

উন্নত দেশ গড়ার অঙ্গীকার



ANNUAL REPORT 2021-2022



ISO CERTIFIED



PAPER PROCESSING AND PACKAGING LTD.

পেপার প্রসেসিং এন্ড প্যাকেজিং লিমিটেড

(মাগুরা গ্রুপের একটি প্রতিষ্ঠান)



ANNUAL REPORT 2021 - 2022

33RD ANNUAL GENERAL MEETING



PAPER PROCESSING & PACKAGING LTD.
পেপার প্রসেসিং এন্ড প্যাকেজিং লিমিটেড



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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

November 10, 2022

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, 2022

Dear Sir(s)

We are pleased to enclose the notice of the 33rd 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 2022, Statement of Comprehensive Income, Cash flows and Changes in Equity and other relevant Statements for the year ended 30 June 2022.

Yours sincerely,

Md. Mustafizur Rahman
Company Secretary



Corrigendum of the 33rd Annual General Meeting Notice

The date for holding the 33rd Annual General Meeting of Paper Processing and Packaging Ltd. has been refixed on December 08, 2022 at 12.15p.m. at Digital Platform instead of November 08, 2022:

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 of AGM (12.15 p.m., December 08, 2022)refixed 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.

Other information of the 33rd Annual General Meeting will remain unchanged.

By Order of the Board of Directors

Md. Mustafizur Rahman
Company Secretary

Place: Dhaka
Date: November 05, 2022



Notice of the 33rd Annual General Meeting

Notice is hereby given that the 33rd Annual General Meeting of Paper Processing and Packaging Ltd. will be held on Tuesday, November 08, 2022 at 11:00 a.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 2022 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 2022 as recommended by the Board of Directors;
3. To Elect/Re-Elect Directors of The Company;
4. To appoint Statutory Auditors for the year 2022-2023 and fix their remuneration;
5. To appoint Compliance Auditors for the year 2022-2023 and fix their remuneration.

By Order of the Board of Directors

Md. Mustafizur Rahman
Company Secretary

Place: Dhaka

Date: October 10, 2022

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. October 24 2022, 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 (November 08, 2022 at 11:00 a.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 2021-2022 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 Mr. Mostafa Jamal Mohiuddin Mr. Md. Ali Hossain Munir Mr. Shafiqul Azam Khan</p> <p>Independent Directors Dr. Md. Rafiqul Islam Dr. Md. Abul Kalam Azad Advocate Md. Golam Kibria</p> <p>AUDIT COMMITTEE</p> <p>Chairman Advocate Md. Golam Kibria</p> <p>Members Mr. Mostafa Jamal Mohiuddin Mr. Md. Ali Hossain Munir</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 M/S. Ahmed Zaker & Co. , Chartered Accountants</p> <p>CORPORATE GOVERNANCE COMPLIANCE AUDITORS M/S. Huda Hossain & 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>	26 December , 2021
<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 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.

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 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 and for better representation of Bangladesh Group Ltd. in Paper Processing and Packaging Ltd.

ADVOCATE MD. GOLAM KIBRIA

Independent Director

Prominent lawyer Advocate Md. Golam Kibria is an Independent Director of Paper Processing and Packaging Ltd. He is the Chairman of Audit Committee as well as Nomination and Remuneration Committee of the company. He has more than two decades



of practical experience in implementation and management activities of different Paper Projects.

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. 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.

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. 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

Md. Mobarok Hossain is the Managing Director of Paper Processing and Packaging Ltd. 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.



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**



**Advocate Md. Golam Kibria
Independent Director**



**Md. Mobarok Hossain
Managing Director**



Message from the Chairman

BISMILLAHIR RAHMANIR RAHIM

HONORABLE SHAREHOLDERS,

Assalamu Alaikum

It is my privilege to welcome you in the 33rd Annual General Meeting of Paper Processing and Packaging Limited for the year ended on June 30, 2022. I would like to take the opportunity to express my sincere gratitude and heartfelt thanks for your trust, confidence, continued support 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 Commission (DSE) authority re-listed the company in the Regular Market on June 10, 2021 and approved trading of the shares in the main market of DSE with effect from June 13, 2021. The company has been upgraded as a 'A' grade company in the month of February, 2022 by DSE considering fulfillment of all necessary criteria. After resumption of share trading in DSE the company has been continuing its journey with constant growth in all parameters.

In the financial year 2021-2022 the company was successful in earning remarkable profit. The company earned net profit after tax amounting to Tk. 4,82,33,033/- in the year 2021-2022 compared to Tk. 1,40,01,112 in the year 2020-2021.

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

This gives us confidence that we can remain steadfast in our commitment for our valued shareholders.

I am pleased to inform you that the company kept commitment of dividend payment to its shareholders through recommending declaration of 8% cash dividend and 7% Stock Dividend in the 33rd Annual General Meeting convened on December 08, 2022.



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, 2021-2022.

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 Board and Management Team for their efforts and visionary thought in expediting and implementing the company 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 2021-2022 a success.

Mustafa Kamal Mohiuddin
Chairman



Directors' Report

DEAR VALUED SHAREHOLDERS,

Assalam Alaikum

We welcome you all in the 33rd 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, 2022. This report has been prepared in compliance with section 184 of the companies Act, 1994 and Bangladesh Securities and Exchange Commission Notification no. SEC/CMRRC/2006-158/207 dated June 03, 2018.

PRINCIPAL ACTIVITIES

The principal activities of Paper Processing and Packaging Limited is printing of Text Books, Exercise books, Photocopy Paper, Magazine, Annual Report, Dairy, Calendar, Poster, Brochures, Register, Office Stationery, Shopping Bags including trading of recycled paper. The project has equipments capable of printing and binding of 2,50,00,000 copies of the said product 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, NGO,s, 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 107.48 million in the last fiscal year 2021-2022 with aim to export USD 200.00 million in year 2022-2023. 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 distill 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.



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 sectors had continued satisfactory business performance in the country during the year.

During the year 2021-2022, the company's net sale was Tk. 41,40,55,473/- which was Tk. 16,95,45,458/- in the last year. Net profit after tax stood at Tk. 4,82,33,033/- in the year ended on 30-06-2022 which was Tk. 1,40,01,112/- in the last year. During the year 2021-2022, Earnings per Share (EPS) of the company stood at Tk. 4.62 which was Tk. 1:34 in the year 2020-2021.

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 13, 2022. Since then the shares are being traded in the Regular Market of DSE with ever increasing turnover.

DIVIDEND

The Board of Directors recommended 8% cash dividend and 7% stock dividend for the year ended on June 30, 2022 for declaration in the 33rd Annual General Meeting of the company for approval of the general shareholders. However, since the company has not completed 3 years after relisting on 10-06-2021 in the main market of DSE, consent of BSEC will be sought for issuing the Bonus Shares.

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

COGS of the company was Tk. 27,09,75,507/- in the current year compared to Tk. 10,50,56,853/- in the previous year. COGS to sales ratio was 65.44%. Gross profit stood at Tk. 14,30,79,966/- compared to Tk. 6,44,88,605/- in the previous year. Gross profit margin was 34.56% in 2021-22 compared to 38.04% in the year 2020-2021.

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 FININCIAL 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 08 (eight) Directors in the Board of Paper Processing and Packaging Ltd. including three Independent Directors. Mr. Mustafa Kamal Mohiuddin and Mr. Ali Hossain Munir, Directors of the Company will retire by rotation in the 33rd 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 2021-2022 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 24 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 three Independent Directors namely Advocate Md. Golam Kibria, Dr. Md. Rafiqul Islam and Dr. Md. Abul Kalam Azad.

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 STATUTORY AUDITORS

Ahmed Zakir & Co., Chartered Accountants, performed the auditing of financial statements of the company for the year ended on 30-06-2022. Pursuant to the section 210 of Companies Act 1994, the statutory auditors were appointed and audited the Financial Statements for three consecutive years. So, as per BSEC rules they are not eligible for appointment. Therefore, new auditors shall be appointed in the ensuing Annual General Meeting after completion of due process and formalities. Meanwhile G. Kibria & Co., Chartered Accountants have applied to be appointed as statutory auditors of the company.

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. Huda Hossain & Company, Chartered Accountants examined the compliance status to the Corporate Governance Code by company for the year ended on 30-06-2022 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 2022-2023. 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 33rd 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.

We would like to express our gratitude and sincere appreciation once again to all the valued shareholders for their wholehearted support to the company and look forward to their continued support and co-operation in the days to come.

