

SONALI PAPER & BOARD MILLS LTD



ANNUAL REPORT 2022-2023

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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Transmittal Letter

All Shareholders,
Bangladesh Securities and Exchange Commission,
The Registrar of Joint Stock Companies & Firms,
Dhaka Stock Exchange Limited,
Chittagong Stock Exchange PLC

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

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report of Sonali Paper & Board Mills Limited together with the Audited Accounts including Statement of Financial Position as at 30 June, 2023, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June, 2023 along with notes thereon for your record/necessary measures.

Yours sincerely



Md. Rashedul Hossain
Company Secretary

Vision, Mission & Core Values



01

Vision

To be the market leader and an enduring force in the paper, board and packaging industry, positively influencing & providing value to stakeholders, society and our nation.

Mission

To strive continuously for excellence and sustain our position as a preferred supplier of quality writing paper and paper board within a team environment and with a customer focused strategy.

02



Core values



03

Quality
Creativity
Trust
Social Responsibility
Team Work
Growth

Corporate Information

Company Name: Sonali Paper & Board Mills Limited

Company Registration: C-5576/134

Tax Identification Number (TIN): 123794615546

VAT Registration Number: 000914833-0303

Legal Form

Sonali Paper & Board Mills Limited (the “company”), was incorporated vide registration no C-5576/134 in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSC) as a Private Limited Company in the year 1978 under the Companies Act, 1913 & 1994. The Company was listed with Dhaka Stock Exchange Limited (DSE) in the year 1985 & Re-listed on 15 June 2020 and listed with Chittagong Stock Exchange Limited (CSE) on 21 December 1996 & Re-listed on 15 June 2020. It is one of the oldest paper manufacturing companies in the private sector of Bangladesh.

Board of Members

Mohammed Younus

Chairman

Mahfuza Younus

Managing Director

Mohammed Javed Noman

Director

K.M. Ashaduzzaman

Independent Director

Khondaker Muhammad Aminur Rahman

Independent Director

Mohammad Ziaul Haque

Chief Financial Officer

Md. Rashedul Hossain

Company Secretary

Md. Mahabub Alam

Head of Internal Audit & Compliance

Board Committees

Audit Committee

Chairman

Khondaker Muhammad Aminur Rahman

Members

K.M. Ashaduzzaman

Mohammed Javed Noman

Nomination & Remuneration Committee (NRC)

Chairman

K.M. Ashaduzzaman

Members

Khondaker Muhammad Aminur Rahman

Mohammed Javed Noman

Consultant (VAT)

Md. Farid Uddin

Statutory Auditors

FAMES & R

Chartered Accountants

Corporate Governance Compliance Auditor

Rahman Zasim & Co.

Cost & Management Accountants

Bankers

Islami Bank Bangladesh Ltd. | Al-Arafah Islami Bank Ltd. | Sonali Bank Ltd.

Shahjalal Islami Bank Ltd. | Dhaka Bank Ltd. | National Bank Ltd. | Dutch Bangla Bank Ltd.

The Premier Bank Ltd. | Modhumoti Bank Ltd. | Mercantile Bank Ltd. | Pubali Bank Ltd.

