

# ANNUAL REPORT 2023-24

# LEGACY OF EXCELLENCE

# A TRADITION OF INNOVATION AND SUSTAINABILITY



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



## LEGACY OF EXCELLENCE

### A Tradition of Innovation and Sustainability

When the fusion of tradition and innovation defines success, Paper Processing and Packaging Limited stands as a beacon of enduring excellence. For decades, we have navigated the evolving landscape of hi-tech printing and packaging with a vision grounded in our values and propelled by a commitment to innovation. Our legacy is not simply built on years of operation; it is a *story* of resilience, forward-thinking, and a firm pursuit of perfection in every facet of our business.

From our inception, we set out to redefine what it means to be a leader in paper printing, publication and packaging industries. What began as a modest operation with a singular vision has blossomed into a powerhouse of quality, sustainability, and technological advancement. Each milestone achieved represents a chapter in a tale of perseverance, creativity, and an unrelenting drive to meet and exceed the demands of our industry while honoring our core principles.

The spirit of our success lies in our ability to balance tradition with transformation. We have maintained the integrity of our roots, keeping craftsmanship and dedication at the forefront, while constantly embracing the latest innovations in technology and sustainability. This harmonious blend is

what allows us to produce products that not only meet the highest standards of quality but also reflect our deep respect for the environment.

Our commitment to sustainability is not a recent shift in strategy; it has been a fundamental part of our DNA from the very beginning. We believe that true excellence comes from creating value not just for today but for generations to come. Our approach to sustainable practices is comprehensive, ranging from eco-friendly raw materials to energy-efficient processes and cutting-edge recycling technologies. We are proud to offer products that are as good for the planet as they are for our customers.

With optimism and confidence, we are guided by our enduring legacy of excellence. Our team, partners, and customers are the cornerstone of our success, and together we will continue to innovate, inspire, and lead the industry toward greater sustainability and prosperity. Each chapter of our journey reflects not only the achievements of our past but also the opportunities we embrace today.

This is the Paper Processing and Packaging Limited where legacy and innovation meet to shape the future of excellence.

# TABLE OF CONTENTS

# CONTENTS

<b>ABOUT REPORT</b>	
Letter of Transmittal	04
Concentration on Report	05
<b>ABOUT 35TH ANNUAL GENERAL MEETING</b>	
Notice of 35th AGM	06
Access process to join AGM	07
<b>ABOUT PAPER PROCESSING AND PACKAGING LTD.</b>	
Overview on Magura Group	08-09
Vision, Mission, Objectives & Core Values	10
Policy Statement	11
Corporate Information	12-13
<b>REMARKABLE OF THE PAST</b>	
Milestones	16
Financial History of 05 Years	17
AGM's Memory	18
Certifications	19-20
<b>FINANCIAL STATEMENTS OVERVIEW</b>	
Graphical Presentation	
FY 2023-2024	22-23
<b>LEADERSHIP</b>	
Message from the Chairman	26-27
Review of Managing Director	28-29
Board of Directors	30
Director's Profile	31-34
Profile of Company Secretary	35
Profile of Chief Financial Officer	36
<b>INFORMATION FOR SHAREHOLDERS</b>	
Directors' Report	38-41
Management's Discussion and Analysis	42
Performance of Last 05 Years	43
Dividend History since Re-listing	44
Risk Management and Internal Control Approach	45

Communication of Shareholders	46
Shareholding Pattern	47
Directors Meeting & Attendance	48-49
<b>CORPORATE GOVERNANCE</b>	
Report on Compliance & Governance	54-57
Stewardship of Corporate Governance Code	58
Environment, Social and Governance (ESG) Approach	59
Dividend and Disbursement Policy	60-61
Report of the Audit Committee	62
Report of the Nomination & Remuneration Committee	63
BAPLC Certificate	64
Annexure A: Declaration of CEO & CFO	65
Annexure B: Certificate on Corporate Governance	66
Annexure C: Corporate Governance Compliance Report	67-76
<b>FINANCIAL STATEMENTS</b>	
FY 2023-2024	
Independent Auditor's Report	80-84
Statement of Financial Position	85
Statement of Profit or Loss and other Comprehensive Income	86
Statement of Changes in Equity	87
Statement of Cash Flows	88
Notes to the Financial Statements	89-112
Schedule of Property, Plant and Equipment	113
Statement of Tax Depreciation	114
Schedule of Inventories	115
<b>CSR AND OTHERS</b>	
Corporate Social Responsibility	118-119
<b>SHAREHOLDERS ATTENDANCE FORM &amp; OTHERS</b>	
Notes	120
Proxy Form and Attendance Slip	121

# TRANSMITTAL LETTER

December 05, 2024

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

**Subject: Annual Report for the year ended 30 June, 2024.**

Dear Sir(s)

We are pleased to enclose the notice of the 35th 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 2024, Statement of Comprehensive Income, Cash flows and Changes in Equity and other relevant Statements for the year ended 30 June 2024.

Yours sincerely,



**Md. Mustafizur Rahman**  
Company Secretary

# CONCENTRATION ON REPORT

## ABOUT REPORT

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

## **REPORT PERIOD**

The Annual Report 2023-2024 of Paper Processing and Packaging Limited has covered the period from 01 July 2023 to 30 June 2024. The report includes all the notable or material factor/events of the mentioned period.

REPORT FOR

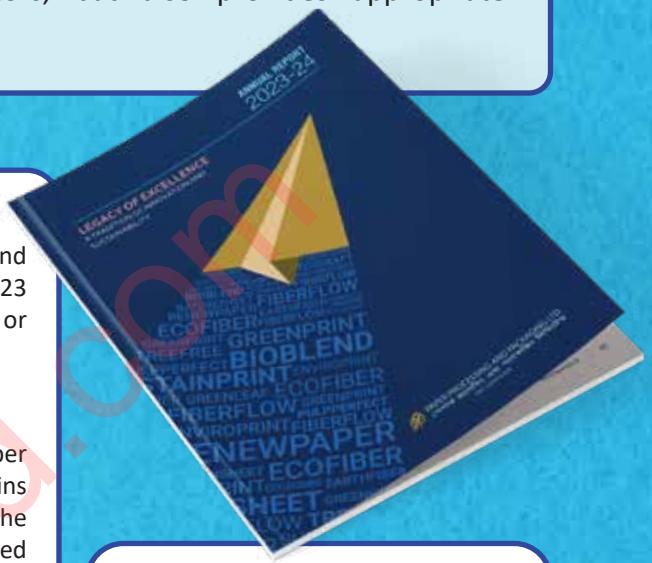
This Report has been prepared for the shareholders of Paper Processing and Packaging Limited. The report also contains comprehensive information and disclosures that meet the diverse information useful for the stakeholders and related obligations of all regulatory authorities as well. The report enables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

## REPORTS FOCUSED

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

- The Companies Act-1994;
  - Corporate Governance Code, 2018;
  - Listing Regulations, 2015 of DSE & CSE;
  - Information for Shareholders;
  - Financial Performance;
  - Business Overview;

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



## MATERIAL FACTORS

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

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

# Notice of the 35<sup>th</sup> Annual General Meeting

Notice is here by given that the 35th Annual General Meeting (AGM) of Paper Processing and Packaging Ltd. will be held using hybrid system with venue of the AGM at The Atrium Restaurant, 50 & 52 Progoti Sharani, Block-J, Baridhara, Dhaka-1212 and virtually by using digital platform on Thursday, December 26, 2024 at 12.00 p.m. to transact the following business:

Agenda:

1. To receive, consider and adopt the audited Financial Statements of the Company for the year ended on June 30, 2024 together with the Report of the Auditors thereon and the Report of the Directors.
2. To approve dividend for the year ended on June 30, 2024 as recommended by the Board of Directors.
3. To elect/re-elect Director(s) of the Company.
4. To appoint Statutory Auditors for the year 2024-2025 and fix their remuneration.
5. To appoint Compliance Auditors for the year 2024-2025 and fix their remuneration.
6. Post facto approval of the appointment of an Independent Director and re-appointment of an Independent Director of the Company as recommended by the Board of Directors.

By Order of the Board of Directors



**Md. Mustafizur Rahman**  
Company Secretary

Place: Dhaka  
Date: November 26, 2024

**Notes:**

- (i) Members, whose names will appear in the Share Register of the Company or in the Members/Depository Register on the Record Date i.e. December 01, 2024, 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 using hybrid system in accordance with the Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021 of Bangladesh Securities and Exchange Commission (BSEC).
- (iv) Link for Joining in AGM through Digital Platform will be provided through e-mails of the shareholders which will be opened before 72 hours from the time (December 26, 2024 at 12.00 p.m.) fixed for holding the Annual General Meeting. Members can join the Virtual Annual General Meeting using their Laptop, PC, Mobile or Tab providing their respective 16-Digit BO ID and No. of shares.
- (v) Pursuant to the Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 copy of Annual Report will be sent to the e-mail addresses of the members linked with their BO Accounts. In case of non-receipt of the Annual Report of FY 2023-2024 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>

# ACCESS PROCESS TO JOIN 35<sup>TH</sup> ANNUAL GENERAL MEETING

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

Access	Question and Answer	Vote
<p><b>Shareholders Login</b></p> <ul style="list-style-type: none"><li>i. Click shareholder Tab</li><li>ii. Enter BO ID/ Folio in the text box.</li><li>iii. Enter number of shares held as of record date.</li><li>iv. Click login.</li></ul> <p><b>Proxy Login</b></p> <ul style="list-style-type: none"><li>i. Click Proxy Tab.</li><li>ii. Enter BO ID of original shareholder.</li><li>iii. Enter number of shares held by original shareholder.</li><li>iv. Enter BO ID of proxy shareholder</li><li>v. Enter number of shares held by proxy shareholder.</li><li>vi. Click login.</li></ul>	<p>PPP encourages shareholders to ask out anything as per the agenda to the board and management. The management will try to answer the questions as they come in.</p> <p>The login link shall be opened before 72 hours from the time of the meeting for valuable comments and suggestion of the shareholders</p>	<p>Shareholder will be able to vote either in favor or against any agenda using the option of the tab.</p> <p>The votes shall be counted based on number of shares held by the shareholder. The voting result shall be published in real time at the time of approval on the specific agenda</p>

35th AGM Helpline

**Md. Mustafizur Rahman**  
[secretary@bdg.com.bd](mailto:secretary@bdg.com.bd)

**Khorshed Azam Sagar, ACS**  
[khorshed.azam@bdg.com.bd](mailto:khorshed.azam@bdg.com.bd)

**Md. Rashidul Haque**  
[rashidkhan86@yahoo.com](mailto:rashidkhan86@yahoo.com)

## Address:

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



# PAPER PROCESSING AND PACKAGING LTD

## OVERVIEW OF MAGURA GROUP

Over the past 45 years, Magura Group has pursued a path of purposeful expansion, underpinned by a deep commitment to generating value that transcends financial gains. Although its efforts in diversification and scaling up have yielded considerable financial success, the Group's vision has consistently been anchored in a broader mission to drive lasting, positive change.

Central to Magura Group's philosophy is a strong commitment to serving society through its business activities. This guiding principle has enabled Magura Group to evolve into a diverse enterprise with operations spanning essential sectors like Paper, apparel, housing, education, and bulk trading. Each of these sectors represents the Group's concerted effort to address fundamental needs within Bangladesh while enhancing the quality of life for its citizens.

This dedication to quality and affordability has cultivated lasting trust and loyalty among Magura Group's customers. Currently, the Group's assets are valued at approximately TK. 30,000 million (US\$ 411 million), and it achieves an annual turnover of TK. 12,000 million (US\$ 164 million). Supported by a workforce exceeding 3,000 employees, Magura Group plays a crucial role in fostering employment and contributing to Bangladesh's economic development.

A prime example of its commitment to diverse industries is Paper Processing and Packaging Limited, one of Magura Group's prominent sister concerns. This company reflects the Group's dedication to quality and innovation, meeting the country's growing demand for

quality printing works and sustainable and high quality paper products. Paper Processing and Packaging Limited has established itself as a trusted name in the industry, aligning with the Group's core values and further contributing to its positive impact on the economy.

In tune with modern trends, Magura Group has also recognized the transformative role of technology in today's business environment. Through Bangladesh Advanced Technologies Ltd., the Group emphasizes a forward-thinking approach to innovation, applying technological advancements to enhance operations and better serve consumers.

This commitment extends beyond internal growth, as Magura Group seeks to improve overall quality of life and contribute meaningfully to national development. Each subsidiary and sister concern within Magura Group, including Paper Processing and Packaging Limited, plays a vital role in driving economic growth, particularly within export-oriented sectors that boost Bangladesh's economic resilience.

Fueled by confidence and a strong sense of purpose, the Group stands prepared to seize emerging opportunities, drive sustainable growth, and make a lasting, positive impact through each of its ventures.

## COMMITMENT & PRIORITY

Paper Processing and Packaging Limited is dedicated to excellence in every facet of its operations. Our primary focus is on delivering high-quality products that not only meet but exceed customer expectations, ensuring that reliability and performance remain at the forefront of our efforts.

Sustainability serves as a guiding principle in our decision-making. By adopting innovative, recyclable practices throughout our production processes, we minimize our environmental impact. Our commitment to sustainable sourcing and resource management allows us to provide responsible packaging solutions while positively contributing to the planet.

Recognizing the vital role of our workforce in achieving success, we prioritize creating a safe, inclusive, and empowering work environment. Investments in employee growth and development foster a culture of collaboration and creativity, driving our collective progress.

As we envisage the potential, our focus will remain on sustainability, quality, and meaningful community engagement. We aim to be at the forefront of the paper manufacturing processing industry by continuously refining our capabilities and adapting to the changing market dynamics.

Our mission is to promote enduring positive impacts for our customers, employees, and the communities we serve. Through our commitment to integrity and innovation, Paper Processing and Packaging Limited seeks to create a legacy of excellence that resonates across all sectors we engage with.

## CODE OF CONDUCTS

Integrity serves as the cornerstone of Paper Processing and Packaging Limited. Every employee embody honesty and transparency in all interactions, whether with colleagues, customers, or suppliers. Upholding commitments and steering clear of conflicts of interest are essential practices, ensuring that our actions consistently reflect positively on the organization.

### Respect and Inclusion

We champion a vibrant, inclusive workplace where respect is paramount. Every individual is treated with fairness and dignity, free from discrimination or harassment. We celebrate diversity and strive to create an environment where everyone feels valued and empowered to contribute.

### Compliance is Key

Navigating the complex landscape of laws and regulations is key to our success. Our team is responsible for understanding and adhering to all legal requirements relevant to their roles, ensuring that our business practices are above reproach and aligned with industry standards.

### Eco-Conscious Commitment

Sustainability is at the heart of our operations. We are

dedicated to minimizing our environmental impact through innovative practices and eco-friendly production processes. Each employee plays a vital role in driving our sustainability initiatives forward, helping us safeguard the planet for future generations.

### Quality and Safety Above All

Delivering exceptional quality while ensuring safety is our unwavering promise. We adhere to the highest quality control standards and prioritize safety protocols to protect our employees and customers. Our reputation hinges on our commitment to excellence in every product we deliver.

### Guardians of Confidentiality

Protecting sensitive information is a responsibility we take seriously. Employees are entrusted with safeguarding the confidentiality of our company, customers, and business partners. We emphasize the importance of privacy and data protection in all aspects of our work.

### Transparent Communication

We foster a culture of open dialogue, encouraging employees to voice concerns and report unethical behavior or misconduct, if any. Every individual is empowered to speak up without fear of retaliation, as we believe that transparency strengthens our organization.

### Community Champions

Giving back is woven into our corporate fabric. We actively support local initiatives and encourage employee engagement in community service. Our commitment to social responsibility reflects our desire to make a positive impact in the neighborhoods where we operate.

### Taking Responsibility

Accountability is crucial in maintaining our ethical standards. Every employee uphold this Code of Conduct, violations are taken seriously and addressed appropriately. Our commitment to integrity means that we hold ourselves accountable for our actions and decisions.

The ethical journey of Paper Processing and Packaging Limited is shaped by this Code of Conduct. Serving as our navigational beacon, it strengthens our commitment to principles of integrity, excellence, and sustainability across every aspect of our operations. United in purpose, we strive to cultivate a dynamic and conscientious workplace that reflects our core values and aspirations.

# 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

- Long term relationship
- Everlasting quality
- Satisfaction
- Transparency
- Innovation

# POLICY STATEMENT

Paper Processing and Packaging Limited is committed to excellence, sustainability, and ethical practices, which form the foundation of its operations. The organization is dedicated to producing high-quality paper products while minimizing environmental impact and fostering positive relationships with stakeholders.



This policy statement captures the commitment to maintaining the highest standards in every aspect of business. Continuous striving for excellence will guide the organization as it navigates the evolving landscape of the paper processing industry.

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

01	<b>Mr. Mustafa Kamal Mohiuddin</b>	Chairman
02	<b>Mr. Mostafa Jamal Mohiuddin</b>	Director
03	<b>Mr. Md. Rezaul Islam</b>	Director
04	<b>Advocate Md. Golam Kibria</b>	Director
05	<b>Prof. Dr. Md. Rafiqul Islam</b>	Independent Director
06	<b>Prof. Dr. Nafisa Rounok</b>	Independent Director
07	<b>Mr. Md. Mobarok Hossain</b>	Managing Director

## AUDIT COMMITTEE

01	<b>Prof. Dr. Md. Rafiqul Islam</b>	Chairman
02	<b>Mr. Md. Mobarok Hossain</b>	Member
03	<b>Advocate Md. Golam Kibria</b>	Member
04	<b>Mr. Md. Mustafizur Rahman</b>	Secretary

## NOMINATION AND REMUNERATION COMMITTEE

01	<b>Prof. Dr. Nafisa Rounok</b>	Chairman
02	<b>Mr. Md. Mobarok Hossain</b>	Member
03	<b>Advocate Md. Golam Kibria</b>	Member
04	<b>Mr. Md. Mustafizur Rahman</b>	Secretary

## EXECUTIVE COMMITTEE

01	<b>Mr. Md. Mobarok Hossain</b>	Managing Director
02	<b>Mr. Md. Mustafizur Rahman</b>	Company Secretary
03	<b>Mr. Naimul Islam</b>	Chief Financial Officer
04	<b>Mr. Md. Shakhawat Hossain</b>	Head of Internal Audit & Compliance

## CORPORATE INFORMATION

<b>Company Secretary</b>	Mr. Md. Mustafizur Rahman
<b>Chief Financial Officer</b>	Mr. Naimul Islam
<b>Head Of Internal Audit</b>	Mr. Md. Shakhawat Hossain
<b>STATUTORY AUDITORS</b>	G. Kibria & Co. Chartered Accountants
<b>CORPORATE GOVERNANCE COMPLIANCE AUDITORS</b>	M/S Ashraf Uddin & Co. Chartered Accountants
<b>LEGAL ADVISOR</b>	A Baset Majumder & Associates House No.-23, Road No.- 15, Block-D, Banani, Dhaka-1213
<b>BANKER</b>	Social Islami Bank Limited Principal Branch, 15, Dilkusha C/A, Dhaka
<b>REGISTERED OFFICE</b>	Plot No.-314/A, Road No. 18, Block- E, Bashundhara R/A, Dhaka-1229.
<b>FACTORY</b>	(1) Sreerampur, Dhamrai, Dhaka (2) New Town, Meghnaghat, Narayanganj