For and on behalf of the Board of Directors,

Mostafa Jamal Mohiuddin
Director

Md. Mobarok Hossain
Managing Director



KEY OPERATING AND FINANCIAL DATA

Particulars	2021-2022 (Tk.)	2020-2021 (Tk.)	2019-2020 (Tk.)	2018-2019 (Tk.)	2017-2018 (Tk.)
Authorized Capital	60,00,00,000	25,00,00,000	25,00,00,000	25,00,00,000	25,00,00,000
Paid up Capital	10,44,96,000	10,44,96,000	3,36,00,000	3,36,00,000	3,36,00,000
Revenue	41,40,55,473	16,95,45,458	20,01,63,768	38,98,83,210	34,83,23,244
Cost of Goods Sold	27,09,75,507	(10,50,56,853)	(11,32,86,646)	(27,07,50,718)	(22,28,16,156)
Gross Profit	14,30,79,966	6,44,88,605	8,68,77,122	11,91,32,492	12,55,07,088
Net Profit/(Loss) before Tax	5,88,21,954	2,05,81,768	3,69,77,217	67,861,608	8,17,55,050
Net Profit/(Loss) after Tax	4,82,33,033	1,40,01,112	2,38,40,082	50,896,206	6,13,16,287
Non-Current Assets	37,45,58,571	36,41,77,873	30,76,08,364	31,79,16,788	27,66,23,907
Current Assets	51,89,51,569	45,49,77,157	44,85,49,146	38,44,15,282	35,90,72,932
Total Assets	89,35,10,140	81,91,55,030	75,61,57,510	70,23,32,070	63,56,96,840
Shareholders' Equity	33,00,66,965	29,22,75,673	28,21,58,884	25,82,25,640	20,73,20,648
Current Liabilities	39,90,63,787	30,62,41,709	25,38,13,859	25,66,26,497	22,29,84,360
Total Liabilities	56,34,43,175	52,68,79,357	47,39,98,625	44,41,06,430	42,83,76,191
Earnings Per Share (EPS)	4.62	1.34	7.10	15.15	18.25



SHAREHOLDING PATTERN

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

Pattern of Shareholding as on 30 June 2022			
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	9,90,970	9.48
2. Mr. Shafiqul Azam Khan	Director		
Magura Group Ltd.			
Represented by:			
Mr. Md. Mobarok Hossain	Managing Director	8,21,306	7.86
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. Ataur Rahman	General Manager (Sales & Mktg.)	-	-
Mr. Moniruzzaman Liton	Manager (Sales & Marketing)	-	-
Mr. Md. Murad Alam	AGM (Production)	-	-
Mr. Protul Kumar	Manager (Tax & VAT)	-	-
Total Share Holdings by Directors		34,18,064	32.70%
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		78,392	0.75
Total Share Holdings by Directors, Sponsors		43,93,360	42.04
Total Share Holdings by Others		60,26,240	57.96
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.



**Directors Meeting & Attendance of
Paper Processing and Packaging Ltd.
Board 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	8
Mr. Md. Ali Hossain Munir	Director	8	7
Mr. Shafiqul Azam Khan	Director	8	1
Advocate Md. Golam Kibria	Independent Director	8	8
Dr. Md. Rafiqul Islam	Independent Director	8	7
Dr. Md. Abul Kalam Azad	Independent Director	8	7

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	8	5000/-	4	1/1	40,000/-
Mr. Md. Ali Hossain Munir Director	7	5000/-	4	1/1	35,000/-
Mr. Shafiqul Azam Khan Director	3	5000/-			15,000/-
Advocate Md. Golam Kibria Independent Director	8	5000/-	4	1/1	40,000/-
Dr. Md. Rafiqul Islam Independent Director	7	5000/-			35,000/-
Dr. Md. Abul Kalam Azad Independent Director	7	5000/-			35,000/-

** 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 2022

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:

- To review the quarterly and annual financial statements before submission to the Board for approval, adequacy of internal audit functions.
- 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

- report on conflicts of interests,
- suspected or presumed fraud or irregularity or material defect in the internal control system,
- suspected infringement of laws, including securities related laws, rules and regulations,
- 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

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 (Independent Director) | : 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, 2022.



COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE

Particulars	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	01 July 2017 to 30 June 2018
Turnover	41,40,55,473	16,95,45,458	20,01,63,768	38,98,83,210	34,83,23,244
Gross Profit	14,30,79,966	6,44,88,605	8,68,77,122	11,91,32,492	12,55,07,088
Net Profit Before Tax	5,88,21,954	2,05,81,768	3,69,77,217	67,861,608	8,17,55,050
Net Profit After Tax	4,82,33,033	1,40,01,112	2,38,40,082	50,896,206	6,13,16,287
Total Asset	89,35,10,140	81,90,70,330	75,60,72,809	70,23,32,070	63,56,96,840
Total Current Assets	51,89,51,569	45,49,77,157	44,85,49,146	38,44,15,282	35,90,72,932
Paid up Capital	10,44,96,000	10,44,96,000	3,36,00,000	3,36,00,000	3,36,00,000
No. of Shares	1,04,49,600	1,04,49,600	33,60,000	33,60,000	33,60,000
Shareholders' Equity	33,00,66,965	29,21,90,973	28,20,74,184	25,82,25,640	20,73,20,648
Total Current Liabilities	39,90,63,787	30,62,41,709	25,38,13,859	44,41,06,430	42,83,76,191
EPS	4.62	1.34	9.10	15.15	18.25
NAV per share	31.59	27.97	83.95	76.85	61.70
NOCFPS	0.95	2.76	9.51	30.93	12.20

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

October 10, 2022

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 2022**

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, 2022 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 2022 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)

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CP-2022/138

Date of issue : February 17, 2022

BAPLC

Renewed Certificate

This is to certify that

PAPER PROCESSING & PACKAGING LIMITED

*is an Ordinary Member of Bangladesh Association of Publicly Listed Companies
and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2022.



Secretary General



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 33rd 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

M/S Ahmed Zaker & Co., Chartered Accountants was the external/ statutory auditor of the Company for the year 2021-22. 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



HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS

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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, 2022. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated July 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:

- (a) 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;
- (b) 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;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws;
- (d) The governance of the Company is satisfactory.

Dated: 28th July, 2022
Place: Dhaka




(MD AMINUL ISLAM FCA)
HUDA HOSSAIN & CO.
CHARTERED ACCOUNTANTS



ANNEXURE – C

[As per condition No. 1(5)(xxvii)]

**Paper Processing and Packaging Ltd.
Corporate Governance Compliance Report
For the year ended 30th June, 2022**

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated July 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969.

(Report under Condition No.9)

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	√		The total number of Directors are 05 (Five) from Financial year 2021-2022.
1.2	Independent Directors:			
1.2 (a)	Independent Directors: At least 1/5th (We have five Directors and three Independent Director)	√		
1.2 (b)(i)	Independent Director does not hold any shares in the company or holds Less than one percent (1%) Shares of the total paid-up shares of company	√		
1.2 (b)(ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder	√		
1.2 (b)iii)	Not been an executive of the Company immediate preceding 2 financial years	√		
1.2 (b)iv)	Does not have other relationship	√		
1.2 (b)v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange	√		
1.2 (b)vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market	√		
1.2 (b)vii)	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	√		
1.2 (b)viii)	Not an Independent Director more than five listed Companies.	√		
1.2 (b)ix)	Not 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 (NBFI)			
1.2 (b)x)	Not convicted for a Criminal offence	√		
1.2 (c)	Appointment by the Board and approved in AGM.	√		
1.2 (d)	Post cannot remain vacant for more than 90 days	√		
1.2 (e)	Tenure of the Independent Director	√		
1.(3)	Qualification of Independent Director:			
1.3 (a)	Independent Director shall be knowledgeable individual with integrity	√		
1.3 (b)i)	Should be a Business Leader			N/A
1.3 (b)ii)	Should be a Corporate Leader			N/A
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.			N/A
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1.3 (b)v)	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	√		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3 (d)	Special cases for relaxation of qualifications.			Not applicable
1.(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1.4 (c)	The Chairperson 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	√		