Registered Office

51, Central Road, Dhanmondi, Dhaka-1205

Phone: 58610056-59, Fax: +88-02-58613965

Factory Address

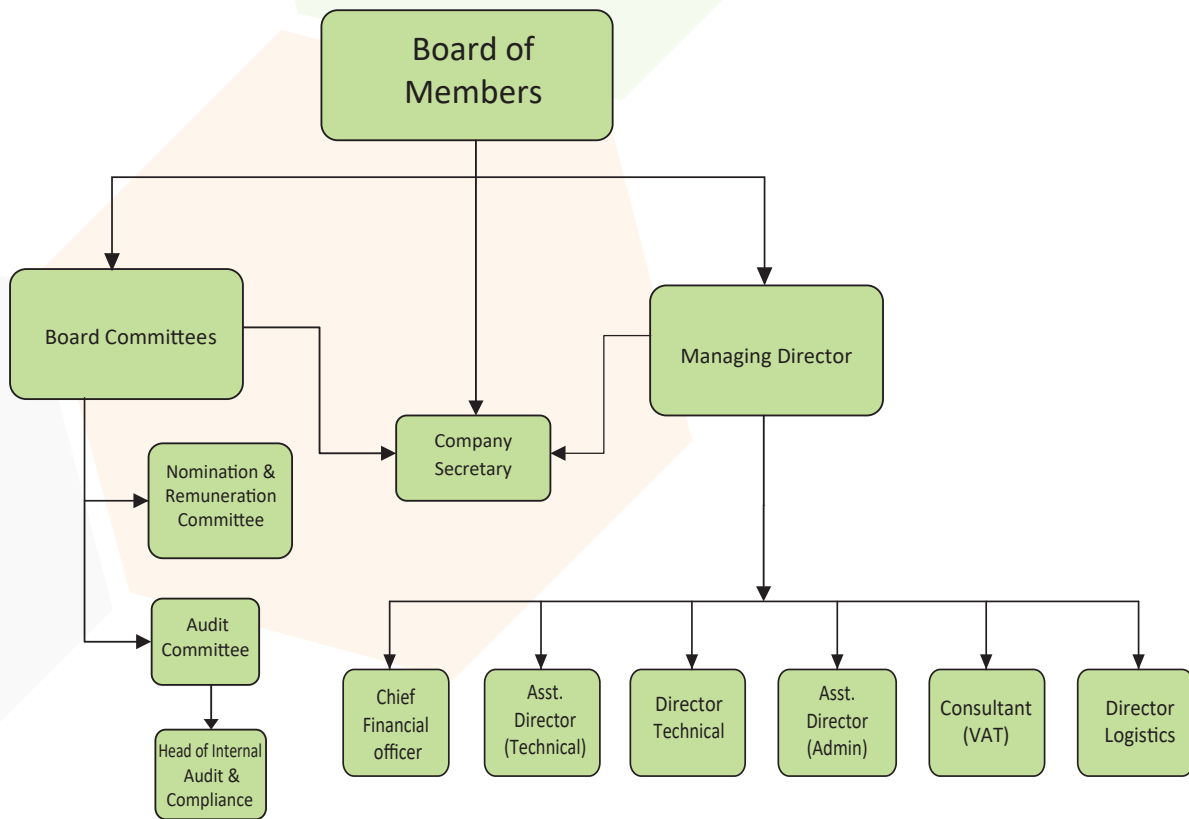
Jatramura, Tarabo, Rupgonj,

Narayangonj.

E-mail: spshare@younusgroup.com

Website: www.spmlbd.com

Organizational Structure



Operational Team

Md. Kawsar Azizur Rahman
Director (Technical)

Md. Kamrul Islam
Director Logistics

Md. Ataur Rahman
Asst. Director (Admin)

Md. Mafizul Islam
Asst. Director (Technical)

Md. Sayed Hassan
(DGM Commercial)

Md. Alamgir Miah
AGM (Accounts)

Md. Nazrul Islam
AGM (VAT)

Maruf Ahmed
AGM (Purchase & Procurement)

Md. Alauddin
DGM (Income Tax)

A.K.M. Shahid Uddin Chowdhury
Manager (Income Tax)

Shaikh Md Shah Paran
Head of Share Dept.

Director's Profile



Mohammed Younus

Chairman

Mr. Mohammed Younus is the chairman of the Board of Directors of Sonali Paper & Board Mills Limited. He was born in a Muslim family at Tongibari, Munshigonj in the year 1958. Later He has brought up and educated himself at Govt. Titumir College, Dhaka. He is the Managing Director of 35 different types of Industrial Units and Sponsor Director of Shahjalal Islami Bank Ltd. He was a member of NCID (National Council for Industrial Development). Honorable Prime Minister was the Chairperson of the committee. He has been awarded “Deshbandhu Chittaranjan Das” Gold Medal for Industrialization in our country and this Medal was handed over by the Honorable President of People’s Republic of Bangladesh in the year 1993.

He is the Member of Kurmitola Golf Club, Dhaka. He is a life member of the SAARC Chamber of Commerce and Industry. He was elected as a member, Executive Committee of FBCCI (Federation of Bangladesh Chambers of Commerce and Industries) and Chairman, Standing Committee on Petro-Chemical & Pharmaceutical Industry. He is a member of the Aviation Operators Association of Bangladesh. He was also the President of Bangladesh PVC Pipe Manufacturer’s Association and Bangladesh Nylon Yarn Manufacturer’s Association. He is a member of the Executive Committee of Bangladesh Cold Storage Association. He was the President of the Lions Club of New Eskaton Garden, Dhaka. He was the President of Sarnagram R.N. High School, Tongibari, Munshigonj.

In addition to his success in trade and business, Mr. Younus is immensely reputed for his contribution to the field of education. He is a member of the board of Trustee of Fareast International University & Wordbridge School. He is the Managing Director of Galaxy Flying Academy Limited.

He is a man of pleasant personality & amiable disposition. He has also travelled different parts of the world in connection with business.

Director's Profile

Mrs. Mahfuza Yunus is the wife of Mr. Mohammed Yunus. She was appointed as Managing Director of the Company since February 2020. She was born on October 04, 1963. She is a Director in different concerns of Yunus Group. She is a widely traveled woman and always engages herself in the business arena and gathered enormous knowledge and experience.



Mahfuza Yunus
Managing Director



Mohammed Javed Noman
Director

Mohammed Javed Noman, a Director of the Company is the eldest son of Mr. Mohammed Yunus. Mr. Noman has been a member of the Board of Directors since 2005 and is presently working full-time with the Company. Having obtained his Bachelor of Business in Accounting from Monash University, Australia in 2008, he returned to Bangladesh and joined the family business. He has played an important role in establishing Bikrampur Potato Flakes Industries Limited a sister concern of Yunus Group of Industries and playing the role of Managing Director there. He has been assigned to the role of DMD (Deputy Managing Director) of Yunus Group of Industries in recent April 2019. He is also a member of the Audit & Nomination & Remuneration Committee.