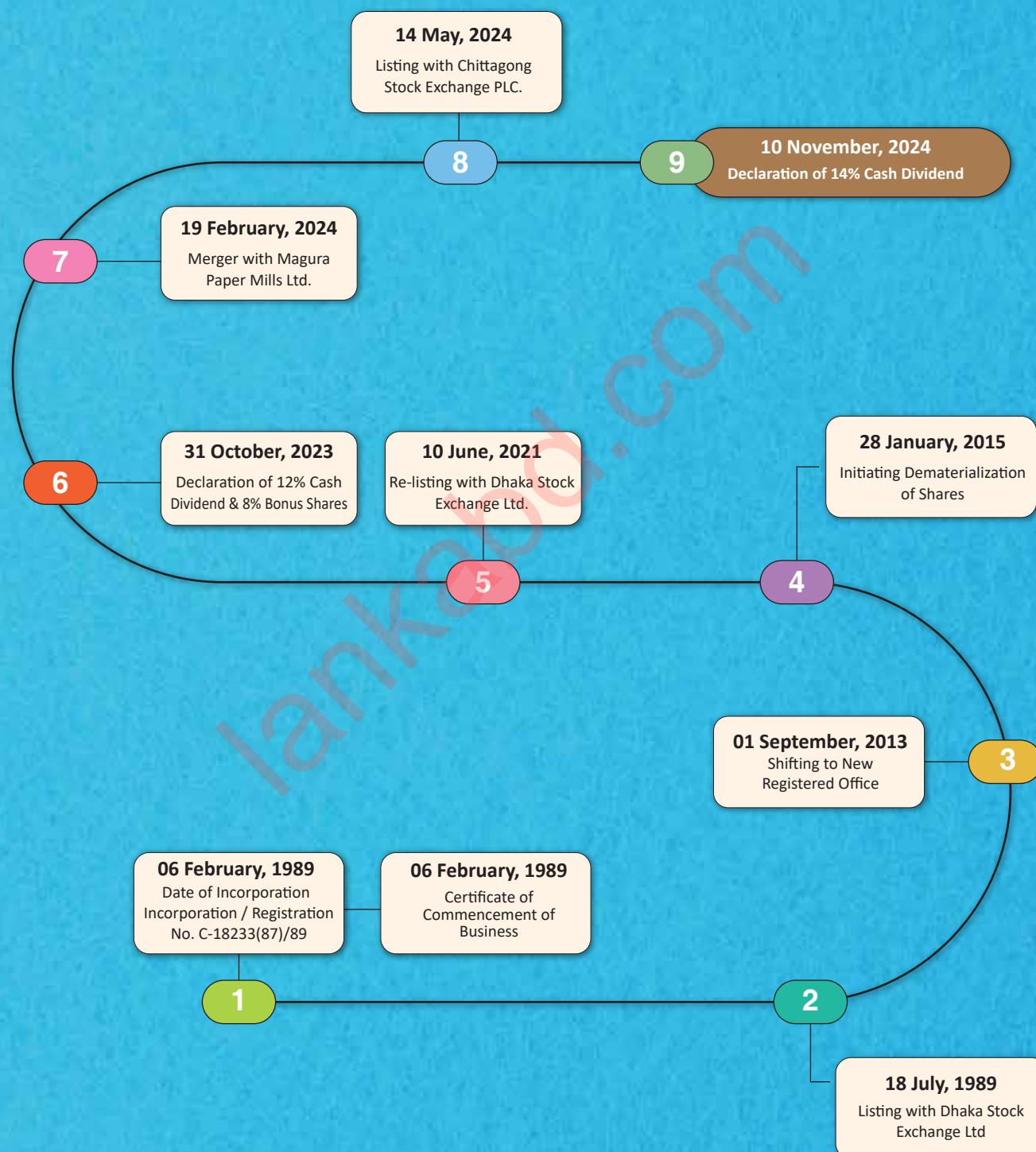


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# REMARKABLE OF THE PAST

# MILESTONES



# FINANCIAL HISTORY OF 05 YEARS

Particulars	2023-2024 (Tk.)	2022-2023 (Tk.)	2021-2022 (Tk.)	2020-2021 (Tk.)	2019-2020 (Tk.)
Authorized Capital	60,00,00,000	60,00,00,000	60,00,00,000	25,00,00,000	25,00,00,000
Paid up Capital	296,033,780	10,44,96,000	10,44,96,000	10,44,96,000	3,36,00,000
Revenue	1,042,276,857	47,50,65,025	41,40,55,473	16,95,45,458	20,01,63,768
Cost of Goods Sold	744,827,900	32,77,79,697	27,09,75,507	(10,50,56,853)	(11,32,86,646)
Gross Profit	297,448,957	14,77,85,328	14,30,79,966	6,44,88,605	8,68,77,122
Net Profit/(Loss) before Tax	87,486,622	6,59,03,873	5,88,21,954	2,05,81,768	3,69,77,217
Net Profit/(Loss) after Tax	74,570,348	4,92,33,237	4,82,33,033	1,40,01,112	2,38,40,082
Non-Current Assets	4,056,241,633	38,27,25,085	37,45,58,571	36,41,77,873	30,76,08,364
Current Assets	1,483,821,812	59,97,07,469	51,89,51,569	45,49,77,157	44,85,49,146
Total Assets	5,540,063,444	98,24,32,553	89,35,10,140	81,91,55,030	75,61,57,510
Shareholders' Equity	2,148,864,550	37,09,48,100	33,00,66,965	29,22,75,673	28,21,58,884
Current Liabilities	473,352,933	35,39,54,272	39,90,63,787	30,62,41,709	25,38,13,859
Total Liabilities	3,391,198,895	61,14,84,454	56,34,43,175	52,68,79,357	47,39,98,625
Earnings Per Share (EPS)	2.52	4.71	4.62	1.34	7.10

# AGM's MEMORY



# CERTIFICATIONS

## REGISTRATION — CERTIFICATE —

this is to certify that the management system of

Paper Processing & Packaging Limited

have been assessed by A CUBE TIC LIMITED and registered against the requirements of

ISO 9001:2015

19/15190B

Certificate Number

18th August 2010

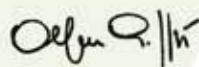
Date of Original Registration

17th August 2027

Expiry Date

24th October 2024

Date of Re-Registration



Alfonso Pagliuca, President & Founder, A Cube TIC Limited



This certificate is issued in respect of the location & scope of registration detailed in the Associated Registration Schedule.  
This certificate is the property of A Cube TIC Limited Unit 5 Middle Bridge Business Park Bristol Road Portishead Bristol BS20 6PN UK and must be returned on request.

## CERTIFICATIONS

# REGISTRATION SCHEDEULE

### scope of registration

Manufacturing and trading of paper, paper converting and printed product

Paper Processing & Packaging Limited

Company Name

Factory: Shirampur Dhamrai, Savar, Bangladesh

Sites Registered		Certificate Number
7	ISO 9001:2015	19/15190B
EAC	Standard	Certificate Number
18th August 2010	24th October 2024	17th August 2027
Date Original Registration	Date Of Re-registration	Expiry Date
17th June 2027	N/A	17th August 2024
Next Re-Audit Due Date	Revision Date	Previous Expiry Date

Alfonso Pagliuca, President & Founder, A Cube TIC Limited



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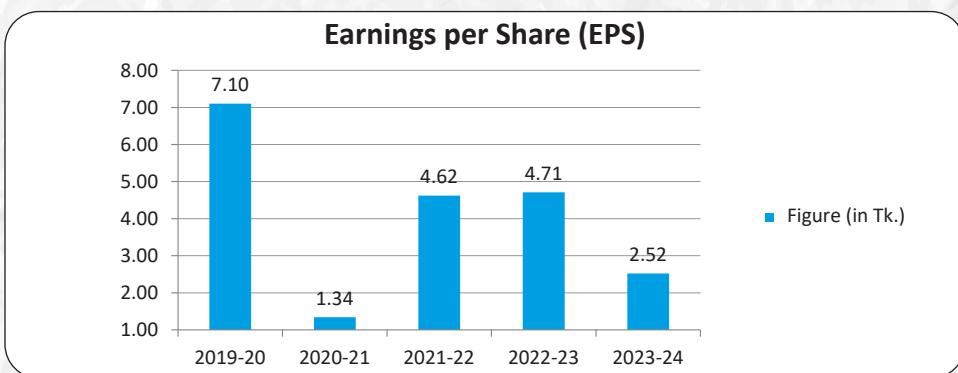
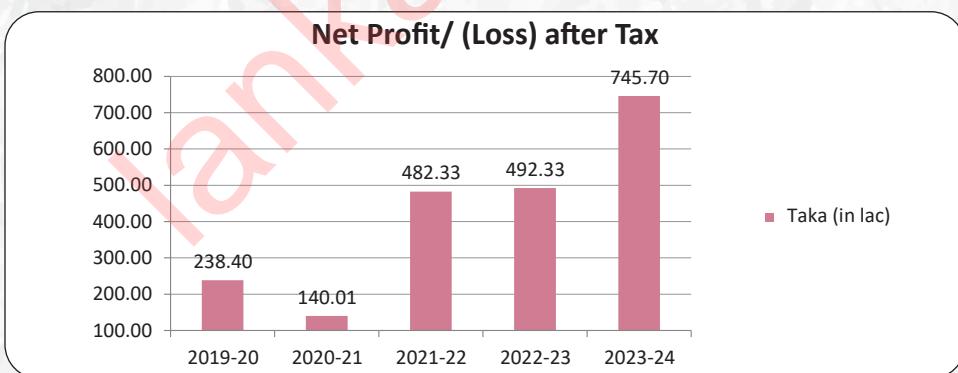
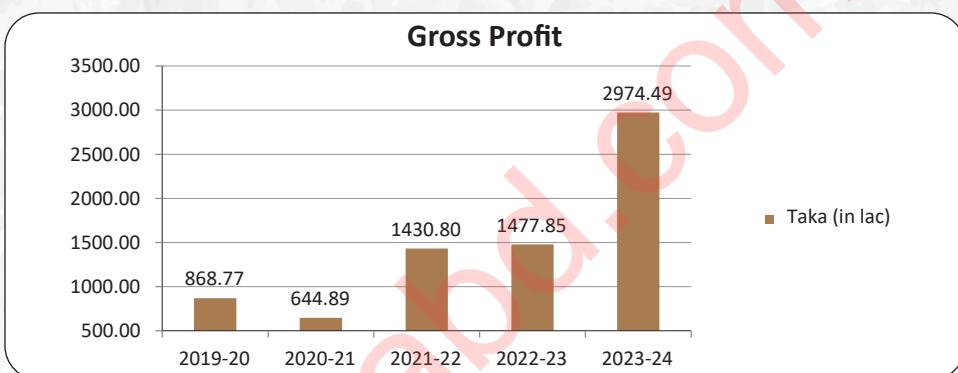
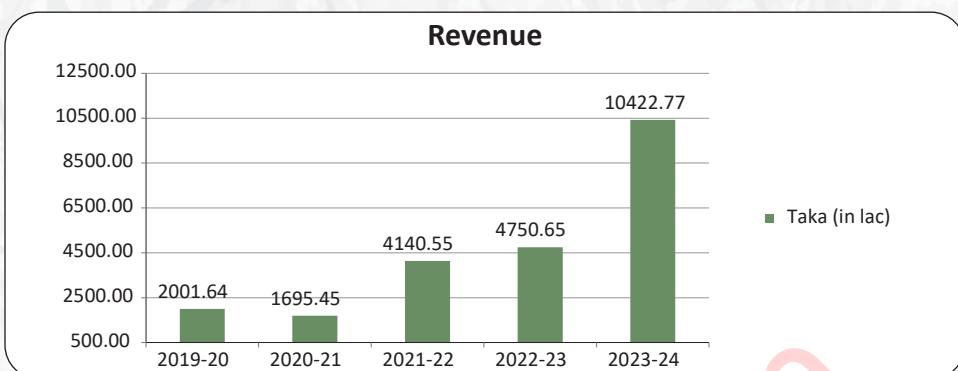
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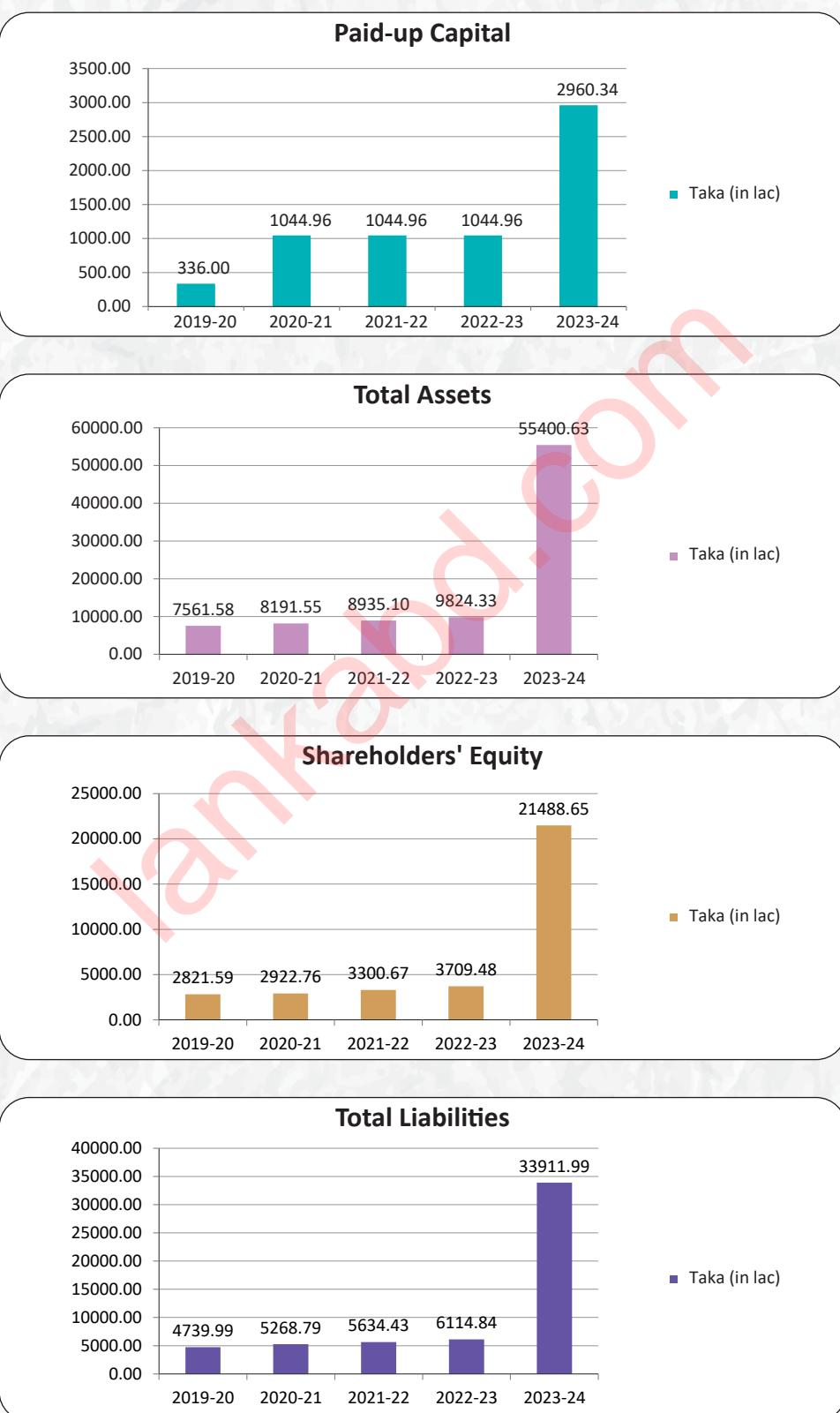
# FINANCIAL STATEMENTS OVERVIEW FY 2023-2024



# GRAPHICAL PRESENTATION FY 2023-2024



## GRAPHICAL PRESENTATION FY 2023-2024





# LEADERSHIP

MESSAGE FROM THE CHAIRMAN



MESSAGE FROM THE MANAGING DIRECTOR

## MESSAGE FROM **THE CHAIRMAN**

“

AS WE LOOK TO THE  
FUTURE, I REMAIN  
CONFIDENT IN THE  
STRENGTH OF THE TEAM,  
THE CLARITY OF THE  
STRATEGIC VISION THE  
COMPANY HAS TAKEN UP,  
AND ABILITY TO TURN  
CHALLENGES INTO  
OPPORTUNITIES.





## *Message from* **The Chairman**

**BISMILLAHIR RAHMANIR RAHIM**

Honorable Shareholders,

Assalamu Alaikum.

It is with sincere admiration that I welcome you all to the 35th Annual General Meeting of Paper Processing and Packaging Limited for the financial year ending June 30, 2024. Your untiring trust, persistent support, and invaluable contributions have been instrumental in the success of the company for which I extend my deepest gratitude to you.

This year marked another chapter of resilience, innovation, and growth for the company. Despite the challenges of a dynamic business environment, we upheld our commitment to operational excellence, achieving noteworthy milestones across all performance indicators. Positive revenue growth, robust market positioning, effective cost optimization, and a focus on productivity have driven our success.

Notably, following the Bangladesh Securities and Exchange Commission's (BSEC) decision, shares of the company resumed trading on the Dhaka Stock Exchange (DSE) main market in June 2021. Since then, the company has been on a consistent growth trajectory, delivering on the promises to stakeholders. For the financial year 2023-2024, the company recorded an impressive net profit after tax of BDT 7.46 crore, reflecting a significant improvement over the previous year's profit of BDT 4.92 crore. This notable growth underscores the tireless efforts of the management team, the strategic oversight provided by the Board of Directors, and the unwavering commitment of every member of the organization. Together, these contributions have driven the success of the company and strengthened its position in the industry.

To reward the valued shareholders, I am pleased to announce that the Board has recommended a 14% cash dividend for approval at this meeting. This

**YOUR CONTINUED ENCOURAGEMENT SERVES AS A DRIVING FORCE BEHIND THE ACHIEVEMENTS AND MOTIVATES US TO STRIVE FOR NEW HEIGHT OF SUCCESS.**

decision reaffirms the commitment to delivering consistent value and sharing success of the company. Corporate governance and transparency remain integral to the company's operations. Paper Processing and Packaging Limited has consistently adhered to regulatory requirements and upheld voluntary best practices. A detailed account of the governance efforts is included in this year's annual report.

I extend my deepest appreciation to the regulators, distinguished Board members, valued shareholders, loyal clients, dedicated employees, and all our well-wishers for their steadfast support and trust. Your continued encouragement serves as a driving force behind the achievements and motivates us to strive for new height of success.

As we look to the future, I remain confident in the strength of the team, the clarity of the strategic vision the company has taken up, and ability to turn challenges into opportunities. Together, we will sustain the legacy of excellence, pursue innovation with purpose, and reinforce the commitments to sustainable growth and leadership.

With warm thanks,

**Mustafa Kamal Mohiuddin**  
Chairman

A professional portrait of a middle-aged man with a full, grey beard and mustache. He is wearing a white cap, glasses, and a light-colored, patterned suit jacket over a white shirt. He is standing in an office environment, with a window showing a cityscape in the background and a blue wall with a computer monitor in the foreground.

REVIEW OF  
**MANAGING  
DIRECTOR**



## *Review of* **Managing Director**

“

**BEYOND OUR BUSINESS OPERATIONS, WE TAKE PRIDE IN OUR COMMUNITY ENGAGEMENT INITIATIVES. WE BELIEVE IN CREATING SHARED VALUE AND ARE DEDICATED TO MAKING A POSITIVE IMPACT ON THE COMMUNITIES WE SERVE. OUR EFFORTS REFLECT OUR BELIEF THAT A BUSINESS THRIVES BEST WHEN IT GROWS IN HARMONY WITH SOCIETY.**

### **Managing Director's Review**

**Dear Revered Shareholders,**

My warm greetings go to you all. As we close another thriving chapter in our journey, it is my pleasure to reflect on the transformative progress of Paper Processing and Packaging Limited that has achieved during the year. This period has been defined by strategic innovation, operational excellence, and a steadfast commitment to sustainability, all of which have strengthened our position as an industry leader.

Our pursuit of excellence begins with our products. By leveraging advanced technologies and refining our production processes, we have enhanced the quality of our offerings while embedding sustainability at the core of our operations. Our commitment to reducing environmental impact resonates with our vision of responsible corporate citizenship and drives our efforts to align business success with global environmental priorities.

Our workforce remains our most valuable asset. This year, we intensified our focus on nurturing talent through comprehensive professional development programs. Empowering our team ensures not only operational efficiency but also the adaptability required to thrive in a competitive and evolving market.

Beyond our business operations, we take pride in our community engagement initiatives. We believe in creating shared value and are dedicated to making a positive impact on the communities we serve. Our efforts reflect our belief that a business thrives best when it grows in harmony with society.

Looking to the future, our commitment remains unfaltering in exploring new opportunities and nurturing meaningful innovation. Guided by our principles of integrity, sustainability, and excellence, we are focused on creating greater value for the industry and positively impacting the communities we serve. I am confident that the road ahead holds immense potential, and we are ready to approach it with determination and foresight.

To our shareholders, partners, employees, and valued customers; your trust and support have been the foundation of our success. Together, we will continue to overcome challenges, achieve new milestones, and build a brighter and more successful future for Paper Processing and Packaging Limited.

In gratitude with,

**Md. Mobarok Hossain**  
Managing Director

## BOARD OF DIRECTORS



# DIRECTORS' PROFILE



**MUSTAFA KAMAL MOHIUDDIN**  
Chairman

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

## DIRECTORS' PROFILE



### MOSTAF A JAMAL MOHIUDDIN

Director

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

### MD. REZAUL ISLAM

Director (Nominated by Bangladesh Development Group Ltd.)

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



## DIRECTORS' PROFILE



### ADVOCATE MD. GOLAM KIBRIA

Director (Nominated by Bangladesh Development Group Ltd.)

**Advocate Md. Golam Kibria** is a Nominated Director of Paper Processing and Packaging Ltd. representing Bangladesh Development Group Ltd. Bangladesh Development Group Ltd. has nominated Advocate Md. Golam Kibria having experience on printing, publication, paper converting business, related laws & regulations for better representation of Bangladesh Development Group Ltd. in the Board of Paper Processing and Packaging Ltd.

### PROF. DR. MD. RAFIQUL ISLAM

Independent Director

**Dr. Md. Rafiqul Islam** is a Professor of the Department of Banking and Insurance, University of Dhaka. Prof. Dr. Md. Rafiqul Islam joined Paper Processing and Packaging Ltd. as an Independent Director on 14 February 2021 being nominated by Bangladesh Securities and Exchange Commission and re-appointed by the Board of Directors in his 2nd term effective from 14 February 2024. He is the Chairman of the Audit Committee of the company. 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.



## DIRECTORS' PROFILE



### PROF. DR. NAFISA ROUNOK

Independent Director

**Dr. Nafisa Rounok** is a Professor of the Department of Finance, Jagannath University. She is also the Director of Professional MBA Program, Department of Finance, Jagannath University. Prof. Dr. Nafisa Rounok has been continuing as an Independent Director of Paper Processing and Packaging Ltd. since July 07, 2024. The post-facto approval of her appointment will be sought in the 35th Annual General Meeting convened on December 26, 2024. She is the Chairman of the Nomination and Remuneration Committee of the company. Her association with the company has added prestige to the company and has already been proved contributory to its business promotion through implementing her creative modern business ideas.

