

উন্নত দেশ গড়ার অঙ্গীকার



ANNUAL REPORT

2022-2023



PAPER PROCESSING AND PACKAGING LTD.
পেপার প্রসেসিং এন্ড প্যাকেজিং লিমিটেড
ISO CERTIFIED



ANNUAL REPORT 2022 - 2023

34TH ANNUAL GENERAL MEETING



PAPER PROCESSING & PACKAGING LTD.
পেপার প্রসেসিং এন্ড প্যাকেজিং লিমিটেড



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Concentration on Report

About report

To accumulate and disclose an independent, concise and true and fair view picture of this company in light of the corporate governance, regulatory compliance and strategic overview of the company is the prime aims of this report. This report also emphasized on the value-creation for long-term investors, but also provides appropriate information for all our other stakeholders.

Report period

The Annual Report 2022-2023 of Paper Processing and Packaging Limited has covered the period from 01 July 2022 to 30 June 2023. The report includes all the notable or material factor/events after mention period.

Report for

This Report has been prepared for the shareholders of Paper Processing and Packaging Limited. The report also contains comprehensive information and disclosures that meet the diverse information useful for the stakeholders and related obligations of all regulatory authorities as well. The report enables an opportunity for us to provide the material information and commentary thereon for the assessment of the year under review.

Reports focused

This report has been prepared as an integrated reporting process which has covered all the information / statements of productions and effective board and management systems. The report key focused area-

- Companies Act-1994;
- Corporate Governance Code;
- Listing Regulations- 2015;
- Information for Shareholders;
- Financial Performance;
- Business Overview;

This comprehensive set of information represents the sound governances in this company and the commitment of the Board of Directors, efficiency and professional attitude of management team as well as all employees who engaged their best efforts to achieve the organizational common goal.

Material factors

Retention of efficient workforces, contribution in national growth, financial performance, good governance practices and protect the interest of shareholders are the prime focused area of the material factor of the company. Concentrating on the material factors which includes those issues that could substantially affect to create value over the short and long-term integrated reporting process.

Disclosing all the material factors or information with best of our knowledge and transparency, this report may create a value addition for the long-term relationships with our stakeholders.



Access process to join 34th AGM Annual General Meeting

The valued shareholders can join/conduct in the virtual meeting via live webcast by using the link: <https://pppl.bdvirtualagm.com>. The access process of joining the virtual meeting is for the convenience of the shareholders from any location of the world.

Access	Question and Answer	Vote
Shareholders Login i. Click shareholder Tab ii. Enter BO ID/ Folio in the text box. iii. Enter number of shares held as of record date. iv. Click login.	PPP encourages shareholders to ask out anything as per the agenda to the board and management. The management will try to answer the questions as they come in.	Shareholder will be able to vote either in favor or against any agenda using the option of the tab. The votes shall be counted based on number of shares held by the shareholder. The voting result shall be published in real time at the time of approval on the specific agenda
Proxy Login i. Click Proxy Tab. ii. Enter BO ID of original shareholder. iii. Enter number of shares held by original shareholder. iv. Enter BO ID of proxy shareholder v. Enter number of shares held by proxy shareholder. vi. Click login.	The login link shall be opened before 72 hours from the time of the meeting for valuable comments and suggestion of the shareholders	

34th AGM Helpline

Md. Mustafizur Rahman
secretary@bdg.com.bd

Md. Emdadul Haque
emdadulhaque699@gmail.com

Md. Rashidul Haque
rashidkhan86@yahoo.com

**Address: Plot no. 314/A, Road no. 18, Block-E,
Bashundhara R/A, Dhaka-1229
Phone: 550 36456, 550 36457 Ex. 702, 703
Web: www.pppl.com.bd**



Company Profile

Paper Processing and Packaging Ltd. is one of the oldest paper Printing, Publication and Packaging projects in Bangladesh having experience in hi-tech printing and packaging. The company was incorporated in 1989. The company listed its securities with Dhaka Stock Exchange Ltd. in 1989. Over the years the company attained the status of market leader of paper Printing, Publication and Packaging industries. The company is committed to customer's satisfaction which enabled to grow and expand its operations significantly.

The company prints wide range of products such as all kinds of Books, Stationery and Offset Printing, Photocopy Paper, Register/ Dairy/Calendar, Magazine/Annual Reports including supply of waste paper. The company is now printing books of National Curriculum and Text Book Board in huge numbers.

The company has taken strategic steps to build on its market position through introduction of new products.



Vision, Mission, Objectives & Core Values

VISION	To strive for excellence and make a mark of distinction in the paper processing and packaging industry through delivery of excellent quality and value added products to the customers.
MISSION	To target to be the choice of quality for customers by offering quality products in terms of excellent and state-of-the-art paper processing, printing and packaging. The company practices business ethics both intra and inter firm with focus on whole family of shareholders, management, customers and suppliers.
OBJECTIVES	To conduct business operations effectively maintaining its transparency in the context of both legal and social framework towards achieving mission.
CORE VALUES	<ul style="list-style-type: none">➤ Long term relationship➤ Everlasting quality➤ Satisfaction➤ Transparency➤ Innovation



Transmittal Letter

December 12, 2023

The valued Shareholders of Paper Processing and Packaging Ltd.
Bangladesh Securities and Exchange Commission
Dhaka Stock Exchange Limited
Registrar of Joint Stock Companies & Firms

Subject: Annual Report for the year ended 30 June, 2023

Dear Sir(s)

We are pleased to enclose the notice of the 34th Annual General Meeting, copy(ies) of the Annual Report containing Directors' Report, Auditors' Report together with the Audited Financial Statements including Statement of Financial Position as on 30 June 2023, Statement of Comprehensive Income, Cash flows and Changes in Equity and other relevant Statements for the year ended 30 June 2023.

Yours sincerely,

Md. Mustafizur Rahman
Company Secretary



Notice of the 34th Annual General Meeting

Notice is hereby given that the 34th Annual General Meeting of Paper Processing and Packaging Ltd. will be held on Thursday, December 28, 2023 at 12:30 p.m. in Digital Platform to transact the following business:

Agenda:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2023 together with the Report of the Auditors thereon and the Report of the Directors;
2. To approve dividend for the year ended on 30 June 2023 as recommended by the Board of Directors;
3. To Elect/Re-Elect Directors of The Company;
4. To appoint Statutory Auditors for the year 2023-2024 and fix their remuneration;
5. To appoint Compliance Auditors for the year 2023-2024 and fix their remuneration.

By Order of the Board of Directors

Md. Mustafizur Rahman
Company Secretary

Place: Dhaka
Date: October 31, 2023

Notes:

- (i) Members, whose names will appear in the share register of the company or in the Members/Depository Register on the record date i.e. December 10, 2023, will be eligible to attend and vote in the Annual General Meeting (AGM).
- (ii) The proxy form must be affixed with requisite revenue stamp and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the meeting.
- (iii) The AGM will be conducted through Digital Platform in accordance with the order no SEC/SRMIC/94-231/25 dated July 08, 2020; directive no. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 and letter no. SEC/SRMIC/94-231/91 dated March 31, 2021 of Bangladesh Securities and Exchange Commission (BSEC).
- (iv) Link for Joining in AGM through Digital Platform will be provided through e-mails of shareholders which will be opened before 72 hours from the time (December 28, 2023 at 12:30 p.m.) fixed for holding the Annual General Meeting. Members can join the Virtual Annual General Meeting using their Laptop, PC, mobile or Tab providing their respective 16-Digit BO ID and No. of shares.
- (v) Pursuant to the BSEC Notification No. CMRRCD/2006-158/208/admin/81 dated June 20, 2018 Copy of Annual Report will be sent to the e-mail addresses of the shareholders linked with their BO Accounts. In case of non-receipt of the Annual Report of FY 2022-2023 of the Company sent through e-mail, shareholders may collect the same from the Company Affairs Department of the Company by a written request. The Annual Report will be uploaded on the company's website at <https://pppl.com.bd> on stipulated date. Virtual AGM link is <https://pppl.bdvirtualagm.com>.



Corporate Information

<p>BOARD OF DIRECTORS</p> <p>Chairman Mr. Mustafa Kamal Mohiuddin</p> <p>Managing Director Mr. Md. Mobarok Hossain</p> <p>Directors</p> <p>Mr. Mostafa Jamal Mohiuddin Mr. Md. Ali Hossain Munir Mr. ShafiqulAzam Khan</p> <p>Independent Directors Prof. Dr. Md. Rafiqul Islam Prof. Dr. Md. Abul Kalam Azad</p> <p>AUDIT COMMITTEE</p> <p>Chairman Prof. Dr. Md. Abul Kalam Azad (Appointed on 15-05-2023)</p> <p>Members Mr. Md. Mobarok Hossain Mr. Shafiqul Azam Khan</p> <p>NOMINATION AND REMUNERATION COMMITTEE</p> <p>Chairman Prof. Dr. Md. Rafiqul Islam (Appointed on 15-05-2023)</p> <p>Members Mr. Md. Mobarok Hossain Mr. Shafiqul Azam Khan</p> <p>COMPANY SECRETARY Mr. Md. Mustafizur Rahman</p>	<p>CHIEF FINANCIAL OFFICER Mr. Naimul Islam</p> <p>HEAD OF INTERNAL AUDIT Mr. Md. Shakhawat Hossain</p> <p>STATUTORY AUDITORS G. Kibria & Co. , Chartered Accountants</p> <p>CORPORATE GOVERNANCE COMPLIANCE AUDITORS M/S. Ashraf Uddin & Co., Chartered Accountants.</p> <p>LEGAL ADVISOR A Baset Majumder & Associates House No.-23, Road No.- 15, Block-D, Banani, Dhaka-1213</p> <p>BANKER Social Islami Bank Ltd. Principal Branch 15, Dilkusha C/A, Dhaka.</p> <p>REGISTERED OFFICE Plot No.-314/A, Road No. 18, Block- E, Bashundhara R/A, Dhaka-1229.</p> <p>FACTORY Sreerampur, Dhamrai, Dhaka</p>
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Milestones

<i>Date of Incorporation</i>	06 February, 1989
<i>Incorporation / Registration No</i>	C-18233(87)/89
<i>Certificate of Commencement of Business</i>	06 February, 1989
<i>Listing with Dhaka Stock Exchange Ltd.</i>	18 July, 1989
<i>Re Listing with Dhaka Stock Exchange Ltd.</i>	10 June, 2021
<i>Shifting to New Registered Office</i>	1 September, 2013
<i>Last Declaration of Dividend</i>	08 December , 2022
<i>Initiating Dematerialization of Shares</i>	28 January, 2015



DIRECTORS' PROFILE

MUSTAFA KAMAL MOHIUDDIN

Chairman

Mustafa Kamal Mohiuddin, Chairman, Paper Processing and Packaging Ltd., is one of the sponsor shareholder directors of the company. With skill, education, expertise and experience on printing publication, Paper converting, Paper Manufacturing, Garments sector and infrastructural development works he proved himself as a progressive entrepreneur. As the Chairman of Paper Processing and Packaging Ltd. he has been successfully working to develop the company. He is also the Chairman of the Company Boards of Bangladesh Monospool Paper Manufacturing Company Ltd., Magura Paper Mills and Pearl Paper and Board Mills Ltd. He is associated with good number of professional bodies including chambers, associations and forums.

MOSTAFA JAMAL MOHIUDDIN

Director

Mostafa Jamal Mohiuddin is a Director of Paper Processing and Packaging Ltd. He is one of the sponsor shareholder directors of the company. With education and experience on printing, publication, paper manufacturing, paper converting, and infrastructural development works Mr. Jamal is an entrepreneur with expertise in different realm of business for the last two decades. He is the Managing Director of Bangladesh Monospool Paper Manufacturing Company Ltd.

MD. ALI HOSSAIN MUNIR

Director – Nominated by Bangladesh Development Group Ltd.

Md. Ali Hossain Munir is a Nominated Director of Paper Processing and Packaging Ltd representing Bangladesh Development Group Ltd. Bangladesh Development Group Ltd. has nominated Md. Ali Hossain Munir, an expert in printing publication, Paper manufacturing, Paper Converting to promote and oversee business of Paper Processing and Packaging Ltd.

SHAFIQL AZAM KHAN

Director – Nominated by Bangladesh Development Group Ltd.

Mr. Shafiqul Azam Khan is a Nominated Director of Paper Processing and Packaging Ltd representing Bangladesh Development Group Ltd. Bangladesh Development Group Ltd. has nominated Shafiqul Azam Khan having experience on printing, publication, paper converting business, accounting and banking for better representation of Bangladesh Group Ltd. in the Board of Paper Processing and Packaging Ltd.



PROF. DR. MD. ABUL KALAM AZAD
Independent Director

Dr. Md. Abul Kalam Azad is a Professor and Dean of the Faculty of Marketing, University of Dhaka, Bangladesh. Professor Dr. Md. Abul Kalam Azad has been continuing as an Independent Director of Paper Processing and Packaging Ltd. since 14 February 2021 being nominated by Bangladesh Securities and Exchange Commission. He is the Chairman of the Audit Committee of the company from 15-05-2023. His association with the company has added prestige to the company and has already been proved contributory to its business promotion through implementing his creative modern business ideas.

PROF. DR. MD. RAFIQUUL ISLAM
Independent Director

Dr. Md. Rafiqul Islam is a Professor of the Department of Banking and Insurance, University of Dhaka, Bangladesh. Dr. Md. Rafiqul Islam joined Paper Processing and Packaging Ltd. as an Independent Director on 14 February 2021 being nominated by Bangladesh Securities and Exchange Commission. He is the Chairman of the Nomination and Remuneration Committee of the company from 15-05-2023. After his joining as Independent Director of Paper Processing and Packaging Ltd. he has been continuously contributing towards business development of the company. The company is being continuously benefitted through his association as its Independent Director.

MD. MOBAROK HOSSAIN
Managing Director

Mr. Md. Mobarok Hossain is the Managing Director of Paper Processing and Packaging Ltd. Mr. Md. Mobarok Hossain obtained his post graduation degree in Commerce. He is an expert having long experience in printing books, paper products, paper manufacturing and marketing the products the company. He is also an expert in Accounts, Income Tax and VAT. He is also a Director of Bangladesh Monospool Paper Manufacturing Company Ltd.



Board of Directors



Mustafa Kamal Mohiuddin
Chairman



Mustafa Jamal Mohiuddin
Director



Md. Ali Hossain Munir
Director



Shafiqul Azam Khan
Director



Prof. Dr. Abul Kalam Aazad
Independent Director



Prof. Dr. Md. Rafiqul Islam
Independent Director



Md. Mobarok Hossain
Managing Director



Message from the Chairman

BISMILLAHIR RAHMANIR RAHIM

HONORABLE SHAREHOLDERS,

Assalamu Alaikum

It is a great pleasure to extend a warm welcome to all of you for your kind presence in the 34th Annual General Meeting of Paper Processing and Packaging Limited for the year ended on June 30, 2023. I would like to take the opportunity to express my sincere gratitude and heartfelt thanks for your trust, confidence, persistent support, kind patronage and co-operation to the company throughout the year.

I am pleased to inform that the company has been able to keep strong position in all key areas covering sound management, good earning and market leadership in its field of business.

You would appreciate that the overall performance of the company was driven by positive revenue, satisfactory market shares, effective cost management and productivity initiative.

As per decision of Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) re-listed securities of the the company in the Regular Market on June 10, 2021 and DSE approved trading of the shares in the main market of DSE with effect from June 12, 2021. After resumption of share trading in DSE the company has been continuing its journey with constant growth in all parameters.