	Chairperson and the Managing Director and/or chief Executive Officer;			
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.			No such event occurred
1.(5)	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry	√		
1.5 (ii)	Segment-wise or product-wise performance	√		
1.5 (iii)	Risks and concerns			No such Risk
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
1.5 (v)	Discussion on continuity of any Extra Ordinary gain or loss			No such event occurred
1.5 (vi)	Discussion and Basis of related party transactions- a statement of all related party transactions.	√		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			N/A
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			No such event occurred
1.5 (x)	Statement of Remuneration to directors including independent directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5 (xii)	Statement of Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Statement of 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)	Statement of IAS/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)	Statement of system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.	√		
1.5 (xvii)	Statement of no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5 (xviii)	An explanation that Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	√		
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)	A report on the pattern of the shareholding:			
1.5 (xxiii)a)	Parent/Subsidiary/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 & 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)a)	A brief resume of the director;	√		
1.5 (xxiv)b)	Nature of his/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 Discussion and Analysis signed by MD:			
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;			N/A
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result 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;			Explained in Directors Report.
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	√		
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 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	Meeting of the Board of Directors: 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 Chairperson, 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 Chairperson 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.			Completed
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;			Not Applicable
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;			Not Applicable
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;			Not Applicable
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;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			Not Applicable
3	MANAGING DIRECTOR (MD) or 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 Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO), a Head of Internal Audit and Compliance (HIAC);	√		
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC 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 Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or 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; and	√		
3.3(a)ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are	√		



	fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;			
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee:-			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5	AUDIT COMMITTEE:			
5.1	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 Chairperson of the Board and shall include at least 1 (one) independent director;	√		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5.2(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not	√		



	later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee.			
5.2(e)	The company secretary shall act as the secretary of the Committee	√		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	√		
5.3	Chairperson of the Audit Committee			
5.3(a)	The Board of Directors 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)	Chairperson 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 its four meetings in a financial year:	√		
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members 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 significant 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; and	√		
5.5(m)	Over see 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:			N/A
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting to the Board of Directors	√		
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;			There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;			There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.			There was no such event to report
5.6(b)	Reporting to the Authorities			There was no such



				event to report
5.7	Reporting to the Shareholders and General Investors.			There was no such event to report
6	Nomination and Remuneration Committee(NRC)			
6.1	Responsibilities to the Board of Directors:			
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6.2	Constitution of the NRC			
6.2(a)	The Committee shall comprise of at least three members including an independent director	√		
6.2(b)	All members of the Committee shall be non-executive directors;	√		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	√		
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 nonvoting member, if the Chairperson feels that advice or suggestion from such external expert and/or or member(s) of staff shall be required or valuable for the Committee;	√		
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	Chairperson of the NRC			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	√		
6.3(c)	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;			
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			There was no such event with in the report period
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	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6.5(b)i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and	√		



	recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
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 benchmark;	√		
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 person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended 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; and	√		
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	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:	√		
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	√		
7.1(v)	Actuarial services.			N/A
7.1(vi)	Internal 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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law shall be considered as family members.	√		
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://pppl.com.bd and https://www.bdg-magura.com]
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	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account 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 shall such certificate shall be disclosed in the Annual Report.			
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



Date: October 18, 2022

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 30-06-2022.

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 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion 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 2022, 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. The company reported BDT 2,941,098 (Ref: Note No # 22.00) as Payment for WPPF and Welfare Fund. The WPPF is yet to be recognized. The fund is to be divided in the ratio 80:10: 10 for employee, Government fund and welfare fund respectively. But we have been informed that full amount has been distribute among the employees.
2. As disclosed in Note: 3.00 to the financial statements, property, plant and equipment of BDT 374,473,871 was reported in the statement of financial position. While we were checking fixed asset register all the information of individual assets like identification number, Purchase date were not found. The fixed assets register is need to be updated.
3. As referred to in Note: 05.00 in the financial statement, closing inventories was carried at BDT 141,817,824 in the statement of financial position at the reporting date. While conducting



physical verification of inventories, we observed that inventory record is being kept erratically so we could not confirm some of item of inventories.

4. The company has incurred land and land development cost (Ref. Note No: 03) and also had made advance (ref. Note No: 07.01.02) for the Construction and land development. The payments were made in cash. Some of the procedures incurring the development costs was not followed by the company.
5. The company has made advance of BDT 127,233,302 to its sister concerns. The amount is free of interest (Ref: Note No: 8.00). The company has received BDT 151,686,860 as advance from its sister concerns and Loan from Director which is also interest free (Ref: Note No: 15.00 & 21.00).

Key Audit Matters

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	
<p>During the year, the Company reported sales revenue of BDT 414,055,473 which has increased by BDT 244,510,015 as compared with previous year.</p> <p>Main sources 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.</p> <p>Revenue is recognized based on point of delivery and when relevant performance obligations are met. The company adopted IFRS: 15 'Revenue from Contracts with Customers' 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</p>	<p>Our audit procedures included the following to test the design and operating effectiveness of key control focusing on:</p> <ul style="list-style-type: none"> ➤ Segregation of duties in invoice creation and modification. ➤ Timing of revenue recognition considering step by step procedure. <p>Our substantive procedures in relation to revenue recognition and measurement comprise the following:</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



<p>performance of the Company.</p>	<p>sales revenue recognized by inspecting source documents such as contract made with the customer, delivery challan and VAT challan.</p> <ul style="list-style-type: none"> ➤ 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. 26.00 Revenue in the financial statements</p>	
<p>Valuation of closing inventories</p>	
<p>Closing inventories aggregating to BDT 141,817,824 was recognized in the statement of financial position as on 30 June 2022. Compared with previous year, this has increased by BDT 47,782,545.</p> <p>Closing inventories were all held at factory premises of the Company. Since determining 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>	<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. ➤ Evaluating internal controls to monitor or keep track of inventory movement. ➤ 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</p>



	value against slow moving, obsolete and damaged items to test both accuracy and valuation of reported amount.
Refer to note no. 5.00 Inventories in the financial statements	
Property, plant and equipment	
<p>Property, plant and equipment (PPE) was carried at BDT 374,473,871 representing over 41% of total assets of the company as on 30 June 2022. The company reported addition to PPE of BDT 20,297,249 during the year.</p> <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> <p>Development work (Note. 7.01.02) carrying previous year BDT 37,690,275 was made in cash. During this year BDT. 19,829,449 has been transferred to Land and Land Development. Carrying figure for construction and development is BDT. 17,860,826. It was mandatory for the company to pay such amount by cheque or Bank Transfer. The PPR procedures was not maintained properly. Applicable TDS & VDS needs to be deducted.</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. ➤ 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 assumptions used by the management in determining estimated useful lives and therefore reasonableness of rate of depreciation used. <p>Assessing the appropriateness of presentation and adequacy of disclosures with relevant IFRS.</p>
Refer note no. 3.00 Property, plant and equipment & 7.01.02 Advance against Work in the financial statements	
Inter Company Account	
The Company has undertaken transactions with its related parties. At the year ended total receivable from sister concerns is amounting	Our substantive audit procedure adopted during the audit includes the following test or details



<p>BDT. 127,233,302 and total payable to sister concerns and Director is amounting BDT. 151,686,860. The intercompany transactions were made in interest free.</p> <p>We identified related party transactions as a key audit matter due to significance of related party transactions regulatory compliances and risk of such transactions remaining disclosed in the financial statements.</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 transactions.➤ 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.
<p>Refer to note no. 8.00 , 15.00, 21.00 to the financial statements for details</p>	

Other Matter

Due to the outbreak of global pandemic “Covid-19” declared by the World Health Organization (WHO) and subsequent spread of the virus resulting in deteriorating situation in Bangladesh during the conduct of audit at the company, our audit procedures were mainly tailored to the material areas of the financial statements with more emphasis placed on obtaining documentary evidence from the company and testing their accuracy using the online platforms and limited physical verification to avoid the risk of getting contacted the virus and safety of audit team members.

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.

Dhaka

Dated: 29 September 2022

DVC: 2210020478AS309782

Ahmed Zaker & Co.
Chartered Accountants
Z A Mridha FCA
Partner
Enroll no. 478

Place:



Paper Processing and Packaging Ltd.
Statement of Financial Position
As at 30 June 2022

Particulars	Notes	Amount in Taka	
		30 June 2022	30-June-2021
Assets			
Non-Current Assets		374,558,571	364,177,873
Property, Plant and Equipment	3.00	374,473,871	364,093,173
Investment in Share	4.00	84,700	84,700
Current Assets		518,951,569	454,977,157
Inventories	5.00	141,817,824	94,035,279
Trade Receivable	6.00	78,784,696	37,989,154
Advances, Deposits and Pre-Payments	7.00	125,147,981	73,484,344
Inter Company Account	8.00	127,233,302	215,689,950
Advance Income Tax	9.00	37,446,902	27,979,487
Cash and Cash Equivalents	10.00	8,520,864	5,798,943
Total Assets		893,510,140	819,155,030
Equity and Liabilities			
Equity		330,066,965	292,275,673
Share Capital	11.00	104,496,000	104,496,000
Revaluation Reserve	12.00	90,353,873	90,398,407
Retained earnings	13.00	135,217,091	97,381,266
Non-Current Liabilities		164,379,388	220,637,648
Long Term Bank Loan	14.00	57,494,164	77,826,118
Long Term Liability	15.00	76,202,310	111,730,850
Deferred Tax Liability	16.00	30,682,914	31,080,680
Current Liabilities		399,063,787	306,241,708
Trade Payable and others payable	17.00	57,634,701	44,928,516
Liabilities for Expenses	18.00	7,304,663	7,479,947
Short Term Bank Loan	19.00	188,328,732	190,732,962
Long Term Bank Loan-Current Portion	20.00	25,028,666	5,699,352
Inter Company/Director Loan Account	21.00	75,484,550	24,570,264
Provision for WPPF and Welfare Fund	22.00	2,941,098	1,029,088
Provision for Income Tax	23.00	39,382,367	28,403,538
Un-paid Dividend	24.00	2,959,011	3,398,042
Total Liabilities		563,443,175	526,879,357
Total Equity and Liabilities		893,510,140	819,155,030
Net Assets Value per share (NAV)	25.00	31.59	27.97

The accompanying notes (01 to 39) form an integral part of these financial statements and are to be read in conjunction therewith.