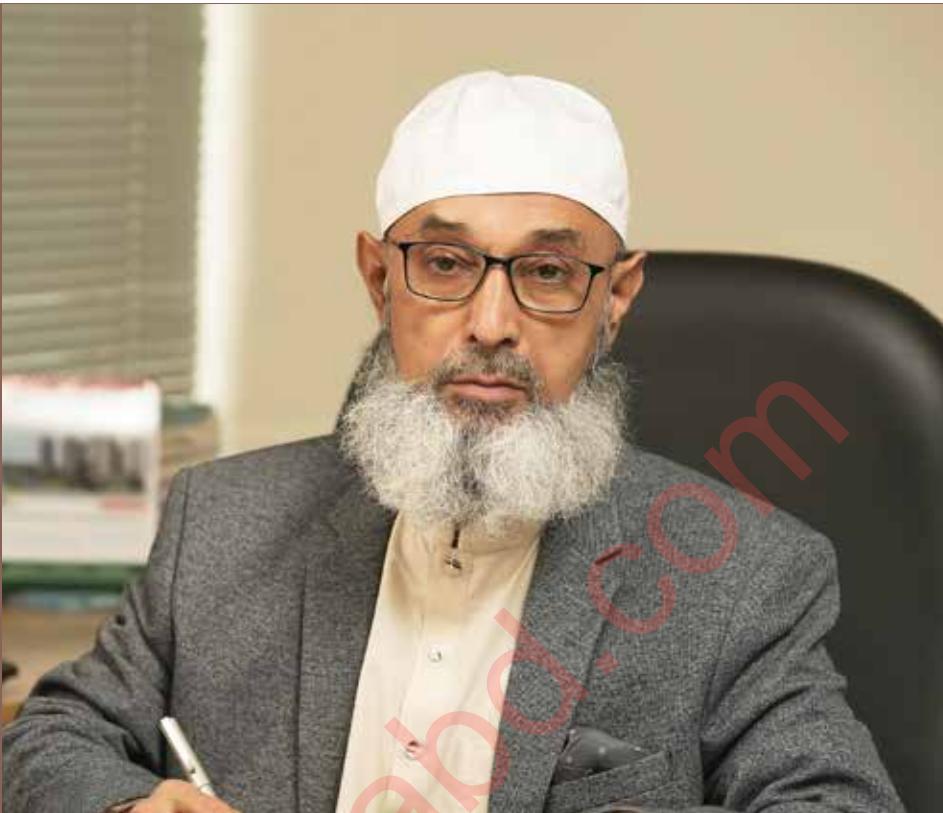
### MD. MOBAROK HOSSAIN

Managing Director

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



# PROFILE OF COMPANY SECRETARY



**MD. MUSTAFIZUR RAHMAN**  
Company Secretary

As the Company Secretary of Paper Processing and Packaging Ltd., **Mr. Md. Mustafizur Rahman** has been entrusted with the responsibility of ensuring that the company adheres to the highest standards of corporate governance, compliance, and legal requirements. With extensive experience in corporate law and governance, he provides all necessary supports to the Board of Directors, management, and shareholders to ensure that the company meets its statutory obligations and follows best practices in corporate governance.

Mr. Md. Mustafizur Rahman brings over 32 years of experience in corporate governance, regulatory compliance, mergers & acquisitions and legal matters, having held significant positions in various Banks. Before joining Paper Processing and Packaging Ltd., he held roles at different capacities in different Banks, where he gained expertise in banking laws, corporate laws and compliances.

Under his stewardship, Paper Processing and Packaging Ltd. has consistently upheld the principles of integrity, transparency, and accountability. His proactive approach to regulatory changes and governance frameworks has ensured that the company remains at the forefront of corporate compliance.

Mr. Md. Mustafizur Rahman is deeply committed to continuing the enhancement of governance standards and legal compliance, supporting Paper Processing and Packaging Ltd. in its strategic direction, and fostering trust among all stakeholders.

# PROFILE OF CHIEF FINANCIAL OFFICER



**NAIMUL ISLAM, CPA**  
Chief Financial Officer

**Mr. Naimul Islam, CPA** has been serving as the Chief Financial Officer of Paper Processing and Packaging Ltd. since 2017 overseeing the company's financial operations and strategies with more than 15 years of experience in corporate finance. He has a proven track record of driving financial performance, ensuring operational efficiency, re-listing of securities and handling mergers & acquisitions of the companies as strategic financial expert.

Mr. Naimul Islam is a business graduate. He post graduated in Accounting and pursuing Master of Professional Finance (MPF) from University of Dhaka. He is a Certified Public Accountant (CPA) from Certified Public Accountants Association (CPAA), UK.

As CFO, Mr. Naimul Islam is committed to continuing the company's focus on growth, innovation, and financial stability. He is continuing efforts that ensure financial discipline, foster shareholder value and position Paper Processing and Packaging Ltd. for long-term success.

A double-exposure photograph featuring a man in a white shirt and tie on the left, and a city skyline at night with illuminated skyscrapers on the right.

## INFORMATION FOR SHAREHOLDERS

# DIRECTORS' REPORT

**DEAR VALUED SHAREHOLDERS,**

**Assalamu Alaikum**

We welcome you all in the 35th 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, 2024. This report has been prepared in compliance with section 184 of the companies Act, 1994 and Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRC/2006-158/207/Admin/80 dated June 03, 2018.

## PRINCIPAL ACTIVITIES

The principal activities of the company "Paper Processing and Packaging Limited" are import substitute industrial grade paper manufacturing, printing of Primary School Text Books in huge quantity, Exercise Books, Paper Converting, Photocopy Paper, Magazine, Annual Report, Dairy, Calendar, Poster, Brochures, Register, Office Stationery, Shopping Bags including trading of waste paper. The projects have equipments capable of manufacturing huge quantity of industrial grade paper, printing and converting good volume of products per annum.

## INDUSTRY OUTLOOK & POSSIBLE FUTURE DEVELOPMENT

Paper manufacturing, 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 industrial grade paper, printed products and services in govt. and private sector. National Curriculum and Text Book Board (NCTB), Technical Education Board, Madrasha Education Board, Islamic Foundation, Hindu welfare Trust, National University, Bangladesh Open Universities, other public/private universities, Election Commission, Bangladesh Bureau of Statistics, NGOs, Bangladesh Medical Research Council, other govt. & private offices and mass people are the main customers of the company. 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 stationery printing
- Printing for mass people
- Printing for Export-oriented packaging

Besides, after merger of Magura Paper Mills Ltd. with Paper Processing and Packaging Ltd. in February, 2024, manufacturing of industrial grade paper (products of Magura Paper Mills Ltd.) have been added with the products of Paper Processing and Packaging Ltd.

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.

Paper manufacturing, 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 273.06 million USD for the year 2023-24. 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 into the General Index of Manufacturing prepared by Bangladesh Bureau of Statistics (BBS), it becomes quite distinct that the production of paper is increasing year on year.

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

It is mention worthy that Magura Paper Mills Ltd. has been merged with Paper Processing and Packaging Ltd. in February, 2024 and the company has already increased its paid-up capital from Tk. 104,496,000/- to Tk. 296,033,780/- towards fulfilling the condition of maintaining Tk. 30.00 crore paid-up capital as a listing requirement through issuing 8% Bonus shares representing 835,968 shares and issuing 18,317,810 shares of Paper Processing and Packaging Ltd. to the shareholders of Magura Paper Mills Ltd.

## BUSINESS PERFORMANCE

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

During the year 2023-2024, the company's net sale was Tk. 1,042,276,857/- which was Tk. 47,50,65,025/- in the last year. Net profit after tax stood at Tk. 74,570,348/- in the year ended on 30-06-2024 which was Tk. 4,92,33,237/- in the last year. During the year 2023-2024, Earnings per Share (EPS) of the company stood at Tk. 2.52 which was Tk. 4.71 in the year 2022-2023.

## RELISTING OF THE SECURITIES OF THE COMPANY:

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

## DIVIDEND

The Board of Directors recommended 14% cash dividend for the year ended on June 30, 2024 for declaration in the 35th Annual General Meeting of the company for approval of the general shareholders.

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

COGS of the company was Tk. 744,827,900/- in the current year compared to Tk. 32,72,79,697/- in the previous year. COGS to sales ratio was 71.46%. Gross profit stood at Tk. 297,448,957/- compared to Tk. 147,785,328/- in the previous year.

## 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. 3.24.

## UTILIZATION OF PROCEEDS FROM PUBLIC ISSUE:

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

## VARIANCE WITHIN THE QUARTERLY FINANCIAL STATEMENTS AND ANNUAL FINANCIAL STATEMENTS:

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

## FAIRNESS OFFINANCIAL STATEMENTS:

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

#### **ROTATION OF DIRECTORS:**

There are 07 (seven) Directors in the Board of Paper Processing and Packaging Ltd. including 02 (two) Independent Directors. Mr. Mustafa Kamal Mohiuddin and Mr. Md. Mobarok Hossain, Directors of the Company will retire by rotation in the 35th 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 2023-2024 total 07 (seven) Board meetings, 4 (Four) Audit Committee Meetings and 03 (three) Nomination & Remuneration Committee Meeting were held. Details of the Board meetings, Audit Committee meetings and Nomination & Remuneration Committee meeting are shown at this 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 02 (two) Independent Directors namely Prof. Dr. Md. Rafiqul Islam and Prof. Dr. Nafisa Rounok who have been appointed by the Board of Directors as per recommendation of Nomination & Remuneration Committee and sought consent of Bangladesh Securities and Exchange Commission (BSEC) on their appointments. Post facto approval on their appointments will be discussed in the AGM for approval of the shareholders.

#### **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. 14 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. BSEC/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 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-3.05 of the Audited Financial Statements.

#### **KEY OPERATING AND FINANCIAL DATA:**

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

#### **APPOINTMENT OF STATUROTY AUDITORS:**

G. Kibria & Co., Chartered Accountants, performed the auditing of financial statements of the company for the year ended on 30-06-2024. Pursuant to the section 210 of the Companies Act, 1994, the statutory auditors were appointed and audited the Financial Statements for the second year. So, as per BSEC rules they are eligible for appointment. G. Kibria & Co., Chartered Accountants have applied to be appointed as statutory auditors of the company for the year to be ended on 30-06-2025.

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

#### **APPOINTMENT OF COMPLIANCE AUDITORS:**

M/S. Ashraf Uddin & Co., Chartered Accountants examined the compliance status to the Corporate Governance Code by company for the year ended on 30-06-2024 and provided us with Corporate Governance Certificate.

Haruner Rashid & Associates, Chartered Secretaries have offered themselves for the appointment as Compliance Auditors of the company for the year 2024-2025. 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 35th 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.

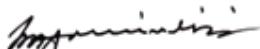
- (e) The systems of internal control are sound and have been effectively implemented and monitored.
- (f) The company has carried on transactions with different parties in the normal course of business.
- (g) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling 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 PLC. (DSE), Chittagong Stock Exchange PLC. (CSE), the company's bankers and other business partners for their cooperation, positive support and guidance. The Company also wishes to express its sincere appreciation to all the employees of Paper Processing and Packaging Ltd. for their contribution to the development of the Company.

For and on behalf of the Board of Directors,



Mostafa Jamal Mohiuddin  
Director



Md. Mobarok Hossain  
Managing Director

# 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 POLICIES 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, 2024.

# PERFORMANCE OF THE LAST FIVE YEARS

Paper Processing and Packaging Limited over the past five years has been marked by substantial growth, resilience, and a resolute commitment to novelty and sustainability. As we navigated changing market dynamics, our focus on quality and customer satisfaction has propelled us forward, allowing us to adapt and thrive.

In the early stages of this period, we laid a solid operational foundation, investing in advanced machinery and optimizing our processes. This groundwork set the stage for our future advancements, enabling us to enhance our production capabilities and product offerings.

As we expanded our portfolio, the introduction of new products resonated with our customers, resulting in a significant increase in revenue. Our dedication to innovation, coupled with a focus on sustainable practices, not only reduced waste but also strengthened our brand reputation as a leader in eco-friendly paper solutions.

Throughout these years, we faced various challenges, including economic fluctuations and heightened competition. However, our agility and proactive approach allowed us to navigate these hurdles successfully. By streamlining operations and investing in employee development, we maintained stable revenue and enhanced productivity, ensuring our workforce to be equipped to meet evolving demands.

Strategic partnerships and market diversification became crucial elements of our growth strategy. Collaborating with key industry players expanded our reach, enabling us to serve a broader customer base and solidify our market position. This collaborative approach led to impressive sales growth, reflecting our enhanced capabilities and commitment to customer service.

In our most recent efforts, we launched a comprehensive sustainability initiative, positioning ourselves as pioneers in eco-conscious manufacturing. This initiative not only elevated our environmental responsibility but also resonated deeply with our customers, resulting in remarkable revenue increases and solidifying their loyalty.

Reflecting on the past five years, the evolution of Paper Processing and Packaging Limited stands as a testament to our dedication to excellence, sustainability, and innovation. With a robust platform for future growth, we are excited about the opportunities that lie ahead and remain confident in our ability to adapt, innovate, and lead the industry into a sustainable future.



# DIVIDEND HISTORY SINCE RE-LISTING

Over the past several years, Paper Processing and Packaging Limited has maintained a consistent approach to dividend distribution, reflecting our commitment to delivering value to our shareholders while balancing reinvestment in growth and operational improvements. Here's a summary of our recent dividend history:

Financial Year	Cash Dividend Declared (TK)	Stock Dividend Declared (TK)	Notes
2020-2021	10% Cash (Tk 10,449,600)	---	Initial re-listing dividend to boost investor confidence.
2021-2022	8% Cash (Tk 8,359,680)	---	Continued strong financial performance.
2022-2023	12% Cash (Tk 12,539,520)	8% Stock (Tk 8,359,680)	Resilience during market challenges.
2023-2024	14% Cash (Tk 41,444,729)	---	Increased dividend reflecting robust earnings.

## Steady and Reliable Dividends

In our commitment to rewarding shareholders, we have consistently issued annual dividends. Each year, the dividend rate is carefully assessed based on company performance, market conditions, and long-term strategic goals. This balanced approach has enabled us to offer stable dividends while preserving capital for future expansions and advancements in sustainable practices.

## Incremental Increases Reflecting Growth

As the company has grown, so too have the dividends. Incremental increases in dividend payouts over recent years have aligned with our revenue growth and profitability. These increases not only showcase our financial strength but also demonstrate our dedication to sharing success with our stakeholders.

## Adaptability in Challenging Conditions

During periods of economic uncertainty, we have remained agile, prioritizing financial health to ensure consistent returns to shareholders without compromising operational integrity. Our approach emphasizes maintaining dividend stability, even amidst market challenges, as a testament to our long-term commitment to shareholder value.

## Sustainable and Responsible Payouts

Our dividend policy reflects our broader corporate responsibility strategy. As we continue to expand sustainable production initiatives, we aim to balance shareholder rewards with investments in eco-friendly processes and innovative technologies that reinforce our commitment to sustainable growth.

Through careful management and strategic foresight, Paper Processing and Packaging Limited is proud of its dividend history, which reflects a thoughtful balance between rewarding shareholders and fueling the company's enduring growth trajectory.

# RISK MANAGEMENT AND INTERNAL CONTROL APPROACH



Paper Processing and Packaging Limited always takes a thoughtful and diligent approach to safeguarding its growth and stability. Our risk management and internal control practices are crafted to protect what we value most are our people, our assets, and the trust of our stakeholders.

## Thoughtful Risk Identification and Assessment

We believe that a holistic view of potential risks allows us to be proactive rather than reactive. By regularly assessing financial, operational, and environmental factors, we gain early insights into challenges that may lie ahead. This enables us to develop strategies that protect our stability and support our mission to deliver quality and reliability in everything we do.

## Seamless Internal Control Framework

Our internal controls are designed to bring transparency and assurance to every level of our operations. From precise monitoring of performance to regular audits, our control systems help us uphold the high standards we set for ourselves. This approach not only strengthens accountability but also allows us to identify ways to continuously enhance our processes.

## Real-Time Insights through Technology

We embrace technology to help us stay agile and informed. Through data analytics and digital tools, we

monitor key areas in real time, ensuring that we're always aware of where we stand and ready to respond to any emerging risks. In addition, our commitment to strong cybersecurity safeguards protects our digital environment and reinforces the trust our partners place in us.

## Flexible and Adaptable Strategies

Understanding that the world around us is always changing, we approach risk management with flexibility. We regularly refine our strategies to align with the latest industry trends and economic shifts, allowing us to turn potential challenges into new opportunities for growth and innovation.

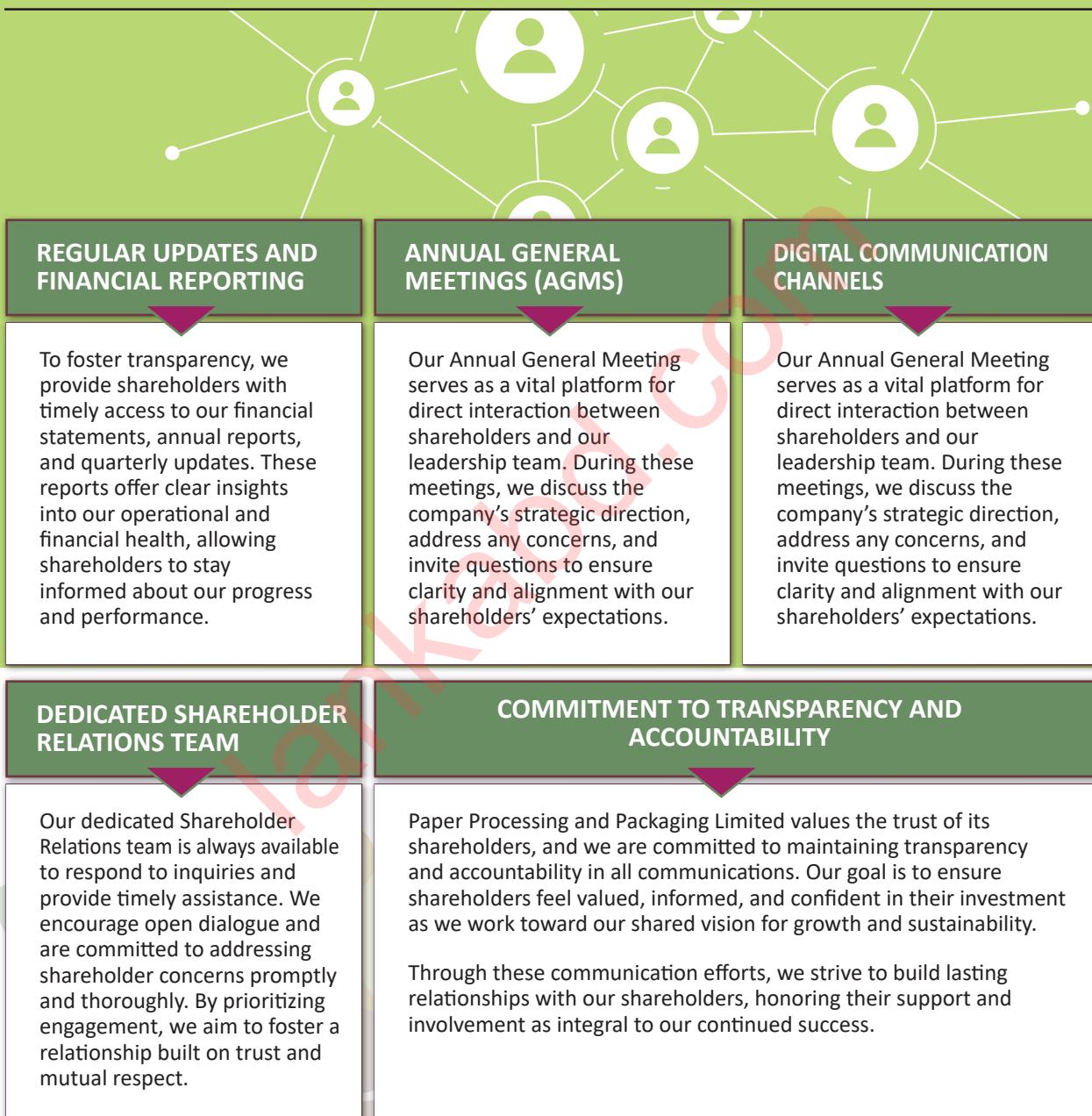
## Ethical and Compliant Operations

At the heart of everything we do is a commitment to integrity and compliance. We hold ourselves to high ethical standards, nurturing a culture where accountability and honesty thrive. By ensuring our operations always meet legal and industry guidelines, we build confidence with our stakeholders and strengthen our reputation.

With these thoughtful and caring measures, Paper Processing and Packaging Limited is committed to maintaining a resilient and secure environment, empowering us to focus on what truly matters—providing consistent value and building a sustainable future together.

# COMMUNICATION WITH SHAREHOLDERS

An open and transparent communication with our shareholders is a top priority. We are dedicated to keeping shareholders informed about our performance, strategies, and future goals, recognizing that their support is instrumental to our success.