In the financial year 2022-2023 the company was successful in earning remarkable profit. The company earned net profit after tax amounting to Tk. 4,92,33,237/- in the year 2022-2023 compared to Tk. 4,82,33,033/- in the year 2021-2022.

It is good to know that an expected business performance during the year was possible due to the relentless efforts of the Management Team and proper guidance of our Board of Directors.

This gives confidence that the company can remain steadfast in its commitment for the valued shareholders.

I am delighted to note that the company kept commitment of dividend payment to its shareholders through recommending declaration of 12% cash dividend and 8% Stock Dividend in the 34th Annual General Meeting convened on December 28, 2023.



Paper Processing and Packaging Limited is well-respected for its transparency in corporate governance, due diligence in regulatory and legal instances. To uphold the growing reputation the Company has been maintaining both regulatory and voluntary governance practices. A detailed report on the governance aspects of the Company has been incorporated in the Annual Report, 2022-2023.

In this context, I would like to express my heartfelt thanks to BSEC, DSE including other regulators, members of the Board, respectable shareholders, valued clients, employees and well wishers for their persistent support and co-operation during the year and expect to keep on getting the same in future.

I also like to thank the members of the Management Team for their efforts and visionary thought in expediting and implementing company's strategy and unwavering support that enabled the Company emerge as a financially sound enterprise. I would like to recognize the dedicated and unflinching services of all the members of the company with deep appreciation in making the year 2022-2023 a success.

Mustafa Kamal Mohiuddin
Chairman



Directors' Report

DEAR VALUED SHAREHOLDERS,

AssalamAlaikum

We welcome you all in the 34th Annual General Meeting of Paper Processing and Packaging Ltd. It is our immense pleasure to present the Directors' Report together with the audited financial statements of the company for the year ended June 30, 2023. This report has been prepared in compliance with section 184 of the companies Act, 1994 and Bangladesh Securities and Exchange Commission Notification no. SEC/CMRRCD/2006-158/207 dated June 03, 2018.

PRINCIPAL ACTIVITIES

The principal activities of Paper Processing and Packaging Limited are printing of Text Books, Exercise books, Paper Converting, Photocopy Paper, Magazine, Annual Report, Dairy, Calendar, Poster, Brochures, Register, Office Stationery, Shopping Bags including trading of recycled paper. The project has equipment's capable of printing and converting good volume of products per annum.

INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT

The Printing, Converting and Packaging of paper and paper products market has been boosting up from the general rise in business activity and transactions, literacy growth, industrialization, environment impact issue as well as population growth in the country. The outlook of the industry is such that there is an underlying demand of the printed products and services in govt. and private sector. National Curriculum and Text Book Board (NCTB), Technical Education Board, Madrasha Education Board, Islamic Foundation, Hindhu welfare Trust, National University, Bangladesh Open Universities, other public/private universities, Election Commission, Bangladesh Bureau of Statistics, NGOs, Bangladesh Medical Research Council, other govt. & private offices and mass people are the main customers of the industry. On the basis of end use industry, the Printing paper market has been segmented as (1) Offset Printing and (2) Corrugated Printing for:

- Publications printing
- Security printing
- Commercial printing
- Educational printing
- Office Stationeries printing
- Printing for Mass people
- Printing for Export-oriented packaging



The country demand of the paper and paper products has not been fulfilled from the local industry set up. To meet the demand, import and international tender invitations being required. So, there is huge opportunity in domestic market to increase the market share.

The Printing, Converting and Packaging of paper and paper products has become a successful sector in Bangladesh and it has a great potential to become one of the country's foreign currency earners. According to the Export Promotion Bureau (EPB), paper product exports totaled USD 59.28 billion in the year 2022 with 33.57% increase from USD 44.39 billion in year 2021. The impact of globalization is directly felt in the field of Paper Manufacturing Industry, as exports have to comply with increasingly complex international standards and provisions, as well as target market specifications and requirements on safety, health, environmental protection and safe packaging. Moreover, international trade rules and regulations, as well as the concern of world bodies for environmental impact in terms of artificially done printing & packaging are changing drastically and rapidly. Increasing competition in the international market allows importers to take a very firm stand, requiring exporters from developing countries to either meet their demands or lose market share. In consideration of this fact, Bangladesh is observing a drastic positive turn in terms of demand of paper made items and packaging products both nationally and internationally.

With the growing realization on the importance of paper packaging, many manufacturers are investing in good quality paper making to enhance the quality of their products. With the export growth, particularly driven by RMG and frozen food products, the country has better opportunity for export of value added as well as fresh produce if packaged in a way that meets the international norms. However, since the economy of the country is unfolding in various dimensions, there is always a demand-supply gap which has become significant in recent years. If we look in to the General Index of Manufacturing prepared by Bangladesh Bureau of Statistics (BBS), it becomes quite distinct that the production of paper is increasing year on year.

Bangladesh has stepped into a new journey as it has qualified to graduate into a developing nation from a Least Developed Country (LDC). The country has met for the second time, all the three eligibility criteria for the graduation involving income per capita, human assets index and economic and environmental vulnerability index. Bangladesh is scheduled to officially become a developing country in 2026 as the UN committee recommended that the country should get five years instead of three, to prepare itself for the transition due to the impact of the COVID-19 on its economy. So, until 2026 the country will continue to enjoy the trade benefits as an LDC. The development came when Bangladesh geared up for celebrating the golden jubilee of its independence in 2021. The Company has been mostly contributing towards educating the nation through printing text books and different publications from primary education to higher education level.



It is mentionworthy that the Scheme of Amalgamation of Magura Paper Mills Ltd. with Paper Processing and Packaging Ltd. has been approved by the Hon'ble High Court. The company will increase its paid up capital from Tk. 10,44,96,000/- to Tk. 28,76,74,100/- towards fulfilling the condition of maintaining Tk. 30.00 crore paid up capital as a listing requirement through issuing shares of Tk. 18,31,78,100/- of Paper Processing and Packaging Ltd. to the shareholders of Magura Paper Mills Ltd. Bangladesh Securities Exchange Commission (BSEC) has been pleased to endorse the Order of the Hon'ble High Court.

BUSINESS PERFORMANCE

In the process of doing the business of paper processing and printing works the Company has followed modern business policies and adopted strategic moves to sustain in this competitive business environment. The company has been successful in maintaining satisfactory sales, turnover and profit. The different segments had continued satisfactory business performance during the year.

During the year 2022-2023, the company's net sale was Tk. 47,50,65,025/- which was Tk. 41,40,55,473/- in the last year. Net profit after tax stood at Tk. 4,92,33,237/- in the year ended on 30-06-2023 which was Tk. 4,82,33,033/- in the last year. During the year 2022-2023, Earnings per Share (EPS) of the company stood at Tk. 4.71 which was Tk. 4.62 in the year 2021-2022.

RELISTING OF THE SECURITIES OF THE COMPANY:

The securities of the company have been re-listed in the main market of DSE on June 10, 2021 with trading approval of its securities from June 12, 2022. Since then the shares are being traded in the Regular Market of DSE with satisfactory turnover.

DIVIDEND

The Board of Directors recommended 12% cash dividend and 8% stock dividend for the year ended on June 30, 2023 for declaration in the 34th Annual General Meeting of the company for approval of the general shareholders. Consent of BSEC has been received for issuing the Bonus Shares.

COST OF GOODS SOLD (COGS), GROSS PROFIT AND NET PROFIT MARGIN:

COGS of the company was Tk. 32,72,79,697/- in the current year compared to Tk. 27,09,75,507/- in the previous year. COGS to sales ratio was 68.89%. Gross profit stood at Tk. 147785328/- compared to Tk. 143079967/- in the previous year. Gross profit margin was 31.11% in 2022-23 compared to 34.55% in the year 2021-2022.

EXTRAORDINARY GAIN OR LOSS:

No events on extraordinary gain or loss occurred during the reporting period requiring adjustment or disclosure in the financial statements.



RELATED PARTY TRANSACTION:

All transactions with related parties are made on a commercial basis and the basis was the principle of “Arms Length Transaction”. Related Party Disclosures have been furnished at note no. 2.25.

UTILIZATION OF PROCEEDS FROM PUBLIC ISSUE:

This is not applicable for the company as there was no such event of collecting fund from public issues which would require adjustment or disclosure in the Annual Report.

VARIANCE WITHIN THE QUARTERLY FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS:

There was no event of significant variance between quarterly financial performances and Annual financial statements during the year under review.

FAIRNESS OF FINANCIAL STATEMENTS:

The financial statements together with the notes thereon have been drawn up in conformity with the International Accounting Standards/Financial Reporting Standards, companies Act, 1994 and Securities and Exchange Rules 1987. These statements present fairly the company’s state of affairs, the results of operations, cash flow and changes in equity

ROTATION OF DIRECTORS

There are 07 (seven) Directors in the Board of Paper Processing and Packaging Ltd. including two Independent Directors. Mr. Mostafa Jamal Mohiuddin and Mr. Shafiqul Azam Khan, Directors of the Company will retire by rotation in the 34th Annual General Meeting as per Article 83 and 84 of the Articles of Association and being eligible have offered themselves for re-election.

BOARD AND COMMITTEE MEETINGS AND ATTENDANCE

During the year 2022-2023 total 8 (eight) Board meetings, 4 (Four) Audit Committee Meetings and 01 (One) Nomination & Remuneration Committee Meeting were held. Details of the Board meetings, Audit Committee meetings and Nomination & Remuneration Committee meeting are shown at page 25 of the Annual Report. The Managing Director, Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit & Compliance (HIAC) were present in all Board meetings.

APPOINTMENT OF INDEPENDENT DIRECTOR

The Company has complied with the Corporate Governance Code, 2018 of the Bangladesh Securities & Exchange Commission with regard to appointment of Independent Directors to the Board. The Company has two Independent Directors namely Prof. Dr. Md. Rafiqul Islam, Prof. Dr. Md. Abul Kalam Azad who have been nominated by the Securities and Exchange Commission.



PATTERN OF SHAREHOLDING

The pattern of shareholding is shown in a separate page of this Annual Report. Shareholding status is also disclosed in Note No. 11 of the Audited Financial Statements.

CORPORATE GOVERNANCE

Paper Processing and Packaging Ltd. (PPP) is a company with transparency in corporate governance. Status of compliance with the corporate governance code (CGC) [as per condition no. 1(5) (xxvii)] status of compliance with the conditions imposed by the Commission's notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Report under condition no. 9) has been presented and annexed (Annexure-c) in this Annual Report. Besides, a note on Regulatory Compliances on several acts applicable for this industry is disclosed in the Note-2.01 of the Audited Financial Statements.

RISK AND CONTROL

The management of the Company has established an effective Internal Control System within the entity with a view to ensuring financial transparency and to minimize the scope of fraud, defalcation, misuse etc. The Company has a separate Internal Audit Department which is engaged in checking the efficiency and effectiveness of control system and developing the system throughout the year. The company has no internal risk because we have quality manpower, experienced management and prudent board. However, it has external risk factors like other companies. All the Risk factors including internal and external risks and their mitigation strategies have been incorporated separately in Management Discussion and Analysis Chapter in this Annual Report as per CG Code-2018.

GOING CONCERN

The Company Board is in the opinion that the company is a going concern. This is recognized through appropriate enquiries and analyses. The resources are adequate to support the business operations and that sufficient business opportunities exist to justify the organization as a going concern and the board of directors analyses the financial statements accordingly to ensure it. The financial statements are prepared on a going concern basis. This accounting principle is also disclosed in the Note- 2.00 of the Audited Financial Statements.

KEY OPERATING AND FINANCIAL DATA

The company's summarized key operating and financial data for the last five years are shown in a separate page in this Annual Report.

APPOINTMENT OF STATUROTY AUDITORS

G. Kibria & Co., Chartered Accountants, performed the auditing of financial statements of the company for the year ended on 30-06-2023. Pursuant to the section 210 of Companies Act 1994, the statutory auditors were appointed and audited the Financial Statements for



the current year. So, as per BSEC rules they are eligible for appointment. G. Kibria & Co., Chartered Accountants have applied to be appointed as statutory auditors of the company for the year to be ended on 30-06-2024.

The matter was placed to the audit committee who apprised the Board of Directors for placing the matter to the shareholders.

APPOINTMENT OF COMPLIANCE AUDITORS

M/S. Ashraf Uddin & Co., Chartered Accountants examined the compliance status to the Corporate Governance Code by company for the year ended on 30-06-2023 and provided us with Corporate Governance Certificate. M/S. Ashraf Uddin & Co., Chartered Accountants have offered themselves for re-appointment as Compliance Auditors of the company for the year 2023-2024. The matter was placed to the audit committee who apprised the board of directors for placing the matter to the shareholders for approval in the 34th AGM.

CORPORATE & FINANCIAL REPORTING

The Company has complied with the requirements of Corporate Governance Code-2018 as required by the Bangladesh Securities and Exchange Commission (BSEC):

Accordingly the Directors are pleased to confirm the following:

- (a) The financial statements together with the notes thereon have been drawn up in conformity with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) as applicable in the Bangladesh. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- (b) Proper books of accounts of the Company have been maintained.
- (c) Appropriate accounting policies have been consistently applied in the preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- (d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of financial statements.
- (e) The systems of internal control are sound and have been effectively implemented and monitored.
- (f) The company has carried on transactions with different parties in the normal course of business.
- (g) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.
- (h) There are no significant doubts upon the Company's ability to continue as a going concern.
- (i) The key operating and financial data for last five years is annexed.



ACKNOWLEDGEMENTS

The Board of Directors firmly believes that the company has necessary strengths, resources and commitment to further propel the company to newer heights.

The Company and its Board of Directors would like to extend its foremost regard and appreciation to the valued shareholders and other stakeholders of the Company for their persistent support and guidance to the company that led to the cumulative achievements. The Board also expresses their gratitude to the Government of Peoples' Republic of Bangladesh, National Board of Revenue (NBR), Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh Securities & Exchange Commission (BSEC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Ltd. (DSE), the company's bankers and other business partners for their cooperation, positive support and guidance. The Company also wishes to express its sincere appreciation to all the employees of Paper Processing and Packaging Ltd. for their contribution to the development of the Company.

