	(14,435,421)	28,109,754
	Cash generated from operations	**(1,147,461,949)**	**(925,759,850)**
IAS 7.35	Income taxes paid	(149,775,463)	(117,572,592)
	Net cash (used in)/ generated by operating activities	**884,204,968**	**1,101,598,434**

46.00 DIRECTOR'S RESPONSIBILITY ON STATEMEMT

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

47.00 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.

48.00 RECEIVABLE FROM DIRECTORS

No amount is lying as receivable from the Directors.

49.00 FOREIGN REMITTANCES

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

50.00 EVENTS AFTER THE REPORTING PERIOD

50.01 The Board of Directors in it's meeting held on 23 October 2018 approved the financial statements of the company for the year ended 30 June 2018 and authorised the same for issue. The Board of Directors also recommended cash dividend @ 20% for the shareholders for the FY 2017-2018 which is subject to approval of the shareholders in the ensuing Annual General Meeting.

50.02 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.

AMAR STOCK

51.00 STATUS OF INCOME TAX ASSESSMENT

From the inception of the Company to the income Year 2015-2016 (Assessment year 2016-2017) 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
Assessment has completed	2015	2016-2017	-	83(2)/156/173/159
	2015-16	2016-2017	-	83(2)/156/173/159
Return submitted subsequently the DCT has completed the Assessment on 20 May 2018 against which the Company filled an appeal to the Commissioner (Appeals).	2016-17	2017-2018	134,699,453	83(2)

IAS 1.25-26, 122

52.00 GOING CONCERN BASIS OF ACCOUNTING

The financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet the mandatory repayment terms of the banking facilities as disclosed in Note 19, 22 & 23.

The Companies retained earning stand at Tk. 1,959,489,520 as on June 30, 2018 which includes Tk. 693,640,238 net profit after tax of for the year and, as at that date, current assets exceed current liabilities. Besides that the company has sustainable products, debts with excellent repayment records, bright operating cash flows, positive key financial ratios, reliability in payment of obligations, excellent corporate environment and employee satisfaction.

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

IFRS 7.31

53.00 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) 53.01 **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 year. Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis. More than 80 percent of the Company's customers have been transacting with the Company since long, and no impairment loss has been recognized against these customers. Trade and other receivable relate mainly to the Company's Wholesale customer. The Company's maximum exposure to credit risk at the reporting date is as follows:

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

IFRS 7.31, 33

a) Exposure to credit risk:

	Amount in Taka	
	30-Jun-18	30-Jun-17
Trade receivables		
Local customer	2,168,094,653	1,787,640,900
Foreign customer	25,552,986	110,697,071
Advance, deposit and prepayments	937,885,549	799,021,854
Due/ (payable) from/to inter companies	(553,716,173)	247,292,377
Cash and bank balances	1,519,454,492	147,112,149

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

Bangladesh	2,168,094,653	1,787,640,900
Asia	25,552,986	110,697,071
Europe	-	-
South America	-	-

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

Trade receivables		
0-90 days past due	1,747,348,670	1,556,555,436
90-180 days past due	414,403,014	328,654,131
above 180 days past due	31,895,955	13,128,404
	2,193,647,639	**1,898,337,971**

c) Credit exposure by credit rating:

Trade receivables	2,193,647,639	1,898,337,971
Advance, deposit and prepayments	937,885,549	799,021,854
Other receivables	296,771,245	25,785,958