# SHAREHOLDING PATTERN

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

Pattern of Shareholding as on 30 June 2024			
Name of the Shareholders	Status	Shares held	%
<b>Directors, MD/CEO, CFO, CS , HIAC, and their Spouse and minor Children :</b>			
Mr. Mustafa Kamal Mohiuddin	Chairman	43,76,543	14.78
Mr. Mostafa Jamal Mohiuddin	Director	11,25,247	3.80
<b>Bangladesh Development Group PLC.</b> <b>Represented by:</b> 1. Mr. Md. Rezaul Islam 2. Adv. Md. Golam Kibria	Director Director	47,08,162	15.90
<b>Magura Group PLC</b> <b>Represented by:</b> Mr. Md. Mobarok Hossain	Managing Director	38,91,925	13.15
Prof. Dr. Md. Rafiqul Islam	Independent Director	-	-
Prof. Dr. Nafisa Rounok	Independent Director	-	-
<b>EXECUTIVES</b>			
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. Md. Murad Alam	AGM (Production)	-	-
Mr. Protul Kumar Mojumder	AGM (Tax & VAT)	-	-
<b>Total Share Holdings by Directors, Sponsors</b>		<b>1,41,01,877</b>	<b>47.63</b>
<b>PARENT/SUBSIDIARY/ASSOCIATED COMPANIES AND OTHER RELATED PARTIES</b>			
Abirbhab Multimedia Ltd.		9,404	0.03
Investment Consultant and Share Management Ltd.		20,059	0.07
Mr. Mohiuddin Ahmed		9,40,464	3.18
Mr. Md. Abu Baker Siddique		84,641	0.29
Financial Institutions		20,79,600	7.02
General Public		1,23,67,333	41.78
<b>Grand Total</b>		<b>2,96,03,378</b>	<b>100.00</b>
<b>Shareholders holding ten percent (10%) or more voting interest in the Company</b>			
Mr. Mustafa Kamal Mohiuddin	----	43,76,543	14.78
Bangladesh Development Group PLC	----	47,08,162	15.90
Magura Group PLC	----	38,91,925	13.15

The pattern of shareholding status in other aspects is also depicted in Note No. 14.00 of the Audited Financial Statements.

# DIRECTORS MEETING & ATTENDANCE

Attendance of Board Meeting/ Audit Committee Meeting/ Nomination and Remuneration Committee Meeting:

## Board Meeting

Name of Directors	Designation	Total Meeting	Meeting Attended
Mr. Mustafa Kamal Mohiuddin	Chairman	07	07
Mr. Md. Mobarok Hossain	Managing Director	07	07
Mr. Mostafa Jamal Mohiuddin	Director	07	07
Mr. Md. Ali Hossain Munir	Director	07	05
Mr. Shafiqul Azam Khan	Director	07	05
Advocate Md. Golam Kibria	Director	07	05
Mr. Md. Rezaul Islam	Director	07	01
Prof. Dr. Md. Rafiqul Islam	Independent Director	07	07
Prof. Dr. Md. Abul Kalam Azad	Independent Director	07	07

## Audit Committee Meeting

Name of Directors	Designation	Total Meeting	Meeting Attended
Prof. Dr. Md. Abul Kalam Azad	Independent Director	04	04
Mr. Md. Mobarok Hossain	Director	04	04
Advocate Md. Golam Kibria	Director	04	04

## Nomination & Remuneration Committee Meeting

Name of Directors	Designation	Total Meeting	Meeting Attended
Prof. Dr. Md. Rafiqul Islam	Independent Director	03	03
Mr. Md. Mobarok Hossain	Director	03	03
Advocate Md. Golam Kibria	Director	03	03

**Director's Meeting Attendance Fee**

Name of the Directors	Board Meeting		Audit Committee	NR Committee	Total Fees Paid (Tk.)
	Attendance	Fees (Tk.)	Attendance	Attendance	
Mr. Mustafa Kamal Mohiuddin Chairman	7/7	5000/-	-	-	35,000/-
Mr. Md. Mobarok Hossain Managing Director	7/7	5000/-	4/4	3/3	35,000/-
Mr. Mostafa Jamal Mohiuddin Director	7/7	5000/-	-	-	35,000/-
Mr. Md. Ali Hossain Munir Director	7/5	5000/-	-	-	25,000/-
Mr. Shafiqul Azam Khan Director	7/5	5000/-	-	-	25,000/-
Advocate Md. Golam Kibria Director	7/5	5000/-	4/4	3/2	25,000/-
Mr. Md. Rezaul Islam Director	7/1	5000/-	-	-	5,000/-
Dr. Md. Rafiqul Islam Independent Director	7/7	5000/-	-	3/3	35,000/-
Dr. Md. Abul Kalam Azad Independent Director	7/7	5000/-	4/4	-	35,000/-

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

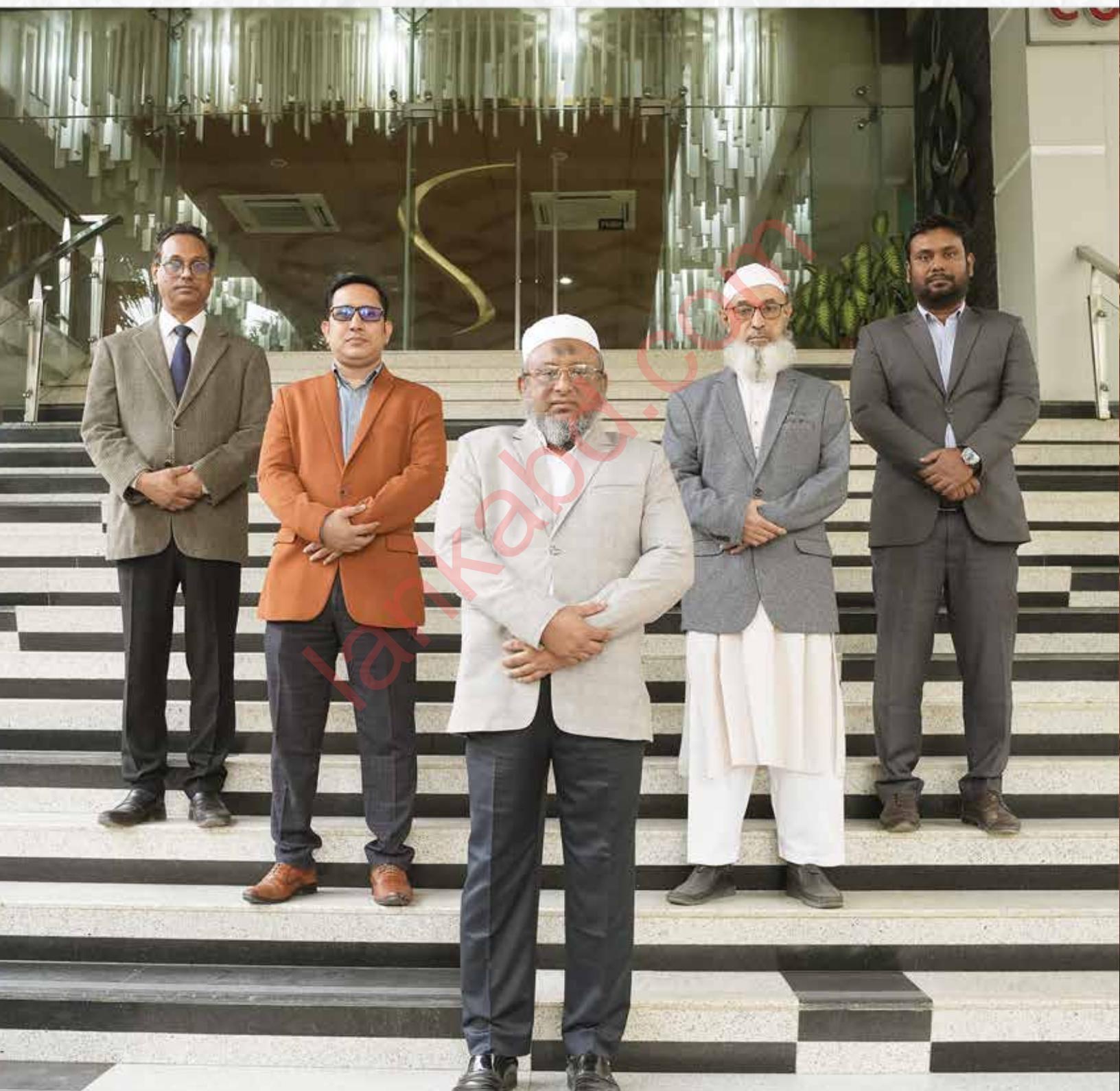
## AUDIT COMMITTEE



## NOMINATION & REMUNERATION COMMITTEE



## EXECUTIVE COMMITTEE



The image features a collection of antique books with rich, dark red and gold leather covers, some showing signs of age and wear. A wooden gavel with a dark, polished head and a lighter-colored wooden handle lies across the books. The background is a solid, dark reddish-brown. A large, semi-transparent watermark reading "lanyqbd.com" diagonally across the center.

## CORPORATE GOVERNANCE

# REPORT ON COMPLIANCE & GOVERNANCE

HONORABLE SHAREHOLDERS,

ASSALAMU ALAIKUM.

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 35th 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
- BSEC Corporate Governance Code, 2018
- Listing Regulations -2015 of both DSE and CSE
- Securities and Exchange Rules, 2020
- 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 07 (seven) members including 02 (two) 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 interpersonal 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 Company 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 02 hours 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 and Exchange Rules, 2020 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 BSEC Corporate Governance Code dated 3 June 2018 and International Accounting Standard (IAS-34) the interim financial reports are intended to provide an update on the quarterly financial statements audited or unaudited.

### **Statutory Auditors**

G. Kibria & Co., Chartered Accountants was the external/ statutory auditor of the Company for the year 2023-24. 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 respected 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

# STEWARDSHIP OF CORPORATE GOVERNANCE CODE



For Paper Processing and Packaging Limited, corporate governance isn't just a framework rather it's the bedrock upon which we build trust, drive responsible growth, and create enduring value. Our commitment to the Corporate Governance Code reflects a deeper pledge: to lead with transparency, integrity, and accountability, setting a standard that aligns with the expectations of our shareholders, employees, clients, and the communities we impact.

Our governance approach is steered by a seasoned and principled Board of Directors, who uphold our values with unwavering dedication. They act as vigilant stewards, continually refining our policies and establishing a robust framework that emphasizes ethical conduct and regulatory compliance. With a focus on clear roles and strong oversight, our Board actively guides our strategic direction while ensuring thorough management evaluation, effective risk management, and sound internal controls. This careful structure empowers our leadership to drive our mission forward, secure in the principles that shape our operations.

Transparency is woven into the fabric of our governance philosophy. Through regular, detailed updates, we maintain open lines of communication with all stakeholders, ensuring they are informed of our progress, performance, and strategic decisions. This openness fosters a culture of trust and aligns us closely with the expectations of our stakeholders,

strengthening their confidence in our journey.

A proactive approach to risk management is integral to our governance practices. We prioritize early identification and mitigation of potential challenges, enabling us to maintain resilience even in a dynamic market landscape. By embedding these risk protocols into our daily operations, we safeguard our stability and are better equipped to protect the interests of those who rely on us.

Our commitment to corporate governance is also deeply aligned with our dedication to environmental and social responsibility. As we pursue sustainable growth, we integrate eco-friendly practices into our governance model, balancing operational excellence with a commitment to positively impacting the environment and society. This forward-thinking approach reflects our vision of creating long-lasting value for today's stakeholders and future generations alike.

Through our emphasis on strong governance, Paper Processing and Packaging Limited is building more than just a successful business; we're creating a legacy of responsibility, resilience, and ethical leadership. By placing corporate governance at the core of our strategy, we are securing a future defined by trust, integrity, and meaningful impact, ensuring that our journey forward is one of purpose and progress.

# ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) APPROACH



Environmental responsibility forms the core of Paper Processing and Packaging Limited's commitment to sustainable growth. We understand the importance of minimizing our environmental footprint and work diligently to adopt eco-conscious practices in every stage of our operations. From responsible sourcing to innovative waste management, our initiatives are designed to reduce resource consumption and foster a sustainable future.

Our production processes prioritize reducing emissions and conserving energy, ensuring our approach to manufacturing is efficient and environmentally sound. To further our impact, we are exploring renewable energy sources, such as solar and wind power, as we seek to decrease our dependency on non-renewable resources. Additionally, our waste management initiatives aim to minimize waste generated and promote recycling, reducing the burden on landfills and contributing to a cleaner ecosystem.

## EMPOWERING OUR PEOPLE AND SUPPORTING COMMUNITIES

Our approach to social responsibility is rooted in creating a positive and supportive environment for our employees and the communities we touch. We believe that an empowered workforce, supported by a culture of diversity and inclusivity, drives innovation and long-term success. Every team member is valued, and we work to provide equal opportunities and a safe workplace where individuals can thrive.

Beyond our organization, we extend our impact to the surrounding communities by actively supporting local initiatives that promote social welfare and development. Through partnerships with educational institutions and vocational training programs, we invest in skill development, creating pathways to employment and sustainable livelihoods. Our commitment to giving back includes community health initiatives, local sponsorships, and supporting underprivileged communities through donations and social engagement programs. We believe that our success is intertwined with the prosperity of the communities around us, and we strive to make a meaningful difference in their lives.

## UPHOLDING A STRONG GOVERNANCE FOUNDATION

Corporate governance is the bedrock of our operations, shaping our commitment to transparency, accountability, and ethical decision-making. Our Board of Directors leads by example, ensuring that we adhere to the highest standards of governance and responsible business conduct. The Board is actively engaged in overseeing strategic planning, regulatory compliance, and risk management, providing guidance to our leadership team in alignment with our values. To strengthen our governance framework, we have implemented stringent policies and procedures designed to promote ethical behavior and mitigate risks across all levels of our organization. Regular audits and assessments provide transparency, enabling us to identify areas for improvement and ensure that our operations remain consistent with regulatory and ethical standards. This strong governance structure fosters trust with stakeholders, helping us build enduring relationships based on reliability and integrity.

## ADVANCING A FUTURE-FOCUSED ESG VISION

Looking ahead, Paper Processing and Packaging Limited is committed to advancing our environmental, social, and governance (ESG) initiatives as we embrace our role in shaping a sustainable future. We understand that responsible corporate citizenship is essential to long-term success and actively work to align our operations with globally recognized ESG standards. Our goal is to remain adaptable, continuously refining our practices to meet evolving environmental challenges, societal needs, and governance expectations. Our ESG strategy is not only about compliance but about creating a legacy of responsibility that extends beyond the company. By prioritizing environmental sustainability, social contribution, and ethical governance, we aim to build a resilient organization that positively impacts all those connected to it. As we move forward, our commitment remains to be a leader in responsible business practices, ensuring that Paper Processing and Packaging Limited stands as a beacon of integrity, progress, and positive change.

# DIVIDEND DISBURSEMENT POLICY

Paper Processing and Packaging Limited has established a comprehensive Dividend Disbursement Policy that aligns with regulatory standards to ensure fair, transparent, and consistent returns for shareholders. This policy reflects our commitment to balancing shareholder interests with sustainable reinvestment for long-term growth.

## POLICY OBJECTIVES

The Dividend and Disbursement Policy aims to provide reliable income for shareholders while supporting the company's growth objectives through reinvestment. Dividends, whether interim, final, or special, are distributed in alignment with Board resolutions, shareholder approvals, and applicable regulations, ensuring compliance with relevant laws and standards.

## COMPLIANCE WITH REGULATORY REQUIREMENTS

**Our policy aligns with:**

- The Companies Act, 1994
- Guidelines and directives from the Bangladesh Securities and Exchange Commission (BSEC)
- Listing regulations of the Dhaka and Chittagong Stock Exchanges
- Finance Acts and Income Tax Act.
- The company's Memorandum and Articles of Association

## APPROVAL AND DECISION-MAKING PROCESS

The Board of Directors recommends dividends based on financial performance, with final or special dividends requiring shareholders approval at the Annual General Meeting. Compliance with regulatory guidelines ensures that dividend decisions are made in a fair and transparent manner.

## SOURCES OF DIVIDEND FUNDS

**Dividend funds are sourced as follows:**

- Current Year Profits: Based on annual financial performance, dividends may be distributed from current profits.

- Retained Earnings and Reserves: If appropriate, dividends may be declared from accumulated retained earnings or reserves, adhering to legal and regulatory guidelines.

## TYPES AND DISTRIBUTION OF DIVIDENDS

**The policy encompasses various types of dividends:**

- **Annual Cash Dividend:** Recommended by the Board based on audited financials and requires shareholder approval.
- **Stock Dividend:** Additional equity is distributed to shareholders subject to consent of BSEC.

## GENERAL PROVISIONS FOR DIVIDEND DECLARATION

To ensure prudent financial management, dividends may be drawn from reserves during periods of low profitability, subject to compliance. Increases in the dividend rate from prior years are carefully evaluated to align with strategic priorities, and dividends are allocated according to paid-up capital without exceeding Board recommendations.

## DIVIDEND DISBURSEMENT PROCESS

Dividends are distributed either in cash or stock, depending on Board resolutions. Cash dividends are processed through electronic methods like BEFTN, while stock dividends are allocated to shareholder accounts following all regulatory protocols for prompt and efficient distribution.

## RECORD DATE AND BOOKS CLOSURE

For dividend entitlements, Paper Processing and Packaging Limited announces a record date as per stock exchange regulations and provide public notice as Price Sensitive Information. This date is communicated transparently in national publications to keep shareholders well-informed.

## DIVIDEND FUND MANAGEMENT

Upon declaring a dividend, we allocate a portion of annual profits to a reserve fund in line with applicable laws, financial reporting standards, and BSEC

guidelines. The fund management process includes:

- Safeguarding the dividend fund and covering all associated expenses
- Annual or periodic reconciliation to maintain regulatory compliance and a balanced dividend payout ratio

## DISCLOSURE PRACTICES

The Dividend Distribution Policy will be accessible on our company website and included in the Annual Report. Relevant information, such as dividend declarations, will be shared as Price Sensitive Information and communicated via the company website, national newspapers, and stock exchanges to maintain transparency.

## POLICY ADJUSTMENTS

This policy is adaptable to accommodate regulatory updates from the Bangladesh Securities and Exchange Commission, Audit Committee recommendations, or other authorities. The Board of Directors retains discretion to modify, update, or adjust the policy as necessary to align with company objectives.

## DISCLAIMER

This policy outlines Paper Processing and Packaging Limited's approach to dividends but does not constitute a commitment to future payouts. It reflects current intentions and allows the Board flexibility to modify recommendations based on strategic considerations and company needs. The policy is crafted to uphold sound corporate governance and regulatory compliance while enhancing shareholder value.

# REPORT OF THE AUDIT COMMITTEE

For the year ended 30 June 2024

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.

01	Prof. Dr. Md. Rafiqul Islam	Chairman
02	Mr. Md. Mobarok Hossain	Member
03	Advocate Md. Golam Kibria	Member
04	Mr. Md. Mustafizur Rahman	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,

**Prof. Dr. Md. Rafiqul Islam**  
Chairman of the Committee

# REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

For the year ended on June 30, 2024

As per the requirement of the BSEC Corporate Governance Code, 2018 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:

01	Prof. Dr. Nafisa Rounok	Chairman
02	Mr. Md. Mobarok Hossain	Member
03	Advocate Md. Golam Kibria	Member
04	Mr. Md. Mustafizur Rahman	Secretary

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

## Major Role and Responsibilities of the Committee

- i. The Committee is an Independent sub-committee of the Board and responsible or accountable to the Board and to the shareholders of the Company.
- ii. 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

- i. During the year the Committee held 03 (three) meetings. All the members including the Chairman of the Nomination & Remuneration Committee attended the meeting.
- ii. 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,

**Prof. Dr. Nafisa Rounok**  
Chairman  
Nomination & Remuneration Committee

## BAPLC CERTIFICATE

### BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/186

BAPLC

Date of issue : March 21, 2024

### 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 31<sup>st</sup> December 2024.*



  
Secretary General

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

Annexure - A

November 10, 2024

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 2024.**

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, 2024 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.

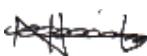
In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June 2024 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)



**Annexure -B**

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

**Report to the Shareholders of BANGLADESH PAPER PROCESSING AND PACKAGING LTD. on compliance of Corporate Governance Code.**

We have examined the compliance status to the Corporate Governance Code by **BANGLADESH PAPER PROCESSING AND PACKAGING LTD.** for the year ended on **June 30, 2024**. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (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.