For and on behalf of the Board of Directors,

Mostafa Jamal Mohiuddin
Director

Md. Mobarok Hossain
Managing Director



KEY OPERATING AND FINANCIAL DATA

Particulars	2023-2023 (Tk.)	2021-2022 (Tk.)	2020-2021 (Tk.)	2019-2020 (Tk.)	2018-2019 (Tk.)
Authorized Capital	60,00,00,000	60,00,00,000	25,00,00,000	25,00,00,000	25,00,00,000
Paid up Capital	10,44,96,000	10,44,96,000	10,44,96,000	3,36,00,000	3,36,00,000
Revenue	47,50,65,025	41,40,55,473	16,95,45,458	20,01,63,768	38,98,83,210
Cost of Goods Sold	32,77,79,697	27,09,75,507	(10,50,56,853)	(11,32,86,646)	(27,07,50,718)
Gross Profit	14,77,85,328	14,30,79,966	6,44,88,605	8,68,77,122	11,91,32,492
Net Profit/(Loss) before Tax	6,59,03,873	5,88,21,954	2,05,81,768	3,69,77,217	67,861,608
Net Profit/(Loss) after Tax	4,92,33,237	4,82,33,033	1,40,01,112	2,38,40,082	50,896,206
Non-Current Assets	38,27,25,085	37,45,58,571	36,41,77,873	30,76,08,364	31,79,16,788
Current Assets	59,97,07,469	51,89,51,569	45,49,77,157	44,85,49,146	38,44,15,282
Total Assets	98,24,32,553	89,35,10,140	81,91,55,030	75,61,57,510	70,23,32,070
Shareholders' Equity	37,09,48,100	33,00,66,965	29,22,75,673	28,21,58,884	25,82,25,640
Current Liabilities	35,39,54,272	39,90,63,787	30,62,41,709	25,38,13,859	25,66,26,497
Total Liabilities	61,14,84,454	56,34,43,175	52,68,79,357	47,39,98,625	44,41,06,430
Earnings Per Share (EPS)	4.71	4.62	1.34	7.10	15.15



SHAREHOLDING PATTERN

As per Condition No. 1(5) (xxiii) of CG Code-2018

Pattern of Shareholding as on 30 June 2023			
Name of the Shareholders	Status	Shares held	%
Directors, MD/CEO, CFO, CS , HIAC, and their Spouse and minor Children :			
Mr. Mustafa Kamal Mohiuddin	Chairman	13,09,716	12.53
Mr. Mostafa Jamal Mohiuddin	Director	2,96,072	2.83
Bangladesh Development Group Ltd.			
Represented by:			
1. Mr. Md. Ali Hossain Munir	Director	5,54,970	5.31
2. Mr. Shafiqul Azam Khan	Director		
Magura Group Ltd.			
Represented by:			
Mr. Md. Mobarok Hossain	Managing Director	5,21,306	4.99
Dr. Md. Rafiqul Islam	Independent Director	-	-
Dr. Md. Abul Kalam Azad	Independent Director	-	-
Advocate Md. Golam Kibria	Independent Director	-	-
EXECUTIVES			
Mr. Md. Mobarok Hossain	Managing Director	-	-
Mr. Md. Naimul Islam	Chief Financial Officer	-	-
Mr. Md. Mustafizur Rahman	Company Secretary	-	-
Mr. Md. Shakhawat Hossain	Head of Internal Audit	-	-
Mr. Md. Aatur Rahman	General Manager (Sales & Mktg.)	-	-
Mr. Md. Murad Alam	AGM (Production)	-	-
Mr. Protul Kumar	Manager (Tax & VAT)	-	-
Total Share Holdings by Directors		26,82,064	25.66%
PARENT/SUBSIDIARY/ASSOCIATED COMPANIES AND OTHER RELATED PARTIES			
Aribhab Multimedia Ltd.		8,708	0.09
Investment Consultant and Share Management Ltd.		17,416	0.17
Mr. Mohiuddin Ahmed		8,70,800	8.33
Mr. Md. Abu Baker Siddique		78,372	0.75
Total Share Holdings by Directors, Sponsors		36,57,360	35.00
Total Share Holdings by Others		67,22,240	65.00
Grand Total		1,04,19,600	100.00
Shareholders holding ten percent (10%) or more voting interest in the Company			
Mr. Mustafa Kamal Mohiuddin	Chairman	13,09,716	12.53

The pattern of shareholding status in other aspects is also depicted in Note No. 11.00 of the Audited Financial Statements.



**Paper Processing and Packaging Ltd.
Attendance of Board Meeting/Audit Committee Meeting/
Nomination and Remuneration Committee Meeting**

Name of Directors	Designation	Total Meeting	Meeting Attended
Mr. Mustafa Kamal Mohiuddin	Chairman	8	8
Mr. Md. Mobarok Hossain	Managing Director	8	8
Mr. Mostafa Jamal Mohiuddin	Director	8	7
Mr. Md. Ali Hossain Munir	Director	8	8
Mr. Shafiqul Azam Khan	Director	8	8
Prof. Dr. Md. Rafiqul Islam	Independent Director	8	8
Prof. Dr. Md. Abul Kalam Azad	Independent Director	8	8
Advocate Md. Golam Kibria	Independent Director	8	8

Audit Committee Meeting

Name of Directors	Designation	Total Meeting	Meeting Attended
Advocate Md. Golam Kibria	Independent Director	4	4
Mr. Mostafa Jamal Mohiuddin	Director	4	4
Mr. Md. Ali Hossain Munir	Director	4	4

Nomination & Remuneration Committee Meeting

Name of Directors	Designation	Total Meeting	Meeting Attended
Advocate Md. Golam Kibria	Independent Director	01	01
Mr. Mostafa Jamal Mohiuddin	Director	01	01
Mr. Md. Ali Hossain Munir	Director	01	01

Directors Meeting Attendance Fee

	Board Meeting		Audit Committee	NR Committee	Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Attendance	
Mr. Mustafa Kamal Mohiuddin Chairman	8	5000/-	-	-	40,000/-
Mr. Md. Mobarok Hossain Managing Director	8	5000/-	-	-	40,000/-
Mr. Mostafa Jamal Mohiuddin Director	7	5000/-	4	1/1	35,000/-
Mr. Md. Ali Hossain Munir Director	8	5000/-	4	1/1	40,000/-
Mr. ShafiqulAzam Khan Director	8	5000/-	-	-	40,000/-
Advocate Md. Golam Kibria Independent Director	8	5000/-	4	1/1	40,000/-
Dr. Md. Rafiqul Islam Independent Director	8	5000/-	-	-	40,000/-
Dr. Md. Abul Kalam Azad Independent Director	8	5000/-	-	-	40,000/-

** Audit Committee and Nomination & Remuneration Committee members do not receive any meeting attendance fee.



REPORT OF THE AUDIT COMMITTEE

For the year ended 30 June 2023

Under Condition No. 5(7) of the Corporate Governance Code as adopted on 03 June, 2018 by Bangladesh Securities and Exchange Commission (BSEC) Audit Committee in Paper Processing and Packaging Ltd. is a sub-committee of the Board of Directors, assists the board in fulfilling its oversight responsibilities.

The Audit Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The jurisdiction of the Audit Committee extends over the Company covering risk management with special emphasis on ensuring compliance with all applicable legislation and regulation.

Chairman : Advocate Md. Golam Kibria, Independent Director
Member : Mr. Mostafa Jamal Mohiuddin, Director
Member : Mr. Md. Ali Hossain Munir, Director
Secretary : Mr. Md. Mustafizur Rahman, Company Secretary

A total of 4 (four) meetings of the Audit Committee were held during the year. Company Secretary functioned as the Secretary to the Committee as per regulatory guidelines.

The detail responsibilities of Audit committee are well defined in the Terms of Reference (TOR). However, the major roles of the Audit Committee are mentioned below:

- (a) To review the quarterly and annual financial statements before submission to the Board for approval, adequacy of internal audit functions.
- (b) To oversee the financial reporting process, hiring and performance of external auditors;

The Audit Committee reports on its activities to the Board of Directors. Audit Committee also immediately reports to the Board of Directors on

- a) report on conflicts of interests,
- b) suspected or presumed fraud or irregularity or material defect in the internal control system,
- c) suspected infringement of laws, including securities related laws, rules and regulations,
- d) any other matter which shall be disclosed to the Board of Directors.

In connection with financial reporting, the Audit Committee reviewed the Company's financial statements. The Audit Committee concluded that all reported financial results have been presented in accordance with applicable rules.

On behalf of the Committee,



Advocate Md. Golam Kibria
Chairman of the Committee



Report of the Nomination & Remuneration Committee for the year ended on June 30, 2023

As per the requirement of the BSEC Code of Corporate Governance the Board of Directors of **Paper Processing and Packaging Ltd.** has constituted a Nomination & Remuneration Committee (hereinafter referred to as the “NRC”). The NRC is a sub-committee of the Board.

Composition of the Committee

The NRC consists of three Directors including one Independent Director. Independent Director is the Chairman of the Committee. The committee acts as per the terms and conditions of the Corporate Governance Code of BSEC. The Committee members are:

- | | |
|---|------------|
| 1. Advocate Md. Golam Kibria | : Chairman |
| 2. Mr. Mostafa Jamal Mohiuddin (Director) | : Member |
| 3. Mr. Md. Ali Hossain Munir, (Director) | : Member |

Company Secretary Md. Mustafizur Rahman acts as the Secretary of the Committee.

Major Role and Responsibilities of the Committee

- The Committee is an Independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company.
- The Committee discharges the responsibilities and acts as stipulated in the Terms of Reference (ToR) of the Nomination and Remuneration Committee adopted by the Board in line with the Corporate Governance Code 2018.

The activities of the NRC during the year were as follows:

- During the year Committee held a meeting. All the members including the Chairman of the Nomination & Remuneration Committee attended the meeting.
- Committee has reviewed the management’s proposals for the annual increment/ promotion/ enhancement of salary and renewal of contract appointments of senior management of the Company.

On behalf of the Committee,

Advocate Md. Golam Kibria
Chairman
Nomination & Remuneration Committee



MANAGEMENT'S DISCUSSION AND ANALYSIS

DEAR FELLOW SHAREHOLDERS,

Assalamu Alaikum,

It is a statutory requirement to apprise you about the business performance of the company with a brief discussion and analysis of financial statements.

As per condition No. 5 (xxv) of Corporate Governance Code dated 03 June, 2018 the Management Discussion and Analysis are being presented before you along with the company's position and operations together with a brief discussion of changes in the financial statements.

ACCOUNTING POLICIS AND ESTIMATIONS

As is applicable, we adhere to the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh, for our reporting framework, except the circumstances where the local regulations differ and supersede the standards. The following IASs and IFRSs are applicable for the financial statements for the year under review:

- IAS- 1 Presentation of Financial Statements
- IAS- 2 Inventories
- IAS- 7 Statements of Cash Flows
- IAS- 8 Accounting Policies and Changes in Accounting Estimates
- IAS- 10 Events After the Reporting Period.
- IAS- 12 Income Taxes
- IAS- 16 Properties, Plant & Equipment
- IAS- 23 Borrowing Costs
- IAS- 24 Related Party Disclosures
- IAS -32 Financial Instrument: Presentation
- IAS- 33 Earnings Per Share
- IAS- 36 Impairment of Assets
- IAS- 37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS -7 Financial Instruments: Disclosure
- IFRS -13 Fair Value Measurement
- IFRS - 15 Revenue from Contract with Customers

There are no changes in accounting policies and estimation, during the preparation of financial statement for the year ended on June 30, 2023.



COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE

Particulars	01 July 2022 to 30 June 2023	01 July 2021 to 30 June 2022	01 July 2020 to 30 June 2021	01 July 2019 to 30 June 2020	01 July 2018 to 30 June 2019
Turnover	47,50,65,025	41,40,55,473	16,95,45,458	20,01,63,768	38,98,83,210
Gross Profit	14,77,85,328	14,30,79,966	6,44,88,605	8,68,77,122	11,91,32,492
Net Profit Before Tax	6,59,03,873	5,88,21,954	2,05,81,768	3,69,77,217	67,861,608
Net Profit After Tax	4,92,33,237	4,82,33,033	1,40,01,112	2,38,40,082	50,896,206
Total Asset	98,24,32,553	89,35,10,140	81,90,70,330	75,60,72,809	70,23,32,070
Total Current Assets	59,97,07,469	51,89,51,569	45,49,77,157	44,85,49,146	38,44,15,282
Paid up Capital	10,44,96,000	10,44,96,000	10,44,96,000	3,36,00,000	3,36,00,000
No. of Shares	1,04,49,600	1,04,49,600	1,04,49,600	33,60,000	33,60,000
Shareholders' Equity	37,09,48,100	33,00,66,965	29,21,90,973	28,20,74,184	25,82,25,640
Total Current Liabilities	35,39,54,272	39,90,63,787	30,62,41,709	25,38,13,859	44,41,06,430
EPS	4.71	4.62	1.34	9.10	15.15
NAV per share	35.50	31.59	27.97	83.95	76.85
NOCFPS	(2.91)	0.95	2.76	9.51	30.93

Analysis of performance: The Company maintained positive performance in a good ratio in relation to turnover and profitability in the preceding five years.

RISK AND RISK MANAGEMENT PLAN OF THE COMPANY

Risk is integral part of every business. The risk landscape of the Company encompasses risk arising from Business operations, financial risks and other risks provided in the following risk areas, including but not limited to:

1. Production & Operational Risk
2. Financial Risk
3. Strategic Risk
4. Business Risk
5. Marketing Risk
6. Credit Risk
7. Human Resources Risk
8. Reputation Risk
9. Regulatory Risk

The company uses Risk Management as a strategic tool to protect itself from various potential and existing risks pertaining to all the stakeholders in its business operations. Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company are furnished below:



RISK	MITIGATION STRATEGIES
PRODUCTION & OPERATIONAL RISK	<ul style="list-style-type: none"> • Being a manufacturer the company has production risk always. Aiming so the management preserve one month's Raw Material at least as inventory to continue uninterrupted production. The management of the company also focuses on full production of the factory for high profit against lower production cost. • Production, marketing, Credit and liquidity risk are considered while operational strategies are set – <ul style="list-style-type: none"> - Mitigating rising labor cost - Planning for supply chain pricing shocks - Investing and applying business intelligence tools • The company aims to create and sustain shareholder value to execute its business Strategies. • The company maintains a formal enterprise-wide operational risk management framework that emphasizes a strong risk management.
FINANCIAL RISK	<ul style="list-style-type: none"> • Interest rate risk is managed within company's asset vs. liability management process and controlled via interest rate sensitivity limits. • Inflation is related with raw material purchase as well • Following strategies are considered while taking decision of financing- <ul style="list-style-type: none"> - Evaluating debt options - Considering interest limitation and tax policy implications - Assessing traditional vs. non-traditional lenders <p>Interest rate</p>
STRATEGIC RISK	<ul style="list-style-type: none"> • Strategies and operating performance are assessed regularly by the Board along with MD and the top management. • Operating, financial and strategic business information are reviewed. • Business strategies and key initiatives and ensuring alignment between business-level and enterprise-level strategies are considered. <p>Once the strategy is set, it is implemented throughout the year.</p>
BUSINESS RISK	<ul style="list-style-type: none"> • The company maintains a number of policies and practices to manage business risk. • Sound product design is considered as an essential element. • The Company also manages risk through effective business strategies, ongoing monitoring of experience, and stress-testing scenario analysis
MARKETING RISK	<ul style="list-style-type: none"> • Following strategies are followed to meet this type of risk: <ul style="list-style-type: none"> - Assessing logistic cost and resources - Managing inventory - Monitor sales volume and marketing policies warehouse
CREDIT RISK	<p>All receivables are reviewed on a monthly basis and recoveries made on time.</p>



HUMAN RESOURCES RISK	<p style="text-align: center;">For High Turnover Ratio</p> <ul style="list-style-type: none"> • Analysis on worker and staff turnover is reviewed by the Management and the Board. • Employee surveys are carried out on a periodic basis. <p style="text-align: center;">For Retaining skilled worker and talented staff</p> <ul style="list-style-type: none"> • Addressing Labor issues • Accommodating flexible work arrangement • Wages and remuneration packages are aimed to attract skilled worker and qualified & talented staff. • Wages and Salary surveys are conducted periodically to ensure competitive salaries. • Regular Management meetings and distribution management meetings are conducted to convey the key decisions taken at the top management level and to communicate what is happening in the Company to all members of the Management Team
REPUTATIONAL RISK	<ul style="list-style-type: none"> • Company’s Reputational Risk Management Policy is approved by the respective committee of the Board. • The Company also has defined and documented processes to approve new products and new business. These processes involve committees with representation from the businesses and control functions, and include consideration of all aspects of a new product, including reputational risk.
REGULATORY RISK	<ul style="list-style-type: none"> • The Company Secretary works as the Chief Compliance Officer provides an annual compliance and governance report to the Audit Committee of the Board stating the results of the annual process and setting out an opinion on the strength of the governance framework and regulatory risk management at the company. • Communicating and advising on compliances by the Board and top management of the Company. • Legal requirements and emerging compliance are analyzed by the Corporate Affairs Department. • Reporting significant issues and findings to senior management and the Board

FUTURE PLAN

It is expected that with the valued suggestions of the Board of Directors, the Shareholders and relentless efforts and dedicated services of the employees, the Company will be able to upgrade the position during the remaining period of the year. Prudent and Judicious financial management combined with stringent austerity measures by all concerned is also warranted to improve the profitability and viability of the company.