Company Secretary



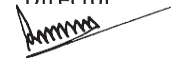
Managing Director



Chief Financial Officer



Director



Chairman



Ahmed Zaker & Co.
Chartered Accountants
Z A Mridha, FCA
Partner
Enroll No: 478


Place: Dhaka
Dated: September 29, 2022
DVC: 2210020478AS309782



Paper Processing and Packaging Ltd.
Statement of Profit or Loss and other Comprehensive Income
For the Year ended 30 June 2022

Particulars	Notes	Amount in Taka	
		Jul'21 -June'22	Jul'20 -June'21
Revenue	26.00	414,055,473	169,545,458
Cost of Goods Sold	27.00	(270,975,507)	(105,056,853)
Gross profit		143,079,966	64,488,605
Operating expenses		(48,993,574)	(12,520,562)
Office and Administrative Expenses	28.00	(22,927,961)	(5,455,074)
Marketing and Distribution Expenses	29.00	(26,065,612)	(7,065,487)
Profit from operation		94,086,392	51,968,043
Financial Expenses	30.00	(32,387,575)	(30,389,431)
Non Operating Income	31.00	64,234	32,244
Profit/(Loss) Before Tax &WPPF		61,763,051	21,610,856
Contribution to WPPF and Welfare Fund		(2,941,098)	(1,029,088)
Net Profit before tax		58,821,954	20,581,768
Income Tax Expenses		(10,588,921)	(6,580,655)
Current Tax	32.00	(10,978,829)	(4,532,406)
Deferred Tax	16.01	389,908	(2,048,249)
		48,233,033	14,001,112
Earnings Per Share	33.00	4.62	1.34


The accompanying notes (01 to 39) form an integral part of these financial statements and are to be read in conjunction therewith.


Company Secretary



Chief Financial Officer


Director


Managing Director


Chairman

Place: Dhaka
Dated: September 29, 2022
DVC: 2210020478AS309782


Ahmed Zaker & Co.
Chartered Accountants
Z A Mridha, FCA
Partner
Enroll No: 478




Paper Processing and Packaging Ltd.
Statement of Changes in Equity
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	90,398,407	97,381,266	292,275,673
Net profit after tax	-		48,233,033	48,233,033
10% Cash Dividened			(10,449,600)	(10,449,600)
Transfer from Deferred Tax to revaluation surplus		7,859		7,859
Transfer of Revaluation depreciation 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

As at 30 June 2021

Particulars	Amount in Taka			
	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01.07.2020	33,600,000	90,444,607	158,114,277	282,158,884
Net profit after tax	-		14,001,112	14,001,112
11% Stock Dividend (2019-2020)	3,696,000		(3,696,000)	-
200% Stock Dividend (2017-2018)	67,200,000		(67,200,000)	-
11% Cash Dividend (2019-2020)			(3,696,000)	(3,696,000)
Transfer from Deferred Tax to revaluation surplus		8,153		8,153
Transfer of Revaluation depreciation to Retained Earnings	-	(54,353)	54,353	-
Adjustment for Short Provision			(1,649,784)	(1,649,784)
Adjustment for Defferd Tax	-		1,453,308	1,453,308
Balance as on 30.06.2021	104,496,000	90,398,407	97,381,266	292,275,673


Company Secretary


Chief Financial Officer


Director


Managing Director

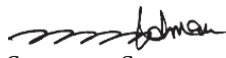

Chairman

Place: Dhaka
Dated: September 29, 2022



Paper Processing and Packaging Ltd.
Statement of Cash Flows
For the Year ended 30 June 2022

Particulars	Note	Amount in Taka	
		July 01, 2021 to June. 30, 2022	July 01, 2020 to June. 30, 2021
Cash Flow from Operating Activities			
Cash Received from Customer and Others		373,324,165	166,210,739
Less: Paid to Suppliers and Others		(334,549,461)	(126,847,687)
Less: Financial Expenses		(19,419,181)	(6,916,889)
Adjustment for Short Tax Provision		-	1,649,784
Less: Income Tax Paid		(9,467,415)	(5,215,288)
Net Cash Provided by Operating Activities (A)		9,888,108	28,880,659
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment		(20,297,249)	(67,173,553)
Advance/Construction Work		(76,415,831)	(29,291,211)
Net Cash Used by Investing Activities (B)		(96,713,080)	(96,464,764)
Cash Flow from Financing Activities			
Receipts/ (Payments) of Term Loan		(1,002,640)	(133,906)
Receipts/ (Payments) of Short Term Loan		(2,404,230)	50,139,888
Inter Company /Director Loan Account		103,842,394	12,336,380
Dividend Paid		(10,888,631)	(735,353)
Net Cash Provided by Financing Activities (C)		89,546,893	61,607,009
Net Cash inflow/ outflow during the year (A+B+C)		2,721,921	(5,977,096)
Cash and Cash equivalents at the beginning of the year		5,798,943	11,776,040
Closing Cash and Cash equivalents at the end of the year		8,520,864	5,798,943
Net Operating Cash Flows per share(NOCF)	34.00	0.95	2.76


Company Secretary


Chief Financial Officer


Director


Managing Director


Chairman

Place: Dhaka
Dated: September 29, 2022



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Paper Processing and Packaging Ltd.

Notes to the Financial Statements As at and for the year ended June 30, 2022

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 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.





2.05 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.

2.06 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 20% as prescribed in the Finance Act, 2022 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 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, 2022
i) Investment in Share	
Bangladesh Monospool Paper Mfg.Co.Ltd.	84,700
ii) Inter Company Account (Current Assets)	
BDG Foundation	2,449,360
Bangladesh Development Group Ltd.	8,523,805
BDG-Magura Group Ltd.	2,059,836
BD.News & Entertainment Ltd.	29,392,185
Intermediate and Secondary Books Publications Ltd	515,795
Madrassa Prokashana Ltd	677,560
Prathamik Pustak Prokashana Ltd	629,940
Millennium Spinning & Knitting Factory Ltd	8,228,178
Progressive Marketing Ltd	9,835,358
Magura Paper Mills Ltd.	63,066,470
Magura Recycled Paper Ind. Ltd.	1,350,000
Pearl Paper and Board Mills Ltd	4,815
International Eng. Construction Co. Ltd.(IECC)	500,000
Total:	127,233,302
iii) Long Term Liability	
Bangladesh Monospool Paper Mfg.Co.Ltd.	76,202,310
iv) Inter Company/Director Loan Account (Current Liability)	
Kores Bangladesh Limited	18,806,219
Bangladesh Development Co. Ltd.	1,608,137
Magura Group Limited	34,899,224
Shukran Foods Ltd.	1,650,000
Mr. Mustafa Kamal Mohiuddin (Chairman)	18,520,970
Total:	75,484,550
v) Receivables due from companies under same management	
Magura Paper Mills Ltd.	24,558,175
vi) Advance against Salary	
Uttam Kumar Debnath Debnath	1,015,000
Shafiqul Azam Khan	4,000
Mokbul Hossain	18,000
Total:	1,037,000

2.21 Going Concern

During the year ended on June 30, 2022 the entity had achieved net profit after tax of **Tk. 4,82,33,033/-** from the earnings of profit it is the likely that the company can run as a going concern in the foreseeable future.

2.22 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 8% Cash & 7% Stock dividend at the 171th Board meeting held on September 28, 2022 for the year ended June 30, 2022. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.



2.23 Date of Authorization

The Board of Directors has authorized these financial statements on **September 28, 2022**.

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	
		30 June, 2022	30 June, 2021

3.00 Property Plant and Equipment: Tk. 374,473,871

This is made up as follows:

Particulars

Opening Balance	320,512,246	253,338,693
Add: Addition during the year	20,297,249	67,173,553
	340,809,495	320,512,246
Less: Opening Accumulated Depreciation	62,770,141	52,220,450
Less: Current period Depreciation	9,864,159	10,549,691
Written Down Value (Cost)	268,175,195	257,742,105
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	5,141,652	5,087,299
Less: Current period Depreciation	52,392	54,353
Written Down Value (Revaluation)	106,298,676	106,351,068
Total Written Down Value (Cost+Revaluation):	374,473,871	364,093,173

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:

Particulars

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

5.00 Inventories: Tk. 141,817,824

This is made up as follows:

Particulars

Raw Materials	83,147,285	58,411,631
Packing Materials and Store & Spare Parts	6,934,645	4,053,031
Finished Goods	51,735,894	31,570,617
Closing Balance:	141,817,824	94,035,279

The details Schedule of Inventories are shown in (Annexure- C).