Place : Dhaka  
Dated : November 30, 2024

For and on behalf of  
Ashraf Uddin & Co.  
Chartered Accountants

Mohammad Shibir Hossain FCA  
Partner

## ANNEXURE – C

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

**Paper Processing and Packaging Ltd.****Corporate Governance Compliance Report**For the year ended 30<sup>th</sup> June, 2024

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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1(1)	Board's Size (number of Board members– minimum 5 and maximum 20)	√		There are 07 (seven) members in the Company Board.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s).	√		There are 02 (two) Independent Directors out of total 07 (seven) Directors.
1(2)(b)	Independent Director means a Director:			
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company.	√		The Independent Directors have submitted declarations about their compliances.
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company.	√		
1(2)(b)(iii)	Who has not been an executive of the Company in the immediately preceding 2 (two) financial years.	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies.	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	√		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		

1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	√		Re-appointment of Prof. Dr. Md. Rafiqul Islam, in his 2 <sup>nd</sup> term and appointment of Prof. Dr. Nafisa Rounok in her 1 <sup>st</sup> term will be sought post-facto approval in the 35 <sup>th</sup> AGM convened on 26-12-2024.
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	None		No such case in the reporting year.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	√		
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of BDT 100 million or any listed company or a member of any national or international chamber of commerce or business association; or	Not Applicable		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of BDT 100 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	Not Applicable		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	Not Applicable		
1(3)(c)	The independent director shall have at least 10 (ten) years' experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	None		
1(4)	Duality of Chair of the Board of Directors and Chief Executive Officer			
1(4)(a)	The positions of the Chair of the Board and the Chief Executive Officer (CEO) of the Company shall be filled by different individuals.	√		
1(4)(b)	The Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chair of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chair and the Chief Executive Officer;	√		

1(4)(e)	In the absence of the Chair of the Board, the remaining members may elect one of themselves from non-executive directors as Chair for that particular Board's meeting; the reason of absence of the regular Chair shall be duly recorded in the minutes.	None		No such case in the reporting year.
1(5)	The Directors' Report shall include the following additional statements			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	None		No such risk.
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss)	None		No such event occurred.
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	Statement of utilization of proceeds raised through public issues, rights issues and/ or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	Not Applicable		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	None		No such case in the reporting year.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cashflows and changes in equity;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding five (5) years shall be summarized;	√		

1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year, the reason 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 shareholding and name wise details (disclosing aggregate number of shares):			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (Name wise Details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (Name wise Details);	√		
1(5)(xxiii)(c)	Executives; and	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise Details);	√		
1(5)(xxiv)	In case of the appointment / re-appointment of a director, a disclosure on the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director	√		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No.3(3) Shall be disclosed as per Annexure-A; and	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(6)	Meetings of the Board of Directors			
	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		

1(7)	Code of Conduct for the Chair, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chair of the Board, other board members and Chief Executive Officer of the Company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and in-dependency;	√		
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	Chief Executive Officer (CEO), Chief Financial Officer(CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other Company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	none		No such case in the reporting year.
3(2)	Requirement to attend Board of Directors' Meetings			
	The CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that CS, CFO And HIAC Shall Not Attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; 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 CEO and CFO shall also certify that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	√		
3(3)(c)	The certification of the CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee: For ensuring good governance in the Company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee	√		
5	Audit Committee	√		
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chair of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee <del>should</del> be "financially literate" and at least one (1) member shall have accounting or related financial management background and ten(10) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of three (3) persons, the Board shall appoint new Committee member to fill up the vacancy immediately or not later than one (1) month from the date of vacancy in the Committee to ensure continuity of the performance 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 one (1) independent director.	√		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		

5(3)(c)	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 four (4) meetings in a financial year;	√		There were 04 (four) meetings held during the reporting period.
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.	None		
5(6)	Reporting of the Audit Committee			
5(6)(a)	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)	The Audit Committee shall immediately report to the Board on the following findings, if any:	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;	None		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance processor in the financial statements;	None		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		

5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	None		
5(6)(b)	Reporting to BSEC (if any, which has material impact on the financial condition and results of operation, unreasonably ignored by the management).	None		
5(7)	Reporting to the Shareholders and General Investors of Audit Committee Activities, which shall be signed by the Chair of the Audit Committee and disclosed in the Annual Report.	None		
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors.			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(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 (3) members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within one hundred eighty(180) days of such vacancy occurring in the Committee;	None		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or is valuable for the Committee;	None		
6(2)(g)	The Company Secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an Independent Director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role 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;	√		There were 03 (three) meetings held during the reporting period.

6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	None		No such case in the reporting year.
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an Independent Director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	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 benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	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;	None		
7(1)(v)	Actuarial services;	None		
7(1)(vi)	Internal audit services or special audit services;	√		

7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		<a href="https://www.pppl.com.bd/">https://www.pppl.com.bd/</a>
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 and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and 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)	Directors statement in the directors' report whether the Company has complied with these conditions or not.	√		





# FINANCIAL STATEMENTS



# 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 June 30, 2024 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 material accounting Policy Information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at June 30, 2024 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

## 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 Auditor's 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (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 these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter

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

1. In accordance with Note No. 6.00 of the financial statements, the closing inventory was reported at BDT. 404,139,653/- on the statement of financial position as of the reporting date. However the inventory records are being maintained erratically, suggesting to maintain computer based perpetual inventory records.
2. As per section 234 of Labour Act 2006 (amendment in 2013), the company shall pay with a proportion of 80:10:10 to the Participatory Fund, Welfare Fund and Worker's Welfare Foundation Fund. During our audit period, we noted that the company has been distributed the entire amount among the employees.
3. As per Section 18 of IFRS 3 Business Combinations, At Merger or Acquisition date, All Assets & Liabilities shall be measured at Fair value . Paper Processing and Packaging Ltd has followed as mentioned in note 2 , as per the Scheme of Amalgamation / Merger and Acquisition (M&A) and Approval / Order no. 4056 dated on 27-11-2023 of the Hon'ble High Court Division of Supreme Court and subsequent Approval/Consent Letter no. BSEC/CFD/CRD/M&A/2023/244/321 Dated on 30-01-2024 received from Bangladesh Securities and Exchange Commission (BSEC).

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2024. These matters were addressed in the context of the audit of the financial statements as a whole and in forming the auditors' opinion thereon and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addresses the key audit matter
<b>Revenue and Trade Receivables</b> <p>During the year, the Company has recognized revenue BDT. 1,042,276,857 for the year ended 30 June 2024. The Company's revenue recognized from the sale of goods to local customers.</p> <p>The Company's revenue recognition processes are not complex and does not involve high level of judgement. However, this is a driver of company performance and has major impact on financial statement user's decision making. Finally, this account always has risk of management over-ride of internal controls.</p> <p>Details of Revenue recognition are included in Note 31.00 and Trade Receivables are included in Note 8.00 to the Financial Statements</p>	<p>Our audit procedures including:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of company's internal controls, systems and processes around revenue recognition and accounts receivable.</li> <li>• Review invoice, delivery report and other supporting documents such as payment support to ensure occurrence and completeness of revenue recognized.</li> <li>• Test Subsequent receipts for receivable balance to substantiate existence, collectability and completeness of accounts receivables recognized on the books.</li> <li>• Assessing the disclosure of revenue recognition and receivable provisioning policies.</li> </ul>

Inventory	
<p>The Company's inventories balance BDT. 404,139,653 as at 30 June 2024. This represents 7% of Total Assets of the company. This is estimation performed by management in regard to obsolescence and determination of net realizable value (NRV). Basis on the requirement of estimates and the fact that this is major category, this is determined to be a key audit matter.</p> <p>Details of Inventory are included in Note 7.00 to the Financial Statements</p>	<p>Our audit procedures including:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of company's internal controls, systems and processes around inventory management.</li> <li>• Perform procedures over inventory purchase to substantiate existence, completeness, and valuation of inventory.</li> <li>• Perform prices testing of inventory to determine inventory valuation and determine whether inventory is obsolete or not.</li> <li>• Revenue prices received by the company and the overall gross margin earned to determine whether the company is able to recover the net realizable value of inventory.</li> </ul>

<b>Property, Plant and Equipment (PPE)</b>	
The Company's Property, Plant and Equipment balance BDT. 1,652,716,933 as at June 30, 2024. This represents 30% of Total Assets of the company. This is estimation performed by management in regard to assets useful life. Basis on the requirement of estimates and the fact that this is major category, this is determined to be a key audit matter.	<p>Our audit procedures including:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of company's internal controls, systems and processes around PPE.</li> <li>• Performed discussion with management to understand their process of determining asset useful life.</li> <li>• We performed PPE addition procedures by obtaining supporting documents, invoice, and delivery information as well payments supporting.</li> <li>• We performed reasonability of depreciation expenses charged by management to ensure accuracy and occurrence.</li> <li>• We performed discussions with management's assumption around impairment were reasonable.</li> </ul>
Details of PPE are included in Note 4.00 to the Financial Statements	
<b>Long-Term And Short-Term Loans</b>	
The Company's long-term loans balance BDT. 2,230,072,172 and short-term loans balance BDT. 146,093,633 as at 30 June 2024 in the statement of financial position. The company borrowed fund from various Bank for the purpose of working capital as well.	<p>Our audit procedures including:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of assessing the design to ensure the proper use of loan.</li> <li>• We verified loan schedule bank statements to confirm the loan outstanding and found that the balance had been reported in the financial statements accurately.</li> <li>• We checked the financial expenses and classification of loan and repayment schedule on a test basis as well.</li> <li>• We checked the recording date of transactions and found the recording date is in line with the loan disbursement date.</li> </ul>
Details of Long-Term Loan are included in Note 19.00 & 25.00 and Short-Term Loan are included in Note 24.00 to the Financial Statements	

## **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for information other than financial statements and auditor's report. The other information comprises of the Director's Report, Corporate Governance Compliance Report, Business Responsibility & Sustainability Report and Management Discussion and Analysis. We expect to receive this other information after the date of our auditor's report.

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 on the other information obtained prior to the date of the auditor's report, 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**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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.

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's 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.

## **Auditors' 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 exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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 identify during our audit.

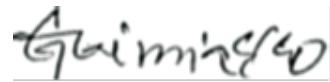
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine 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 describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine 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, we also report the following:

- we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.



**Mohammad Showket Akber, FCA**

Partner

**G.KIBRIA & CO.**

Chartered Accountants

ICAB Enrol. No.970

DVC: 2411100970AS487028

Place : Dhaka, Bangladesh

Date : November 10, 2024

Ref. : GKC/24-25/A/177

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Financial Position**

As at June 30, 2024

Particulars	Notes	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>4,056,241,633</b>	<b>382,725,085</b>
Property, Plant and Equipment	4.00	1,652,716,933	382,640,385
Investment in Share	5.00	24,059,700	84,700
Investment Property	6.00	2,379,465,000	-
<b>Current Assets</b>		<b>1,483,821,812</b>	<b>599,707,469</b>
Inventories	7.00	404,139,653	147,899,664
Trade Receivable	8.00	374,308,866	94,368,799
Investment	9.00	14,332,999	-
Advance, Deposits and Pre-Payments	10.00	553,122,610	213,142,605
Inter Company Account	11.00	51,252,155	111,745,732
Advance Income Tax	12.00	32,155,861	10,461,318
Cash and Cash Equivalents	13.00	54,509,668	22,089,351
<b>Total Assets</b>		<b>5,540,063,444</b>	<b>982,432,553</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>		<b>2,148,864,550</b>	<b>370,948,100</b>
Share Capital	14.00	296,033,780	104,496,000
Capital Reserve	15.00	183,178,100	-
Revaluation Reserve	16.00	1,018,775,385	90,310,929
Share Premium	17.00	46,020,000	-
Retained earnings	18.00	604,857,285	176,141,170
<b>Non-Current Liabilities</b>		<b>2,917,845,961</b>	<b>257,530,182</b>
Long Term Bank Loan	19.00	2,230,072,172	68,643,471
Sponsor Directors Loan	20.00	155,096,351	155,096,351
Deferred Tax Liability	21.00	532,677,439	33,790,360
<b>Current Liabilities</b>		<b>473,352,933</b>	<b>353,954,272</b>
Trade Payable	22.00	4,506,304	2,645,027
Liabilities for Expenses	23.00	58,622,251	7,581,160
Short Term Bank Loan	24.00	146,093,633	269,245,066
Long Term Bank Loan-Current Portion	25.00	164,742,607	31,006,124
Inter Company Loan Account	26.00	5,673,775	11,417,000
WPPF and Welfare Fund	27.00	4,374,331	3,295,194
Provision for Income Tax	28.00	86,646,732	25,440,559
Un-paid Dividend	29.00	2,693,301	3,324,143
<b>Total Liabilities</b>		<b>3,391,198,895</b>	<b>611,484,454</b>
<b>Total Equity and Liabilities</b>		<b>5,540,063,444</b>	<b>982,432,553</b>
<b>Basic Net Assets Value Per Share (NAVPS)</b>	30.01	<b>72.59</b>	<b>35.50</b>
<b>Diluted Net Assets Value Per Share (NAVPS)</b>	30.02	<b>72.59</b>	<b>12.53</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Managing Director

Place: Dhaka, Bangladesh  
Date: November 10, 2024  
Ref. No. GKC/24-25/A/177

  
**Mohammad Showket Akber, FCA**  
Partner  
G. Kibria & Co.  
Chartered Accountants  
ICAB Enrollment no. 970  
DVC: 2411100970AS487028

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Profit or Loss and other Comprehensive Income**  
For the year ended June 30, 2024

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
Revenue	31.00	1,042,276,857	475,065,025
Cost of Goods Sold	32.00	(744,827,900)	(327,279,697)
<b>Gross profit</b>		<b>297,448,957</b>	<b>147,785,328</b>
<b>Operating expenses</b>		<b>(64,519,673)</b>	<b>(46,677,104)</b>
Office and Administrative Expenses	33.00	(30,055,393)	(21,222,953)
Marketing and Distribution Expenses	34.00	(34,464,280)	(25,454,150)
<b>Profit from operation</b>		<b>232,929,284</b>	<b>101,108,224</b>
Financial Expenses	35.00	(141,988,940)	(32,155,165)
Non Operating Income	36.00	920,610	246,007
<b>Profit/(Loss) Before Tax &amp; WPPF</b>		<b>91,860,954</b>	<b>69,199,066</b>
Contribution to WPPF and Welfare Fund		(4,374,331)	(3,295,194)
<b>Net Profit before tax</b>		<b>87,486,622</b>	<b>65,903,873</b>
<b>Income Tax Expenses</b>		<b>(12,916,274)</b>	<b>(16,670,635)</b>
Current Tax	37.00	(19,716,832)	(13,555,612)
Deferred Tax	37.01	6,800,558	(3,115,023)
<b>Net Profit/Loss after tax</b>		<b>74,570,348</b>	<b>49,233,237</b>
<b>Basic Earning Per Share (EPS)</b>	38.01	<b>2.52</b>	<b>4.71</b>
<b>Diluted Earning Per Share (EPS)</b>	38.02	<b>2.52</b>	<b>1.66</b>

  
Company Secretary

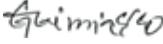
  
Chief Financial Officer

  
Director

  
Managing Director

  
Chairman

Place: Dhaka, Bangladesh  
Date: November 10, 2024  
Ref. No. GKC/24-25/A/177

  
**Mohammad Showket Akber, FCA**  
Partner  
G. Kibria & Co.  
Chartered Accountants  
ICAB Enrollment no. 970  
DVC: 2411100970AS487028

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Changes in Equity**

As at June 30, 2024

Particulars	Amount in BDT				
	Share Capital	Capital Reserve	Share Premium	Revaluation Reserve	Retained Earnings
<b>Balance as on 01.07.2023</b>	104,496,000			90,310,929	176,141,170
8% Bonus Share	8,359,680				(8,359,680)
12% Cash Dividend for the year 2022-2023					(12,539,520)
Marger Share Allotment & Acquisition from Magura Paper Mills Ltd.	183,178,100	183,178,100	46,020,000	928,505,883	374,996,228
Net profit after tax					7,310
Transfer from Deferred Tax to revaluation surplus					74,570,348
Transfer of Revaluation to Retained Earnings					(48,737)
<b>Balance as at 30.06.2024</b>	<b>296,033,780</b>	<b>183,178,100</b>	<b>46,020,000</b>	<b>1,018,775,385</b>	<b>604,857,284</b>
					<b>2,148,864,550</b>

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Changes in Equity**

As at June 30, 2023

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

  
Company Secretary  
Chief Financial Officer

Place: Dhaka, Bangladesh  
Date: November 10, 2024  
Ref. No. GKC/24-25/A/177

  
Managing Director  
Director

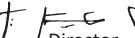
Chairman

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Cash Flows**  
For the year ended June 30, 2024

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>Cash Flow from Operating Activities</b>			
Cash Received from Customer and Others		951,020,852	459,726,929
Less: Paid to Suppliers and Others		(892,820,490)	(461,542,324)
Less: Income Tax Paid		(4,930,878)	(511,836)
Less: Financial Expenses		(15,654,301)	(28,841,870)
<b>Net Cash Provided by Operating Activities (A)</b>		<b>37,615,183</b>	<b>(31,169,100)</b>
<b>Cash Flow from Investing Activities</b>			
Acquisition of Property, Plant and Equipment Investment		(2,452,100)	(17,860,826)
Advance/Construction Work		(604,625)	-
<b>Net Cash Used by Investing Activities (B)</b>		<b>(3,056,725)</b>	<b>(17,860,826)</b>
<b>Cash Flow from Financing Activities</b>			
Payments of Short Term Loan		(108,765,074)	(57,442)
Receipts of Long Term Loan		108,699,298	40,336,342
Inter Company /Director Loan Account		(9,379,612)	(93,961,320)
Sponsor Directors Loan		-	124,275,381
Dividend Paid		(13,170,363)	(7,994,548)
<b>Net Cash Used by Financing Activities (C)</b>		<b>(22,615,750)</b>	<b>62,598,413</b>
<b>Net Cash inflow/outflow during the year (A+B+C)</b>		<b>11,942,708</b>	<b>13,568,487</b>
Cash and Cash equivalents at the beginning of the year		22,089,351	8,520,864
Add: Transfer from- Magura Paper Mills Ltd. Against M&A		20,477,609	-
<b>Closing Cash and Cash equivalents at the end of the year</b>		<b>54,509,668</b>	<b>22,089,351</b>
<b>Basic Net Operating Cash Flows per share (NOCFPS)</b>	39.01	<b>1.27</b>	<b>(2.98)</b>
<b>Diluted Net Operating Cash Flows per share (NOCFPS)</b>	39.02	<b>1.27</b>	<b>(1.05)</b>


  
Company Secretary


  
Chief Financial Officer


  
Director


  
Managing Director


  
Chairman

Place: Dhaka, Bangladesh  
Date: November 10, 2024  
Ref. No. GKC/24-25/A/177

## **PAPER PROCESSING AND PACKAGING LTD.**

### **Notes to the Financial Statements**

As at and for the year ended June 30, 2024

#### **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 and Chittagong Stock Exchange PLC.

##### **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 Amalgamation / Merger and Acquisition (M&A)**

"The company Magura Paper Mills Limited (MPML) has been amalgamated with Paper Processing and Packaging Ltd. (PPPL) as per the Scheme of Amalgamation / Merger and Acquisition (M&A) and Approval / Order No. 4056 Dated on 27-11-2023 of the Hon'ble High Court Division of Supreme Court and subsequent Approval/Consent Letter No. BSEC/CFD/CRD/M&A/2023/244/31 Dated on 30-01-2024 received from Bangladesh Securities and Exchange Commission (BSEC). Finally shares issued from Paper Processing and Packaging Ltd. (PPPL) to the existing share holders of Magura Paper Mills Limited (MPML) through Central Depository of Bangladesh (CDBL) on 19-02-2024 considering share exchange ratio 0.5:1 as per Fair Value Assessment Method of both the Transferor Company (Magura Paper Mills Limited) and Transferee Company (Paper Processing and Packaging Ltd.) which mentioned in the Scheme of Amalgamation in Clause No. 3 (a-d) of Section – A and Valuation Report from Muhammad Shaheedullah & Co. Chartered Accountants and the SL No.1 of the Approval / Order of the Court. As per Court Order SL No. 8, from that date on 19-02-2024 Magura Paper Mills Limited has been completely dissolved. Obeying the Court Order all assets and liabilities of Magura Paper Mills Limited transferred to Paper Processing and Packaging Ltd. considering the Financial Statements Dated on 18-02-2024 audited by G.Kibria and Co. Chartered Accountants and the Clause–9.1, 9.2(a) & 9.3(a) of Section–D of the Scheme of Amalgamation and the SL No. 5 & 9 of the Approval / Order of the Court.

Court Order, BSEC Consent letter, Shares allotment documents have been submitted to related regulatory bodies along with RJSC. RJSC certified the share allotment document i.e From XV."

#### **3.00 Significant Accounting Policies**

##### **3.01 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 Act, 2023, The Value Added Tax Act & Rules 1991, The Customs Act 1969 and other relevant local laws as applicable.

##### **3.02 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.

##### **3.03 Date of Authorization**

The Board of Directors has authorized these financial statements on November 10, 2024.

##### **3.04 Reporting Period**

The financial statements cover one year from July 01, 2023 to June 30, 2024.

##### **3.05 Going Concern**

During the year ended on June 30, 2024 the entity had achieved net profit after tax of Tk. 74,570,348/- from the earnings of profit it is the likely that the company can run as a going concern in the foreseeable future.

**3.06 Functional and Presentation Currency**

These financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional currency. All amounts have been rounded off to the nearest Taka, unless otherwise indicated.

**3.07 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

**3.08 Components of the Financial Statements**

According to IAS-1 "presentation of the Financial Statements" the complete set of financial statement includes the following components:

- a) Statement of Financial Position as at June 30, 2024.
- b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2024.
- c) Statement of Changes in Equity for the year ended June 30, 2024.
- d) Statement of Cash Flows for the year ended June 30, 2024.
- e) Accounting Policy Notes to the financial statements for the year ended June 30, 2024.

**3.09 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.

**3.10 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.

**3.11 Basis of Measurement**

The financial statements have been prepared on historical cost Basis.