We also like to thank the members of the Board and Management Team for the commitment in expediting and implementing the company strategy and unwavering support that enabled the Company emerge as a financially sound enterprise. We would like to recognize the dedicated and unflinching services of all the members of the company with deep appreciation.

Thanking you

One behalf of the Management

Md. Mobarak Hossain

Managing Director



Annexure - A

Annexure-IV
[As per condition No. 1(5) (xxvi)]
DECLARATION BY CEO AND CFO

October 31, 2023

The Board of Directors
Paper Processing and Packaging Ltd.

Plot No.-314/A, Road No. 18,
Block- E, Bashundhara R/A,
Dhaka-1229

Subject: **Declaration on Financial Statements for the year ended on 30 June 2023**

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 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Paper Processing and Packaging Ltd. for the year ended on 30 June, 2023 have been prepared in compliance 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 the 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 June 2023 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,

Md. Mobarok Hossain
Managing Director

Naimul Islam
Chief Financial Officer (CFO)





REPORT ON COMPLIANCE & GOVERNANCE

HONORABLE SHAREHOLDERS,

ASSALAMUALIKUM.

On behalf of the Management, I am pleased to report to you about the compliance and governance of the company and welcome you all at the 34th Annual General Meeting of Paper Processing and Packaging Ltd.

Bangladesh Securities and Exchange Commission (BSEC) streamlined the corporate governance code and repealed the existing corporate governance guideline on June 10, 2018 in order to enhance the corporate governance in the interest of the investors and the capital market. Listed Companies shall comply in accordance with the condition stipulated in the code. The management of the company is always aware to ensure a continued commitment for getting the essence of sound corporate governance. Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- The Companies Act-1994
- Corporate Governance Code of BSEC-2018
- Listing Regulations -2015 of both DSE and CSE
- BSEC Rules 1969 and 1987
- Other applicable rules and regulations issued by BSEC, DSE and CSE
- Standards of Business Conduct,
- Policies and Guidelines of the Company
- Statement of Risk Management and Internal Control of the Company
- Statement of Delegated Authorities of the Company
- Laws of the land and
- Local and global best practices.

Corporate Governance clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. A good corporate reputation is the most valuable and competitive asset of a company. Paper Processing and Packaging Ltd. believes in the continued improvement of corporate governance. The Board of Directors and the Management Team of Paper Processing and Packaging Ltd. is committed to maintaining effective Corporate Governance through accountability, fairness, transparency and responsibility.

Board of Directors

The Board of Directors comprises of 08 (Eight) members including 3 (three) Independent Directors. All Directors have sound knowledge in the area of paper manufacturing industry, managerial expertise and sound academic and professional knowledge. They are well



conversant with corporate governance. The Board of Directors is appointed by the Shareholders in the Annual General Meetings who are accountable to the Shareholders.

Appointment of Independent Director

The Board of Directors of the company appointed Independent Directors in compliance with the Corporate Governance Code -2018. In selecting Independent Director, the Company always looked for individuals who possess experience, strong inter personal skills and independence. An Independent Director is considered by the Board to be independent of the Company and free of any business or other relationship that could interfere with the exercise of his independent judgment. The Board believes that their experience and knowledge assists in providing both effective and constructive contribution to the Board.

The Role of the Chairman and Managing Director

Position of the Chairman and Managing Director/CEO are clearly defined. The Chairman is responsible for leading the Board and its effectiveness. The Managing Director serves as the Chief Executive officer of the Company under the guidance of the board.

Audit Committee

The Audit Committee was established as a sub-committee of the Board and has jurisdiction over Paper Processing and Packaging Ltd. The Audit Committee assists the Board. The audit committee is comprised of three members of the Board including an Independent Director who is the Chairman of the Committee.

Nomination and Remuneration Committee

Nomination and Remuneration Committee (NRC) was established as a sub-committee of the Board. The NRC assists 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 executives.

The Terms of Reference (TOR) of the NRC clearly sets forth in writing covering the areas stated at the condition No. 6(5) (b) i.e. Role of the NRC as prescribed in the Corporate Governance Code-2018.

The nomination and remuneration policy and the evaluation criteria of the committee are adopted by the Committee. The activities of NRC during the year at a glance are as follows:

- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;



- 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 and from the Board;
- formulating the criteria for evaluation of performance of independent directors and the Board;
- identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- developing, recommending and reviewing annually the company's human resources and training policies;

Appointment of Chief Financial Officer, Head of Internal Audit and Company Secretary.

The Company has appointed Mr. Naimul Islam as Chief Financial Officer, Mr. Md. Mustafizur Rahman as Company Secretary and Mr. Md. Shakhawat Hossain as Head of Internal Audit of the company as per requirement of Bangladesh Securities and Exchange Commission (BSEC).

Role of the Company Secretary

The Company Secretary is responsible for ensuring proper information flow within the Board and its Committees and between the Senior Management and Non-executive Directors. He is also responsible for advising the Board through the Chairman on all governance matters. He fulfills the regulatory requirements of the Company. He keeps the records of compliance status imposed by the BSEC, which has been shown in the compliance report on BSEC Corporate Governance Code -2018. The authority of both the appointment and removal of the Company Secretary is vested on the Board as a whole.

Role of the Head of Audit & Internal Control

The Head of Audit & Internal Control is responsible for reporting to the Board Audit Committee regarding any deviation from standard accounting and internal control system of the Company. He is also responsible for ensuring regulatory compliances of the Company. The authority of the appointment of the Head of Audit and Internal Control is vested on the Board.

Communication with Shareholders and Stakeholders

The Company provides a balanced level of communication between the Company and its Stakeholders. The Company has Corporate Affairs Department to communicate with the Stakeholders. Shareholders may communicate with this Department at any time for any sort of information and query. The Company disseminates its all Price Sensitive Information (PSI) within 30 minutes of the decision to the BSEC and the Stock Exchanges under the signature of Managing Director or Company Secretary through fax/e-mail and by special messenger, and through courier services in special cases and immediately publishes the same in 2 newspapers. The shareholders are provided routine services by the Company Secretary in the matters of transfer of shares, replacement in case of damage of



share certificates , payment of dividend, reissue of dividend warrant when warrants expires in the hand of shareholders, issue of certificates on tax deduction from dividend etc.

Financial Reporting and Transparency

Financial Statements have been prepared in line with the International Accounting Standards, Securities of Exchange Rules-1987 and relevant Rules and Regulation as applicable in Bangladesh. The Company keeps constant supervision on submission of Quarterly, half yearly and annual financial statements with comprehensive details to the respective authorities.

As per BSES Corporate Governance Code dated 3 June 2018 and International Accounting Standard (IAS 34) the interim financial reports are intended to provide an update on the quarterly financial statements audited or unaudited.

Statutory Auditors

G. Kibria & Co., Chartered Accountants was the external/ statutory auditor of the Company for the year 2022-23. They carry out systematic examination of books and records of the Company and ascertain, verify and report upon the facts regarding the financial operation and the results of the Company. To comply with the corporate governance properly; the Company did not engage its statutory auditors to perform the following services:

- (i) Appraisal or valuation services or fairness opinions;
- (ii) Financial information systems design and implementation;
- (iii) Book-keeping or other services related to the accounting records or financial statements;
- (iv) Internal audit services;
- (v) Any other service that the Audit Committee determines;
- (vi) No partner or employees of the auditors are holding any shares of Paper Processing and Packaging Ltd. during the tenure of their audit assignment;
- (vii) Audit/certification services on compliance of corporate governance. External/ Statutory auditors are appointed by the shareholders in the Annual General Meeting and fix their remuneration thereof;

Internal Audit and Control

Paper Processing and Packaging Ltd. considers that internal audit is one of the “four pillars” of corporate governance, the other pillars being the Board of Directors, Management and the External Auditors. Internal auditing of Paper Processing and Packaging Ltd. assists the Company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization’s risk management, control and governance processes. It helps the Audit Committee of the Board of Directors to perform their responsibilities effectively. This



includes reporting critical internal control problems, informing the committee on the material issues or findings, suggesting questions or topics for the Audit Committee's meeting agenda and coordinating carefully with the committee to receive effective information.

The scope of Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure and the quality of performance to achieve the organization's stated goals and objectives. Major elements of the Company's control environment are as follows:

- Regular Board Meeting with comprehensive agendas dealing with all major aspects of business.
- An established organogram and delegation of authorities with job descriptions for each division and section.
- Defined operating guidelines and procedures with authorization limits at appropriate levels.
- The Internal Audit Department directly reporting to the Audit Committee of the Board in compliance with procedures and limits of authority.
- A comprehensive annual budgetary system with ultimate approval of the Board.
- A comprehensive financial reporting system including actual performance with budget.
- Review and analysis of fund position on daily basis.
- Accounting and operation manuals.

Compliances

To ensure the spirit of the corporate governance with accountability for inspiring confidence of investors, regulators, financiers and other stakeholders, Paper Processing and Packaging Ltd. is committed to comply with all the requirements of corporate governance as required by the Bangladesh Securities and Exchange Commission (BSEC). The certificate on compliance of conditions of corporate governance of the Company is attached herewith in this annual report.

Before concluding, I convey my sincere gratitude and profound thanks to the honorable Chairman and the respectable Directors of the Board for their judicious guidance, pragmatic vision, valuable input, patronage round the year regarding compliance issues and I look forward to receive the same in future. In this connection, I also like to thank the prudent Management Team for their commitment in expediting and implementing compliance and governance strategy of the Company.

With best regards.

Md. Mustafizur Rahman
Company Secretary



Ashraf Uddin & Co.
CHARTERED ACCOUNTANTS
Since 1979



MANAGING PARTNER:
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC
MOHAMMAD SHIBBIR HOSSAIN, FCA

Corporate Address : 142/B, Green Road (3rd & 4th Floor)
Dhaka- 1215, Bangladesh.

Registered Address : Rahman Chamber (5th Floor)
12-13, Motijheel Commercial Area, Dhaka, Bangladesh.

Annexure -B

[Certificate as per condition No.1(5)(XXVII)]

Report to the Shareholders of PAPER PROCESSING & PACKAGING LTD. on compliance of Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **PAPER PROCESSING & PACKAGING LTD.** for the year ended on June 30, 2023. This code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 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:

- The company has complied with the conditions of the Corporate Governance Code as stipulated on the above mentioned Corporate Governance Code issued by the commission;
- The company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
- The governance of the Company is satisfactory.

Place : Dhaka
Dated : December 19, 2023

For and on behalf of
Ashraf Uddin & Co
Chartered Accountants

Mohammad Shabbir Hossain FCA
Partner



Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/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 ("√" has been put in the appropriate)		Remarks (If any)
		Complie ed	Not Complie	
1	Board of Directors (BoD)			
1(1)	Board's Size (number of Board members – minimum 5 and maximum 20)	√		There are 07 (Seven) members in the Company Board
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s)	√		There are 2 (Two) Independent Directors (ID) out of total 07 (Seven) Directors
1(2)(b)	Independent Director means a Director:			
1(2)(b)(i)	who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company	√		The IDs have submitted declarations about their compliances
1(2)(b)(ii)	who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or 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 on the basis of family relationship and his or 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 the immediately preceding 2 (two) financial	√		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies	√		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) 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)	who is not 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 defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBF) ; and	√		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days ; and	None		No such case in the reporting year
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)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of BDT 100 million or any listed company or a member of any national or international chamber of commerce or business association; or	Not Applicable		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of BDT 100 million or of a listed company; or	Not Applicable		
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	Not Applicable		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law	√		



1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification	Not Applicable		
1(3)(c)	The independent director shall have at least 10 (ten) years'	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission	None		
1(4)	Duality of Chair of the Board of Directors and Chief Executive Officer			
1(4)(a)	The positions of the Chair of the Board and the Chief Executive Officer (CEO) of the Company shall be filled by different individuals	√		
1(4)(b)	The Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chair of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chair and the Chief Executive Officer	√		
1(4)(e)	In the absence of the Chair of the Board, the remaining members may elect one of themselves from non-executive directors as Chair for that particular Board's meeting; the reason of absence of the regular Chair shall be duly	None		No such case in the reporting year
1(5)	The Directors' Report shall include the following additional statements			
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	None		
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	None		No Such Event Occurred
1(5)(vi)	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)	Statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments	√		
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	√		



1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	None		No such case in the reporting year
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	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)	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)	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)	Key operating and financial data of at least preceding five (5) 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)	The total number of Board meetings held during the year and attendance by each director	√		
1(5)(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (Name wise Details)	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance 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)	In case of the appointment/re-appointment of a director, disclose:			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his or her 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)	Management's Discussion and Analysis signed by CEO presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
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	None		
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	√		
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)	Meetings of the Board of Directors			
1(6)	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the 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 Code	√		



1(7)	Code of Conduct for the Chair, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6 , for the Chair of the Board, other board members and Chief Executive Officer of the Company	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	√		
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 o t		
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 o t		
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 o t		
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 o t		
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 o t		
3	Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3(1)(c)	The 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 CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	None		No such case in the reporting year
3(2)	Requirement to attend Board of Directors' Meetings			



	The CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: : Provided that CS, CFO And HIAC Shall Not Attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		
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	√		
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 CEO and CFO shall also certify that there are, to the best of their 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 CEO and CFO shall be disclosed in the Annual Report	√		
4	Board of Directors' Committee			
	For ensuring good governance in the Company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
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 financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
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 Chair 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 one (1) member shall have accounting or related financial management background and ten (10) 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 three (3) persons , the Board shall appoint new Committee member to fill up the vacancy immediately or not later than one (1) month from the date of vacancy in the Committee to ensure continuity of the performance	√		
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 one (1) independent director	√		
5(3)	Chair of the Audit Committee			
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, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required 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)	Chair of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least four (4) meetings in a financial year	√		There were Four (4) meetings held during the reporting period
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 of the Audit Committee, whichever is higher , where presence of an independent director is a must	√		
5(5)	Role of Audit Committee			
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 to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan 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 financial statements 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	√		
5(5)(k)	Review Management Letters or 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	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission	None		
5(6)	Reporting of the Audit Committee			
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	None		
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	None		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	None		
5(6)(b)	Reporting to BSEC (if any, which has material impact on the financial condition and results of operation, unreasonably ignored by the management)	None		
5(7)	Reporting to the Shareholders and General Investors of Audit Committee Activities, which shall be signed by the Chair of the Audit Committee and disclosed in the Annual Report	N o n		
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as 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)©	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)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three (3) 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 one hundred eighty (180) days of such vacancy occurring in the Committee	None		
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 is valuable for the Committee	None		
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 for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company	√		
6(3)	Chair of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chair of the Committee, who shall be an independent director	√		
6(3)(b)	In the absence of the Chair 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)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	√		
6(4)	Meeting of the NRC			



6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		1 One NRC meeting was held during thereporting period
6(4)(b)	The Chair of the NRC may convene any emergency meeting upon request by any member of the NRC	None		No such case in the reporting year
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, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)	Role of the NRC			
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	None		Not Applicable
7(1)(v)	Actuarial services	None		Not Applicable
7(1)(vi)	Internal audit services or special audit services	√		
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 of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The Company shall have an official website linked with the website of the stock exchange	√		[https://www.mpmc.com.bd and https://www.bdg-
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 required under the listing regulations of the concerned stock exchange(s)	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	Obtaining a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		
9(2)	The shareholders in the annual general meeting shall appoint the professional who will provide the certificate on compliance of this Corporate Governance Code.	√		
9(3)	Directors statement in the directors' report whether the Company has complied with these conditions or not	√		



Date: December 03, 2023

Boards' Statements on Interim Dividend

Clause 1(5) (xxi)

No Bonus Share or Stock Dividend has been declared as interim dividend by Paper Processing and Packaging Ltd. during the year ended on 30-06-2023.