6.00 Trade Receivable: Tk. 78,784,696

This is made up as follows:

Particulars

Receivable from parties	78,784,696	37,989,154
Total	78,784,696	37,989,154

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
75,106,258	3,678,439	-	78,784,696	37,989,154
i) Receivables considered good & secured			78,784,696	37,989,154
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			24,558,175	-



Note No.	Particulars	Amount in Taka	
		30 June, 2022	30 June, 2021

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.

7.00 Advances, Deposits and Pre-Payments: Tk. 125,147,981

This is made up as follows:

Particulars

Advances	Note: 7.01	121,807,240	70,700,431
Security Deposit	Note: 7.02	2,595,051	1,797,223
VAT Current Account		732,014	742,014
Prepaid Group Insurance		13,676	15,643
Prepaid Insurance		-	229,033
Closing Balance:		125,147,981	73,484,344

- 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: Tk121,807,240

This is made up as follows:

Particulars

Advance against Purchases	Note: 7.01.01	101,759,414	32,053,825
Advance against Works	Note: 7.01.02	19,010,826	38,421,606
Advance against Salary	Note: 7.01.03	1,037,000	225,000
Closing Balance:		121,807,240	70,700,431

7.01.01 Advance against Purchases: Tk.101,759,414

This is made up as follows:

Particulars

Advance against Local Material	86,932,477	25,313,341
L/C # 1202200020045	-	5,168,000
L/C # 120221010332	-	1,153,200
Al Noor Paper and Board Mills	14,826,937	30,242
Gazipur Paper House	-	293,933
Base Paper	-	95,109
Total :	101,759,414	32,053,825

7.01.02 Advance against Works: Tk.19,010,826

This is made up as follows:

Particulars

Abdul Hai	-	50,331
AAA Finance and Investment	650,000	650,000
Prime Bank Investment Ltd.	300,000	-
ICB Capital Management	200,000	-
Constraction & Development work	17,860,826	37,690,275
PNS Machinery	-	31,000
Total :	19,010,826	38,421,606



Note No.	Particulars	Amount in Taka	
		30 June, 2022	30 June, 2021

7.01.03 Advance against Salary: Tk.1,037,000

This is made up as follows:

Particulars

Uttam Kumar debnath Debnath	1,015,000	175,000
Shafiqul Azam Khan	4,000	16,000
Mokbul Hossain	18,000	34,000
Total :	1,037,000	225,000

7.02 Security Deposits: Tk.2,595,051

This is made up as follows:

Particulars

Earnest Money Deposit	205,550	87,000
Bank Guarantee	1,246,015	380,906
Performance Guarantee	1,143,486	1,329,317
Total :	2,595,051	1,797,223

8.00 Inter Company Account: TK. 127,233,302

This is made up as follows:

Particulars

Bangladesh Development Co. Ltd.	-	100,811,463
BDG Foundation	2,449,360	2,449,360
Bangladesh Development Group Ltd.	8,523,805	8,523,805
BDG-Magura Group Ltd.	2,059,836	2,059,836
BD.News & Entertainment Ltd.	29,392,185	26,242,185
Intermediate and Secondary Books Publications Ltd	515,795	515,795
Madrasa Prokashana Ltd	677,560	677,560
Prathamik Pustak Prokashana Ltd	629,940	629,940
Millennium Spinning & Knitting Factory Ltd	8,228,178	8,228,178
Progressive Marketing Ltd	9,835,358	9,835,358
Magura Paper Mills Ltd.	63,066,470	53,866,470
Magura Recycled Paper Ind. Ltd.	1,350,000	1,350,000
Pearl Paper and Board Mills Ltd	4,815	-
International Eng. Construction Co. Ltd.(IECC)	500,000	500,000
Total:	127,233,302	215,689,950

9.00 Advance Income Tax: Tk. 37,446,902

This is made up as follows:

Particulars

Opening Balance	27,979,487	56,326,294
Add: Addition during the year	9,467,415	5,215,288
Less: Adjustment during the year	-	(33,562,095)
Closing Balance	37,446,902	27,979,487



Note No.	Particulars	Amount in Taka	
		30 June, 2022	30 June, 2021
10.00	Cash and Cash Equivalents: Tk. 8,520,864		

This is made up as follows:

Particulars

Cash in Hand		3,716,959	1,667,749
Cash at Banks	Note10.01	4,803,905	4,131,194
Total		8,520,864	5,798,943

10.01 Cash at Banks: Tk.4,803,905

This is made up as follows:

Particulars

AB Bank Ltd., Principal BR, A/C # 4005-219312-000	189,896	279,866
Basic Bank Ltd., Bashundhara Br., A/C # 01-0000027	81,365	81,365
First Security Islami Bank -A/C #017711100000233	3,560	4,710
IBBL-Kalampur Br. A/C # 20500160900000608	19,939	21,089
Meghna Bank Ltd. -A/C # 1101110000729	-	672
NCC Bank Ltd, Bashundhara Br., A/C # 325000044	691,084	732,402
Premier Bank Ltd. -A/C #0155111000000319	36,680	64,325
Janata Bank Ltd. Local Office A/C # 0100220245203	28,261	29,468
SIBL, Principal BR, A/C # 0021330060499	335,133	152,463
SIBL. Bashundhura Branch #077136001197	862,292	2,660,423
SIBL. Bashundhura Branch #07713600624	430	-
SIBL. Bashundhura Branch #07713600635	430	-
SIBL. Bashundhura Branch #07713600646	430	-
SIBL. Bashundhura Branch #0771360001963	2,450,142	-
SIBL. Bashundhura Branch #0771360000501	363	-
UCB Ltd., Bashundhara Br., A/C # 132-00000073	101,488	101,194
Union Bank-A/C # 0131010001131	2,413	3,218
Total:	4,803,905	4,131,195





Note No.	Particulars	Amount in Taka	
		30-June-2022	30-June-2021

11.00 Share Capital: Tk. 104,496,000

This is made up as follows:

Particulars

Authorized Capital :

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

600,000,000

250,000,000

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

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

104,496,000

104,496,000

Classification	No. of Share	Face Value (Tk)	Value (Tk)
Group-A			
Sponsor and Director	4,393,360	10.00	43,933,600
Group-B			
Financial Institutions	56,430	10.00	564,300
Group-C			
General Public	5,999,810	10.00	59,998,100
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	Director	990,970	9.48%	9,909,700
Magura Group Ltd. Represented by Mr. Md. Mobarok Hossain	Managing Director	821,306	7.86%	8,213,060
Advocate Md. Golam Kibria	Independent	-	0.00%	-
Dr. Md. Rafiqul Islam	Independent	-	0.00%	-
Dr. Md. Abul Kalam Azad	Independent	-	0.00%	-
Mr. Mohiuddin Ahmed	Shareholder	870,800	8.33%	8,708,000
Mr. Abu Baker Siddique	Shareholder	78,372	0.75%	783,720
Abirbhab Multimedia Ltd.	Shareholder	8,708	0.08%	87,080
Investment Consultants & Share Management Ltd.	Shareholder	17,416	0.17%	174,160
Financial Institutions	Shareholder	56,430	0.54%	564,300
General Public	Shareholder	5,999,810	57.42%	59,998,100
Total		10,449,600	100.00%	104,496,000

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	6,286	4,082,653	39.07%
15001- 150000 shares	42	1,254,228	12.00%
150001- 300000 shares	1	296,072	2.83%
300001- 600000 shares	0	-	0.00%
600001- 900000 shares	2	1,692,106	16.19%
900001- 1200000 shares	2	1,916,105	18.34%
1200001- 1500000 shares	1	1,208,436	11.56%
Total	6,334	10,449,600	100.00%



Note No.	Particulars	Sub-Note	Amount in Taka	
			30-June, 2022	30-June, 2021

12.00 Revaluation Reserve: Tk. 90,353,873

This is made up as follows:

Particulars

Opening Balance	90,398,406	90,444,606
Add: Current period Re-valuation	-	-
Less: Adjustment during the year	(52,392)	(54,353)
Less: Adjustment during the year as Deferred Tax	7,859	8,153
Closing Balance:	90,353,873	90,398,407

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. 135,217,091

This is made up as follows:

Particulars

Opening Balance	97,381,266	158,114,277
Add: Profit/(Loss) during the year	48,233,033	14,001,112
Add: Depreciation charged on revalued amount	52,392	54,353
Add: Adjustment for Defferd Tax	-	1,453,308
Less: 11% Stock Dividend Transferred From Retained	-	(3,696,000)
Less: 200% Stock Dividend Transferred From	-	(67,200,000)
Less: 10% Cash Dividend 2020-2021	(10,449,600)	(3,696,000)
Less: Short Provision of Income tax expenses up to	-	(1,649,784)
Closing Balance:	135,217,091	97,381,266