Mr. K.M. Ashaduzzaman was appointed as Independent Director of Sonali Paper & Board Mills Limited on 23 April 2022. He is the chairman of the Nomination & Remuneration Committee of the Board. Mr. Zaman a freedom fighter of Bangladesh Liberation War, did his Masters in Economics with Honors from Chittagong University in 1975. He obtained training from Kasetsart University, Bangkok, Thailand on "Economics & Financial Aspects of Aquaculture". He served as Managing Director in several organizations namely Grameen Healthcare Service Limited, Social Islami Bank Limited, Agrani Bank Limited etc. He also worked as General Manager in Bangladesh Krishi Bank (BKB), Chittagong Division. Mr. Zaman also participated in various foreign workshops. During his 30 years long career he contributed over 7 years being Chief Executive in Islamic & Commercial Banking.



Mr. K.M. Ashaduzzaman
Independent Director



Khondaker Muhammad Aminur Rahman
Independent Director

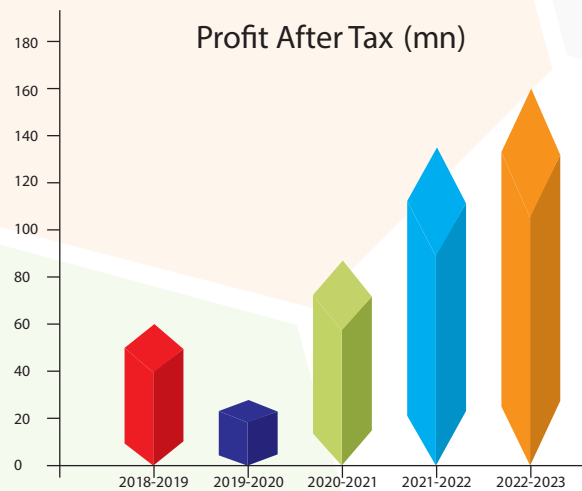
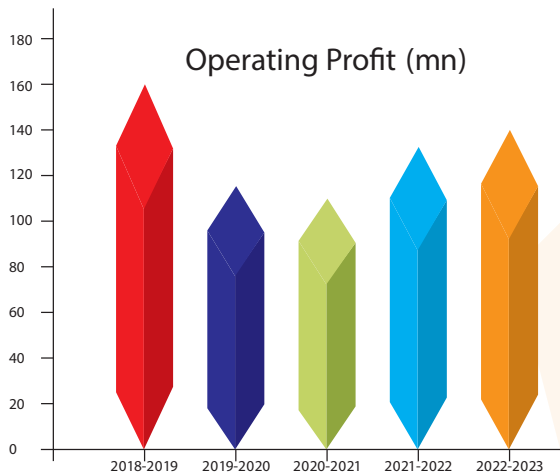
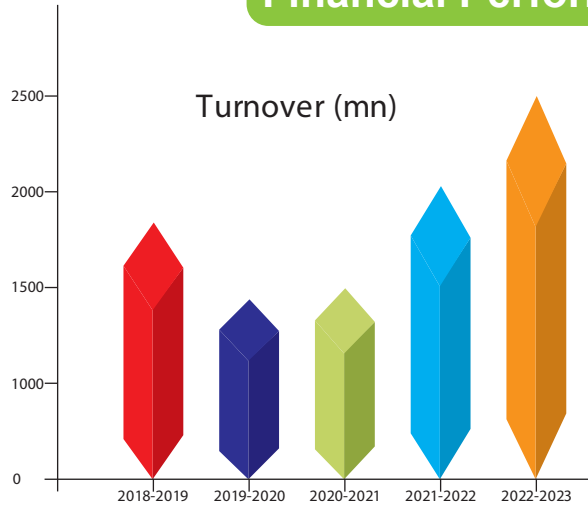
Khondaker Muhammad Aminur Rahman obtained his Bachelor & Masters in English Literature from University of Dhaka. He also completed his Post Graduate Diploma & Masters in Financial Management from University of Ulster, UK. Addition to that he also completed MBA from International Management Institute, Brussels, Belgium.

He joined World Customs Organisation, Brussels, Belgium as Minister (Customs) and Permanent Representative during 2007 to 2011. Later he joined Anti-Corruption Commission as Director General in 2011. He was the Member of VAT Intelligence & Audit, NBR, Dhaka during 2016 to 2017. He served as Member (Grade-1), Customs: Audit Modernisation and International Trade, NBR, Dhaka during 2017 to 2021. He joined the Board of Sonali Paper & Board Mills Limited on 23 April 2022.