Md. Ali Hossain Munir
Director

Shafiqul Azam Khan
Director

Mostafa Jamal Mohiuddin
Director

Md. Mobarok Hossain
Managing Director

Mustafa Kamal Mohiuddin
Chairman



**Independent Auditors' Report
To the shareholders of PAPER PROCESSING AND PACKAGING LTD.
Report on the Audit of the Financial Statements.**

Opinion

We have audited the financial statements of **PAPER PROCESSING AND PACKAGING LTD.** (“the Company”), which comprise the Statement of Financial Position as at 30 June 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion based on following emphasis of matter, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) where practicable, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

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

Emphasis of matters

Without qualifying our opinion, we draw attention on the matter as disclosed below:

1. In accordance with Note No. 23.00, the company reported a payment of BDT 3,295,194 for the WPPF and Welfare Fund, with the allocation intended to be in an 80:10:10 ratio for employees, the government fund, and the welfare fund, respectively. However, it has come to



our attention that the entire amount has been distributed among the employees, contrary to the specified allocation.

2. As indicated in Note 3.00 of the financial statements, the balance of property, plant, and equipment amounted to BDT 382,640,385 on the statement of financial position. During our examination of the fixed asset register, we noticed that some information for individual assets, such as identification numbers and purchase dates, was not recorded properly. It is imperative that the fixed asset register need to be updated.
3. As outlined in Note 05.00 of the financial statements, the closing inventory was reported at BDT 147,899,664 on the statement of financial position as of the reporting date. However, our physical inventory verification revealed that the inventory records are being maintained erratically, resulting we could not confirm the accuracy of certain inventory items.

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statement of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Revenue recognition and Measurement	
During the year, the Company reported sales revenue of BDT 475,065,025 which has increased by BDT 61,009,552 as compared with previous year. Main source of sales revenue compromise of sale of a range of Paper Processing and Packaging Ltd. is engaged in Manufacturing, converting and printing of Paper & Paper Products and their marketing. Revenue is recognized based on point of delivery and when relevant performance	Our audit procedures included the following to test the design and operating effectiveness of key control focusing on: ➤ Segregation of duties in invoice creation and modification. ➤ Timing of revenue recognition considering step by step procedure. Our substantive procedures in relation to revenue recognition and measurement comprise the following:



<p>obligations are met. The company adopted IFRS: 15 'Revenue from Contracts with Customers' for first time during the year.</p> <p>We considered sales revenue as an item of significant audit areas during our audit because of its predominance in determining the financial performance of the Company.</p>	<ul style="list-style-type: none"> ➤ Obtaining understanding and documenting the process of revenue recognition and measurement followed by the Company. ➤ Tracing performance obligations stipulated and contract value in the contract with invoice and delivery challan issued to evaluate point of recognition and measurement. ➤ Testing occurrence and accuracy of sales revenue recognized by inspecting source documents such as contract made with the customer, delivery challan and VAT challan. ➤ Assessing accuracy and comparing revenue recognized during the year with VAT returns submitted to VAT authority; ➤ Finally assessing the appropriateness and presentation of disclosure notes with IFRS 15: Revenue from contracts with customers. <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p>Refer to note no. 27.00 Revenue in the financial statements</p>	

Valuation of closing inventories	
<p>Closing inventories aggregating to BDT 147,899,664 was recognized in the statement of financial position as on 30 June 2023. Compared with previous year, this has increased by BDT 6,081,840.</p> <p>Closing inventories were all held at factory premises of the Company. Since determining</p>	<p>As part of our audit testing against closing inventories, we performed the following audit procedures in response to the assessed risk of material misstatements:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory control operating across factory premises.



<p>valuation of these inventories involves management judgments which results in estimation uncertainty, we considered this an area of significant audit attention to be emphasized during the audit.</p>	<ul style="list-style-type: none"> ➤ Evaluating internal controls to monitor or keep track of inventory movement. ➤ Inspecting physical stock counting report as on 30 June 2023 and reconciling count results to closing inventories listings and performing test count on selected items to test completeness, accuracy and existence of inventories. ➤ Comparing the net realizable value, obtained through a detailed review of sales subsequent to the year end, to the cost price of a sample of inventories. ➤ Reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year. <p>Reassessing reasonableness and adequacy of provision required to write down the cost of inventories recognized to net realizable value against slow moving, obsolete and damaged item to test both accuracy and valuation of reported amount.</p>
<p>See note no. 5.00 Inventories in the financial statements</p>	

<p>Property, plant and equipment</p>	
<p>Property, plant and equipment (PPE) was carried at BDT 382,640,385 representing over 39% of total assets of the company as on 30 June 2023. The company reported addition to PPE of BDT 17,860,826 during the year.</p>	<p>Our audit procedures performed during the audit to address the risks identified consist of the following:</p> <ul style="list-style-type: none"> ➤ Obtaining and documenting detailed understanding regarding procurement process of PPE and identified relevant control points and their implementation.



<p>Since PPE comprised a significant portion of the company's total assets, it also involves management judgment to determine estimated useful lives to charge depreciation. Besides, PPE is also subject to impairment when any possible indicators exist warranting their impairment review. Based on these factors, we decided PPE to be emphasized during the audit.</p>	<ul style="list-style-type: none"> ➤ Reviewing recognition, measurement and valuation basis of PPE in compliance with requirement of IAS 16: Property, plant and equipment. ➤ Inspecting supporting documents against the acquisition of PPE made during the year to test their accuracy, valuation and ownership in the financial statements. ➤ Reviewing and assessing methods and assumption used by the management in determining estimated useful life and therefore reasonableness of rate of depreciation used. <p>Assessing the appropriateness of presentation and adequacy of disclosures with relevant IFRS.</p>
<p>Refer note no. 3.00 Property, plant and equipment</p>	
<p>Inter Company Account</p>	
<p>The Company has undertaken transaction with its related parties. At the year ended total receivable from sister concerns is amounting BDT. 111,745,732 and total payable to sister concerns BDT. 11,417,000 and Sponsor Director is amounting BDT. 155,096,351. The intercompany transactions were made in interest free.</p> <p>We identified related party transaction as a key audit matter due to significance of related party transactions regulatory compliances and risk of such transactions remaining discolored in the financial statements.</p>	<p>Our substantive audit procedure adopted during the audit includes the following test or details:</p> <ul style="list-style-type: none"> ➤ Obtaining and read the company's policies processes and procedures in respect of identifying related parties obtaining approval recording and disclosure of related party transaction. ➤ Checking the minutes of Board Meetings regarding company's assessment of related party transactions being in the ordinary course of business. ➤ Inspecting on a sample basis related party transactions and other supporting documents.



	➤ Agreed the related party information disclosed in the financial statements with the underlying supporting documents on sample basis.
Refer note no. 8.00 & 16.00 & 22.00 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

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

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the



audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial statements. We are solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;



- b) In our opinion, proper books of accounts and records 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, Statement of Profit or Loss and Other Comprehensive Income of the Company dealt with by the report are in agreement with the books of account and returns;
- d) The expenditures incurred were for the purposes of the Company's business.

Place: Dhaka
Date: October 31, 2023
Ref.: GKC/23-24/A/160

Mohammad Showket Akber, FCA
Partner
ICAB Enrol.No-970
FRC Enrol. No-FRC-001-154
G.KIBRIA & CO.
Chartered Accountants
DVC: 2310310970AS766647

Paper Processing and Packaging Ltd.
Statement of Financial Position
As at June 30, 2023

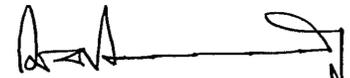
Particulars	Notes	Amount in Taka	
		June 30, 2023	June 30, 2022
Assets			
Non-Current Assets		382,725,085	374,558,571
Property, Plant and Equipment	3.00	382,640,385	374,473,871
Investment in Share	4.00	84,700	84,700
Current Assets		599,707,469	518,951,569
Inventories	5.00	147,899,664	141,817,824
Trade Receivable	6.00	94,368,799	78,784,696
Advances, Deposits and Pre-Payments	7.00	213,142,605	125,147,981
Inter Company Account	8.00	111,745,732	127,233,302
Advance Income Tax	9.00	10,461,318	37,446,902
Cash and Cash Equivalents	10.00	22,089,351	8,520,864
Total Assets		982,432,553	893,510,140
Equity and Liabilities			
Equity		370,948,100	330,066,965
Share Capital	11.00	104,496,000	104,496,000
Revaluation Reserve	12.00	90,310,929	90,353,873
Retained earnings	13.00	176,141,170	135,217,091
Non-Current Liabilities		257,530,182	208,064,221
Long Term Bank Loan	14.00	68,643,471	70,358,027
Long Term Liability	15.00	-	76,202,310
Sponsor Directors Loan	16.00	155,096,351	30,820,970
Deferred Tax Liability	17.00	33,790,360	30,682,914
Current Liabilities		353,954,272	355,378,954
Trade Payable	18.00	2,645,027	3,183,797
Liabilities for Expenses	19.00	7,581,160	7,304,663
Short Term Bank Loan	20.00	269,245,066	229,915,773
Long Term Bank Loan-Current Portion	21.00	31,006,124	25,028,666
Inter Company Loan Account	22.00	11,417,000	44,663,580
Provision for WPPF and Welfare Fund	23.00	3,295,194	2,941,098
Provision for Income Tax	24.00	25,440,558	39,382,367
Un-paid Dividend	25.00	3,324,143	2,959,011
Total Liabilities		611,484,454	563,443,176
Total Equity and Liabilities		982,432,553	893,510,140
Net Assets Value per share (NAV)	26.00	35.50	31.59

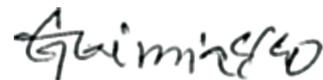

Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman



Mohammad Showket Akber, FCA

Partner

ICAB Enroll No:970

FRC Enroll No:FRC-001-154

G. KIBRIA & CO.

Chartered Accountants

Place: Dhaka

Dated: October 31, 2023.

Ref.:GKC/23-24/A/160

Paper Processing and Packaging Ltd.
Statement of Pro it or Loss and other Comprehensive Income
For the Period ended 30 June 2023

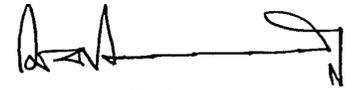
Particulars	Notes	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Revenue	27.00	475,065,025	414,055,473
Cost of Goods Sold	28.00	(327,279,697)	(270,975,507)
Gross pro it		147,785,328	143,079,967
Operating expenses		(46,677,104)	(48,993,573)
Of ice and Administrative Expenses	29.00	(21,222,953)	(22,927,961)
Marketing and Distribution Expenses	30.00	(25,454,150)	(26,065,612)
Pro it from operation		101,108,224	94,086,394
Financial Expenses	31.00	(32,155,165)	(32,387,575)
Non Operating Income	32.00	246,007	64,234
Pro it/(Loss) Before Tax & WPPF		69,199,066	61,763,053
Contribution to WPPF and Welfare Fund		(3,295,194)	(2,941,098)
Net Pro it before tax		65,903,873	58,821,955
Income Tax Expenses		(16,670,635)	(10,588,921)
Current Tax	33.00	(13,555,612)	(10,978,829)
Deferred Tax	33.01	(3,115,023)	389,908
Net Pro it/Loss after tax		49,233,237	48,233,034
Earnings Per Share	34.00	4.71	4.62

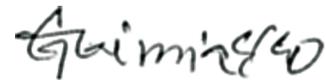

Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman



Mohammad Showket Akber, FCA

Partner

ICAB Enroll No:970

FRC Enroll No:FRC-001-154

G. KIBRIA & CO.

Chartered Accountants

Place: Dhaka

Dated: October 31, 2023.

Ref.:GKC/23-24/A/160

Paper Processing and Packaging Ltd.
Statement of Changes in Equity
As at June 30, 2023

Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2022	104,496,000	90,353,873	135,217,091	330,066,965
Net profit after tax	-		49,233,237	49,233,238
Cash Dividened of 2021-2022			(8,359,680)	(8,359,680)
Transfer from Deferred Tax to revaluation surplus		7,578		7,578
Transfer of Revaluation to Retained Earnings	-	(50,522)	50,522	-
Balance as at 30.06.2023	104,496,000	90,310,929	176,141,170	370,948,100

As at 30 June 2022

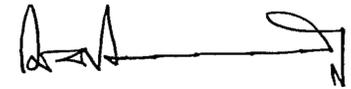
Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2021	104,496,000	90,398,406	97,381,266	292,275,673
Net profit after tax	-		48,233,033	48,233,033
Cash Dividened of 2020-2021			(10,449,600)	(10,449,600)
Transfer from Deferred Tax to revaluation surplus		7,859		7,859
Transfer of Revaluation to Retained Earnings	-	(52,392)	52,392	-
Balance as at 30.06.2022	104,496,000	90,353,873	135,217,091	330,066,965


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Place: Dhaka
Dated: October 31, 2023.
Ref.:GKC/23-24/A/160

Paper Processing and Packaging Ltd.
Statement of Cash Flows
For the Period ended 30 June 2023

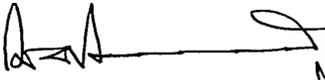
Particulars	Note	Amount in Taka	
		July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Cash Flow from Operating Activities			
Cash Received from Customer and Others		459,726,929	373,324,165
Less: Paid to Suppliers and Others		(461,542,324)	(334,549,461)
Less: Income Tax Paid		(511,836)	(9,467,415)
Less: Financial Expenses		(28,841,870)	(19,419,181)
Net Cash Provided by Operating Activities (A)		(31,169,100)	9,888,109
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment		(17,860,826)	(20,297,249)
Advance/Construction Work		-	(76,415,831)
Net Cash Used by Investing Activities (B)		(17,860,826)	(96,713,080)
Cash Flow from Financing Activities			
Receipts/ (Payments) of Term Loan		(57,442)	(1,002,640)
Receipts/ (Payments) of Short Term Loan		40,336,342	(2,404,230)
Inter Company /Director Loan Account		(93,961,320)	103,842,394
Sponsor Directors Loan		124,275,381	-
Dividend Paid		(7,994,548)	(10,888,631)
Net Cash Provided by Financing Activities (C)		62,598,413	89,546,893
Net Cash inflow/ outflow during the year (A+B+C)		13,568,487	2,721,922
Cash and Cash equivalents at the beginning of the year		8,520,864	5,798,943
Closing Cash and Cash equivalents at the end of the year		22,089,351	8,520,865
Net Operating Cash Flows per share(NOCF)	35.00	(2.98)	0.95


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Place: Dhaka
Dated: October 31, 2023.
Ref.:GKC/23-24/A/160

Paper Processing and Packaging Ltd.

Notes to the Financial Statements As at and for the year ended June 30, 2023

1.00 The Company and its Operations

1.01 Background

Paper Processing and Packaging Ltd. (C-18233(87)/89) is a Public Limited Company registered with the Registrar of Joint Stock Companies and Firms on 6th February, 1989. In 1990, the Company issued its share for public subscription and the Shares of the Company are listed in the Dhaka Stock Exchange Ltd.