14.00 Long Term Bank Loan: Tk. 57,494,164

This is made up as follows:

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

Particulars

HPSM Loan A/C # 0023220003518	15,664,871	17,185,638
HPSM Loan A/C # 0023570000615	13,631,627	16,005,817
HPSM Loan A/C # 23570000323/21	1,084,717	4,985,809
HPSM Loan A/C # 002360000089/23	673,970	2,330,393
HPSM Loan A/C # 002360000091 /34	2,587,689	6,367,642
HPSM Loan A/C # 0023420000045	4,918,077	6,512,603
HPSM Loan A/C # 0023420000067	18,933,214	23,665,102
HPSM Loan A/C # 0023400000019	-	773,114
Total:	57,494,164	77,826,118

15.00 Long Term Liability: TK. 76,202,310

This is made up as follows:

Particulars

Bangladesh Monospool Paper Mfg.Co.Ltd.	76,202,310	111,730,850
Total:	76,202,310	111,730,850



Note No.	Particulars	Sub-Note	Amount in Taka	
			30-June, 2022	30-June, 2021

16.00 Deferred Tax Liability: Tk. 30,682,914

This is made up as follows:

Particulars

Opening Balance		31,080,680	30,493,892
Deferred Tax Expenses during the period	16.01	(389,908)	2,048,249
		30,690,772	32,542,141
Add/(Less): Deferred Tax Expenses/(Income) on		(7,859)	(8,153)
Add/(Less): Previous year adjustment		-	(1,453,308)
Closing Balance:		30,682,914	31,080,680

16.01 Deferred tax expenses during the period : Tk. -389,908

WDV as per Accounts (Other than land)		161,846,152	171,242,511
Carrying Amount as per Tax Law		88,155,597	104,006,869
Taxable Temporary Difference		73,690,555	67,235,642
Applicable Tax Rate		20.0%	22.5%
Total Deferred Tax Liability as on June 30, 2022		14,738,111	15,128,019
Add/(Less): Previous year adjustment		-	1,453,308
Less: Opening deferred tax liabilities/(assets)-at cost		(15,128,019)	(14,533,077)
Deferred tax expenses /(income) during the period		(389,908)	2,048,249

17.00 Trade and Other Payables Tk.57,634,701

This is made up as follows:

Particulars

Trade Payables	17.01	3,183,797	3,446,006
Interest Payable	17.02	54,450,904	41,482,510
Total		57,634,701	44,928,516

17.01 Trade Payable: Tk. 3,183,797

This is made up as follows:

Particulars

Kishoregong Paper House		570,400	1,070,400
Zeeshan International agency		1,075,862	1,325,862
Bhai Bhai Enterprise		95,171	-
Newaj Traders		154,389	154,389
New Jamuna Ink		298,700	348,700
New A. S. Traders		290,255	407,255
S.B Enterprise		89,400	139,400
Presstech Trading Corporation		374,620	-
Sail Corporation		235,000	-
Total:		3,183,797	3,446,006

17.02 Interest Payable: Tk.54,450,904

This is made up as follows:

Particulars

Social Islami Bank Ltd.		54,450,904	41,482,510
Total		54,450,904	41,482,510



Note No.	Particulars	Sub-Note	Amount in Taka	
			30-June, 2022	30-June, 2021

18.00 Liabilities for Expenses: Tk. 7,304,663

This is made up as follows:

Particulars

AJA Bangladesh Limited	-	11,000
Audit Fees (Ahmed Zaker & Co.)	201,250	201,250
Bangladesh Advance Technologies Ltd	-	125,000
Credit Rating Agency Of Bangladesh.	-	45,000
Jharna Engineering Works	301,852	220,852
Link 3 Technology	15,000	9,000
Metro net Bangladesh Ltd	20,000	15,000
Mosharrof Thai	-	167,838
RFL Plastics Limited	852,700	852,700
Robi Axiata Ltd	2,912	1,992
Grameen Phone	1,912	1,107
M/S New Mollah & Sons Transport Agency.	72,000	-
Two Star Cattering Service	3,690	-
TetraHost Bangladesh.	3,000	-
Raima Golpo Book Binding.	62,008	-
Rini Book Binding- Cr.	50,312	-
Others Payable	43,889	-
Dhaka Palli bidyut samity 3	357,159	545,397
Salary, Wages, OT, & Subsidy allowance	5,316,979	5,283,811
Total	7,304,663	7,479,947

19.00 Short Term Bank Loan : Tk. 188,328,732

This is made up as follows:

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

Baim Commercial:

BIAM (Com) # 0023140004926	-	4,881,199
BIAM (Com) # 0023140004948	-	2,965,139
BIAM (Com) # 0023140004961	-	3,395,139
BIAM (Com) # 0023140004972	-	5,000,000
BIAM (Com) # 0023140005343	-	4,000,000
BIAM (Com) # 0023140005354	-	3,100,000
BIAM (Com) # 0023140005409	-	6,000,000
BIAM (Com) # 0024280000017	-	11,000,000
BIAM (Com) # 0023140005321	10,000,000	10,000,000
BIAM (Com) # 0023140005398	10,000,000	10,000,000
BIAM (Com) # 0023140005411	420,247	650,000
BIAM (Com) # 0023130013238	5,000,000	5,000,000
BIAM (Com) # 0023130014847	5,000,000	-
BIAM (Com) # 0024500000062	11,000,000	-
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 (Wages Bill) # 0023930021912	14,100,000	-



Note No.	Particulars	Sub-Note	Amount in Taka	
			30-June, 2022	30-June, 2021
	Baim Work - Order:			
	BIAM (W.O) # 0023990002298		33,600,000	33,600,000
	BIAM (W.O) # 0023990002399		56,182,765	56,182,765
	Loan against Trust Receipt for L/C:			
	Provision for Deffered L/C (For Art Card)		-	21,477,000
	LTR # 0023240000236		13,481,720	13,481,720
	Total		188,328,732	190,732,962

20.00 Long Term Bank Loan-Current Portion Tk.25,028,666

Details of Social Islami Bank Ltd. (SIBL) Loan-Current Portion are as Follows:

HPSM Loan A/C # 0023220003518	3,058,993	1,538,226
HPSM Loan A/C # 0023570000615	3,119,019	744,829
HPSM Loan A/C # 23570000323/21	4,195,065	293,973
HPSM Loan A/C # 0023600000089 /23	1,600,261	125,562
HPSM Loan A/C # 0023600000091/34	4,123,342	343,389
HPSM Loan A/C # 0023420000045	1,865,199	270,673
HPSM Loan A/C # 002322000067	7,066,786	2,334,898
HPSM Loan A/C # 23570000299/19	-	47,802
Total	25,028,666	5,699,352

21.00 Inter Company/Director Loan Account: TK. 75,484,550

This is made up as follows:

Particulars

Kores Bangladesh Limited	18,806,219	3,546,219
Monospool Paper Mfg. Co Ltd.	-	6,028,860
Pearl Paper and Board Mills Ltd	-	14,995,185
Bangladesh Development Co. Ltd.	1,608,137	-
Magura Group Ltd.	34,899,224	-
Shukran Foods Ltd.	1,650,000	-
Mr. Mustafa Kamal Mohiuddin (Chairman)	18,520,970	-
Total	75,484,550	24,570,264

22.00 Provision for WPPF and Welfare Fund: Tk.2,941,098

This is made up as follows:

Particulars

Opening Balance	1,029,088	1,848,861
Less: Payment made during the year	(1,029,088)	(1,848,861)
Add: Interest during the year	-	-
Available Balance	-	-
Add: Addition during the year	2,941,098	1,029,088
Closing Balance:	2,941,098	1,029,088

23.00 Provision for Income Tax: Tk. 39,382,367

This is made up as follows:

Particulars

Opening Balance	28,403,538	55,783,443
Add: Short Provision up to 2020-2021	-	1,649,784
Add: During the period	10,978,829	4,532,406
Total	39,382,367	61,965,633
Less: Adjustment During the year	-	(33,562,095)
Closing Balance	39,382,367	28,403,538



Note No.	Particulars	Sub-Note	Amount in Taka	
			30-June, 2022	30-June, 2021

24.00 Un-paid Dividend: Tk. 2,959,011

This is made up as follows:

Particulars

Opening Balance	3,398,042	437,395
Add: Declared during the period	10,449,600	3,696,000
Total	13,847,642	4,133,395
Less: Paid during the year	(10,888,631)	(735,353)
Closing Balance	2,959,011	3,398,042

Un-paid Dividend and are classified as follows:

Group-A Sponsor and Director	748,757	1,576,221
Group-B Financial Institutions	216,931	79,917
Group-C General Public	1,993,323	1,741,904
Total	2,959,011	3,398,042

25.00 Net Assets Value per share (NAV):Tk.31.59

This is made up as follows:

Particulars

Shareholders Equity	330,066,965	292,275,673
No. of Share	10,449,600	10,449,600
Total:	31.59	27.97