**3.12 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.

**3.13 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.

**3.14 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.

**3.15 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%	
Sundry Assets	10%	

**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.

**3.16 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.

**3.17 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".

**3.18 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.

**3.19 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.

**3.20 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.

**3.21 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.

**3.22 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.

**3.23 Income Tax**

**i) Current Tax:**

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

**ii) Deferred Tax**

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

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

**3.24 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, 2024**

**i) Investment in Share**

Bangladesh Monospool Paper Mfg.Co.Ltd.

**24,059,700**

**ii) Inter Company Account (Current Assets)**

BDG Foundation

1,833,360

Bangladesh Development Group Ltd.

3,490,013

Bangladesh News & Entertainment Ltd.

10,960,185

Millennium Spinning & Knitting Factory Ltd.

7,455,473

Progressive Marketing Ltd.

8,410,358

Magura Recycled Paper Ind. Ltd.

150,000

Magura Group Limited

8,953,466

**Transfer from- Magura Paper Mills Ltd. Against (M&A)**

Bangladesh News & Entertainment Ltd.

9,609,800

Total:

**50,862,655**

**iii) Sponsor Director Loan Account**

Magura Group Limited

65,009,141

Bangladesh Development Group Ltd.

71,566,239

Mr. Mustafa Kamal Mohiuddin

18,520,970

Total:

**155,096,351**

**iv) Inter Company Loan Account (Current Liability)**

Bangladesh Development Co. Ltd.

5,673,775

Total:

**5,673,775**

**vi) Advance against Salary**

**5,027,901**

**3.25 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.

**3.26 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.

**3.27 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 14 % Cash dividend at the 186th Board meeting held on November 10, 2024 for the year ended June 30, 2024. This dividend is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

**3.28 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.

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>4.00</b>	<b>Property, Plant and Equipment: Tk. 1,652,716,933</b>		
	This is made up as follows:		
	Non Revalued Assets	454,157,654	276,392,230
	Revalued Assets	1,198,559,279	106,248,154
	<b>Total</b>	<b>1,652,716,933</b>	<b>382,640,385</b>
<b>4.01</b>	<b>Non Revalued Assets: Tk. 454,157,654</b>		
	This is made up as follows:		
	Opening Balance	358,670,321	340,809,495
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.	1,126,216,302	-
	<b>Add:</b> Addition made during the Year	2,452,100	17,860,826
	<b>Closing Balance (a)</b>	<b>1,487,338,723</b>	<b>358,670,321</b>
	<b>Accumulated Depreciation</b>		
	Opening Balance	82,278,090	72,634,300
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.	938,011,583	-
	<b>Add:</b> Charged during the Year	12,891,396	9,643,790
	<b>Closing Balance (b)</b>	<b>1,033,181,069</b>	<b>82,278,090</b>
	<b>Written Down Value (a-b)</b>	<b>454,157,654</b>	<b>276,392,230</b>
<b>4.02</b>	<b>Revalued Assets: Tk. 1,198,559,279</b>		
	This is made up as follows:		
	Opening Balance	111,492,720	111,492,720
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.	1,092,359,862	-
	<b>Add:</b> Addition made during the Year	-	-
	<b>Closing Balance (a)</b>	<b>1,203,852,582</b>	<b>111,492,720</b>
	<b>Accumulated Depreciation</b>		
	Opening Balance	5,244,566	5,194,044
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.	-	-
	<b>Add:</b> Addition made during the Year	48,737	50,522
	<b>Closing Balance (b)</b>	<b>5,293,303</b>	<b>5,244,566</b>
	<b>Written Down Value (a-b)</b>	<b>1,198,559,279</b>	<b>106,248,154</b>
	The details Schedule of Property, Plant and Equipment are shown in (Annexure- A).		
<b>5.00</b>	<b>Investment in Share: Tk. 24,059,700</b>		
	This is made up as follows:		
	Bangladesh Monospool Paper Mfg.Co.Ltd.	84,700	84,700
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.		
	Invested into Pearl Paper And Board Mills Ltd. Which is converted to Bangladesh Monospool Paper Manufacturing Co. Ltd. Against M&A considering exchange ratio 0.4:1.	23,975,000	-
	<b>Total</b>	<b>24,059,700</b>	<b>84,700</b>
<b>6.00</b>	<b>Investment Property: Tk. 2,379,465,000</b>		
	Opening Balance	-	-
	<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.	2,379,465,000	-
	Fair Value Gain / (Loss)-During the Year	-	-
	<b>Total Investment Property</b>	<b>2,379,465,000</b>	<b>-</b>
	The above balance is made up as per IAS 40: Investment Property and following assets are classified as Investment Property.		

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>Particulars</b>			
		Land Size (In Decimal)	
Land at Motijheel	26.40	356,400,000	-
Land at Sonargaon	899.14	2,023,065,000	-
<b>Total</b>	<b>925.54</b>	<b>2,379,465,000</b>	-
<b>7.00 Inventories: Tk. 404,139,653</b>			
This is made up as follows:			
Raw Materials, Chemicals & Others	274,536,348	93,598,066	
Finished Goods	129,603,306	54,301,598	
<b>Closing Balance:</b>	<b>404,139,653</b>	<b>147,899,664</b>	
<b>8.00 Trade Receivable: Tk. 374,308,866</b>			
This is made up as follows:			
Receivable from parties	186,545,414	94,368,799	
Add: Transferred from- Magura Paper Mills Ltd. against M&A.	187,763,452	-	
<b>Total</b>	<b>374,308,866</b>	<b>94,368,799</b>	
<b>9.00 Investments: Tk. 14,332,999</b>			
This is made up as follows:			
Investment in FDR	Note:9.01	13,942,474	-
Interest Receivable	Note:9.02	390,525	-
<b>Closing Balance</b>		<b>14,332,999</b>	-
<b>9.01 Investment in FDR: Tk. 13,942,474</b>			
This is made up as follows:			
Opening Balance		1,400,000	-
Add: Addition during the year		13,094,778	-
Add: Transferred from- Magura Paper Mills Ltd. against M&A.		<b>14,494,778</b>	-
Less: Adjustment made during the Year		(552,304)	-
<b>Closing Balance</b>		<b>13,942,474</b>	-
<b>Details of Investment in FDR:</b>			
AB Bank PB (3834941)		1,400,000	
<b>Sub-total</b>		<b>1,400,000</b>	-
Add: Transferred from- Magura Paper Mills Ltd. against M&A.			
Premier Bank BB (155-27900000061)		7,000,000	-
Premier Bank BB (155-27900000002)		500,000	-
Premier Bank BB (155-27900000003)		1,400,000	-
Premier Bank BB (155-27900000004)		500,000	-
Premier Bank BB (155-27900000005)		500,000	-
Premier Bank BB (155-27900000006)		500,000	-
Premier Bank BB (155-27900000007)		392,000	-
National Bank Babu Bazar (1031005143220)		1,236,256	-
National Bank Babu Bazar (1031005143245)		514,218	-
<b>Sub-total</b>		<b>12,542,474</b>	-
<b>Total</b>		<b>13,942,474</b>	-

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023

**9.02 Interest Receivable: TK. 390,525**

This is made up as follows:

Oppenig balance  
**Add:** Transferred from- Magura Paper Mills Ltd. against M&A.  
 Add: Accrued Interest during the year  
 Less: Adjustment made during the Year  
**Closing Balance:**

-	-
633,596	-
390,525	-
(633,596)	-
<b>390,525</b>	-

**10.00 Advances, Deposits and Pre-Payments: Tk. 553,122,610**

This is made up as follows:

Advances  
 Security Deposit  
 VAT Current Account  
 Prepaid Insurance  
**Closing Balance:**

Note: 10.01	540,338,837	208,217,452
Note: 10.02	11,676,339	4,089,962
Note: 10.03	658,983	799,892
	448,451	35,299
	<b>553,122,610</b>	<b>213,142,605</b>

**10.01 Advances: Tk. 540,338,837**

This is made up as follows:

Advance against Purchases  
 Advance against Works  
 Advance against Salary  
**Closing Balance:**

Note:10.01.01	487,697,268	174,423,272
Note:10.01.02	47,613,668	32,767,680
Note:10.01.03	5,027,901	1,026,500
	<b>540,338,837</b>	<b>208,217,452</b>

**10.01.01 Advance against Purchases: Tk.487,697,268**

This is made up as follows:

**Opening Balance**  
**Add:** Addition during the year  
 Add: Transferred from- Magura Paper Mills Ltd. against M&A.

Less: Adjustment made during the Year  
**Closing Balance**

174,423,272	101,759,414
7,622,487	72,663,858
305,651,509	-
<b>487,697,268</b>	<b>174,423,272</b>
-	-
<b>487,697,268</b>	<b>174,423,272</b>

**Details of Advance against Purchases:**

Advance against Local Material  
 Al Noor Paper and Board Mills  
**Sub-total**  
 Transferred from- Magura Paper Mills Ltd. against M&A.

179,678,934	173,352,249
2,366,825	1,071,023
<b>182,045,759</b>	<b>174,423,272</b>

Advance against Local Material  
 Shukran Food Ltd.  
 Nitol Motors  
 Mr. Rafin Mahmud  
 Adp Mr. Habibur Rahman & Others HO  
 Bangla Trac Ltd.  
 Fascinate Shipping Lines Ltd.  
 Express Forwarder  
 Prime Clearing House  
 Warisha Enterprise  
**Sub-total**  
**Total :**

214,209,650	-
79,000,000	-
10,738,000	-
96,183	-
299,145	-
215,111	-
103,165	-
100,000	-
517,364	-
372,891	-
<b>305,651,509</b>	-
<b>487,697,268</b>	<b>174,423,272</b>

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023

#### 10.01.02 Advance against Works: Tk.47,613,668

This is made up as follows:

**Opening Balance**

Add: Addition during the year

Add: Transferred from- Magura Paper Mills Ltd. against M&A.

Less: Adjustment made during the Year

**Closing Balance**

**Details of Advance against Works:**

AAA Finance and Investment

Prime Bank Investment Ltd.

ICB Capital Management

Construction & Development work

Habibur Rahman

**Sub-total**

Add: Transferred from- Magura Paper Mills Ltd. against M&A.

Advance Agt. Land Development

**Total :**

32,767,680	19,010,826
14,636,915	13,756,854
209,073	-
<b>47,613,668</b>	<b>32,767,680</b>
-	-
<b>47,613,668</b>	<b>32,767,680</b>
650,000	650,000
300,000	300,000
200,000	200,000
46,244,445	31,617,680
10,150	-
<b>47,404,595</b>	<b>32,767,680</b>
209,073	-
<b>47,613,668</b>	<b>32,767,680</b>

#### 10.01.03 Advance against Salary: Tk.5,027,901

This is made up as follows:

**Opening Balance**

Add: Addition during the year

Add: Transferred from- Magura Paper Mills Ltd. against M&A.

Less: Adjustment made during the Year

**Closing Balance**

**Details of Advance against Salary and Wages:**

Uttam Kumar Debnath

Mokbul Hossain

Md. Baker Hossain

Hafizur Rahman

Shafiqul Azam Khan

**Sub-total**

Add: Transferred from- Magura Paper Mills Ltd. against M&A.

Ariful Islam

Mustafizur Rahman

Md. Abul Kashem SA

Md. Imamul Haque

Md. Nahid Hasan

Md. Numan daud

Md. Shafiqul Islam

Md. Wahid Sheikh

**Sub-total**

**Total (A) :**

Add: Addition during the year

Md. Abu Farhad

Md. Hasan Mahmud

Md. Mahabubur Rahman

Md. Ataur Rahman

Mr. Ruhul Amin

Md. Gulam Kibria

Md. Sobur

Shahriar Rahman Madol

Others Advance

**Total (B) :**

**Closing Balance (A+B):**

1,026,500	1,037,000
1,899,573	-
2,101,828	-
<b>5,027,901</b>	<b>1,037,000</b>
-	(10,500)
<b>5,027,901</b>	<b>1,026,500</b>

1,345,000	902,500
206,000	124,000
31,000	-
5,000	-
400,000	-
<b>1,987,000</b>	<b>1,026,500</b>

212,828	-
1,465,000	-
124,000	-
80,000	-
10,000	-
90,000	-
30,000	-
90,000	-
<b>2,101,828</b>	-
<b>4,088,828</b>	<b>1,026,500</b>

1,932	-
83,950	-
257,763	-
4,428	-
15,000	-
400,000	-
30,000	-
146,000	-
<b>939,073</b>	-
<b>5,027,901</b>	<b>1,026,500</b>

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>10.02 Security Deposit: Tk.11,676,339</b>			
<b>Opening Balance</b>		4,089,962	2,595,051
<b>Add:</b> Addition during the year		-	1,494,911
Add: Transferred from- Magura Paper Mills Ltd. against M&A.		10,513,376	-
<b>Less:</b> Adjustment made during the Year		<b>14,603,338</b>	<b>4,089,962</b>
<b>Closing Balance</b>		(2,926,999)	-
		<b>11,676,339</b>	<b>4,089,962</b>
<b>Details of Security Deposits:</b>			
Earnest Money Deposit		117,550	1,171,550
Bank Guarantee		84,500	1,740,000
Performance Guarantee		960,913	1,178,412
<b>Sub-total</b>		<b>1,162,963</b>	<b>4,089,962</b>
<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A.			
Bank Guarantee		777,632	-
Titas Gas Trans Distribution		8,252,324	-
Norshingdi polly Biddut Samity		1,032,500	-
Security Deposit ( T & T)		425,920	-
Diamond Steel ( Gas Cylinder)		25,000	-
<b>Sub-total</b>		<b>10,513,376</b>	-
<b>Total:</b>		<b>11,676,339</b>	<b>4,089,962</b>
<b>10.03 Prepaid Insurance: Tk.448,451</b>			
<b>Opening Balance</b>		35,299	13,676
<b>Add:</b> Addition during the year		980,447	453,047
Add: Transferred from- Magura Paper Mills Ltd. against M&A.		99,083	-
<b>Less:</b> Adjustment made during the Year		<b>1,114,829</b>	<b>466,723</b>
<b>Closing Balance</b>		(666,378)	(431,424)
		<b>448,451</b>	<b>35,299</b>
<b>11.00 Inter Company Account: TK. 51,252,155</b>			
<b>Opening Balance</b>		111,745,732	127,233,302
<b>Add:</b> Addition during the year		-	-
Add: Transferred from- Magura Paper Mills Ltd. against M&A.		9,999,300	-
<b>Less:</b> Adjustment made during the Year		<b>121,745,032</b>	<b>127,233,302</b>
<b>Closing Balance</b>		(70,492,877)	(15,487,570)
		<b>51,252,155</b>	<b>111,745,732</b>
<b>Details of Inter Company Account:</b>			
BDG Foundation		1,833,360	1,833,360
Bangladesh Development Group Ltd.		3,490,013	3,490,013
BDG-Magura Group Ltd.		-	1,139,836
Bangladesh News & Entertainment Ltd.		10,960,185	29,392,185
Millennium Spinning & Knitting Factory Ltd		7,455,473	7,455,473
Progressive Marketing Ltd		8,410,358	8,410,358
Magura Paper Mills Ltd.		-	47,166,226
Magura Recycled Paper Ind. Ltd.		150,000	1,350,000
Pearl Paper and Board Mills Ltd		-	3,204,815
Magura Group Limited		8,953,466	8,303,466
<b>Sub-total</b>		<b>41,252,855</b>	<b>111,745,732</b>
<b>Add:</b> Transferred from- Magura Paper Mills Ltd. against M&A			
Bangladesh News & Entertainment Ltd.		9,609,800	-
Daynik Bangladesher Khobor		389,500	-
<b>Sub-total</b>		<b>9,999,300</b>	-
<b>Total:</b>		<b>51,252,155</b>	<b>111,745,732</b>

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>12.00 Advance Income Tax: Tk. 32,155,861</b>			
This is made up as follows:			
Opening Balance		10,461,318	37,446,902
<b>Add: Addition during the year</b>		4,930,878	511,836
<b>Add: Transferred from- Magura Paper Mills Ltd. against M&amp;A.</b>		16,763,665	
<b>Less: Adjustment during the year</b>		-	(27,497,420)
<b>Closing Balance</b>		<b>32,155,861</b>	<b>10,461,318</b>
<b>13.00 Cash and Cash Equivalents: Tk. 54,509,668</b>			
This is made up as follows:			
Cash in Hand		25,123,198	17,061,906
<b>Add: Transferred from- Magura Paper Mills Ltd. against M&amp;A.</b>		19,991,510	-
<b>Sub-total</b>		<b>45,114,708</b>	<b>17,061,906</b>
Cash at Bank	<b>Note 13.01</b>	9,394,960	5,027,445
<b>Total</b>		<b>54,509,668</b>	<b>22,089,351</b>
<b>13.01 Cash at Bank: Tk. 9,394,960</b>			
<b>Opening Balance</b>		5,027,445	4,803,905
<b>Add: Transferred from- Magura Paper Mills Ltd. against M&amp;A.</b>		486,099	-
Add. Increase during the year		<b>5,513,544</b>	<b>4,803,905</b>
<b>Closing Balance</b>		3,881,416	223,540
<b>Details of Cash at Bank:</b>		<b>9,394,960</b>	<b>5,027,445</b>
AB Bank Ltd., Principal BR, A/C # 4005-219312-000		4,200	18,921
Basic Bank Ltd., Bashundhara Br, A/C # 01-00000027		81,365	81,365
First Security Islami Bank -A/C #017711100000233		1,145	2,295
IBBL-Kalampur Br. A/C # 20500160900000608		17,639	18,789
NCC Bank Ltd, Bashundhara Br, A/C # 325000044 (D.A)		671,578	698,063
Premier Bank Ltd. -A/C #0155111000000319		5,095,161	43,904
Janata Bank Ltd. Local Office A/C # 0100220245203		25,961	26,996
SIBL, Principal BR, A/C # 0021330060499		44,777	137,985
SIBL. Bashundhara Branch #077136001197		688,982	1,083,307
SIBL. Bashundhara Branch #077136001963 (D.A)		2,248,135	2,812,839
UCB Ltd., Bashundhara Br, # 0991301000000094		101,372	101,431
Union Bank-A/C # 0131010001131		630	1,550
Shimanto Bank, Dilkusha Branch # 1002241000122		5,555	
<b>Sub-total</b>		<b>8,986,500</b>	<b>5,027,445</b>
<b>Add: Transferred from- Magura Paper Mills Ltd. against M&amp;A.</b>			
Premier Bank- Dilkusha ( A/C NO. 101- 1310000071-9)		8,453	-
Premier Bank- Megh. ( A/C NO. 109-1310000001-3)		8,224	-
Premier Bank- Megh. ( A/C NO. 109-11100005746)		180,813	-
Premier Bank- Bashu ( A/C NO. 155-1110000023-0)		47,972	-
SIBL- Motijheel ( A/C NO. 13300009791)		28,210	-
SIBL- Bashundhara ( A/C NO. 0771360001028))		23,699	-
SIBL- Bashundhara ( A/C NO. 0771330007483)		53,378	-
SIBL-Principal (A/C No: 0021360004129)		3,725	-
SIBL - Bashundhara ( A/C NO. 0771360000804)		291	-
Commercial Bank of Ceylon (A/C No. 1813001665)		-	-
NRBC Bank (A/C NO. 010133300001587)		-	-
National Bank Ltd. Mirpur Br. (1069004457380)		1,295	-
UCBL (Corporate Br) (0951101000013399)		7,700	-
Sonali Bank Ltd.- Local Office, (A/C NO. 002633009049)		365	-
Sonali Bank Ltd.- Local Office, (A/C NO. 236001531)		44,335	-
<b>Sub-total</b>		<b>408,460</b>	<b>-</b>
<b>Total:</b>		<b>9,394,960</b>	<b>5,027,445</b>

Notes No.	Particulars	Amount in BDT	
		June 30, 2024	June 30, 2023
<b>14.00 Share Capital: Tk. 296,033,780</b>			
	This is made up as follows:		
	<b>Authorized Capital:</b>	<b>600,000,000</b>	<b>600,000,000</b>
	600,00,000 Ordinary Shares of Tk. 10/- each		
	<b>Issued, Subscribed, Called-up &amp; Paid-up Capital:</b>		
	Opening Balance	104,496,000	104,496,000
	08 % Bonus Share 2022-2023	8,359,680	-
	Add: New Share Issued to the existing shareholders of Magura Paper Mills Ltd. from Paper Processing and Packaging Ltd. against M&A.	183,178,100	-
	<b>2,96,03,378 Ordinary Shares of Tk. 10/- each fully issued &amp; paid-up are classified as follows:-</b>	<b>296,033,780</b>	<b>104,496,000</b>

Classification	No. of Share	Face Value (Tk)	Value (Tk)
<b>Group-A</b>			
Sponsor and Director	15,156,445	10.00	151,564,450
<b>Group-B</b>			
Financial Institutions	2,079,600	10.00	20,796,000
<b>Group-C</b>			
General Public	12,367,333	10.00	123,673,330
<b>Total</b>	<b>29,603,378</b>		<b>296,033,780</b>

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	4,376,543	14.78%	43,765,430
Mr. Mostafa Jamal Mohiuddin	Director	1,125,247	3.80%	11,252,470
Bangladesh Development Group PLC. Represented by Mr.Md. Rezaul Islam & Adv. Md. Golam Kibria	Nominee Director	4,708,162	15.90%	47,081,620
Magura Group PLC. Represented by Mr. Md. Mobarok Hossain	Nominee Director & Managing Director	3,891,925	13.15%	38,919,250
Dr. Md. Rafiqul Islam	Independent Director	-	0.00%	-
Dr. Md. Abul Kalam Azad		-	0.00%	-
Mr.Mohiuddin Ahmed	Sponsor Shareholder	940,464	3.18%	9,404,640
Mr. Abu Baker Siddique		84,641	0.29%	846,410
Abirbhab Multimedia Ltd.	Shareholder	9,404	0.03%	94,040
Investment Consultants & Share Management Ltd.		20,059	0.07%	200,590
Financial Institutions		2,079,600	7.02%	20,796,000
General Public		12,367,333	41.78%	123,673,330
<b>Total</b>		<b>29,603,378</b>	<b>100.00%</b>	<b>296,033,780</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023

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

Holding Range	No. of share holders	No. of share	Percentage
1- 15000 shares	6,046	5,038,848	17.02%
15001- 150000 shares	92	4,025,244	13.60%
150001- 300000 shares	6	1,392,120	4.70%
300001- 600000 shares	4	1,709,705	5.78%
600001- 2000000 shares	2	2,065,711	6.98%
2000001- 4000000 shares	2	6,287,045	21.24%
4000001- 4800000 shares	2	9,084,705	30.69%
<b>Total</b>	<b>6,154</b>	<b>29,603,378</b>	<b>100.00%</b>

#### 15.00 Capital Reserve: Tk.183,178,100

Created Capital Reserve for issuing share to the existing shareholders of Magura Paper Mills Ltd. from Paper Processing and Packaging Ltd. Considering share exchange ratio 0.5 : 1 against M&A.