Five Years' Financial Summary

Balance Sheet	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Authorized Capital	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Issued & Paid up Capital	329,451,880	219,634,590	183,028,830	166,389,850	151,263,500
Shareholders Equity	5,434,075,986	5,299,880,767	5,204,015,939	5,122,869,917	5,096,137,536
Total Assets	6,947,160,737	7,004,468,733	6,675,663,652	6,304,989,819	6,388,335,310
Current Assets	1,055,516,002	1,119,958,594	911,453,213	512,521,723	596,860,331
Profit & Loss Statement					
Turnover (Gross)	2,647,075,597	2,178,034,591	1,506,938,631	1,495,584,554	1,976,480,866
Value Added Tax	156,432,963	131,947,292	92,281,083	86,934,254	140,012,241
Turnover (Net)	2,490,642,634	2,046,087,300	1,414,657,548	1,408,650,300	1,836,468,625
Gross Profit	213,824,098	214,128,034	184,630,200	236,808,141	304,034,303
Operating Profit	140,680,446	131,193,652	108,736,358	105,655,279	162,426,125
Net Profit Before Tax	167,423,197	153,368,848	95,412,124	37,861,706	84,572,595
Net Profit After Tax	156,158,680	132,470,594	89,465,514	26,732,381	63,429,447
Ordinary Share Information					
Face Value Per Share	10	10	10	10	10
Number of Share Outstanding	32,945,188	21,963,459	18,302,883	16,638,985	15,126,350
Net Asset Value Per Share	164.94	241.30	284.33	307.88	336.90
Net Operating Cash Flow per Share	7.47	(0.15)	13.53	14.64	0.88
Earning Per Share (EPS)	4.74	6.03	4.89	1.61	4.19
Financial Ratios					
Gross Profit Margin	8.59%	10.47%	13.05%	16.81%	16.56%
Operating Profit Margin	5.65%	6.41%	7.69%	7.50%	8.84%
Net Profit Margin	6.27%	6.47%	6.32%	1.90%	3.45%
Current Ratio (Times)	0.96	0.94	1.07	0.59	0.65

Financial Performance at a glance



চেয়ারম্যান মহোদয়ের বিবৃতি

বিস্মিল্লাহির রহমানির রহিম্
সম্মানিত শেয়ারহোল্ডারবৃন্দ
আসসালামুআলাইকুম ওয়া রহ্মাতুল্লাহ্ ।

সোনালী পেপার এন্ড বোর্ড মিলস্ লিমিটেডের ৪৬তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাতে পেরে আমি অত্যন্ত আনন্দিত ।

আপনারা সবাই অবগত আছেন যে, করোনা মহামারী পরবর্তী সময়ে অর্থনীতি এবং ব্যবসা-বানিজ্যে আশানুরূপ ভালো হয়নি। কোভিড-১৯ এর প্রভাব কাটিয়ে উঠতে না উঠতে ইউক্রেন রাশিয়া যুদ্ধের কারণে বিশ্ব অর্থনীতি আরও কঠিন অর্থনৈতিক সংকটে পড়েছে। বাংলাদেশের অর্থনীতিতেও এর প্রভাব লক্ষণীয়। মার্কিন ডলারের সংকট এবং অপ্রত্যাশিতভাবে ডলারের মূল্য বৃদ্ধির ফলে ব্যবসা-বানিজ্যে স্থবিরতা বিরাজ করছে। যারই পরিপ্রেক্ষিতে অর্থনৈতিক ও ব্যবসায়িক কর্মকাণ্ড উল্লেখযোগ্য হারে ক্ষতিগ্রস্ত হচ্ছে এবং সেই সাথে কাগজ শিল্পেও এর প্রভাব পরিলক্ষিত হচ্ছে। এত সব প্রতিকূলতা থাকা সত্ত্বেও আমরা আমাদের দক্ষ ও কর্মঠ কর্মীবাহিনী এবং উদ্যমী ও সাহসী ব্যবস্থাপনা পর্ষদের বিচক্ষণতার দরুন আরও একটি সফল বছর অতিক্রম করতে সক্ষম হয়েছি। সেজন্য আমি কোম্পানীর প্রতি ক্রমাগত আস্থা এবং সমর্থনের জন্য সকল শেয়ারহোল্ডারদের প্রতি কৃতজ্ঞতা প্রকাশ করছি। আপনাদের সচেষ্ট সহযোগিতা ছাড়া এই কঠিন পথ আমরা সহসা অতিক্রম করতে পারতাম না।

শিল্প ও বানিজ্যে ক্রমবর্ধমান প্রতিকূলতা বিরাজমান স্বত্ত্বেও আমরা ২০২২-২০২৩ইং অর্থবছরে ব্যবসাকে আরোও বাড়াতে সক্ষম হয়েছি। প্রতিষ্ঠানের কারখানায় স্থাপিত জেনারেটর, বয়লার ও মেশিনারিজের যথাযথ ব্যবহার নিশ্চিতের মাধ্যমে এবং একই সাথে ব্যয় সংকোচনের মাধ্যমে কোম্পানীর অর্থনৈতিক ভিত্তি সুদৃঢ়করণ এবং কোম্পানীর মুনাফা অর্জনের ধারাবাহিকতা অব্যাহত রাখতে আমরা আশ্রয় চেষ্টা চালিয়ে যাচ্ছি।

আলোচ্য অর্থবছরে আমাদের প্রতিষ্ঠানের টার্নওভার ২১.৭৩% বৃদ্ধি পেয়েছে। নীট মুনাফা বৃদ্ধি পেয়েছে ১৭.৮৯% এবং শেয়ার প্রতি আয় ৪.০২ টাকা থেকে উন্নীত হয়ে ৪.৭৪ টাকায় দাঁড়িয়েছে। এরই ফলশ্রুতিতে কোম্পানীর পরিচালনা পর্ষদ ২০২২-২০২৩ইং অর্থ-বছরের নীট মুনাফা হতে শেয়ার প্রতি ৪০% নগদ লভ্যাংশ ঘোষণা করতে সক্ষম হয়েছেন।