Note No.	Particulars	Sub-Note	Amount in Taka			
			Under Section 82 (C)	Other than under Section 82 (C)	July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021

26.00 Revenue: Tk. 414,055,473

This is made up as follows:

Particulars

Text Book/Exam Khata/Brochures /
Register Khata /Diary/ Training
Materials/ Others Printing Work
Total

132,489,492	281,565,981	414,055,473	169,545,458
132,489,492	281,565,981	414,055,473	169,545,458

27.00 Cost of Goods Sold: Tk. 270,975,507

This is made up as follows:

Particulars

Raw materials Consumed 27.01
Add: Factory Overhead 27.02
Cost of Production
Add: Opening Work-In-Progress
Total Goods In Process
Less: Closing Work-In-Progress
Cost of Goods Manufactured
Add: Opening finished goods
Cost of Goods Available for Sale
Less: Closing finished goods
Cost of Goods Sold:

249,722,623	82,202,029
41,418,162	25,217,097
291,140,784	107,419,126
291,140,784	107,419,126
291,140,784	107,419,126
31,570,617	29,208,344
322,711,401	136,627,470
51,735,894	31,570,617
270,975,507	105,056,853

27.01 Raw Materials Consumed: Tk.249,722,623

This is made up as follows:

Particulars

Opening stock
Add: Purchase during the year
Available for use
Less: Closing stock
Consumption during the year

62,464,662	61,833,884
277,339,890	82,832,807
339,804,552	144,666,691
90,081,930	62,464,662
249,722,623	82,202,029

27.02 Factory Overhead: Tk. 41,418,162

This is made up as follows:

Particulars

Salary, wages and other allowance
Travelling and Conveyance
Repairs and Maintenance
Entertainment
Stationary Expenses
Medical Exp. Factory
Insurance Expense
Loading, Unloading Expense
Power Fuel and Lubricant
Depreciation at cost
Depreciation at revaluation
Electricity Bill
Total

23,551,943	12,295,630
62,790	46,130
177,570	241,155
289,136	152,909
30,485	36,560
2,355	2,177
229,033	195,317
28,500	26,000
61,750	32,500
8,384,535	8,967,237
44,533	46,200
8,555,531	3,175,282
41,418,162	25,217,097



Note No.	Particulars	Sub-Note	Amount in Taka			
			Under Section 82 (C)	Other than under Section 82 (C)	July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021

28.00 Office and Administrative Expenses: Tk. 22,927,961

This is made up as follows:

Particulars

Salary and Other Allowances	6,462,835	13,734,782	20,197,617	3,189,448
Board Meeting Expense	140,436	298,453	438,889	45,000
Audit/Professional Fees	73,995	157,255	231,250	448,500
AGM Expenses	36,798	78,202	115,000	22,176
Car Running and Maintenance	14,079	29,921	44,000	45,000
Phone ,Fax, Mobile and Internet	117,526	249,765	367,291	188,456
Entertainment/Cattering Bill	16,242	34,518	50,760	131,070
Insurance Expenses	2,848	6,053	8,901	66,576
Stationary Expenses	3,094	6,576	9,670	28,017
Registration and Renewal Fees	89,946	191,154	281,100	84,654
Travel and Conveyance	445	945	1,390	10,490
Power,Fuel,Oil, etc	23,199	49,301	72,500	62,692
Form Fee and Licence	86,966	184,821	271,787	110,561
Postage and Stamp	-	-	-	19,680
Cleaning and Sanitation	1,689	3,591	5,280	84,513
Repair and Maintenance	28,409	60,376	88,785	111,460
Depreciation at cost	236,725	503,087	739,812	791,227
Depreciation at revaluation	1,257	2,672	3,929	4,077
Mineral Water	-	-	-	11,478
Total:	7,336,490	15,591,471	22,927,961	5,455,074

29.00 Marketing and Distribution Expenses: Tk. 26,065,612

This is made up as follows:

Particulars

Salary and Other Allowances	7,841,705	16,665,152	24,506,857	5,553,965
Fuel, Lubricant and Car Maintenance	12,918	27,454	40,372	4,941
Entertainment	864	1,836	2,700	2,900
Telephone , Fax, Mobile and Telex	7,030	14,939	21,969	9,000
Stationary Expenses	8,113	17,242	25,355	13,865
Travel and Conveyance	15,045	31,975	47,020	36,276
Carriage Outward	105,186	223,542	328,728	291,252
Tender Schedule	83,777	178,043	261,820	322,155
Postage and Stamp	22,151	47,074	69,225	13,980
Depreciation at cost	236,725	503,087	739,812	791,227
Depreciation at revaluation	1,257	2,672	3,929	4,077
GSM Test/Survey expense	5,704	12,121	17,825	21,850
Total:	8,340,476	17,725,136	26,065,612	7,065,487

30.00 Financial Expenses: Tk. 32,387,575

This is made up as follows:

Particulars

Interest on SIBL BAIM Loan	6,011,826	22,406,311	28,418,137	18,264,876
Interest on SIBL HPSM Loan	974,769	2,071,575	3,046,344	10,384,831
Bank Charges & Commission	295,372	627,722	923,094	1,739,724
Total:	7,281,967	25,105,608	32,387,575	30,389,431

31.00 Non-Operating Income: Tk. 64,234

This is made up as follows:

Particulars

Bank Interest Received	-	17,586	17,586	18,385
Dividend Income	-	8,758	8,758	-
Scrap Sales	-	37,890	37,890	13,859
Total:	-	64,234	64,234	32,244



Note No.	Particulars	Sub-Note	Amount in Taka			
			Under Section 82 (C)	Other than under Section 82 (C)	July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021

32.00 Current Tax: Tk. 10,978,829

This is made up as follows:

Particulars

Profit before Tax	46,447,167	12,374,787	58,821,954	20,581,768
Add: Accounting base depreciation	-	9,864,159	9,864,159	10,549,691
Less: Tax base depreciation	-	(16,319,073)	(16,319,073)	(19,653,021)
Taxable Profit for Current Tax	46,447,167	5,919,873	52,367,040	11,478,437
Applicable Tax Rate	20.0%	20.0%	20.0%	22.5%
Current Tax Expenses	9,289,433	1,183,975	10,473,408	2,582,648
Provision for Income tax				
Advance tax paid	9,289,433	177,982	9,467,415	3,994,470
20% on Profit before Tax	9,289,433	1,183,975	10,473,408	3,994,470
0.6% on gross receipt	794,937	1,689,396	2,484,333	537,936
Provision for Income tax (Wichever is higher)	9,289,433	1,689,396	10,978,829	4,532,406

33.00 Earnings Per Share(Basic): Tk. 4.62

This is made up as follows:

Particulars

Net Profit after Taxes	48,233,033	14,001,112
No. of Share	10,449,600	10,449,600
Total:	4.62	1.34

34.00 Net Operating Cash Flows per share(NOCF): Tk. 0.95

This is made up as follows:

Particulars

Net Cash Provided by Operating Activities	9,888,108	28,880,659
No. of Share	10,449,600	10,449,600
Total:	0.95	2.76

34.01 Reconciliation of net profit/(loss) after tax with cash flows from operating activities under indirect method:

This is made up as follows:

Net Profit/(Loss) After Tax	48,233,033	14,001,112
Adjustments to reconcile net income to net cash		
Depreciation	9,916,551	10,604,044
Finance Expenses	32,387,575	30,389,431
Provision for WPPF	2,941,098	1,029,088
Income Tax Expenses	10,978,829	4,532,406
Deffered Tax Liability	(389,908)	2,048,249
Changes in operating assets and liabilities:		
Stock of Inventories	(47,782,545)	(2,993,051)
Trade Debtors	(40,795,542)	(3,366,963)
Advance, Deposit & Prepayments	24,752,194	(7,208,690)
Trade Creditors	(262,209)	(5,861,364)
Liability for Expenses	(175,284)	(312,566)
WPPF Paid	(1,029,088)	(1,848,861)
Income Tax Paid	(9,467,415)	(5,215,288)
Bank Interest & Charge Paid	(19,419,181)	(6,916,889)
Net Cash flows from Operating Activities	9,888,108	28,880,659