This is made up as follows:

Paid up Capital of Magura Paper Mills Ltd.  
Less: Issued share from Paper Processing and  
Packaging Ltd. Considering share exchange ratio  
0.5 : 1 against M&A.

##### Capital Reserve

366,356,200	-
(183,178,100)	-
<b>183,178,100</b>	

#### 16.00 Revaluation Reserve: Tk. 1,018,775,385

This is made up as follows:

##### Opening Balance

**Add:** Transfer from- Magura Paper Mills Ltd. Against M&A.

Less: Adjustment during the year

Less: Adjustment during the year as Deferred Tax Liability

##### Closing Balance:

90,310,929	90,353,873
928,505,883	-
(48,737)	(50,522)
7,310	7,578
<b>1,018,775,385</b>	<b>90,310,929</b>

#### 17.00 Share Premium: Tk. 46,020,000

##### Opening Balance

**Add:** Transfer from- Magura Paper Mills Ltd. Against M&A.

##### Closing Balance:

-	-
46,020,000	-
<b>46,020,000</b>	-

#### 18.00 Retained Earnings: Tk. 604,857,284

This is made up as follows:

##### Opening Balance

**Add:** Transfer from- Magura Paper Mills Ltd. Against M&A.

**Add:** Profit/(Loss) during the year

**Add:** Depreciation charged on revalued amount

Less: 8% Bonus Share 2022-2023

Less: 12% Cash Dividend 2022-2023

##### Closing Balance:

176,141,170	135,217,091
374,996,228	-
74,570,348	49,233,237
48,737	50,522
(8,359,680)	-
(12,539,520)	(8,359,680)
<b>604,857,284</b>	<b>176,141,170</b>

#### 19.00 Long Term Bank Loan: Tk. 2,230,072,172

This is made up as follows:

Social Islami Bank PLC

Sonali Bank PLC

Note:19.01

Note:19.02

212,460,308	68,643,471
2,017,611,864	-
<b>2,230,072,172</b>	<b>68,643,471</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023
<b>19.01 Social Islami Bank PLC: Tk. 212,460,308</b>				
	BIAM (T.I) # 0023020001154		10,785,376	-
	BIAM (T.I) # 0023020001176		8,000,000	-
	BIAM (T.I) # 0023020001198		8,800,000	-
	BAIM (M.T.I) # 0023020001481		44,946,212	-
	BAIM (M.T.I) # 0023020001503		3,200,000	-
	BAIM (M.T.I) # 0023020001525		11,280,000	-
	Add: Interest Outstanding		<b>87,011,588</b>	-
	<b>Sub-Total</b>		<b>34,799,232</b>	-
			<b>121,810,820</b>	-
	HPSM Loan A/C # 0023220003518		-	14,726,802
	HPSM Loan A/C # 0023570000615		-	12,568,482
	HPSM Loan A/C # 0023420000045		-	3,542,242
	HPSM Loan A/C # 0023420000067		-	20,621,738
	HPSM Loan A/C # 0023220003676		15,603,220	-
	HPSM Loan A/C # 0023570001021		13,958,872	-
	HPSM Loan A/C # 0023400000043		4,399,818	-
	HPSM Loan A/C # 0023420000102		1,793,002	-
	HPSM Loan A/C # 0023420000124		5,652,730	-
	HPSM Loan A/C# 0023420000146		21,666,667	-
	HPSM Loan A/C# 0023420000168		5,592,526	-
	<b>Principal Outstanding</b>		<b>68,666,834</b>	<b>51,459,264</b>
	Add: Interest Outstanding		<b>21,982,654</b>	<b>17,184,207</b>
	<b>Sub-Total</b>		<b>90,649,488</b>	<b>68,643,471</b>
	<b>Total</b>		<b>212,460,308</b>	<b>68,643,471</b>
<b>19.02 Sonali Bank Project Loan: Tk. 2,017,611,864</b>				
This is made up as follows:				
Opening Balance			-	-
<b>Add: Transfer from- Magura Paper Mills Ltd. Against M&amp;A.</b>			<b>1,802,875,469</b>	<b>-</b>
Less : Payment & Adjustment during the year			-	-
<b>Principal Outstanding (a)</b>			<b>1,802,875,469</b>	<b>-</b>
Add: Interest Outstanding			101,123,319	-
Add. Interest Charged & Adjustment during the year			242,869,419	-
<b>Interest Outstanding (b)</b>			<b>343,992,738</b>	<b>-</b>
<b>Total Outstanding (a+b)</b>			<b>2,146,868,207</b>	<b>-</b>
Less : Current Portion of Long-Term Loans			(129,256,343)	-
<b>Net Balance :</b>			<b>2,017,611,864</b>	<b>-</b>
From April 2023 Sonali Bank Limited (The Bank) has not been charged interest on outstanding amount due to assets and liabilities transferring suit laying at lower court as per order of the Hon'ble High Court division of Supreme Court for amalgamation of Magura Paper Mills Ltd with Paper processing and Packaging Limited, As per Accrual concept illustrate that revenues and expenses should be recognized when they are earned or incurred, regardless of when the cash is actually received or paid. So Interest outstanding provision on Bank loan made as per matching principle of IAS 1.				
<b>20.00 Sponser Directors Loan: TK. 155,096,351</b>				
This is made up as follows:				
Magura Group Limited			65,009,141	65,009,141
Bangladesh Development Group Ltd.			71,566,239	71,566,239
Mr. Mustafa Kamal Mohiuddin			18,520,970	18,520,970
<b>Total</b>			<b>155,096,351</b>	<b>155,096,351</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023
<b>21.00 Deferred Tax Liability: Tk. 532,677,439</b>				
	This is made up as follows:			
	Opening Balance		33,790,360	30,682,914
	<b>Add: Transfer from- Magura Paper Mills Ltd. Against M&amp;A.</b>		505,694,948	-
	Deferred Tax Income during the year	37.01	(6,800,558)	3,115,023
			<b>532,684,749</b>	<b>33,797,938</b>
	Less: Deferred Tax Income on revaluation		(7,310)	(7,578)
	<b>Closing Balance:</b>		<b>532,677,439</b>	<b>33,790,360</b>

#### 22.00 Trade Payable Tk.4,506,304

This is made up as follows:

##### Opening Balance

Add: Transfer from- Magura Paper Mills Ltd. against M&A.

Less: Adjustment during the year

##### Closing Balance

2,645,027	3,183,797
15,774,689	-
<b>18,419,716</b>	<b>3,183,797</b>
(13,913,412)	(538,770)
<b>4,506,304</b>	<b>2,645,027</b>

##### Details of Trade Payable:

Kishoregong Paper House

150,300	420,400
895,305	375,862
-	13,300
-	348,700
-	407,205
-	139,400
366,610	588,610
334,950	351,550
214,214	-
102,225	-
133,260	-
157,800	-
<b>2,354,664</b>	<b>2,645,027</b>

Zeeshan International agency

Bhai Bhai Enterprise

New Jamuna Ink

New A. S. Traders

S.B. Enterprise

Presstech Trading Corporation

Sail Corporation

Newaj Traders

Arafat Traders

Diamond CTP House

Milah Waimao

##### Sub-total

**Add: Transfer from- Magura Paper Mills Ltd. Against M&A.**

M/S. Friends International

Trade Park International

Nordic Trims

##### Sub-total

**Total:**

1,041,855	-
276,698	-
833,087	-
<b>2,151,640</b>	<b>-</b>
<b>4,506,304</b>	<b>2,645,027</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023

**23.00 Liabilities for Expenses: Tk. 58,622,251**

This is made up as follows:

**Opening Balance**

Add: Transfer from- Magura Paper Mills Ltd. Against M&A.

Add. Increase during the year

**Closing Balance**

**Details of Liabilities for Expenses:**

Jharna Engineering Works  
 Link 3 Technology  
 Metro net Bangladesh Ltd  
 TetraHost Bangladesh.  
 Information Services Network Ltd  
 RFL Plastics Limited  
 Robi Axiata PLC  
 Grameen Phone  
 M/S New Mollah & Sons Transport Agency.  
 Catering Service  
 Raima Golpo Book Binding.  
 Rini Book Binding- Cr.  
 G. Kibria & Co -Audit Fees  
 Ashraf Uddin & Co.-Audit Fees  
 Dhaka Palli bidyut samity 3  
 Bangladesh Advanced Technologies Ltd  
 Salary, Wages, OT, & Subsidy allowance  
 Narayangonj Polly Biddut Samity  
 Titas Gas Trans. & Distribution Co. Ltd.  
 Salary Income Tax  
 VAT Current Account  
**Total**

7,581,160	7,304,663
41,040,273	-
<b>48,621,433</b>	<b>7,304,663</b>
10,000,818	276,497
<b>58,622,251</b>	<b>7,581,160</b>

**24.00 Short Term Bank Loan : Tk. 146,093,633**

This is made up as follows:

Bai Muazzal (Commercial)  
 Bai Muazzal Work Order  
 Bai Muazzal (Trust Receipt)  
**Total**

Note:24.01  
 Note:24.02  
 Note:24.03

146,093,633	176,380,908
-	74,601,784
-	18,262,374
<b>146,093,633</b>	<b>269,245,066</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023
<b>24.01</b>	<b>Bai Muazzal (Commercial):Tk.146,093,633</b>			
BIAM (Com) # 0023130013238			-	5,000,000
BIAM (Com) # 0023130014847			-	5,000,000
BIAM (Com) # 0024500000062			-	11,000,000
BIAM (Wages Bill) # 0023930021912			-	14,100,000
BIAM (SPSI) # 0024670000066			-	4,000,000
BIAM (Com) #0023140006535			-	100,589
BIAM (Com) #0023140006546			-	5,000,000
BIAM (Com) #0023140006557			3,000,000	3,000,000
BIAM (Com) #0023140006568			5,000,000	5,000,000
BIAM (Com) #0023140006579			5,000,000	5,000,000
BIAM (Com) #0023140006581			5,000,000	5,000,000
BIAM (Com) #0023140006592			5,000,000	5,000,000
BIAM (Com) #0023140006827			5,000,000	5,000,000
BIAM (Com) #0023140006838			5,000,000	5,000,000
BIAM (Com) #0023140006849			5,000,000	5,000,000
BIAM (Com) #0023140006851			5,000,000	5,000,000
BIAM (Com) #0023140006862			5,000,000	5,000,000
BIAM (Com) #0023140006873			5,000,000	5,000,000
BIAM (Com) # 0023140007626			5,100,000	-
BIAM (Com) #0023140006884			6,800,000	6,800,000
BIAM (Com) #0023140006895			6,900,000	6,900,000
BIAM (Com) # 0023140006748			4,400,000	4,400,000
BIAM (Com) # 0023140006759			4,400,000	4,400,000
BIAM (Com) # 0023140006761			4,300,000	4,300,000
BIAM (Com) # 0023140006772			4,300,000	4,300,000
BIAM (Com) # 0023140006783			4,300,000	4,300,000
BIAM (Com) # 0023140006794			4,100,000	4,100,000
BIAM (Com) # 0023140006805			2,300,000	2,300,000
BIAM (Com) #0023140006603			5,000,000	5,000,000
BIAM (Com) #0023140006614			5,000,000	5,000,000
BIAM (Com) #0023140006625			5,000,000	5,000,000
BIAM (Com) #0023140006636			5,000,000	5,000,000
<b>Principal Outstanding</b>			<b>119,900,000</b>	<b>159,000,589</b>
Add: Interest Outstatnding			26,193,633	17,380,319
<b>Total</b>			<b>146,093,633</b>	<b>176,380,908</b>

#### 24.02 Bai Muazzal Work Order:Tk.0

BIAM (W.O) # 0023990002298	-	-
BIAM (W.O) # 0023990002399	-	56,182,765
<b>Principal Outstanding</b>	-	<b>56,182,765</b>
Add: Interest Outstatnding	-	18,419,019
<b>Total</b>	-	<b>74,601,784</b>

#### 24.03 Bai Muazzal (Trust Receipt):Tk.0

LTR # 0023240000236	-	13,481,720
<b>Principal Outstanding</b>	-	<b>13,481,720</b>
Add: Interest Outstatnding	-	4,780,654
<b>Total</b>	-	<b>18,262,374</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023

**25.00 Long Term Bank Loan-Current Portion Tk.164,742,607**

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

HPSM Loan A/C # 0023220003518	-	3,997,062
HPSM Loan A/C # 0023570000615	-	4,182,164
HPSM Loan A/C # 23570000323/21	-	5,279,782
HPSM Loan A/C # 0023600000089 /23	-	2,216,789
HPSM Loan A/C # 0023600000091/34	-	6,711,031
HPSM Loan A/C # 0023420000045	-	3,241,034
HPSM Loan A/C # 00232200067	-	5,378,262
HPSM Loan A/C # 0023220003676	3,120,644	-
HPSM Loan A/C # 0023570001021	2,791,774	-
HPSM Loan A/C # 0023400000043	879,964	-
HPSM Loan A/C # 0023420000102	358,600	-
HPSM Loan A/C # 0023420000124	1,130,546	-
HPSM Loan A/C# 0023420000146	4,333,333	-
HPSM Loan A/C# 0023420000168	1,118,505	-
BAIM (T.I) # 0023020001154	2,696,344	-
BAIM (T.I) # 0023020001176	2,000,000	-
BAIM (T.I) # 0023020001198	2,200,000	-
BAIM (M.T.I) # 0023020001481	11,236,553	-
BAIM (M.T.I) # 0023020001503	800,000	-
BAIM (M.T.I) # 0023020001525	2,820,000	-
Sonali Bank A/C # 0002659000039	129,256,343	-
<b>Total</b>	<b>164,742,607</b>	<b>31,006,124</b>

**26.00 Inter Company Loan Account: TK. 5,673,775**

This is made up as follows:

Opening Balance	11,417,000	44,663,580
<b>Add: Addition during the year</b>	-	-
<b>Add: Transfer from- Magura Paper Mills Ltd. Against M&amp;A.</b>	74,129,264	-
Less: Adjustment during the year	(79,872,489)	(33,246,580)
<b>Closing balance</b>	<b>5,673,775</b>	<b>11,417,000</b>

**Details of Inter Company Loan Account:**

Bangladesh Development Co. Ltd.

<b>Total</b>	<b>5,673,775</b>	<b>11,417,000</b>

**27.00 Provision for WPPF and Welfare Fund: Tk.4,374,331**

This is made up as follows:

Opening Balance	3,295,194	2,941,098
<b>Add: Transfer from- Magura Paper Mills Ltd. Against M&amp;A.</b>	2,699,688	-
Less: Payment made during the year	<b>5,994,882</b>	<b>2,941,098</b>
<b>Available Balance</b>	(5,994,882)	(2,941,098)
Add: Addition during the year	-	-
<b>Closing Balance:</b>	<b>4,374,331</b>	<b>3,295,194</b>

Notes No.	Particulars	Sub- Note	Amount in BDT	
			June 30, 2024	June 30, 2023
<b>28.00 Provision for Income Tax: Tk. 86,646,732</b>				
	This is made up as follows:			
	Opening Balance		25,440,559	39,382,367
	Add: Transfer from- Magura Paper Mills Ltd. Against M&A.		41,489,341	
	Add: During the period		19,716,832	13,555,612
	<b>Total</b>		<b>86,646,732</b>	<b>52,937,979</b>
	Less: Adjustment During the year		-	(27,497,420)
	<b>Closing Balance</b>		<b>86,646,732</b>	<b>25,440,559</b>
<b>29.00 Un-paid Dividend: Tk. 2,693,301</b>				
	This is made up as follows:			
	Opening Balance		3,324,143	2,959,011
	Add: Declared during the period		12,539,520	8,359,680
	<b>Total</b>		<b>15,863,663</b>	<b>11,318,691</b>
	Less: Paid during the period		(13,170,363)	(7,994,548)
	<b>Closing Balance</b>		<b>2,693,301</b>	<b>3,324,143</b>
	Un-paid Dividend and are classified as follows:			
	Group-A Sponsor and Director		234,750	156,020
	Group-B Financial Institutions		460,704	50,910
	Group-C General Public		1,997,847	3,117,213
	<b>Total</b>		<b>2,693,301</b>	<b>3,324,143</b>
<b>30.00 Net Assets Value per share (NAVPS):Tk.72.59</b>				
<b>30.01 Basic Net Assets Value Per Share (NAVPS)</b>				
	Shareholders Equity		2,148,864,550	370,948,100
	No. of Share		29,603,378	10,449,600
	<b>Total</b>		<b>72.59</b>	<b>35.50</b>
<b>30.02 Diluted Net Assets Value Per Share (NAVPS)</b>				
	Shareholders Equity		2,148,864,550	370,948,100
	No. of Share		29,603,378	29,603,378
	<b>Total</b>		<b>72.59</b>	<b>12.53</b>

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**31.00 Revenue: Tk. 1,042,276,857**

This is made up as follows:

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

1,042,276,857	475,065,025
<b>1,042,276,857</b>	<b>475,065,025</b>

**32.00 Cost of Goods Sold: Tk. 744,827,900**

This is made up as follows:

Raw materials Consumed  
Add: Factory Overhead  
**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  
Add: Transfer from- Magura Paper Mills Ltd.  
**Cost of Goods Available for Sale**  
Less: Closing finished goods  
**Cost of Goods Sold:**

Note:32.01	642,100,269	263,534,349
Note:32.02	128,061,717	66,311,052
	<b>770,161,986</b>	<b>329,845,401</b>
	-	-
	<b>770,161,986</b>	<b>329,845,401</b>
	-	-
	<b>770,161,986</b>	<b>329,845,401</b>
	54,301,598	51,735,894
	49,967,622	-
	<b>874,431,206</b>	<b>381,581,295</b>
	129,603,306	54,301,598
	<b>744,827,900</b>	<b>327,279,697</b>

**32.01 Raw Materials, Chemicals & Other Consumed: Tk.642,100,269**

This is made up as follows:

Opening stock  
**Add:** Transfer from- Magura Paper Mills Ltd. Against M&A.  
Add: Purchase during the year  
**Available for use**  
Less: Closing stock  
**Consumption during the year**

93,598,066	90,081,930
141,171,929	-
681,866,621	267,050,485
<b>916,636,616</b>	<b>357,132,415</b>
274,536,348	93,598,066
<b>642,100,269</b>	<b>263,534,349</b>

**32.02 Factory Overhead: Tk. 128,061,717**

This is made up as follows:

Salary, wages and other allowance  
Travelling and Conveyance  
Repairs and Maintenance  
Entertainment  
Printing& Stationary Expenses  
Medical Exp. Factory  
Insurance Expense  
Loading Unloading Expenses  
Power Fuel and Lubricant  
Form Fee and Licence  
Depreciation at cost  
Depreciation at revaluation  
Wasa Bill  
Gas Bill  
Electricity Bill  
**Total**

50,020,018	53,719,255
33,560	80,900
113,503	73,500
116,326	24,925
22,093	20,930
151,705	8,310
622,227	431,424
118,600	37,635
-	26,800
19,805	-
10,957,686	8,197,222
41,427	42,943
5,961	-
62,370,518	-
3,468,288	3,647,208
<b>128,061,717</b>	<b>66,311,052</b>

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**33.00 Office and Administrative Expenses: Tk. 30,055,393**

This is made up as follows:

Salary and Other Allowances	24,767,617	18,149,896
Donation (CRP & Mosque)	700,000	-
Board Meeting Fees	395,000	483,000
AGM & EGM Expense	330,895	135,500
G. Kibria & Co -Audit Fees	230,000	479,651
Ashraf Uddin & Co.-Audit Fees	35,000	-
Rent, Rates & Taxes	367,348	446,470
Mobile Bill	223,239	-
Internet, IT Charge	86,207	154,459
Entertainment/Catering Bill	220,416	150,150
Insurance Expense	44,151	-
Printing & Stationary Expenses	37,383	21,910
Registration and Renewal Fees	107,359	58,442
Travel and Conveyance	22,913	6,000
Power,Fuel,Oil, (Transport Running) Expenses	125,535	143,653
Form Fee and Licence (BSEC & CDBL)	270,669	142,485
Crockeries	35,072	15,635
Depreciation at cost	966,855	723,284
Depreciation at revaluation	3,655	3,789
Repair and Maintenance	150,035	108,629
Environmental Clearance fee	116,000	-
Listing fees	820,044	-
<b>Total:</b>	<b>30,055,393</b>	<b>21,222,953</b>