Cash and Bank balances:			Amount in Taka	
			30-Jun-18	30-Jun-17
Cash in hand			18,669,814	41,288,541
Cash at bank:				
Bank name & branch	**Account No.**	**Credit Rating**	**1,500,784,678**	**105,823,607**
Agrani Bank Ltd., Principal Branch, Dhaka	CD: 11217-8	AAA	577	1,727
Al-Arafa Islami Bank Ltd., Motijheel Branch, Dhaka	CD-3059	AA	17,023	-
Bank Asia Ltd., Bashundhara Branch	CD: 404, 568, 569	AA2	23,840,176	13,969,705
Bank Asia Ltd., Principal Branch	CD: 00333005904	AA2	3,804	708,545
Basic Bank Ltd., Bashundhara Br.	STD: 057	B+	62,008	66,798
Dutch Bangla Bank Ltd., Bashundhara Branch	SND: 147.120.1895	AA1	7,005,782	2,175,678
Dutch Bangla Bank Ltd., Local Office	CD: 10111012348	AA+	10,130	110,580
First Security Islami Bank Ltd., Banani Branch	CD: 2215	A+	162,593	24,317

MAJR STOCK

			Amount in Taka	
			30-Jun-18	30-Jun-17
IFIC Bank Ltd., Kawranbazar Branch	CD: 313926-001	AA2	29,223,222	36,017
Islami Bank Bangladesh Ltd., Head Office Complex Br.	CD: 87816	AA+	385,136	1,775,572
Janata Bank Ltd., Helatola Branch, Khulna	CD:001039442	A+	3,332	3,332
Janata Bank Ltd., Janata Bhaban Corp. Br.	STD: 004001006	A+	999,770	2,079,367
Janata Bank Ltd., JBCB,Dhaka	CD: 001022542	A+	1,624,357	2,372,211
Janata Bank Ltd., JBCB,Dhaka	FC: 402000464	A+	6,156,900	17,144,459
Mercantile Bank Ltd., Main Branch, Dhaka	CD: 81042	AA	1,219,674	1,388,635
Mutual Trust Bank Ltd., Bashundhara City Br.	CD: 15608,1015, 156	AA	4,795,069	427,125
Mutual Trust Bank Ltd., Sonargoan Branch	CD: 10258,10427,10	AA	90,263	97,513
National Bank Ltd., Dilkusha Branch	CD: 233137485	AA	46,343,139	1,837,956
NCC Bank Ltd., Motijheel Branch	CD: 22785	AA	11,038	874
Premier Bank Ltd., Banani Branch	CD: 1604-0	AA+	3,565	3,565
Shahjalal Islami Bank Ltd., Gulshan Branch	CD: 4061	AA3	2,982,445	5,780,941
Social Islami Bank Ltd., Bashundhara Branch	CD: 1330000079	AA-	17,609,302	8,160,070
Social Islami Bank Ltd., Panthapath Branch	CD: 12885, 16735,16	AA-	21,734,254	4,620,764
Social Islami Bank Ltd., Sonargoan Branch	CD: 64,6459, 6718,6	AA-	735,779	2,127,057
Southeast Bank Ltd., Principal Branch, Dhaka	CD: 7935	AA	12,896	4,666,646
Southeast Bank Ltd., Principal Branch, Dhaka	FC: 0462	AA	372	9,118,295
Southeast Bank Ltd., Principal Branch, Dhaka	DAD Account-588	AA	42	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_BDT_197	AA	1,254,625,110	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_GBP_552	AA	1,390,840	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_Euro_774	AA	343,641	-
Southeast Bank Ltd., Principal Branch, Dhaka	IPO_USD_066	AA	15,350,561	-
Standard Bank Ltd., Principal Branch	CD: 00233009262	AA	3,568	24
Trust Bank Ltd., Senakallyan Bhaban Branch	CD: 0003-02100112(	AA2	37,547	68,796
Union Bank Ltd., Gulshan Branch	CD: 1623	A	486,701	13,121
United Commercial Bank Ltd., Bashundhara Br.	STD: 119/198	AA	60,721,156	25,776,576
United Commercial Bank Ltd., Gulshan Branch	CD: 1360	AA	2,792,907	1,267,343

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.