1.02 Registered Office and Factory Place

The Registered office of Paper Processing and Packaging Ltd. is situated at BDG Corporate Building, Plot No.314/A, Block-E, Road No.18, Bashundhara R/A, Dhaka-1229 and the Factory is located at Sreerampur, Dhamrai, Dhaka.

1.03 Nature of Principal Activities

Paper Processing and Packaging Ltd. is engaged in Manufacturing, Converting and Printing of Paper & Paper Products and their Marketing.

2.00 Significant Accounting Policies

2.01 Compliance with Local Laws

The financial statements have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh. The Companies Act 1994, The Securities and Exchange Rules 1987, Income Tax Ordinance & Rules 1984, The Value Added Tax Act & Rules 1991, The Customs Act 1969 and other relevant local laws as applicable.

2.02 Applicable Accounting Standards

The Company's status of compliance with applicable Financial Reporting Standards is as under:

IAS & IFRS	Accounting Standards	Remarks
IAS-1	Presentation of financial statements	Complied
IAS-2	Inventories	Complied
IAS-7	Statement of Cash Flows	Complied
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS-10	Events after the Reporting Period	Complied
IAS-12	Income Taxes	Complied
IAS-16	Property, Plant & Equipment	Complied
IAS-23	Borrowing Costs	Complied
IAS-24	Related Party Disclosures	Complied
IAS-32	Financial Instrument: Presentation	Complied
IAS-33	Earnings per share	Complied
IAS-36	Impairment of Assets	Complied
IAS-37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IFRS-7	Financial Instruments: Disclosures	Complied
IFRS-13	Fair Value Measurement	Complied
IFRS-15	Revenue from Contracts with Customers	Complied

2.03 Accounting Policies

The accounts have been prepared under historical cost convention except revaluation of Property, Plant & Equipment and going concern basis in accordance with applicable disclosure and presentational requirements of the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by the Institute of Chartered Accountants of Bangladesh.

2.04 Earnings Per Share (EPS)

Basic earning per share has been calculated in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the Statement of Profit or Loss and Other Comprehensive Income. This has been calculated by dividing the net profit after Tax & WPPF by the weighted average number of ordinary shares outstanding during the year.

2.05 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net profit as per provisions of the Bangladesh Labour Law, 2006.

2.06 Basis of Measurement

The financial statements have been prepared on historical cost Basis.

2.07 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.

2.08 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 recognized to the extent of cash disbursed for the items.

2.09 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation less impairment loss, if any. 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.

2.10 Depreciation

Depreciation on fixed assets is charged on reducing balance method. Depreciation continues to be charged on each item of fixed assets until the written down value of such fixed assets is reduced to Taka one. Depreciation on addition to fixed assets is charged for whole year irrespective of their date of acquisition and no depreciation has been charged on fixed assets ceases irrespective of their date of disposal. The residual value, if not insignificant, is reassessed annually.

Rates of depreciation on various classes of fixed assets are as under:

Category	Rate of Depreciation	Remarks
Land and Land Development	-	
Building and Construction	2.50%	
Plant and Machineries	7%	
Furniture and Fixtures	10%	
Electrical Equipment	10%	
Office Equipment	10%	
Motor Vehicle	20%	

Revaluation of Property, Plant and Equipment

Financial statement of the company have been prepared on historical cost price basis. However, the prices of assets have been increased substantially during the last few years due to high inflationary trend. In this circumstance, management of Paper Processing and Packing Limited has decided to determine fair market value of the assets through revaluation. The company revaluated its land and land development as on 31 December 2015 by Malek Siddiqui Wali, Chartered Accountants and the revaluation surplus has been incorporated in the financial statement as on 30 June 2016.

2.11 Depreciation Charged on Revaluated Assets

Fixed assets have been revalued and depreciated on reducing balance method. Difference between accounting carrying value and revalued assets have been shown as revaluation reserve. Depreciated value of revalued assets subsequently adjusted in the financial statements every year.

2.12 Creditors and Accrued Expenses

These are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the suppliers.

2.13 Revenue Recognition

In compliance with the requirements of "IFRS-15 "Revenue from Contracts with Customers". Revenue receipts from customers against sales are recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods. Sales are recorded at net of VAT.

2.14 Income Tax

i) Current Tax:

Provision for Current income Tax has been made at the rate of 22.50% as prescribed in the Finance Act, 2023 on the accounting profit ,where as company required provision should be as per Income Tax Ordinance 1984, since the company retained Cumulative loss.

ii) Deferred Tax

Deferred tax arises due to temporary difference deductible or taxable for the events of transaction which is recognized in the Statement of Profit or Loss and other Comprehensive Income. A temporary difference is the difference between the tax base of an asset or liability and its carrying amount/reported amount in the Financial Statements. Deferred tax assets or liability is the amount of income tax recoverable or payable in future periods recognized in the current period.

Deferred tax has been recognized during the period and the deferred tax of previous years has been adjusted with retained earnings during the period as per IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors.

2.15 Inventories

Inventories comprise of Raw materials, Packing Materials and Stores & Spares and Finished goods. Raw materials, Packing Materials and Stores & Spares have been valued at average cost. Finished goods have been valued at lower of net realizable value and total of cost of material and other production Overhead attributable to bringing the goods to the state of sale under the convention of IAS-2 "Inventories".

2.16 Impairment

In Accordance with the Provision of IAS-36 "Impairment of Assets". The carrying amount of non financial assets other than inventories are reviewed to determine whether there is any indication of impairment. No such indication of impairment has been raised till date of audit.

2.17 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, cash at banks which are held and available for use by the Company without any restriction.

2.18 Accounts Receivable

Accounts receivable is 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.

2.19 Statements of Cash Flows

Statement of Cash Flows has been prepared in accordance with IAS-7 "Statements of Cash Flows" and the Cash flow from operating activities has been presented under direct method.

2.20 Going Concern

During the year ended on June 30, 2023 the entity had achieved net profit after tax of **Tk. 4,92,33,237/-** from the earnings of profit it is the likely that the company can run s a going concern in the foreseeable future.

2.21 Events after the reporting period

There is no material event that had occurred after the reporting period to the date of issue of these financial statements, which could affect the figures stated in the financial statements in compliance with the requirements of "IAS 10" Events after the reporting period".

Following events occurred since the balance date:

The board of directors recommended 12% Cash and 8% stock dividend at the 179th Board meeting held on October 31, 2023 for the year ended June 30, 2023. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

2.22 Related Party Disclosures

During the year, the Company carried out a number of transactions i.e. with units companies with related parties in the normal course of business and these transactions were recorded in the books of accounts as per IAS- 24 "Related Party Disclosures". The following statement represent the balance sheet date figure.

Name of the Companies	June 30, 2023
i) Investment in Share	
Bangladesh Monospool Paper Mfg.Co.Ltd.	84,700
ii) Inter Company Account (Current Assets)	
BDG Foundation	1,833,360
Bangladesh Development Group Ltd.	3,490,013
BDG-Magura Group Ltd.	1,139,836
BD.News & Entertainment Ltd.	29,392,185
Millennium Spinning & Knitting Factory Ltd	7,455,473
Progressive Marketing Ltd	8,410,358
Magura Paper Mills Ltd.	47,166,226
Magura Recycled Paper Ind. Ltd.	1,350,000
Pearl Paper and Board Mills Ltd	3,204,815
Magura Group Limited	8,303,466
Total:	103,442,266
iii) Long Term Liability	
Bangladesh Monospool Paper Mfg.Co.Ltd.	-
iv) Sponsor Director Loan Account	
Magura Group Limited	65,009,141
Bangladesh Development Group Ltd.	71,566,239
Mr. Mustafa Kamal Mohiuddin	18,520,970
Total:	155,096,351
iv) Inter Company Loan Account (Current Liability)	
Bangladesh Development Co. Ltd.	11,417,000
v) Receivable	
Magura Paper Mills Ltd.	23,348,249
vi) Advance against Salary	
Uttam Kumar debnath Debnath	902,500
Mokbul Hossain	124,000
Total:	1,026,500

2.23 Date of Authorization

The Board of Directors has authorized these financial statements on **October 31, 2023**.

2.24 Reporting Currency

The figures in the financial statements represent Bangladeshi Taka Currency.

2.25 Comparative

Comparative information have been disclosed in respect of the previous years for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

Re-arrangement

Previous year's figure has been re-arranged whenever considered necessary to ensure better comparability with the current year's presentation without causing any impact on the profit and value of assets and liability as reported in the Financial Statement.

2.26 General

- (i) All calculation in Accounts have been rounded off to the nearest Taka.
- (ii) For comparison, previous year's figure have been re-classified where necessary.

Note No.	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022

3.00 Property, Plant and Equipment: Tk. 382,640,385

This is made up as follows:

Opening Balance	340,809,495	320,512,246
Add: Addition during the year	17,860,826	20,297,249
	358,670,321	340,809,495
Less: Opening Accumulated Depreciation	72,634,300	62,770,141
Less: Current period Depreciation	9,643,790	9,864,159
Written Down Value (Cost)	276,392,230	268,175,195
Re-Valuation:		
Opening Balance	111,492,720	111,492,720
Add: Addition during the year	-	-
Sub-Total	111,492,720	111,492,720
Less: Opening Accumulated Depreciation	5,194,044	5,141,652
Less: Current period Depreciation	50,522	52,392
Written Down Value (Revaluation)	106,248,154	106,298,676
Total Written Down Value (Cost+Revaluation):	382,640,385	374,473,871

The details Schedule of Property, Plant and Equipment are shown in (Annexure- A).

4.00 Investment in Share: Tk. 84,700

This is made up as follows:

Bangladesh Monospool Paper Mfg.Co.Ltd.	84,700	84,700
Total	84,700	84,700

5.00 Inventories: Tk. 147,899,664

This is made up as follows:

Raw Materials	82,978,710	83,147,285
Packing Materials and Store & Spare Parts	10,619,356	6,934,645
Finished Goods	54,301,598	51,735,894
Closing Balance:	147,899,664	141,817,824

6.00 Trade Receivable: Tk. 94,368,799

This is made up as follows:

Receivable from parties	94,368,799	78,784,696
Total	94,368,799	78,784,696

a) Ageing of the above receivables is given Below:

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

1 to 3 Months	4 to 6 Months	7 to 12 Months	Total	Total
92,436,164	1,932,635	-	94,368,799	78,784,696
i) Receivables considered good & secured			94,368,799	78,784,696
ii) Receivables considered good without security			-	-
iii) Receivables considered doubtful or Bad			-	-
iiii) Receivables due by Directors or other Officers			-	-
iv) Receivables due from companies under same management			23,348,249	24,558,175

b) Trade receivable have been stated at their nominal value. Trade receivable are accrued in the ordinary course of business. These are carried at invoice amount. All receivable have been considered as good and realizable. Therefore, no amount was written of as bad debt and no debt was considered as doubtful to provide for.

Note No.	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022

7.00 Advances, Deposits and Pre-Payments: Tk. 213,142,605

This is made up as follows:

Advances	Note: 7.01	208,217,452	121,807,240
Security Deposit	Note: 7.02	4,089,962	2,595,051
VAT Current Account		799,892	732,014
Prepaid Group Insurance		35,299	13,676
Closing Balance:		213,142,605	125,147,981

- a) All Advances & Deposits are considered good and recoverable by the management.
b) There is no amount due from Directors or officers of the Company.
c) There is no advances due by or to within the common management of the company.

7.01 Advances: Tk. 208,217,452

This is made up as follows:

Advance against Purchases	Note: 7.01.01	174,423,272	101,759,414
Advance against Works	Note: 7.01.02	32,767,680	19,010,826
Advance against Salary	Note: 7.01.03	1,026,500	1,037,000
Closing Balance:		208,217,452	121,807,240

7.01.01 Advance against Purchases: Tk. 174,423,272

This is made up as follows:

Advance against Local Material		173,352,249	86,932,477
Al Noor Paper and Board Mills		1,071,023	14,826,937
Total :		174,423,272	101,759,414

7.01.02 Advance against Works: Tk. 32,767,680

This is made up as follows:

AAA Finance and Investment		650,000	650,000
Prime Bank Investment Ltd.		300,000	300,000
ICB Capital Management		200,000	200,000
Construction & Development work		31,617,680	17,860,826
Total :		32,767,680	19,010,826

7.01.03 Advance against Salary: Tk. 1,026,500

This is made up as follows:

Uttam Kumar Debnath		902,500	1,015,000
Mokbul Hossain		124,000	18,000
Shafiqul Azam Khan		-	4,000
Total :		1,026,500	1,037,000

7.02 Security Deposit: Tk. 4,089,962

This is made up as follows:

Earnest Money Deposit		1,171,550	205,550
Bank Guarantee		1,740,000	1,246,015
Performance Guarantee		1,178,412	1,143,486
Total :		4,089,962	2,595,051

Note No.	Particulars	Amount in Taka	
		June 30, 2023	June 30, 2022

8.00 Inter Company Account: TK. 111,745,732

This is made up as follows:

BDG Foundation	1,833,360	2,449,360
Bangladesh Development Group Ltd.	3,490,013	8,523,805
BDG-Magura Group Ltd.	1,139,836	2,059,836
BD.News & Entertainment Ltd.	29,392,185	29,392,185
Intermediate and Secondary Books Publications Ltd	-	515,795
Madrasa Prokashana Ltd	-	677,560
Prathamik Pustak Prokashana Ltd	-	629,940
Millennium Spinning & Knitting Factory Ltd	7,455,473	8,228,178
Progressive Marketing Ltd	8,410,358	9,835,358
Magura Paper Mills Ltd.	47,166,226	63,066,470
Magura Recycled Paper Ind. Ltd.	1,350,000	1,350,000
Pearl Paper and Board Mills Ltd	3,204,815	4,815
International Eng. Construction Co. Ltd.(IECC)	-	500,000
Magura Group Limited	8,303,466	-
Total:	111,745,732	127,233,302

9.00 Advance Income Tax: Tk. 10,461,318

This is made up as follows:

Opening Balance	37,446,902	27,979,487
Add: Addition during the year	511,836	9,467,415
Less: Adjustment during the year	(27,497,420)	-
Closing Balance	10,461,318	37,446,902

10.00 Cash and Cash Equivalents: Tk. 22,089,351

This is made up as follows:

Cash in Hand	17,061,906	3,716,959
Cash at Bank	5,027,445	4,803,905
Total	22,089,351	8,520,864

10.01 Cash at Bank: Tk.5,027,445

This is made up as follows:

AB Bank Ltd., Principal BR, A/C # 4005-219312-000	18,921	189,896
Basic Bank Ltd., Bashundhara Br., A/C # 01-0000027	81,365	81,365
First Security Islami Bank -A/C #017711100000233	2,295	3,560
IBBL-Kalampur Br. A/C # 20500160900000608	18,789	19,939
NCC Bank Ltd, Bashundhara Br., A/C # 325000044	698,063	691,084
Premier Bank Ltd. -A/C #0155111000000319	43,904	36,680
Janata Bank Ltd. Local Office A/C # 0100220245203	26,996	28,261
SIBL, Principal BR, A/C # 0021330060499	137,985	335,133
SIBL. Bashundhura Branch #077136001197	1,083,307	862,292
SIBL. Bashundhura Branch #07713600624	-	430
SIBL. Bashundhura Branch #07713600635	-	430
SIBL. Bashundhura Branch #07713600646	-	430
SIBL. Bashundhura Branch #0771360001963	2,812,839	2,450,142
SIBL. Bashundhura Branch #0771360000501	-	363
UCB Ltd., Bashundhara Br., A/C # 0991301000000094	101,431	101,488
Union Bank-A/C # 0131010001131	1,550	2,413
Total:	5,027,445	4,803,905