**34.00 Marketing and Distribution Expenses: Tk. 34,464,280**

This is made up as follows:

Salary and Other Allowances	32,454,485	23,818,685
Entertainment & Other Expenses	75,000	74,560
Fuel, Lubricant, Repair and Maintenance	42,635	31,335
Telephone, Fax, Mobile and Telex	46,069	40,203
Printing and Stationary	83,000	60,049
Travel and Conveyance	114,804	45,495
Depreciation at cost	966,855	723,284
Depreciation at revaluation	3,655	3,789
Tender Schedule Expenses	186,535	264,350
Carriage Outward	440,742	375,600
Transport Bill	50,500	16,800
<b>Total:</b>	<b>34,464,280</b>	<b>25,454,150</b>

**35.00 Financial Expenses: Tk. 141,988,940**

This is made up as follows:

Interest on BAIM Loan	30,383,873	23,572,619
Interest on HPSM Loan	10,018,260	7,574,902
Interest on Sonali Bank Loan	101,123,319	-
Bank Charges & Commission	463,488	1,007,644
<b>Total:</b>	<b>141,988,940</b>	<b>32,155,165</b>

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**36.00 Non-Operating Income: Tk. 920,610**

This is made up as follows:

Scrap Sales	273,090	206,957
Interest on FDR	175,615	-
Accrued Interest during the year	390,525	-
Bank Interest Received	71,216	32,274
Dividend Income	10,164	6,776
<b>Total:</b>	<b>920,610</b>	<b>246,007</b>

**37.00 Current Tax: Tk. 19,716,832**

This is made up as follows:

Profit before Tax	87,486,622	65,903,873
Add: Accounting base depreciation	12,940,133	9,643,790
Less: Tax base depreciation	(17,170,721)	(15,300,500)
Add: Accounting base WPPF	4,374,331	-
Less: Tax base WPPF	-	-
<b>Taxable Profit for Current Tax</b>	<b>87,630,366</b>	<b>60,247,163</b>
Applicable Tax Rate	22.5%	22.5%
<b>Current Tax Expenses</b>	<b>19,716,832</b>	<b>13,555,612</b>
<b>Provision for Income tax</b>		
Advance tax paid	4,294,101	-
22.50% on Profit before Tax	19,716,832	13,555,612
0.6% on gross receipt	6,253,661	2,850,390
<b>Provision for Income tax (Whichever is higher)</b>	<b>19,716,832</b>	<b>13,555,612</b>

**37.01 Deferred Tax Income: Tk. -6,800,558**

This is made up as follows:

Deferred tax income on PPE Except Surplus Value	Note:37.01.01	(5,816,334)	-
Deferred tax income on WPPF	Note:37.01.02	(984,225)	
		<b>(6,800,558)</b>	-

**37.01.01 Deferred Tax Income on PPE Except Surplus Value: Tk. -5,816,334**

This is made up as follows:

Carrying Amount as Company Policy	327,535,148	170,063,187
Carrying Amount as Tax Law	153,519,454	90,715,923
<b>Taxable Temporary Difference</b>	<b>174,015,694</b>	<b>79,347,264</b>
Applicable Tax Rate	22.5%	22.5%
Total Deferred Tax Liability	39,153,531	17,853,134
Less: Opening deferred tax liabilities-at cost	(44,969,865)	(14,738,111)
<b>Deferred tax income during the year</b>	<b>(5,816,334)</b>	<b>3,115,023</b>

**37.01.02 Deferred Tax Income on Provision for WPPF: Tk. -984,225**

This is made up as follows:

Carrying Amount as Company Policy	4,374,331	-
Carrying Amount as Tax Law	-	-
<b>Temporary Difference</b>	<b>(4,374,331)</b>	-
Applicable Tax Rate	22.5%	-
<b>Closing Balance of Deferred Tax Liability/(Assets)</b>	<b>(984,225)</b>	-
Less: Opening Balance of Deferred Tax Liability/(Assets)	-	-
<b>Deferred tax income during the year</b>	<b>(984,225)</b>	-

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
<b>38.00 Earnings Per Share(Basic): Tk. 2.52</b>			
<b>38.01 Basic Earning Per Share (EPS)</b>			
Net Profit after Tax		74,570,348	49,233,237
Number of Ordinary Shares		29,603,378	10,449,600
<b>Total</b>		<b>2.52</b>	<b>4.71</b>
<b>38.02 Diluted Earning Per Share (EPS)</b>			
Net Profit after Tax		74,570,348	49,233,237
Number of Ordinary Shares		29,603,378	29,603,378
<b>Total</b>		<b>2.52</b>	<b>1.66</b>
<b>39.00 Net Operating Cash Flows per share(NOCFPS): Tk. 1.27</b>			
<b>39.01 Basic Net Operating Cash Flows per share(NOCFPS)</b>			
Net Cash flows from Operating Activities		37,615,183	(31,169,100)
No. of Share		29,603,378	10,449,600
<b>Total</b>		<b>1.27</b>	<b>(2.98)</b>
<b>39.02 Diluted Net Operating Cash Flows per share(NOCFPS)</b>			
Net Cash flows from Operating Activities		37,615,183	(31,169,100)
No. of Share		29,603,378	29,603,378
<b>Total</b>		<b>1.27</b>	<b>(1.05)</b>
<b>39.03 Reconciliation of net profit/(loss) after tax with cash flows from operating activities under indirect method:</b>			
This is made up as follows:			
Net Profit/(Loss) After Tax		74,570,348	49,233,237
<b>Adjustments to reconcile net income to net cash</b>			
Depreciation		12,940,133	9,694,312
Finance Expenses		141,988,940	32,155,165
Provision for WPPF		4,374,331	3,295,194
Income Tax Expenses		19,716,832	13,555,612
Deferred Tax Liability		(6,800,558)	3,115,023
<b>Changes in operating assets and liabilities:</b>			
Stock of Inventories		(65,100,438)	(6,081,840)
Trade and Other Debtors		(92,176,615)	(15,584,103)
Advance, Deposit & Prepayments		(22,041,913)	(87,994,624)
Trade Creditors		(13,913,412)	(538,770)
Liability for Expenses		10,000,818	276,497
WPPF Paid		(5,994,882)	(2,941,098)
Income Tax Paid		(4,294,101)	(511,836)
Bank Interest & Charge Paid		(15,654,301)	(28,841,870)
<b>Net Cash flows from Operating Activities</b>		<b>37,615,183</b>	<b>(31,169,100)</b>

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

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

Salary Range (Monthly) Particulars	Total Employe	Officer & Staff		Worker & Employee	
		Head Office	Factory	Head Office	Factory
Below 5,300	-	-	-	-	-
Above 5,300	585	17	28	3	537

Particulars	Notes	Amount in BDT	
		July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023

**40.02 Production capacity**

Particulars	June 30, 2024	June 30, 2023
Normal Capacity	1,500,000,000	600,000,000
Production	1,042,276,857	475,065,025
Capacity Utilized(%)	69.49%	79.18%

**41.00 Capital expenditure commitment**

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

**42.00 Contingent Liabilities**

The company has no Contingent liability as on June 30, 2024.

**43.00 Events after the reporting period****Following events occurred since the balance date:**

The board of directors recommended 14% Cash dividend at the 186th Board meeting held on November 10, 2024 for the year ended June 30, 2024. 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**

Annexure-A

For the period ended June 30, 2024

Amount in Taka

Particulars	Cost				Rate of Dep. (%)	Depreciation				Written Down Value as at 30.06.2024
	As on July 01, 2023	Addition during the Year	Acquisition as on Feb 18, 2024	Balance as at 30.06.2024		As on July 01, 2023	Acquisition as on Feb 18, 2024	Charged during the Year	Adjustment during the Year	
<b>Cost</b>										
Land and Land Development	106,329,043		20,293,463	126,622,506	0%	-	-	-	-	-
Building and Construction	77,157,120	2,365,100	223,906,175	303,428,395	2.5%	8,805,968	173,641,425	2,188,215	-	184,635,608
Plant and Machinery	162,246,086	-	787,715,499	949,961,585	7%	64,982,974	692,437,824	9,238,651	-	766,659,450
Furniture and Fixture	4,493,199	-	1,970,337	6,463,536	10%	2,740,933	1,717,835	184,427	-	4,643,195
Electrical Equipment	1,573,877	-	62,096,270	63,670,147	10%	887,059	50,030,601	508,335	-	51,425,995
Office Equipment	3,215,089	87,000	13,137,680	16,439,769	10%	1,752,396	8,907,655	309,105	-	10,969,155
Motor Vehicle	3,655,907	-	10,388,009	14,043,916	20%	3,108,761	6,514,644	391,707	-	10,015,112
Sundry Assets	-	-	6,708,869	6,708,869	10%		4,761,599	70,955	-	4,832,554
<b>Sub Total as on 30.06.2024</b>	<b>358,670,321</b>	<b>2,452,100</b>	<b>1,126,216,302</b>	<b>1,487,338,723</b>		<b>82,278,090</b>	<b>938,011,583</b>	<b>12,891,396</b>	-	<b>1,033,181,069</b>
<b>Sub Total as on 30.06.2023</b>	<b>340,809,495</b>	<b>17,860,826</b>		<b>358,670,321</b>		<b>72,634,300</b>		<b>9,643,790</b>	-	<b>82,278,090</b>
<b>Revaluation</b>										
Land and Land Development	104,575,669	-	1,092,359,862	1,196,935,531	0%	-	-	-	-	-
Building and Construction	3,224,642	-	-	3,224,642	2.5%	1,706,051		37,965	-	1,744,016
Plant and Machinery	2,197,572	-	-	2,197,572	7%	2,043,677		10,773	-	2,054,450
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
<b>Sub Total as on 30.06.2024</b>	<b>111,492,720</b>	-	<b>1,092,359,862</b>	<b>1,203,852,582</b>		<b>5,244,566</b>		<b>48,737</b>	-	<b>5,293,303</b>
<b>Sub Total as on 30.06.2023</b>	<b>111,492,720</b>	-		<b>111,492,720</b>		<b>5,194,044</b>		<b>50,522</b>		<b>5,244,566</b>
<b>Grand total as on 30.06.2024</b>	<b>470,163,041</b>	<b>2,452,100</b>	<b>2,218,576,164</b>	<b>2,691,191,305</b>		<b>87,522,656</b>	<b>938,011,583</b>	<b>12,940,133</b>	-	<b>1,038,474,372</b>
<b>Grand total as on 30.06.2023</b>	<b>452,302,215</b>	<b>17,860,826</b>		<b>470,163,041</b>		<b>77,828,344</b>		<b>9,694,312</b>	-	<b>87,522,656</b>
<b>Total (1+2+3)</b>										

Allocation of depreciation Charge:

Sl.No.	Particulars	% of allocation	Depreciation at Cost	Depreciation at Revaluation	Total
1	Factory Overhead	85%	10,957,686	41,427	10,999,113
2	Administrative Overhead	7.5%	966,855	3,655	970,510
3	Selling and distribution Overhead	7.5%	966,855	3,655	970,510
	<b>Total (1+2+3)</b>	<b>100%</b>	<b>12,891,396</b>	<b>48,737</b>	<b>12,940,133</b>

**PAPER PROCESSING AND PACKAGING LTD.**  
**Statement of Tax Depreciation**

Assessment Year 2023-2024

Annexure-B

For the period from 01-07-23 to 30-06-2024

Sl.No.	Assets	Opening assets at cost	Addition	Acquisition as on Feb 18, 2024	Disposal	Closing Balance at cost	% of Depreciation	Adjustment	Depreciation at cost	Closing Balance
1	Land and Land Development	106,329,043	-	20,293,463	-	126,622,506	0%		-	126,622,506
2	Building	49,667,594	2,365,100	30,871,182	-	82,903,875	10%		6,177,834.83	76,726,041
3	Plant & Machinery	36,850,071	-	33,416,442	-	70,266,513	20%		9,805,295	60,461,219
4	Furniture	1,752,492	-	310,310	-	2,062,802	10%		186,556	1,876,246
5	Electric Equipments	454,522	-	8,403,045	-	8,857,566	15%		527,468	8,330,098
6	Motor Vehical	526,896	-	1,325,765	-	1,852,660	20%		201,997	1,650,664
7	Office Equipments	1,464,349	87,000	-	-	1,551,349	10%		155,135	1,396,214
8	Sundry Assets	-	-	3,195,408		3,195,408	10%		116,435	3,078,973
	<b>Total:</b>	<b>197,044,966</b>	<b>2,452,100</b>	<b>97,815,614</b>	<b>-</b>	<b>297,312,680</b>		<b>-</b>	<b>17,170,721</b>	<b>280,141,960</b>

**Particulars:**

**Total (Tk.)**

**The details of Deferred Tax Liability is as under:**

WDV as per Accounts (Other than land)	327,535,148
WDV as per 3rd Schedule ITO 1984 (Other than land)	153,519,454
<b>Temporary Difference</b>	<b>174,015,694</b>
Applicable Tax Rate	22.50%
<b>Closing Balance:</b>	<b>39,153,531</b>
Add/(Less):Previous year adjustment	-
<b>Opening Balance</b>	<b>(44,969,865)</b>
Expenses during the period	<b>(5,816,334)</b>
Revaluation surplus-PPE	<b>1,198,559,279</b>
Tax on capital gain	15%
Closing deferred tax liabilities/(assets)-at revaluation	179,783,892
Opening deferred tax liabilities/(assets)-at revaluation	(179,791,202)
<b>Deferred tax expense/(income)-at revaluation</b>	<b>(7,310)</b>

**PAPER PROCESSING AND PACKAGING LTD.**  
**Inventory Schedule**

01 July 2023 to 30 June 2024

Annexure-C

Amount in BDT

Sl. No.	Name of Product :	Opening Balance		Transfer from Magura Paper Mills Ltd. against (M&A)		Purchase		Total		Consumption		Closing Balance	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
<b>Raw Materials:</b>													
1	White Printing / Writing Paper		7,291,669		-		27,989,733		35,281,402		27,701,284		7,580,119
2	Recycle Paper		-		20,293,191		350,253,023		370,546,214		284,524,855		86,021,359
3	OCC / CB / Bobin & Others		70,924,156		100,818,158		285,060,742		456,803,056		310,905,398		145,897,658
	<b>Sub Total (Raw Materials) :</b>		<b>78,215,825</b>		<b>121,111,349</b>		<b>663,303,498</b>		<b>862,630,672</b>		<b>623,131,537</b>		<b>239,499,136</b>
4	Cartidge paper/Art paper/ Colour Paper	-	2,204,541	-	-		3,528,595	-	5,733,136		4,178,146	-	1,554,990
5	Printing Materials	-	2,558,344	-	-		2,524,750	-	5,083,094		2,563,212	-	2,519,882
6	Chemicals	-	-	-	814,247	-	1,564,562	-	2,378,809		1,583,804	-	795,005
7	Packing Materials	-	-	-	563,436	-	974,669	-	1,538,105		986,530	-	551,575
8	Oil & Lubricant	-	412,417	-	1,038,993	-	2,223,475	-	3,674,885		2,422,961	-	1,251,924
9	Other Materials Consumed.	-	10,206,939	-	17,643,904	-	7,747,072	-	35,597,915		7,234,079	-	28,363,836
	<b>Total Raw Materials , Chemicals &amp; Spares</b>	-	<b>93,598,066</b>	-	<b>141,171,929</b>	-	<b>681,866,621</b>	-	<b>916,636,616</b>		<b>642,100,269</b>	-	<b>274,536,348</b>

Sl. No.	Name of Product :	Opening Balance		Transfer from Magura Paper Mills Ltd. against (M&A)		Production		Total		Delivery		Closing Balance	
		Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value	Qty	Value
<b>Finish Goods :</b>													
1	Text Book/Exam Khata/ Register Khata/ Brochures/ Diary/ Posters/ Training Materials/Others		54,301,598		-		380,874,430		435,176,028		369,992,303		65,183,725
2	Color Media		-		294,566		79,298,159		79,592,725		76,777,202		2,815,523
3	Media / Recycle Paper		-		47,440,823		276,137,203		323,578,026		265,192,187		58,385,839
4	Simplex Paper		-		2,232,233		33,852,194		36,084,427		32,866,208		3,218,219
	<b>Total:</b>		<b>54,301,598</b>		<b>49,967,622</b>		<b>770,161,986</b>		<b>874,431,206</b>		<b>744,827,900</b>		<b>129,603,306</b>
<b>Total Inventories:</b>													<b>404,139,653</b>



## **CSR AND OTHERS**



## CORPORATE SOCIAL RESPONSIBILITY

Paper Processing and Packaging Limited firmly believes in the importance of Corporate Social Responsibility (CSR) as an integral part of our operations. Our CSR initiatives are designed not just to comply with regulations but to create a meaningful impact in the communities we serve, foster environmental stewardship, and promote sustainable practices within the paper processing industry. By prioritizing social responsibility, we aim to build a legacy that resonates with our core values and enhances the well-being of society as a whole.

## **Empowering Communities Through Engagement**

Our commitment to social responsibility begins with a focus on community engagement. We actively participate in local initiatives that address critical needs, such as education, health, and economic development. By collaborating with non-governmental organizations, educational institutions, and community leaders, we invest in programs that empower individuals, particularly the youth, to develop skills and access opportunities. Our vocational training programs aim to equip community members with practical skills, enhancing their employability and fostering self-sufficiency.

## **Environmental Stewardship for a Sustainable Future**

As a leading player in the paper processing industry, we recognize our responsibility to protect the environment. Our CSR strategy emphasizes sustainable practices that minimize our ecological footprint. This includes responsible sourcing of raw materials, implementing energy-efficient production processes, and actively reducing waste through recycling and reusing materials. We also engage in afforestation initiatives, contributing to local biodiversity and helping combat climate change. By promoting environmental stewardship, we aspire to lead by example and inspire others in the industry to adopt sustainable practices.

## **Commitment to Employee Well-Being**

We consider our employees to be our most valuable asset, and their well-being is central to our CSR approach. Paper Processing and Packaging Limited is dedicated to fostering a healthy, inclusive, and safe working environment. We prioritize employee development through continuous training and education, empowering our team to grow both professionally and personally. Our wellness programs focus on physical and mental health, ensuring that our

employees feel supported and valued. We believe that investing in our workforce ultimately enhances productivity and contributes to our overall success.

## **Ethical Practices and Transparency**

Operating with integrity is fundamental to our CSR ethos. We uphold the highest ethical standards in all our business dealings and are committed to transparency in our operations. By promoting ethical practices and compliance with applicable laws and regulations, we build trust with our stakeholders, including employees, customers, suppliers, and the communities we serve. Our robust governance framework ensures that our CSR initiatives are aligned with our business objectives while fostering accountability and responsibility.

## **Advocating for Sustainable Development**

Our CSR efforts extend to advocating for sustainable development within the paper processing industry and beyond. We actively engage with industry peers and participate in forums that promote sustainable practices and environmental responsibility. By sharing our experiences and knowledge, we contribute to a broader dialogue about the importance of CSR and encourage others to adopt similar initiatives. Our goal is to create a collective impact that transcends individual company efforts, ultimately contributing to a more sustainable and equitable future for all.

Paper Processing and Packaging Limited is committed to being a responsible corporate citizen. Our CSR initiatives reflect our dedication to social responsibility, environmental sustainability, and ethical business practices. By aligning our business goals with the needs of society, we strive to create a positive impact that benefits our stakeholders and the communities in which we operate. Through these efforts, we aim to foster a culture of responsibility and inspire others to join us in our mission for a better tomorrow.



## Notes



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

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

### PROXY FORM

I/We.....of  
.....being

Member of Paper Processing and Packaging Ltd., hereby appoint Mr./ Mrs.....  
of.....as my /our proxy to attend and vote for me/us and on my/our  
behalf in the 35th Annual General Meeting of the Company to be held on December 26, 2024 at 12:00 p.m. and/or at any adjourn-  
ment thereof.

As witness I/We put my/our hand this .....day of.....2024.

(Signature of the Proxy)

\_\_\_\_\_  
Signature of Proxy

\_\_\_\_\_  
Signature of the Shareholder

Affix  
Revenue  
Stamp  
Revenue Stamp



PAPER PROCESSING AND PACKAGING LTD.  
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### ATTENDANCE SLIP

I hereby record my attendance in the 35th Annual General Meeting being held on December 26, 2024 at 12:00 p.m. at **Hybrid System**.

Name of member/proxy

Mr./Mrs.....

Folio/Bo No.:.....

Signature:.....



PAPER PROCESSING AND PACKAGING LTD.  
পেপার প্রসেসিং এন্ড প্যাকেজিং লিমিটেড

Corporate Office: Magura Group, House No # 314/A, Road No # 18, Block # E, Bashundhara R/A, Dhaka-1229,  
Bangladesh, Tel: 0088-02-8432241, 8431883-5, Fax: 0088-02-8431887, Web Site: [www.bdg\\_magura.com](http://www.bdg_magura.com)