IFRS 7.31, 33 53.02 **Liquidity risk**

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

Non-derivative financial liabilities	Year	Carrying Amount	Contractual Cash Flows		
			Within 12 months	1 to 5 years	More than 5 years
Finance Lease	2017-18	300,587,208	144,348,670	156,238,538	-
Long term bank loan		4,767,534,930	1,099,600,576	3,667,934,355	-
Short term bank loan		10,219,921,107	10,219,921,107	-	-
Trade and other payables		1,311,916,559	1,311,916,559	-	-
Provision for expenses		22,979,585	22,979,585	-	-
Finance Lease	2016-17	348,354,110	291,488,843	56,865,266	-
Long term bank loan		5,009,797,523	1,115,464,407	3,894,333,116	-
Short term bank loan		8,584,382,384	8,584,382,384	-	-
Trade and other payables		1,127,084,970	1,127,084,970	-	-
Provision for expenses		45,996,985	45,996,985	-	-

IFRS 7.33

53.03 Market risk

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

a) Currency risk:

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

i) Exposure to currency risk:

	Amount in Taka	
Foreign currency monetary assets and liabilities:	**30-Jun-18 (U$D)**	**30-Jun-17 (U$D)**
Assets:		
Trade receivables	305,293	1,373,583
Cash at bank	73,559	212,737
Liabilities:		
Trade and other payables	-	-
Net exposure:		
The following significant average exchange rates are applied during the year:		
Exchange rate of US Dollar	$ 83.70	$ 80.59

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

A strengthening or weakening of the Taka, as indicated below, against the U$D at 30 June 2018 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:

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.

c) Other price risk:

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, 29(a)

53.04 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-18	
Assets carried at fair value through profit and loss	-	-
Held to maturity assets:		
FDR with banks	-	-
Loans on Receivables:		
Trade Receivables	2,193,647,639	2,193,647,639
Security deposit	57,615,532	57,615,532
Cash and bank balances	1,519,454,492	1,519,454,492
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	8,975,971,861	**N/A
Current portion of long term borrowing	1,243,949,246	**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)

54.00 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 year ended 30 June , 2018.