Note No.	Particulars	Amount in Taka	
		30-June-2023	30-June-2022

11.00 Share Capital: Tk. 104,496,000

This is made up as follows:

Authorized Capital :

600,00,000 Ordinary Shares of Tk. 10/- each 600,000,000 600,000,000

Issued, Subscribed, Called-up & Paid-up Capital :

104,49,600 Ordinary Shares of Tk. 10/- each fully issued & paid-up 104,496,000 104,496,000

Classification	No. of Share	Face Value (Tk)	Value (Tk)
Group-A			
Sponsor and Director	3,657,360	10.00	36,573,600
Group-B			
Financial Institutions	635,886	10.00	6,358,860
Group-C			
General Public	6,156,354	10.00	61,563,540
Total	10,449,600		104,496,000

Classification of Shareholders and Their Share Holding Position are as follows:

Name of Shareholder	Position	No. of Shares	Percentage of Share held	Amount
Mr. Mustafa Kamal Mohiuddin	Chairman	1,309,716	12.53%	13,097,160
Mr. Mostafa Jamal Mohiuddin	Director	296,072	2.83%	2,960,720
Bangladesh Development Group Ltd. Represented by Mr. Ali Hossain Munir & Mr. Shafiqul Azam Khan		554,970	5.31%	5,549,700
Magura Group Ltd. Represented by Mr. Md. Mobarok Hossain		Managing Director	521,306	4.99%
Advocate Md. Golam Kibria	Independent Director	-	0.00%	-
Dr. Md. Rafiqul Islam		-	0.00%	-
Dr. Md. Abul Kalam Azad		-	0.00%	-
Mr. Mohiuddin Ahmed	Shareholder	870,800	8.33%	8,708,000
Mr. Abu Baker Siddique		78,372	0.75%	783,720
Abirbhab Multimedia Ltd.		8,708	0.08%	87,080
Investment Consultants & Share Management Ltd.		17,416	0.17%	174,160
Financial Institutions		635,886	6.09%	6,358,860
General Public		6,156,354	58.91%	61,563,540
Total			10,449,600	100.00%

Classification of shareholders according to number of share Holdings are as follows:

Holding Range	No. of share holders	No. of share	Percentage
1- 15000 shares	5,437	4,350,116	41.63%
15001- 150000 shares	58	1,891,648	18.10%
150001- 300000 shares	1	296,072	2.83%
300001- 600000 shares	2	1,076,276	10.30%
600001- 900000 shares	2	1,525,772	14.60%
900001- 1200000 shares	0	-	0.00%
1200001- 1500000 shares	1	1,309,716	12.53%
Total	5,501	10,449,600	100.00%

Note No.	Particulars	Sub- Note	Amount in Taka	
			June 30, 2023	June 30, 2022

12.00 Revaluation Reserve: Tk. 90,310,929

This is made up as follows:

Opening Balance	90,353,873	90,398,406
Add: Current period Re-valuation	-	-
Less: Adjustment during the year	(50,522)	(52,392)
Less: Adjustment during the year as Deferred Tax Liability	7,578	7,859
Closing Balance:	90,310,929	90,353,873

This represent the value added to Non-Current Assets (Note-03) upon revaluation hereof by Malek Siddiqui Wali, Chartered Accountants vide their letter dated 24 May 2016.

13.00 Retained Earnings: Tk. 176,141,170

This is made up as follows:

Opening Balance	135,217,091	97,381,266
Add: Profit/(Loss) during the year	49,233,237	48,233,033
Add: Depreciation charged on revalued amount	50,522	52,392
Less: 8% Cash Dividend 2021-2022	(8,359,680)	(10,449,600)
Closing Balance:	176,141,170	135,217,091

14.00 Long Term Bank Loan: Tk. 68,643,471

This is made up as follows:

HPSM Loan A/C # 0023220003518	14,726,802	15,664,871
HPSM Loan A/C # 0023570000615	12,568,482	13,631,627
HPSM Loan A/C # 23570000323/21	-	1,084,717
HPSM Loan A/C # 002360000089/23	-	673,970
HPSM Loan A/C # 002360000091 /34	-	2,587,689
HPSM Loan A/C # 0023420000045	3,542,242	4,918,077
HPSM Loan A/C # 0023420000067	20,621,738	18,933,214
Principal Outstanding	51,459,264	57,494,164
Add: Interest Outstanding	17,184,207	12,863,863
Total	68,643,471	70,358,027

15.00 Long Term Liability: TK. 0

This is made up as follows:

Bangladesh Monospool Paper Mfg.Co.Ltd.	-	76,202,310
Total:	-	76,202,310

16.00 Sponser Directors Loan: TK. 155,096,351

This is made up as follows:

Magura Group Limited	65,009,141	12,300,000
Bangladesh Development Group Ltd.	71,566,239	-
Mr. Mustafa Kamal Mohiuddin	18,520,970	18,520,970
Total	155,096,351	30,820,970

Note No.	Particulars	Sub- Note	Amount in Taka	
			June 30, 2023	June 30, 2022
17.00	Deferred Tax Liability: Tk. 33,790,360			
	This is made up as follows:			
	Opening Balance		30,682,914	31,080,681
	Deferred Tax Expenses during the period	33.01	3,115,023	(389,908)
			33,797,937	30,690,773
	Add/(Less): Deferred Tax Expenses/(Income) on revaluation		(7,578)	(7,859)
	Closing Balance:		33,790,360	30,682,914
18.00	Trade Payable Tk.2,645,027			
	This is made up as follows:			
	Kishoregong Paper House		420,400	570,400
	Zeeshan International agency		375,862	1,075,862
	Bhai Bhai Enterprise		13,300	95,171
	Newaj Traders		-	154,389
	New Jamuna Ink		348,700	298,700
	New A. S. Traders		407,205	290,255
	S.B Enterprise		139,400	89,400
	Presstech Trading Corporation		588,610	374,620
	Sail Corporation		351,550	235,000
	Total:		2,645,027	3,183,797
19.00	Liabilities for Expenses: Tk. 7,581,160			
	This is made up as follows:			
	Jharna Engineering Works		597,452	301,852
	Link 3 Technology		14,000	15,000
	Metro net Bangladesh Ltd		10,000	20,000
	RFL Plastics Limited		552,700	852,700
	Robi Axiata Ltd		827	2,912
	Grameen Phone		6,046	1,912
	M/S New Mollah & Sons Transport Agency.		48,000	72,000
	Cattering Service		7,000	3,690
	TetraHost Bangladesh.		3,500	3,000
	Raima Golpo Book Binding.		30,622	62,008
	Rini Book Binding- Cr.		90,731	50,312
	Audit Fees		230,000	201,250
	Others Payable		-	43,889
	Dhaka Palli bidyut samity 3		208,111	357,159
	Salary, Wages, OT, & Subsidy allowance		5,782,171	5,316,979
	Others Payable			
	Total		7,581,160	7,304,663
20.00	Short Term Bank Loan : Tk. 269,245,066			
	This is made up as follows:			
	Opening Balance		229,915,773	219,143,996
	Paid From Sponsor Director Loan		(124,275,381)	(30,820,970)
	Paid From Business Operation		(41,517,945)	(41,380,435)
	Available Balance		64,122,447	146,942,591
	Loan Received		181,550,000	59,644,000
	Interest Charge		23,572,619	23,329,182
	Total Short Term Loan Outstanding		269,245,066	229,915,773

Note No.	Particulars	Sub- Note	Amount in Taka	
			June 30, 2023	June 30, 2022

Details of Social Islami Bank Ltd. (SIBL) Short Term Loan are as Follows:

Bai Muazzal (Commercial)	20.01	176,380,908	91,416,013
Bai Muazzal Work Order	20.02	74,601,784	121,857,089
Bai Muazzal (Trust Receipt)	20.03	18,262,374	16,642,671
Total		269,245,066	229,915,773

20.01 Bai Muazzal (Commercial):Tk.176,380,908

BIAM (Com) # 0023140005321	-	10,000,000
BIAM (Com) # 0023140005398	-	10,000,000
BIAM (Com) # 0023140005411	-	420,247
BIAM (Com) # 0023140006355	-	4,720,000
BIAM (Com) # 0023140006366	-	3,134,000
BIAM (Com) # 0023140006377	-	6,000,000
BIAM (Com) # 0023140006388	-	1,990,000
BIAM (Com) # 0023140006399	-	3,500,000
BIAM (Com) # 0023140006401	-	3,500,000
BIAM (Com) # 0023140006412	-	3,400,000
BIAM (Com) # 0023140006434	-	3,300,000
BIAM (Com) # 0023130013238	5,000,000	5,000,000
BIAM (Com) # 0023130014847	5,000,000	5,000,000
BIAM (Com) # 0024500000062	11,000,000	11,000,000
BIAM (Wages Bill) # 0023930021912	14,100,000	14,100,000
BIAM (SPSI) # 0024670000066	4,000,000	-
BIAM (Com) #0023140006535	100,589	-
BIAM (Com) #0023140006546	5,000,000	-
BIAM (Com) #0023140006557	3,000,000	-
BIAM (Com) #0023140006568	5,000,000	-
BIAM (Com) #0023140006579	5,000,000	-
BIAM (Com) #0023140006581	5,000,000	-
BIAM (Com) #0023140006592	5,000,000	-
BIAM (Com) #0023140006827	5,000,000	-
BIAM (Com) #0023140006838	5,000,000	-
BIAM (Com) #0023140006849	5,000,000	-
BIAM (Com) #0023140006851	5,000,000	-
BIAM (Com) #0023140006862	5,000,000	-
BIAM (Com) #0023140006873	5,000,000	-
BIAM (Com) #0023140006884	6,800,000	-
BIAM (Com) #0023140006895	6,900,000	-
BIAM (Com) # 0023140006748	4,400,000	-
BIAM (Com) # 0023140006759	4,400,000	-
BIAM (Com) # 0023140006761	4,300,000	-
BIAM (Com) # 0023140006772	4,300,000	-
BIAM (Com) # 0023140006783	4,300,000	-
BIAM (Com) # 0023140006794	4,100,000	-
BIAM (Com) # 0023140006805	2,300,000	-
BIAM (Com) #0023140006603	5,000,000	-
BIAM (Com) #0023140006614	5,000,000	-
BIAM (Com) #0023140006625	5,000,000	-
BIAM (Com) #0023140006636	5,000,000	-
Principal Outstanding	159,000,589	85,064,247
Add: Interest Outstatnding	17,380,319	6,351,766
Total	176,380,908	91,416,013

Note No.	Particulars	Sub- Note	Amount in Taka	
			June 30, 2023	June 30, 2022
20.02	Bai Muazzal Work Order: Tk.74,601,784			
	BIAM (W.O) # 0023990002298		-	33,600,000
	BIAM (W.O) # 0023990002399		56,182,765	56,182,765
	Principal Outstanding		56,182,765	89,782,765
	Add: Interest Outstatnding		18,419,019	32,074,324
	Total		74,601,784	121,857,089
20.03	Bai Muazzal (Trust Receipt): Tk.18,262,374			
	LTR # 0023240000236		13,481,720	13,481,720
	Principal Outstanding		13,481,720	13,481,720
	Add: Interest Outstatnding		4,780,654	3,160,951
	Total		18,262,374	16,642,671
21.00	Long Term Bank Loan-Current Portion Tk.31,006,124			
	Details of Social Islami Bank Ltd. (SIBL) Loan-Current Portion are as Follows:			
	HPSM Loan A/C # 0023220003518		3,997,062	3,058,993
	HPSM Loan A/C # 0023570000615		4,182,164	3,119,019
	HPSM Loan A/C # 23570000323/21		5,279,782	4,195,065
	HPSM Loan A/C # 0023600000089 /23		2,216,789	1,600,261
	HPSM Loan A/C # 0023600000091/34		6,711,031	4,123,342
	HPSM Loan A/C # 0023420000045		3,241,034	1,865,199
	HPSM Loan A/C # 00232200067		5,378,262	7,066,786
	Total		31,006,124	25,028,666
22.00	Inter Company Loan Account: TK. 11,417,000			
	This is made up as follows:			
	Kores Bangladesh Limited		-	18,806,219
	Bangladesh Development Co. Ltd.		11,417,000	1,608,137
	Magura Group Ltd.		-	22,599,224
	Shukran Foods Ltd.		-	1,650,000
	Total		11,417,000	44,663,580
23.00	Provision for WPPF and Welfare Fund: Tk.3,295,194			
	This is made up as follows:			
	Opening Balance		2,941,098	1,029,088
	Less: Payment made during the year		(2,941,098)	(1,029,088)
	Add: Interest during the year		-	-
	Available Balance		-	-
	Add: Addition during the year		3,295,194	2,941,098
	Closing Balance:		3,295,194	2,941,098
	The company has recognized Worker's Profit Participation Fund (WPPF) and outstanding payable will be disbursed within 2023-2024 financial year.			
24.00	Provision for Income Tax: Tk. 25,440,558			
	This is made up as follows:			
	Opening Balance		39,382,367	28,403,538
	Add: During the period		13,555,612	10,978,829
	Total		52,937,978	39,382,367
	Less: Adjustment During the year		(27,497,420)	-
	Closing Balance		25,440,558	39,382,367

Note No.	Particulars	Sub- Note	Amount in Taka	
			June 30, 2023	June 30, 2022

25.00 Un-paid Dividend: Tk. 3,324,143

This is made up as follows:

Opening Balance	2,959,011	3,398,042
Add: Declared during the period	8,359,680	10,449,600
Total	11,318,691	13,847,642
Less: Paid during the year	(7,994,548)	(10,888,631)
Closing Balance	3,324,143	2,959,011

Un-paid Dividend and are classified as follows:

Group-A Sponsor and Director	156,020	748,757
Group-B Financial Institutions	50,910	216,931
Group-C General Public	3,117,213	1,993,323
Total	3,324,143	2,959,011

26.00 Net Assets Value per share (NAV):Tk.35.50

This is made up as follows:

Particulars

Shareholders Equity	370,948,100	330,066,965
No. of Share	10,449,600	10,449,600
Total:	35.50	31.59

Note No.	Particulars	Sub- Note	Amount in Taka	
			July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022

27.00 Revenue: Tk. 475,065,025

This is made up as follows:

Text Book/Exam Khata/Brochures / Register Khata /Diary/ Recycled paper/ Training Materials/ Others Printing Work	475,065,025	414,055,473
Total	475,065,025	414,055,473

28.00 Cost of Goods Sold: Tk. 327,279,697

This is made up as follows:

Raw materials Consumed	28.01	263,534,349	249,722,622
Add: Factory Overhead	28.02	66,311,052	41,418,162
Cost of Production		329,845,401	291,140,784
Add: Opening Work-In-Progress		-	
Total Goods In Process		329,845,401	291,140,784
Less: Closing Work-In-Progress		-	
Cost of Goods Manufactured		329,845,401	291,140,784
Add: Opening finished goods		51,735,894	31,570,617
Cost of Goods Available for Sale		381,581,295	322,711,401
Less: Closing finished goods		54,301,598	51,735,894
Cost of Goods Sold:		327,279,697	270,975,507

28.01 Raw Materials Consumed: Tk.263,534,349

This is made up as follows:

Opening stock	90,081,930	62,464,662
Add: Purchase during the year Available for use	267,050,485	277,339,890
Less: Closing stock	93,598,066	90,081,930
Consumption during the year	263,534,349	249,722,622