আমি পরিচালনা পর্ষদের সদস্যদের প্রতি তাদের মূল্যবান নির্দেশনা ও সার্বিক সমর্থনের জন্য ধন্যবাদ জ্ঞাপন করছি। পরিচালনা পর্ষদের পক্ষ থেকে প্রতিটি কর্মী এবং ব্যবস্থাপনায় দায়িত্বরত সকলের নিরলস প্রচেষ্টা ও কঠোর পরিশ্রমের জন্য আন্তরিক ধন্যবাদ জানাচ্ছি। আমরা আমাদের মূল্যবান শেয়ারহোল্ডার, গ্রাহক, সরবরাহকারী, আর্থিক প্রতিষ্ঠান, জাতীয় রাজস্ব বোর্ড, BSEC, DSE, CSE, RJSC, CDBL এবং অন্যান্য সরকারী ও বেসরকারী প্রতিষ্ঠানসহ সকলকে তাদের আন্তরিক সমর্থন ও সহযোগিতার জন্য বিনীতভাবে কৃতজ্ঞতা জ্ঞাপন করছি।

পরিশেষে সকলের সু-স্বাস্থ্য ও দীর্ঘায়ু কামনা করছি।

ধন্যবাদান্তে
আপনাদের বিশ্বস্ত

মোহাম্মদ ইউনুছ
চেয়ারম্যান

Director's Report

Dear Shareholders, Assalamualaikum,

On behalf of the board of Directors of your company, I would like to welcome you all to the 46th Annual General Meeting of the company and take the opportunity to present the report of the Board of Directors together with the audited financial statements for the year ended on 30 June 2023 before all of you.

OUR BUSINESS

Principal activities of the company are manufacturing and marketing of Media, Liner, Simplex, Duplex Board papers and quality writing & printing papers.

Overview 2022-2023

Let us present before you a short review on the total operational and financial performance of your company from 01 July 2022 to 30 June 2023.

Industry Outlook: Listed paper & printing companies posted a double-digit sales growth for FY23 despite ongoing economic challenges and raw material price hikes amid a dollar crunch. The sales growth is a sign that the paper industry has been gaining back businesses that were lost to the pandemic and the war-induced economic squeeze. However, profit did not grow at the same pace as the revenue for costlier raw materials and energy price hikes. Increased demand drove up aggregate sales of the five companies by 21 per cent year-on-year to Tk 18 billion in FY23, while their combined profit rose only 5.6 per cent year-on-year to Tk 755 million, according to the companies' financial statements. The paper industry had been struck hard when schools, colleges and universities, the main consumers of paper products, remained closed for long during the pandemic.

POSSIBLE FUTURE DEVELOPMENTS:

Bangladesh paper industry, which now markets its products in some developed countries even, holds huge potential for boosting export if over half of its dormant production capacity is used to exploit

unfolding global trade. Paper-sector entrepreneurs, as such, regret that some government offices still nurture a penchant for foreign papers imported by spending hard-earned foreign currencies. They noted that the local manufacturing gradually increased and shifted to the private sector from the state-owned mills as they aggressively adopt modern technologies to make high-quality papers. Paper and paper-goods sector includes writing and printing paper, offset paper, newsprint, tissue and packaging paper. According to data available with the Bangladesh Paper Mills Association (BPMA) the country's paper-market size is around Tk 50 billion, registering an annualized growth of over 5.0 per cent in the recent times. Local known demand for paper products is around 0.6 million (six lac) tonnes despite there being a capacity of producing 1.5 million tonnes annually. However, nearly 0.3 million tonnes of paper is also imported in addition to local manufacture. Private paper-millers' journey in Bangladesh began around three decades ago on the back of a growing demand for paper products in the country Paper and paper products are bringing in new possibilities for Bangladesh as countries like China are shifting such industries from there to other countries due to rising production cost and environmental concern

OPPORTUNITIES AND THREATS:

The paper industry has been an important part of the global economy for centuries, providing essential products such as books, newspapers, packaging, and writing materials. However, the production process of paper has posed significant challenges that need to be addressed. These challenges include environmental concerns such as deforestation, water pollution, and habitat destruction; economic challenges such as rising production costs and competition from digital media; and social issues such as worker exploitation and poor working conditions. This paper aims to identify and discuss the key challenges facing the paper industry and explore potential solutions to address them. To address

the environmental challenges, the paper industry needs to adopt sustainable practices such as using recycled materials, reducing water usage, and minimizing the use of harmful chemicals. Additionally, conservation efforts such as reforestation and habitat restoration need to be prioritized to ensure the long term sustainability of the industry. To overcome the economic challenges, companies need to diversify their product offerings, explore new markets, and invest in research and development to create new innovative products that meet the needs of consumers. To address social challenges, companies need to prioritize worker safety and fair labor practices such as providing safe working conditions, a living wage, and access to healthcare. In conclusion, the paper industry is facing significant challenges in meeting the demand for sustainable, eco-friendly, and socially responsible products. Addressing these challenges requires a coordinated effort by industry stakeholders to adopt sustainable practices, prioritize cost-saving measures, and engage with local communities and stakeholders. By addressing these challenges, the paper industry can continue to provide essential products while contributing to a sustainable and equitable global economy.