AMAR STOCK

BASHUNDHARA PAPER MILLS LIMITED

Schedule of Property, Plant & Equipment

As at 30 June 2018

Annexure-A

PARTICULARS	COST					DEPRECIATION				Written down value
	Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3		4	5=2+3+4	6	7	8	9=6+7+8	10=5-9
a) Based on Cost:	**9,043,400,307**	**1,052,898,881**	**485,383,427**	**(576,482,472)**	**10,005,200,142**	**3,155,631,434**	**784,979,269**	**(301,111,601)**	**3,639,499,101**	**6,365,701,041**
i) Own assets:	**7,586,340,292**	**1,001,648,881**	**485,383,427**	**811,101,043**	**9,884,473,642**	**2,581,297,573**	**669,931,188**	**340,763,383**	**3,591,992,144**	**6,292,481,498**
Land and land development	423,965,833	60,168,473	-	-	484,134,306	-	-	-	-	484,134,306
Plant and machinery	5,034,966,938	838,720,934	375,646,801	811,193,670	7,060,528,343	2,107,620,820	516,533,161	340,787,437	2,964,941,418	4,095,586,925
Office equipment	72,531,981	11,282,419	-	(67,027)	83,747,373	23,827,086	10,489,828	(16,739)	34,300,175	49,447,198
Furniture and fixture	32,994,182	811,459	-	-	33,805,641	11,171,897	2,824,208	-	13,996,105	19,809,536
Factory apparatus and loose tools	187,028,898	2,756,763	-	(25,600)	189,760,061	48,890,340	11,276,249	(7,314)	60,159,276	129,600,785
Motor Vehicles	409,721,509	45,026,552	-	-	454,748,061	132,864,406	63,433,907	-	196,298,312	258,449,749
Factory building and other constructions	1,370,838,326	41,884,351	109,736,626	-	1,522,459,303	229,552,987	58,274,178	-	287,827,165	1,234,632,137
Sundry assets	54,292,623	997,930	-	-	55,290,553	27,370,037	7,099,656	-	34,469,693	20,820,860
ii) Leased assets:	**1,457,060,015**	**51,250,000**	**-**	**(1,387,583,515)**	**120,726,500**	**574,333,861**	**115,048,080**	**(641,874,984)**	**47,506,957**	**73,219,543**
Plant and machinery	1,387,583,515	-	-	(1,387,583,515)	-	534,792,546	107,082,438	(641,874,984)	-	-
Motor Vehicles	69,476,500	51,250,000	-	-	120,726,500	39,541,315	7,965,642	-	47,506,957	73,219,543
b) Based on Revaluation:	**2,848,342,604**	**-**	**-**	**(4,627)**	**2,848,337,977**	**204,423,880**	**31,159,677**	**(3,471)**	**235,580,086**	**2,612,757,891**
Land and land development	2,107,635,598	-	-	-	2,107,635,598	-	-	-	-	2,107,635,598
Plant and machinery	115,322,533	-	-	(4,627)	115,317,906	63,401,871	9,718,984	(3,471)	73,117,385	42,200,521
Office equipment	1,733,807	-	-	-	1,733,807	945,934	144,497	-	1,090,431	643,376
Furniture and fixture	1,036,791	-	-	-	1,036,791	490,454	74,628	-	565,082	471,709
Factory apparatus and loose tools	4,160,493	-	-	-	4,160,493	1,463,204	219,376	-	1,682,580	2,477,913
Motor Vehicles	7,767,090	-	-	-	7,767,090	5,698,978	756,568	-	6,455,546	1,311,545
Building and other constructions	604,376,645	-	-	-	604,376,645	128,173,937	19,594,227	-	147,768,164	456,608,481
Sundry assets	6,309,647	-	-	-	6,309,647	4,249,501	651,398	-	4,900,899	1,408,748
Total (a+b)	**11,891,742,911**	**1,052,898,881**	**485,383,427**	**(576,487,099)**	**12,853,538,120**	**3,360,055,314**	**816,138,946**	**(301,115,072)**	**3,875,079,188**	**8,978,458,932**
Total (2016-2017)	**11,358,289,873**	**572,888,978**	**-**	**(39,435,939)**	**11,891,742,911**	**2,631,916,355**	**737,488,030**	**(9,349,071)**	**3,360,055,314**	**8,531,687,597**

Allocation of depreciation:

Administrative overhead @ 5%	40,806,947
Factory overhead @ 95%	775,331,998
Total	**816,138,946**