35.00 Allocation of Comprehensive Income (based on Section-82C and other Than 82C):

Particulars	Amount in Taka			
	Under Section 82 (C)	Other than under Section 82 (C)	July 01, 2021 to June 30, 2022	July 01, 2020 to June 30, 2021
Sales Revenue	132,489,492	281,565,981	414,055,473	169,545,458
Cost of Goods Sold	(60,761,034)	(210,214,473)	(270,975,507)	(105,056,853)
Gross profit	71,728,458	71,351,508	143,079,966	64,488,605
Operating expenses	(15,676,966)	(33,316,607)	(48,993,574)	(12,520,562)
Office and Administrative Expenses	(7,336,490)	(15,591,471)	(22,927,961)	(5,455,074)
Marketing and Distribution Expenses	(8,340,476)	(17,725,136)	(26,065,612)	(7,065,487)
Profit from operation	56,051,492	38,034,900	94,086,392	51,968,043
Financial Expenses	(7,281,967)	(25,105,608)	(32,387,575)	(30,389,431)
Non Operating Income	-	64,234	64,234	32,244
Profit/(Loss) Before Tax & WPPF	48,769,525	12,993,526	61,763,051	21,610,856
Contribution to WPPF	(2,322,358)	(618,739)	(2,941,098)	(1,029,088)
Net Profit before tax	46,447,167	12,374,787	58,821,954	20,581,768
Income Tax Expenses	(9,289,433)	(1,299,488)	(10,588,921)	(6,580,655)
Current Tax	(9,289,433)	(1,689,396)	(10,978,829)	(4,532,406)
Deferred Tax	-	389,908	389,908	(2,048,249)
Net profit after tax	37,157,734	11,075,299	48,233,033	14,001,112

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
Below 5,300	-	-	-	-	-
Above 5,300	329	8	4	2	315

36.02 Production capacity

Particulars	30-June-2022	30-June-2021
Normal Capacity	600,000,000	500,000,000
Production	414,055,473	169,545,458
Capacity Utilized(%)	69%	34%

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 30 June 2022

39.00 Events after the reporting period

Following events occurred since the balance date:

The board of directors recommended 8% Cash & 7% Stock dividend at the 171th Board meeting held on September 28, 2022 for the year ended June 30, 2022. 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 Year ended 30 June 2022

Particulars	Cost				Rate of Dep. (%)	Depreciation			Annexure-A Amount in Taka	
	As on July 01, 2021	Addition during the Year	Disposal during the Year	Balance as at 30.06.2022		Charged during the Year	Adjustment during the Year	Balance as at 30.06.2022	Written Down Value as at 30.06.2022	
Cost										
Land and Land Development	86,499,594	19,829,449	-	106,329,043	0%	-	-	106,329,043		
Building and Construction	59,296,294	-	-	59,296,294	2.5%	5,713,811	1,339,562	7,053,374		
Plant and Machinery	161,844,786	401,300	-	162,246,086	7%	49,790,182	7,871,913	57,662,095		
Furniture and Fixture	4,493,199	-	-	4,493,199	10%	2,329,908	216,329	2,546,237		
Electrical Equipment	1,573,877	-	-	1,573,877	10%	725,954	84,792	810,746		
Office Equipment	3,148,589	66,500	-	3,215,089	10%	1,409,294	180,579	1,589,874		
Motor Vehicle	3,655,907	-	-	3,655,907	20%	2,800,991	170,983	2,971,974		
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		
Sub Total as on 30.06.2021	253,338,693	67,173,553	-	320,512,246		52,220,450	10,549,691	62,770,141		
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%	1,627,177	39,937	1,667,113		
Plant and Machinery	2,197,572	-	-	2,197,572	7%	2,019,639	12,455	2,032,094		
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 30.06.2022	111,492,720	-	-	111,492,720		5,141,652	52,392	5,194,044		
Sub Total as on 30.06.2021	111,492,720	-	-	111,492,720		5,087,299	54,353	5,141,652		
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		
Grand total as on 30.06.2021	364,831,413	67,173,553	-	432,004,966		57,307,749	10,604,044	67,911,793		
Allocation of depreciation Charge:										
Sl.No.	Particulars	% of allocation		Depreciation at Cost	Depreciation at Revaluation	Total				
1	Factory Overhead	85%	8,384,535	44,533.18	8,429,069					
2	Administrative Overhead	7.5%	739,812	3,929	743,741					
3	Selling and distribution Overhead	7.5%	739,812	3,929	743,741					
	Total (1+2+3)	100%	9,864,159	52,392	9,916,551					



Paper Processing and Packaging Ltd.

Statement of Tax Depreciation Assessment Year 2022-2023

For the Year from 01-07-21 to 30-06-2022

SL. No	Assets	Opening assets at cost	Addition	Disposal	Closing Balance at cost	% of Depreciation	Depreciation at cost	Annexure-B Closing Balance
1	Land and Land Development	86,499,594	19,829,449	-	106,329,043	0%	-	106,329,043
2	Building	41,472,654	-	-	41,472,654	10%	4,147,265	37,325,389
3	Plant & Machinery	57,176,936	401,300	-	57,578,236	20%	11,515,647	46,062,589
4	Furniture	2,163,571	-	-	2,163,571	10%	216,357	1,947,214
5	Electric Equipments	629,096	-	-	629,096	15%	94,364	534,731
6	Motor Vehical	823,275	-	-	823,275	20%	164,655	658,620
7	Office Equipments	1,741,338	66,500	-	1,807,838	10%	180,784	1,627,054
	Total:	190,506,463	20,297,249	-	210,803,712		16,319,073	194,484,640

Particulars:

The details of Deferred Tax Liability is as under:

WDV as per 3rd Schedule ITO 1984 (Other than land)	88,155,597
WDV as per Accounts (Other than land)	161,846,152
Temporary Difference	73,690,555
Applicable Tax Rate	20.00%
Closing Balance:	14,738,111
Add/(Less): Previous year adjustment	-
Opening Balance	(15,128,019)
Expenses during the period	(389,908)
Current Year DT	16,319,073
Depreciation as per 3rd Schedule ITO 1984 (Other than land)	9,864,159
Depreciation as per Accounts (Other than land)	6,454,913
Temporary Difference	20.00%
Applicable Tax Rate	1,290,983
Expenses during the period	106,298,676
Revaluation surplus-PPE	15%
Tax on capital gain	15,944,801
Closing deferred tax liabilities/(assets)-at revaluation	(15,952,660)
Opening deferred tax liabilities/(assets)-at revaluation	(7,859)
Deferred tax expense/(income)-at revaluation	



Paper Processing and Packaging Ltd.
Schedule of Inventories
As at June 30, 2022

Annexure-C

Items Name	Unit	Opening as on 01 July 2021		Procurement		Total		Consumption		Closing as on 30 June 2022	
		Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)	Qty.	Value (Tk.)
Raw Materials:											
White Printing/Writing Paper	MT	813.92	52,713,453	1,579	104,189,738	2,392.55	156,903,191	1,208.96	79,283,547	1,183.59	77,619,644
Cartridge Paper/Ledger Paper /Art Paper	MT	36.06	2,883,139	1,410	155,060,484	1,446	157,943,624	1,420.40	155,179,797	25.30	2,763,827
Printing Materials	Lbs	3,676.00	2,815,039	7,130	7,843,200	10,806.18	10,658,239	8,004.00	7,894,425	2,802.18	2,763,814
Total Raw Materials:			58,411,631		267,093,422		325,505,054		242,357,769		83,147,285
Packing Materials and Store & Spare Parts:											
Store, Spares and Others	Tk.	-	3,716,007	-	9,693,873	-	13,409,880	-	6,662,975	-	6,746,905
Lubricant	Ltr	942.00	337,024	-	552,595	942	889,619	942.00	701,879	942.00	187,740
Total Packing Materials and Store & Spare Parts:			4,053,031		10,246,468		14,299,499		7,364,854		6,934,645
Total Raw Materials, Packing Materials and Store & Spare Parts:			62,464,662		277,339,890		339,804,552		249,722,623		90,081,930
Work-in-Progress:											
Work-in-Progress	Tk.	-	-	-	-	-	-	-	-	-	-
Total Work-in-Progress:			-		-		-		-		-
Items Name											
		Opening as on 01 July 2021		Production		Total		Delivery		Closing as on 30 June 2022	
		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/ Posters/ Training Materials/ Others	PCS		31,570,617	-	291,140,784	-	322,711,401	-	270,975,507		51,735,894
Total Finished Goods:			31,570,617		291,140,784		322,711,401		270,975,507		51,735,894
Closing Stock as on 30 June 2022:											141,817,824



Paper Processing and Packaging Ltd.

(Registered Office: BDG Corporate Building, 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 33rd Annual General Meeting of the Company to be held on
Thursday, December 08, 2022 at 12:15 p.m. and/or at any adjournment thereof.
As witness I/We put my/our hand this _____ day of _____ 2022.

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: BDG Corporate Building, Plot No.-314/A, Road No. 18,
Block- E, Bashundhara R/A, Dhaka-1229)

ATTENDANCE SLIP

I hereby record my attendance in the 33rd Annual General Meeting being held on Thursday,
December 08, 2022 at 12:15 a.m. at **Digital Platform**.

Name of member/proxy

Mr/Mrs. _____

Folio/Bo No.: _____

Signature: _____



Corporate Office: Magura Group, Plot-314/A, Road-18, Block-E, Bashundhara R/A,
Dhaka-1229, Bangladesh. Tel: +88-02-8431092-3, 8431095