Among others, the major areas, of our business in last year were:

Revenue:

During the year under review, revenue from operations was increased to 14.07 crore against 13.17 crore in the last financial year. In spite of corona virus pandemic that has affected business operations of the Company; your Company has improved its performance during the year under review. Your Directors are hopeful for the better performance in the coming year.

Cost & Price Impact:

Despite of increase in gross revenue substantially from last year, but net margin couldn't be increased in same trend. Existence of increasing trend of raw materials, higher exchange rate contributed to thin profit margin.

Development

We maintain regular review to find development gap in our process to adjust with market competition and innovation.

We ensure that we are well positioned for continued long-term growth.

RISK AND CONCERNS

Board of Directors reviews the risk management practices and actions deployed by the Management with respect to identification, impact assessment, monitoring, mitigation and reporting of key risks while trying to achieve its business objectives.

A detailed report on Risk & Concerns are given in Annexure-J, Page: 22-23.

ANALYSIS COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN
Cost of Goods Sold

This year's cost of goods sold was Tk. 227.68 crore as compared to last year's cost of goods sold of Tk. 183.19 crore. During the current year 30,367 MT of writing paper & board paper have been produced as against last year's production of 35,528 MT. 78.88% production capacity has been utilized during this year compared to 92.28% capacity utilization of last year. The Cost of Goods Sold for the current year increased by 24.28% from the previous year.

Gross Profit

Gross Profit of Tk. 21.38 crore has been earned during the current year as against of Tk. 21.41 crore of last year. The gross profit margin has decreased to 0.14% from last year of 15.97%. The significant amount of change in gross profit margin indicates that the business environment has negative impact since last year.

Net Profit

Net Profit (after tax) earned during the current year was TK 15.62 crore as compared to last year's net profit (after tax) of Tk. 13.25 crore. Increased sales revenue and other income, decreasing operating expenses and cheaper financing options contributed to the increase in the net profit for the organization.

EXTRA-ORDINARY GAIN / (LOSS)

There is no extraordinary gain or loss occurred during the reporting period.

RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements in Note 36 and in Annexure-G, Page: 81 in accordance with relevant International Accounting Standards (IAS)

Variance between quarterly financial performance and Annual financial Statements

There was a significant variance between quarterly performance and Annual Financial Statements. 1st quarter EPS was Tk. 7.02, 2nd quarter EPS was Tk 6.15 and 3rd quarter EPS was Tk 5.40 respectively. During the period our finance cost have been Increase & Others Income decreased as a result EPS has also been decreased compared to the quarterly financial performance.

Remuneration to Directors including Independent Director:

The details regarding Directors' remuneration is shown in Page 41 Annexure- ii of the Annual Report.

Fairness of Financial Statements:

The financial statements together with the notes thereon have been drawn up in conformity with

the International Accounting Standards/ Financial Reporting Standards, Companies Act 1994 and Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity

Proper Books of Accounts:

Proper books of accounts of the Company have been maintained.

Adaptation of Proper Accounting Policies and Estimates:

Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

IAS/BAS/IFRS/BFRS Application:

International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS) as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure, therefore has been adequately disclosed.

Internal Control:

The Company has effective internal control systems in place, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorised use or disposition. Internal Auditors also periodically carries out review of the internal control systems and procedures. Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. Such controls were tested and no material discrepancy or weakness in the Company's financial controls with reference to financial statements was observed during the year.

Minority Shareholders:

Minority shareholder's interest always looks after by the Board.

Going Concern:

Based on the available information on the future, the directors consider that the company has the plans and resources to manage its business risks successfully and remains financially strong. After making inquiries, the directors have a reasonable expectation that the Company has adequate resources to continue its operations for the foreseeable future.

Significant deviation from last year's operating result:

There was a significant deviation from the last years operating result of the Company. EPS for 2022-23 was Tk. 4.74 in comparison to an EPS of 4.02 (Restated) for 2021-22. During the financial year our sales and other income have been increased as result EPS also been increased compare to the financial year 2021-2022.

Key Operating and Financial Data:

The summarized key operating and financial data for the five years is set out on page 11 of the Annual Report.

DIVIDEND

Board of Directors has approved the Dividend Distribution Policy as per directive of Bangladesh Securities and Exchange Commission and based on this, our policy is to offer consistent dividends that closely reflect business performance. As announced by the Company on 30 October 2023, the Board has recommended dividend for all shareholders 40% Cash in respect of the year ended on 30 June 2023 which will be paid after approval in the Annual General Meeting of the Company as per respective shareholding position on record date i.e. on 16 November 2023.

Board of Directors confirmed that no bonus share or stock dividend has been declared as interim dividend.

TRANSFER OF UNCLAIMED DIVIDEND TO CMSF

In response of the Bangladesh Securities and Exchange (Capital Market Stabilization Fund) Rules, 2021, we have transferred the unclaimed or undistributed or unsettled cash dividend for the financial year 2008-209 & 2009-2010 to CMSF in due time.