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	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	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:	**3,504,747,315**	**172,064,369**	**280,124,651**	**(746,471,646)**	**3,210,464,689**	**949,328,462**	**226,736,759**	**(300,419,484)**	**875,645,737**	**2,334,818,952**
i) Own assets:	**3,495,812,415**	**172,064,369**	**280,124,651**	**(746,471,646)**	**3,201,529,789**	**942,875,479**	**225,743,992**	**(300,419,484)**	**868,199,987**	**2,333,329,802**
Land and land development	208,133,275	40,630,413		-	248,763,688	-	-	-	-	248,763,688
Plant and machinery	2,251,142,558	79,145,473	280,124,651	(746,404,619)	1,864,008,063	719,095,564	166,983,029	(300,402,745)	585,675,848	1,278,332,215
Office equipment	43,270,073	3,671,511		(67,027)	46,874,557	11,880,050	3,674,134	(16,739)	15,537,445	31,337,113
Furniture and fixture	15,876,292	447,023		-	16,323,315	3,220,614	1,494,877	-	4,715,491	11,607,824
Factory apparatus and loose tools	166,336,585	135,600		-	166,472,185	40,138,360	9,110,196	-	49,248,555	117,223,630
Motor Vehicles	195,493,936	21,088,900		-	216,582,836	77,583,923	19,898,693	-	97,482,616	119,100,221
Factory building and other constructions	600,466,820	25,947,519		-	626,414,339	85,852,097	21,603,648	-	107,455,746	518,958,593
Sundry assets	15,092,875	997,930		-	16,090,805	5,104,870	2,979,416	-	8,084,287	8,006,518
ii) Leased assets:	**8,934,900**	**-**	**-**	**-**	**8,934,900**	**6,452,983**	**992,767**	**-**	**7,445,750**	**1,489,150**
Plant and machinery	-	-		-	-	-	-	-	-	-
Motor Vehicles	8,934,900	-		-	8,934,900	6,452,983	992,767	-	7,445,750	1,489,150
b) Based on Revaluation:	**856,042,639**	**-**	**-**	**(4,627)**	**856,038,012**	**55,337,544**	**8,386,008**	**(3,471)**	**63,720,081**	**792,317,931**
Land and land development	739,453,096	-		-	739,453,096	-	-	-	-	739,453,096
Plant and machinery	83,055,983	-		(4,627)	83,051,356	43,588,997	6,688,707	(3,471)	50,274,233	32,777,122
Office equipment	423,389	-		-	423,389	220,240	32,130	-	252,370	171,019
Furniture and fixture	354,654	-		-	354,654	164,813	25,356	-	190,169	164,485
Factory apparatus and loose tools	2,523,455	-		-	2,523,455	863,285	127,705	-	990,991	1,532,464
Motor Vehicles	6,493,899	-		-	6,493,899	4,832,977	640,228	-	5,473,205	1,020,694
Building and other constructions	21,226,067	-		-	21,226,067	3,853,459	592,840	-	4,446,299	16,779,768
Sundry assets	2,512,096	-		-	2,512,096	1,813,772	279,042	-	2,092,814	419,282
Total (a+b)	**4,360,789,954**	**172,064,369**	**280,124,651**	**(746,476,273)**	**4,066,502,701**	**1,004,666,006**	**235,122,767**	**(300,422,955)**	**939,365,817**	**3,127,136,884**
Total (2016-2017)	**3,994,387,123**	**403,319,694**	**-**	**(36,916,863)**	**4,360,789,954**	**795,525,633**	**217,091,255**	**(7,950,882)**	**1,004,666,006**	**3,356,123,948**

Allocation of depreciation:

Administrative overhead @ 5%	11,756,138
Factory overhead @ 95%	223,366,628
Total	**235,122,767**

BPML (UNIT-2)