28.02 Factory Overhead: Tk. 66,311,052

This is made up as follows:

Salary, wages and other allowance	53,719,255	23,551,943
Travelling and Conveyance	80,900	62,790
Repairs and Maintenance	73,500	177,570
Entertainment	24,925	289,136
Printing & Stationary Expenses	20,930	30,485
Medical Exp. Factory	8,310	2,355
Insurance Expense	431,424	229,033
Loading Unloading Expenses	37,635	28,500
Power Fuel and Lubricant	26,800	61,750
Depreciation at cost	8,197,222	8,384,535
Depreciation at revaluation	42,943	44,533
Electricity Bill	3,647,208	8,555,532
Total	66,311,052	41,418,162

Note No.	Particulars	Sub- Note	Amount in Taka	
			July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022

29.00 Office and Administrative Expenses: Tk. 21,222,953

This is made up as follows:

Salary and Other Allowances	18,149,896	20,197,617
Board Meeting Expense	483,000	438,889
Audit/Professional Fees	479,651	231,250
AGM Expenses	135,500	115,000
Car Running and Maintenance	446,470	44,000
Phone ,Fax, Mobile and Internet	154,459	367,291
Entertainment/Cattering Bill	150,150	50,760
Insurance Expense	-	8,901
Stationary Expenses	21,910	9,670
Registration and Renewal Fees	58,442	281,100
Travel and Conveyance	6,000	1,390
Power,Fuel,Oil, etc	143,653	72,500
Form Fee and Licence	142,485	271,787
Cleaning and Sanitation	15,635	5,280
Repair and Maintenance	108,629	88,785
Depreciation at cost	723,284	739,812
Depreciation at revaluation	3,789	3,929
Total:	21,222,953	22,927,961

30.00 Marketing and Distribution Expenses: Tk. 25,454,150

This is made up as follows:

Salary and Other Allowances	23,818,685	24,506,857
Entertainment	74,560	2,700
Fuel, Lubricant and Repaire & Maintenance	31,335	40,372
Telephone , Fax, Mobile and Telex	40,203	21,969
Stationary Expenses	60,049	25,355
Travel and Conveyance	45,495	47,020
Carriage Outward	375,600	328,728
GSM Test/Servey expense	-	17,825
Tender Schedule	264,350	261,820
Postage and Stamp	16,800	69,225
Depreciation at cost	723,284	739,812
Depreciation at revaluation	3,789	3,929
Total:	25,454,150	26,065,612

31.00 Financial Expenses: Tk. 32,155,165

This is made up as follows:

Interest on BAIM Loan	23,572,619	28,418,137
Interest on HPSM Loan	7,574,902	3,046,344
Bank Charges & Commission	1,007,644	923,094
Total:	32,155,165	32,387,575

32.00 Non-Operating Income: Tk. 246,007

This is made up as follows:

Scrap Sales	206,957	37,890
Bank Interest Received	32,274	17,586
Dividend Income	6,776	8,758
Total:	246,007	64,234

Note No.	Particulars	Sub- Note	Amount in Taka	
			July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
33.00	Current Tax: Tk. 13,555,612			
	This is made up as follows:			
	Profit before Tax		65,903,873	58,821,954
	Add: Accounting base depreciation		9,643,790	9,864,159
	Less: Tax base depreciation		(15,300,500)	(16,319,073)
	Taxable Profit for Current Tax		60,247,163	52,367,040
	Applicable Tax Rate		22.5%	20.0%
	Current Tax Expenses		13,555,612	10,473,408
	Provision for Income tax			
	Advance tax paid		-	9,467,415
	22.50% on Profit		13,555,612	10,473,408
	0.6% on gross		2,850,390	2,484,333
	Provision for Income tax (Wichever is higher)		13,555,612	10,978,829
33.01	Deferred Tax: Tk. 3,115,023			
	This is made up as follows:			
	Carrying Amount as per Tax Law		170,063,187	161,846,152
	WDV as per Accounts (Other than land)		90,715,923	88,155,597
	Taxable Temporary Difference		79,347,264	73,690,555
	Applicable Tax Rate		22.5%	20.0%
	Total Deferred Tax Liability		17,853,134	14,738,111
	Add/(Less): Previous year adjustment		-	-
	Less: Opening deferred tax liabilities/(assets)-at cost		(14,738,111)	(15,128,019)
	Deferred tax expenses /(income) during the period		3,115,023	(389,908)
34.00	Earnings Per Share(Basic): Tk. 4.71			
	This is made up as follows:			
	Net Profit after Tax		49,233,237	48,233,033
	No. of Share		10,449,600	10,449,600
	Total:		4.71	4.62
35.00	Net Operating Cash Flows per share(NOCF): Tk. -2.98			
	This is made up as follows:			
	Net Cash Provided by Operating Activities		(31,169,100)	9,888,108
	No. of Share		10,449,600	10,449,600
	Total:		(2.98)	0.95
35.01	Reconciliation of net profit/(loss) after tax with cash flows from operating activities under			
	This is made up as follows:			
	Net Profit/(Loss) After Tax		49,233,237	48,233,033
	Adjustments to reconcile net income to net cash			
	Depreciation		9,694,312	9,916,551
	Finance Expenses		32,155,165	32,387,575
	Provision for WPPF		3,295,194	2,941,098
	Income Tax Expenses		13,555,612	10,978,829
	Deffered Tax Liability		3,115,023	(389,908)

Note No.	Particulars	Sub- Note	Amount in Taka	
			July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
	Changes in operating assets and liabilities:			
	Stock of Inventories		(6,081,840)	(47,782,545)
	Trade Debtors		(15,584,103)	(40,795,542)
	Advance, Deposit & Prepayments		(87,994,624)	24,752,194
	Trade Creditors		(538,770)	(262,209)
	Liability for Expenses		276,497	(175,284)
	WPPF Paid		(2,941,098)	(1,029,088)
	Income Tax Paid		(511,836)	(9,467,416)
	Bank Interest & Charge Paid		(28,841,870)	(19,419,182)
	Net Cash flows from Operating Activities		(31,169,100)	9,888,108

36.00 Disclosure as per requirement of Schedule XI, Part II of The Company Act 1994

36.01 Employee Position of the Company as per requirement of schedule XI, part II, Para 3

Salary Range (Monthly)	Total Employee	Officer & Staff		Worker & Employee	
		Head Office	Factory	Head Office	Factory
Particulars					
Below 5,300	-	-	-	-	-
Above 5,300	433	15	3	2	413

36.02 Production capacity

Particulars	June 30, 2023	June 30, 2022
Normal Capacity	600,000,000	600,000,000
Production	475,065,025	414,055,473
Capacity Utilized(%)	79.18%	69.01%

37.00 Capital expenditure commitment

Details of capital expenditure commitment are shown in Annexure-"A"

38.00 Contingent Liabilities

The company has no Contingent liability as on June 30, 2023

39.00 Events after the reporting period

Following events occurred since the balance date:

The board of directors recommended 12% Cash and 8% stock dividend at the 179th Board meeting held on October 31, 2023 for the year ended June 30, 2023. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

Paper Processing and Packaging Ltd.

Schedule of Property, Plant and Equipment

For the period ended 30 June 2023

Particulars	Cost				Rate of Dep. (%)	Depreciation				Annexure-A	
	As on July 01, 2022	Addition during the Year	Disposal during the Year	Balance as at 30.06.2023		As on July 01, 2022	Charged during the Year	Adjustment during the Year	Balance as at 30.06.2023	Amount in Taka	
										Written Down Value as at 30.06.2023	
Cost											
Land and Land Development	106,329,043	-	-	106,329,043	0%	-	-	-	-	106,329,043	
Building and Construction	59,296,294	17,860,826	-	77,157,120	2.5%	7,053,374	1,752,594	-	8,805,968	68,351,152	
Plant and Machinery	162,246,086	-	-	162,246,086	7%	57,662,095	7,320,879	-	64,982,974	97,263,111	
Furniture and Fixture	4,493,199	-	-	4,493,199	10%	2,546,237	194,696	-	2,740,933	1,752,266	
Electrical Equipment	1,573,877	-	-	1,573,877	10%	810,746	76,313	-	887,059	686,818	
Office Equipment	3,215,089	-	-	3,215,089	10%	1,589,874	162,522	-	1,752,396	1,462,694	
Motor Vehicle	3,655,907	-	-	3,655,907	20%	2,971,974	136,787	-	3,108,761	547,146	
Sub Total as on 30.06.2023	340,809,495	17,860,826	-	358,670,321		72,634,300	9,643,790	-	82,278,090	276,392,230	
Sub Total as on 30.06.2022	320,512,246	20,297,249	-	340,809,495		62,770,141	9,864,159	-	72,634,300	268,175,195	
Revaluation											
Land and Land Development	104,575,669	-	-	104,575,669	-	-	-	-	-	104,575,669	
Building and Construction	3,224,642	-	-	3,224,642	2.5%	1,667,113	38,938	-	1,706,051	1,518,591	
Plant and Machinery	2,197,572	-	-	2,197,572	7%	2,032,094	11,583	-	2,043,677	153,895	
Furniture and Fixture	260,318	-	-	260,318	10%	260,318	-	-	260,318	-	
Electrical Equipment	346,354	-	-	346,354	10%	346,354	-	-	346,354	-	
Office Equipment	3,661	-	-	3,661	10%	3,661	-	-	3,661	-	
Motor Vehicle	884,504	-	-	884,504	20%	884,504	-	-	884,504	-	
Sub Total as on 30.06.2023	111,492,720	-	-	111,492,720		5,194,044	50,522	-	5,244,566	106,248,154	
Sub Total as on 30.06.2022	111,492,720	-	-	111,492,720		5,141,652	52,392	-	5,194,044	106,298,676	
Grand total as on 30.06.2023	452,302,215	17,860,826	-	470,163,041		77,828,344	9,694,312	-	87,522,656	382,640,385	
Grand total as on 30.06.2022	432,004,966	20,297,249	-	452,302,215		67,911,793	9,916,551	-	77,828,344	374,473,871	

Allocation of depreciation Charge:

Sl.No.	Particulars	% of allocation	Depreciation at Cost	Depreciation at Revaluation	Total
1	Factory Overhead	85%	8,197,222	42,943	8,240,165
2	Administrative Overhead	7.5%	723,284	3,789	727,073
3	Selling and distribution Overhead	7.5%	723,284	3,789	727,073
	Total (1+2+3)	100%	9,643,790	50,522	9,694,312

Paper Processing and Packaging Ltd.
Statement of Tax Depreciation
Assessment Year 2023-2024

For the period from 01-07-22 to 30-06-2023

									Annexure-B
SL. No	Assets	Opening assets at cost	Addition	Disposal	Closing Balance at cost	% of Depreciation	Adjustment	Depreciation at cost	Closing Balance
1	Land and Land Development	106,329,043	-	-	106,329,043	0%		-	106,329,043
2	Building	37,325,389	17,860,826	-	55,186,215	10%		5,518,622	49,667,594
3	Plant & Machinery	46,062,589	-	-	46,062,589	20%		9,212,518	36,850,071
4	Furniture	1,947,214	-	-	1,947,214	10%		194,721	1,752,492
5	Electric Equipments	534,731	-	-	534,731	15%		80,210	454,522
6	Motor Vehical	658,620	-	-	658,620	20%		131,724	526,896
7	Office Equipments	1,627,054	-	-	1,627,054	10%		162,705	1,464,349
	Total:	194,484,640	17,860,826	-	212,345,466			15,300,500	197,044,966

Particulars:

The details of Deferred Tax Liability is as under:

WDV as per Accounts (Other than land)	170,063,187
WDV as per 3rd Schedule ITO 1984 (Other than land)	90,715,923
Temporary Difference	79,347,264
Applicable Tax Rate	22.50%
Closing Balance:	17,853,134
Add/(Less):Previous year adjustment	-
Opening Balance	(14,738,111)
Expenses during the period	3,115,023
Revaluation surplus-PPE	106,248,154
Tax on capital gain	15%
Closing deferred tax liabilities/(assets)-at revaluation	15,937,223
Opening deferred tax liabilities/(assets)-at revaluation	(15,944,801)
Deferred tax expense/(income)-at revaluation	(7,578)

Paper Processing and Packaging Ltd.
Schedule of Inventories
As at June 30, 2023

Annexure-C

Items Name	Unit	Opening as on 01 July 2022		Procurement		Total		Consumption		Closing as on 30 June 2023	
		Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)
Raw Materials:											
White Printing/Writing Paper	MT	1,184	77,619,644	75	11,506,395	1,259	89,126,039	1,167	81,423,922	92	7,702,117
Cartridge Paper/Ledger Paper /Art Paper/ Carton Board/Old Corrogated Cutting	MT	25	2,763,827	10,083	231,896,432	10,108	234,660,259	7,023	161,942,010	3,086	72,718,249
Printing Materials	Lbs	-	2,763,814	-	8,294,698	-	11,058,512	-	8,500,168	-	2,558,344
Total Raw Materials:			83,147,285		251,697,525		334,844,810		251,866,100		82,978,710
Packing Materials and Store & Spare Parts:											
Store, Spares and Others	Tk.	-	6,746,905	-	14,416,807	-	21,163,712	-	10,956,773	-	10,206,939
Lubricant	Ltr	942	187,740	5,261	936,153	6,203	1,123,893	4,693	711,476	1,510	412,417
Total Packing Materials and Store & Spare Parts:			6,934,645		15,352,960		22,287,605		11,668,249		10,619,356
Total Raw Materials, Packing Materials and Store & Spare Parts:			90,081,930		267,050,485		357,132,415		263,534,349		93,598,066
Work-in-Progress:											
Work-in-Progress	Tk.	-	-	-	-	-	-	-	-	-	-
Total Work-in-Progress:			-		-		-		-		-
Items Name	Unit	Opening as on 01 July 2022		Production		Total		Delivery		Closing as on 30 June 2023	
		Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)
Finished Goods:											
Text Book/Exam Khata/ Register Khata / Brochures/Diary/ Recycled paper/ Posters/ Training Materials/ Others	PCS		51,735,894		329,845,401	-	381,581,295	-	327,279,697		54,301,598
Total Finished Goods:			51,735,894		329,845,401		381,581,295		327,279,697		54,301,598
Closing Stock as on 30 June 2023:										147,899,664	



Paper Processing and Packaging Ltd.

(Registered Office: Plot No.-314/A, Road No. 18,
Block- E, Bashundhara R/A, Dhaka-1229)

PROXY FORM

I/We _____

of _____

being Member of **Paper Processing and Packaging Ltd.**, hereby appoint Mr./ Mrs. _____
of _____ as my /our proxy to attend and
vote for me/us and on my/our behalf in the 34th Annual General Meeting of the Company to be held on
Thursday, December 28, 2023 at 12:30 p.m. and/or at any adjournment thereof.
As witness I/We put my/our hand this _____ day of _____ 2023.

Signature of Proxy

Affix
Revenue
Stamp

Signature of the Shareholder

No of shares held: _____

Folio/BO No: _____

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 48 hours before the time fixed for the meeting.

✂.....



Paper Processing and Packaging Ltd.

(Registered Office: Plot No.-314/A, Road No. 18,
Block- E, Bashundhara R/A, Dhaka-1229)

ATTENDANCE SLIP

I hereby record my attendance in the 34th Annual General Meeting being held on Thursday,
December 28, 2023 at 12:30 p.m. at **Digital Platform**.

Name of member/proxy

Mr./Mrs. _____

Folio/Bo No.: _____

Signature: _____



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