Unclaimed Dividend

Particulars	Amount in Tk.	No. of Shareholder
Cash Dividend for the year 2019-2020	39,954	307
Cash Dividend for the year 2020-2021	145,816	352
Cash Dividend for the year 2021-2022	382,834	347
Total at 30 June 2023	568,604	

Board and Committee Meetings and Attendance

During the year 2022-2023 total five Board meetings, four Audit Committee meetings and a single NRC Committee meeting were held. Details of the Board meetings, Audit Committee meetings and NRC Committee meeting are shown in Annexure-ii of the Annual Report. The Managing Director, Chief Financial Officer (CFO) and Company Secretary (CS) was present in all Board meetings.

The pattern of Shareholding and Name wise details:

The shareholding information as of June 30, 2023, and other related information are provided in Page 42 Annexure iii of the Annual Report.

Contribution to National Exchequer:

Sonali Paper & Board Mills Limited is one of the largest corporate taxpayers within the paper sector of the Country. Every year the Company is contributing significantly to the National Exchequer in the form of VAT and Taxes. During the year the Company contributed to the government exchequer a sum of Tk. 128.54 million.

Directors Election:

As per article 104 of the Articles of Association of the Company, one third to the Directors, for the time being, shall retire at every Annual General Meeting of the Company. In pursuance of article 105 of the Articles of Association of the Company those who have been longest in the office since their last re-election is to retire by rotation. Accordingly, Mrs. Mahfuza Younus will retire at this Annual General Meeting. Being eligible as per Article 106 she offered herself for re-appointment. The brief profile of the Directors is given on-page 08-10 of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors converse on the increase / decrease of revenue, cost of goods sold, gross and net profit margin. The Board also takes instant actions on the inquiry as required. A detailed report on discussion in the regard is comprised in Annexure-D, Page: 21-23.

AUDIT COMMITTEE

The Board has constituted the Audit Committee as follows:

Name	Position
Mr. Kh. Md. Aminur Rahman	Chairman
Mr. K. M. Ashaduzzaman	Member
Mr. Mohammed Javed Noman	Member
Mr. Md. Rashedul Hossain	Secretary

During the reporting period under review, the Committee held four meetings. A detailed of the roles and activities of the Audit Committee has been provided in "The Report of The Audit Committee". Page: 43-45

NOMINATION AND REMUNERATION COMMITTEE (NRC):

Sonali Paper & Board Mills Limited has formed a Nomination and Remuneration Committee (NRC) on 3rd December, 2018 as a sub-committee of the Board of Directors. This committee will assist the Board of Directors in formulation of the nomination criteria or policy to determine qualifications, experiences, remuneration and independence of directors and top level executives. The NRC has three members including two Independent Directors. A detailed roles and activities of the NRC has been provided in "The Report of The Nomination and Remuneration Committee (NRC)" Page: 46-47

Appointment of Independent Director:

As per provision of Corporate Governance Guidelines notification No. BSEC/CMRRCD/2006-58/207/Admin/ 80 dated 03 June 2018 by Bangladesh Securities and Exchange Commission (BSEC), Mr. K. M. Ashaduzzaman & Mr. Khondaker Muhammad Aminur Rahman were appointed as Independent Director as on 21 April 2022 of the Company for a period of 3(three) years.

Corporate Social Responsibility (CSR):

As a corporate citizen, Sonali Paper endeavors to discharge its responsibilities towards the society

and the environment. Our social responsibilities includes our valued customers, employees, shareholders, business associates and other stakeholders. The Board of Directors is aware of the social development as part of the corporate social responsibility (CSR), especially in the areas of race-religion-regional equality, non-employment of child labor, donations to the educational and charitable institutions, prevention of environmental pollution etc. We believe that our business objectives are not only to maximize the profitability but also to contribute to the society.

CERTIFICATION BY THE CEO & THE CFO

Declaration of certificate by the CEO & the CFO to the Board as required under condition no. 3(3) of Corporate Governance Code is included in Annexure-A, Page: 24

WEBSITE

Company maintains a website namely www.spmlbd.com which is linked with the websites of the stock exchanges and it is functional from the date of listing and all disclosures and financials are available in the website of the company.

INFORMATION IN COMPLIANCE TO THE CONDITION NO. 4 OF THE COMMISSION'S NOTIFICATION NO. BSEC/CMRRCD/2009-193/10/Admin/118, Dated, 22 March 2021

Lien or Pledge Information:

During the period from July, 2022 to June, 2023, the following directors of Sonali Paper & Board Mills Limited had not availed any loan or credit facility by lien or pledge of their shares to the lenders at the time of borrowings. They also had not availed any margin loan from the stockbroker or portfolio manager

Name of Director	Position in the Company	No. of Shareholding	Shareholding Percentage (%)
Mr. Mohammed Yunus	Chairman	45,42,301	13.79%
Mrs. Mahfuza Yunus	Managing Director	45,33,489	13.76%
Mr. Mohammed Javed Noman	Director	131,57,428	39.94%

CODE OF CONDUCT

The underlying philosophy of Sonali Paper & Board Mills Limited's Code is to conduct the business in an ethical manner as well as create a work environment that is conducive for members and associates alike, based on the Company's values and beliefs. Code of Conduct for Board of Directors was framed and followed accordingly in discharging their duties and responsibilities.