Annexure-A.2

PARTICULARS	COST					DEPRECIATION				Written down value
	Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3		4	5=2+3+4	6	7	8	9=6+7+8	10=5-9
a) Based on Cost:	**1,857,091,713**	**49,857,469**	**22,971,109**	**(25,600)**	**1,929,894,691**	**866,973,629**	**149,933,070**	**(7,314)**	**1,016,899,384**	**912,995,307**
i) Own assets:	**1,857,091,713**	**49,857,469**	**22,971,109**	**(25,600)**	**1,929,894,691**	**866,973,629**	**149,933,070**	**(7,314)**	**1,016,899,384**	**912,995,307**
Land and land development	41,901,598	19,538,060		-	61,439,658	-	-	-	-	61,439,658
Plant and machinery	1,532,665,836	9,667,299	6,289,927	-	1,548,623,062	799,122,770	135,366,838	-	934,489,608	614,133,455
Office equipment	6,334,798	2,534,161		-	8,868,959	3,290,494	1,566,050	-	4,856,544	4,012,415
Furniture and fixture	2,122,061	45,000		-	2,167,061	1,167,746	197,639	-	1,365,385	801,676
Factory apparatus and loose tools	12,550,247	212,000		(25,600)	12,736,647	5,713,942	968,585	(7,314)	6,675,213	6,061,434
Motor Vehicles	10,932,537	1,924,117		-	12,856,654	3,173,911	2,305,111	-	5,479,022	7,377,632
Factory building and other constructions	229,572,076	15,936,832	16,681,182	-	262,190,090	41,463,082	7,479,260	-	48,942,341	213,247,749
Sundry assets	21,012,559	-		-	21,012,559	13,041,684	2,049,588	-	15,091,271	5,921,288
ii) Leased assets:	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Plant and machinery	-	-		-	-	-	-	-	-	-
Motor Vehicles	-	-		-	-	-	-	-	-	-
b) Based on Revaluation:	**1,173,870,582**	**-**	**-**	**-**	**1,173,870,582**	**92,047,006**	**14,011,331**	**-**	**106,058,338**	**1,067,812,245**
Land and land development	798,420,922	-		-	798,420,922	-	-	-	-	798,420,922
Plant and machinery	5,301,867	-		-	5,301,867	2,303,849	336,582	-	2,640,430	2,661,437
Office equipment	645,079	-		-	645,079	419,302	64,508	-	483,810	161,269
Furniture and fixture	47,843	-		-	47,843	28,273	4,349	-	32,622	15,221
Factory apparatus and loose tools	290,522	-		-	290,522	111,082	17,089	-	128,172	162,350
Motor Vehicles	-	-		-	-	-	-	-	-	-
Building and other constructions	366,026,540	-		-	366,026,540	87,144,925	13,275,023	-	100,419,947	265,606,593
Sundry assets	3,137,809	-		-	3,137,809	2,039,576	313,781	-	2,353,357	784,452
Total (a+b)	**3,030,962,295**	**49,857,469**	**22,971,109**	**(25,600)**	**3,103,765,273**	**959,020,635**	**163,944,401**	**(7,314)**	**1,122,957,722**	**1,980,807,552**
Total (2016-2017)	**3,018,866,492**	**14,614,879**	**-**	**(2,519,076)**	**3,030,962,295**	**785,899,201**	**174,519,623**	**(1,398,189)**	**959,020,635**	**2,071,941,661**

Allocation of depreciation:

Administrative overhead @ 5%	8,197,220
Factory overhead @ 95%	155,747,181
Total	**163,944,401**

BPML (UNIT-3)

Annexure-A.3

PARTICULARS	COST					DEPRECIATION				Written down value
	Opening balance	Addition	Transfer from CWIP	Adjustment/ Disposal	Closing balance	Opening balance	Depreciation	Adjustment/ Disposal	Closing balance	
1	2	3		4	5=2+3+4	6	7	8	9=6+7+8	10=5-9
a) Based on Cost:	**3,681,561,279**	**830,977,042**	**182,287,667**	**170,014,774**	**4,864,840,762**	**1,339,329,343**	**408,309,440**	**(684,803)**	**1,746,953,980**	**3,117,886,782**
i) Own assets:	**2,233,436,164**	**779,727,042**	**182,287,667**	**1,557,598,289**	**4,753,049,162**	**771,448,465**	**294,254,126**	**641,190,181**	**1,706,892,773**	**3,046,156,389**
Land and land development	173,930,960	-		-	173,930,960	-	-	-	-	173,930,960
Plant and machinery	1,251,158,544	749,908,161	89,232,223	1,557,598,289	3,647,897,217	589,402,485	214,183,295	641,190,181	1,444,775,962	2,203,121,255
Office equipment	22,927,110	5,076,747		-	28,003,857	8,656,542	5,249,645	-	13,906,187	14,097,671
Furniture and fixture	14,995,829	319,436		-	15,315,265	6,783,538	1,131,692	-	7,915,230	7,400,036
Factory apparatus and loose tools	8,142,066	2,409,163		-	10,551,229	3,038,038	1,197,469	-	4,235,507	6,315,722
Motor Vehicles	203,295,036	22,013,535		-	225,308,571	52,106,571	41,230,103	-	93,336,674	131,971,897
Factory building and other constructions	540,799,430	-	93,055,444	-	633,854,874	102,237,808	29,191,270	-	131,429,078	502,425,796
Sundry assets	18,187,189	-		-	18,187,189	9,223,483	2,070,652	-	11,294,135	6,893,054
ii) Leased assets:	**1,448,125,115**	**51,250,000**	**-**	**(1,387,583,515)**	**111,791,600**	**567,880,878**	**114,055,313**	**(641,874,984)**	**40,061,207**	**71,730,393**
Plant and machinery	1,387,583,515	-		(1,387,583,515)	-	534,792,546	107,082,438	(641,874,984)	-	-
Motor Vehicles	60,541,600	51,250,000		-	111,791,600	33,088,332	6,972,875	-	40,061,207	71,730,393
b) Based on Revaluation:	**818,429,383**	**-**	**-**	**-**	**818,429,383**	**57,039,330**	**8,762,338**	**-**	**65,801,668**	**752,627,715**
Land and land development	569,761,580	-		-	569,761,580	-	-	-	-	569,761,580
Plant and machinery	26,964,683	-		-	26,964,683	17,509,026	2,693,696	-	20,202,722	6,761,961
Office equipment	665,339	-		-	665,339	306,393	47,859	-	354,252	311,087
Furniture and fixture	634,294	-			634,294	297,368	44,923	-	342,291	292,003
Factory apparatus and loose tools	1,346,516	-		-	1,346,516	488,836	74,581	-	563,417	783,099
Motor Vehicles	1,273,191	-		-	1,273,191	866,001	116,340	-	982,341	290,850
Building and other constructions	217,124,038	-		-	217,124,038	37,175,554	5,726,364	-	42,901,918	174,222,120
Sundry assets	659,742	-		-	659,742	396,153	58,575	-	454,728	205,014
Total (a+b)	**4,499,990,662**	**830,977,042**	**182,287,667**	**170,014,774**	**5,683,270,146**	**1,396,368,674**	**417,071,778**	**(684,803)**	**1,812,755,649**	**3,870,514,497**
Total (2016-2017)	**4,345,036,257**	**154,954,405**	**-**	**-**	**4,499,990,662**	**1,050,491,521**	**345,877,153**	**-**	**1,396,368,674**	**3,103,621,989**

Allocation of depreciation:

Administrative overhead @ 5%	20,853,589
Factory overhead @ 95%	396,218,189
Total	**417,071,778**

BASHUNDHARA PAPER MILLS LIMITED

Schedule of Intangible Assets

at 30 June 2018

Annexure-B

PARTICULARS	COST				AMORTIZATION				Written down value
	Opening balance	Addition	Adjustment/ Disposal	Closing balance	Opening balance	Amortization	Adjustment/ Disposal	Closing balance	
1	2	3	4	5=2+3+4	6	7	8	9=6+7+8	10=5-9
1 SAP Software	189,147,070	-	-	189,147,070	7,565,883	7,565,883	-	15,131,766	174,015,304
2 CRM Software	480,635	-	-	480,635	32,042	49,844	-	81,886	398,749
Total	**189,627,705**	**-**	**-**	**189,627,705**	**7,597,925**	**7,615,726**	**-**	**15,213,652**	**174,414,053**
Total (2016-2017)	**189,627,705**	**-**	**-**	**189,627,705**	**-**	**7,597,925**	**-**	**7,597,925**	**182,029,780**

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
HC	High Court
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.
WPP & WF	Workers' Profit Participation and Welfare Fund

Bashundhara Paper Mills Ltd.

Registered Office: Plot-125/A, Road-2, Block-A, Bashundhara R/A, Dhaka-1229

Proxy From

I/We……..
.of……
…..
Being Member of Bashundhara Paper Mills Limited, hereby appoint……
of……
as my/our proxy to attend and vote for me/us on my/our behalf at the 25th annual General Meeting of the Company to be held on Wednesday, 19/12/2018 at 11:00 a.m and/or/ at any adjournment thereof.

As witness I/We put my/our hand this……day of……2018.

(Signature of the Shareholder)
Register Folio No./BO A/C No……
No. of shares held……

Signature on
Tk. 20/-
Revenue Stamp

Note: A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form duly completed must be deposited at the Registered Office of the company not later than 72 hours before the time fixed for the meeting.

Bashundhara Paper Mills Ltd.

Registered Office: Plot-125/A, Road-2, Block-A, Bashundhara R/A, Dhaka-1229

Folio No./BO A/C No……

Attendance Slip

I hereby record my attendance at the 25th ANNUAL GENERAL MEETING being held on Wednesday, 19/12/2018 at 11:00 a.m. in at "Rajdarshan" International Convention City Bashundhara (ICCB Hall no. 3), Bashundhara R/A, Dhaka-1229.

Name of member/proxy ……
……

Signature

NB: Please complete this attendance slip and hand it over in the counter at the entrance of the AGM venue.

AMAR STOCK

Bashundhara Paper Mills Ltd.
রেজিষ্টাড অফিস ঃ ১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আবাসিক এলাকা, ঢাকা-১২২৯.

প্রতিনিধি/প্রক্সি ফরম

আমি আমরা ----------(নাম)
ঠিকানা ----------

আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর সদস্য। আমরা/আমাদের প্রতিনিধি হিসেবে আগামী ১৯ ডিসেম্বর, ২০১৮ইং তারিখ, বুধবার, সকাল ১০ ঘটিকায় অনুষ্ঠিতব্য অত্র কোম্পানীর ২৫তম বার্ষিক সাধারণ সভায় এবং এর মুলতবী ঘোষিত সভায় আমার/আমাদের পক্ষে উপস্থিত থাকার এবং ভোট প্রদান করার জন্য নিম্নোক্ত প্রতিনিধিকে নিযুক্ত করিলাম ঃ

প্রতিনিধির নামঃ জনাব/জনাবা ----------
ঠিকানা ----------

অত্র প্রক্সি ঘোষনার স্বাক্ষ্য হিসেবে অদ্য ----------২০১৮ইং তারিখে আমি/আমরা সজ্ঞানে আমার/আমাদের স্বাক্ষর প্রদান করিলাম।

সদস্যের স্বাক্ষর ----------
সদস্য বিও আইডি/ফলিও নং ----------
ধারনকৃত শেয়ার সংখ্যা ----------

২০ টাকার
রেভিনিউ স্ট্যাম্প
সংযুক্ত করুন

Bashundhara Paper Mills Ltd.
রেজিষ্টাড অফিস ঃ ১২৫/এ, রোড-২, ব্লক-এ, বসুন্ধরা আবাসিক এলাকা, ঢাকা-১২২৯.

বিও আইডি/ফলিও নং----------

উপস্থিতি পত্র

আমি/আমরা বসুন্ধরা পেপার মিলস্ লিমিটেড এর ২৫তম বার্ষিক সাধারণ সভায়, যাহা অদ্য বুধবার, ১৯ ডিসেম্বর ২০১৮ইং তারিখে সকাল ১১:০০ ঘটিকায় "রাজদর্শন" বসুন্ধরা ইন্টারন্যাশনাল কনভেনশন সিটি (আইসিসিবি হল নং-৩), বসুন্ধরা আ/এ, ঢাকা-১২২৯ অনুষ্ঠিতব্য, আমরা/আমাদের উপস্থিতি লিপিবদ্ধ করিলাম।

সদস্য/প্রতিনিধির নামঃ ---------- ----------
স্বাক্ষর

বিঃ দ্রঃ- সাধারণসভায় যোগদানকারী সদস্যগণকে অনুরোধ করা যাচ্ছে যে, তাহারা যেন ব্যক্তিগতভাবে বা তাহাদের প্রতিনিধির মাধ্যমে সাধারণ সভাকক্ষে প্রবেশের পূর্বে এ উপস্থিতি পত্রটি পূরণপূর্বক জমা প্রদান করেন।

AMAR STOCK