Appointment of Auditors & Professionals

A. Appointment of External Auditors:

FAMES & R, Chartered Accountants completed their audit performance for the financial year 2022-2023. Being eligible for Statutory Auditing they have offered themselves to be the Statutory Auditor for the financial year 2023-2024 and Board has authorized to the management to fix their remuneration. Board have accepted their proposal & asked company secretary to record it. Their final approval will be granted by the shareholders in the upcoming 46th AGM.

B. Appointment of Professional for Corporate Governance Certificate:

On the willingness to be re-appointed as professional to certify on the compliance of corporate governance as issued by the Bangladesh Securities and Exchange Commission, the Board of Directors in its meeting held on 30 October 2023, recommended the appointment of Rahman Zasim & Co., Cost & Management Accountants, having its office at House # 9, Road # 2, Sector # 7, Uttara, Dhaka-1230, for the year 2023-2024 subject to the approval by the shareholders in the 46th AGM.

COMPLIANCE OF CORPORATE GOVERNANCE

Pursuant to notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 by Bangladesh Securities and Exchange

Commission (BSEC), the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of the Annual Report and attached in Annexure-B & C, Page : 25-40 respectively.

DIRECTORS' RESPONSIBILITIES STATEMENT

Pursuant to the BSEC notification No. BSEC/CMR-RCD/2006-158/207/Admin/80 dated 03 June 2018 the Directors confirm that:

- i) The financial statements prepared by the management of Sonali Paper & Board Mills Limited fairly present its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of Account of the company have been maintained.
- iii) 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.
- iv) International Accounting Standards (IAS)/ 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.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no doubts upon the Company's ability to continue as a going concern and the accounts have been prepared on going concern basis.
- vii) The significant deviations from previous period in the operating results of the company have been highlighted in the report and the reasons thereof have been explained.
- viii) The key operating and financial data of last 5 years is disclosed in Annexure-D Page: 11.
- ix) The number of Board Meeting held during the reporting period and the attendance by each director is disclosed in this report in Page: 41.

- x) The pattern of shareholding is disclosed in Annexure-H, Page: 42.
- xi) A compliance status report with requirements of Corporate Governance as required by BSEC is disclosed in Corporate Governance Report and is disclosed in Annexure-C, Page: 69-74.
- xii) Directors' profile is attached in page no 36 - 41 and their directorship and business interest in other organizations have been disclosed there

APPRECIATION

We thank our customers, vendors, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by workers

and employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of Bangladesh, and Government Agencies and Regulatory Bodies-BSEC, DSE, CSE, CDBL, RJSC, NBR and others related parties for their support and look forward to their continued support in the future.

Stay safe and healthy!
on behalf of the Board



Mohammed Younus
Chairman

Management's Discussion and Analysis of the Company's position and operations along with a brief discussion of changes in the financial statements for the financial year 2022-2023 as per condition no. 1(5) (XXV) of Corporate Governance Code dated June 03, 2018:

(a) Accounting policies and estimation for preparation of financial statements:

These financial statements have been prepared under the historical cost convention, Accrual and Going Concern basis in accordance with applicable International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in Bangladesh and the following IASs and IFRSs are applicable for the financial statements for the year under review.

- IAS-1 Preparation of financial statements
- IAS-2 Inventories
- IAS-7 Statement of Cash Flows
- IAS-8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS-10 Events after the Reporting Period
- IAS-12 Income Taxes
- IAS-16 Property, Plant & Equipment
- IAS-19 Employee Benefits
- IAS-21 The Effects of Changes in Foreign Exchange Rates
- IAS-23 Borrowing Costs
- IAS-24 Related Party Disclosures
- IAS-33 Earnings Per Share
- IAS-36 Impairment of Assets
- IAS-37 Provisions, Contingent Liabilities and Contingent Assets
- IFRS-7 Financial Instruments: Disclosures
- IFRS-9 Financial Instruments
- IFRS-15 Revenue from contracts with customers

(b) Changes in Accounting policies and estimation:

There was no change in accounting policies and estimation during the year under review.

(c) Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons:

This year's cost of goods sold was Tk. 227.68 crore as compared to last year's cost of goods sold of Tk. 183.19 crore. During the current year 30,610 MT of writing paper & board paper have been produced as against last year's production of 35,528 MT. 79.51% production capacity has been utilized during this year compared to 92.28% capacity utilization of last year. The Cost of Goods Sold for the current year increased by 24.28% from the previous year.

Gross Profit of Tk. 21.38 crore has been earned during the current year as against of Tk. 21.41 crore of last year.

Net Profit (after tax) earned during the current year was TK 15.62 crore as compared to last year's net profit (after tax) of Tk. 13.25 crore. Increased sales revenue, decreasing operating expenses and cheaper financing options contributed to the increase in the net profit for the organization.

The Summarized operational and financial performances are presented below:

Particulars	01 July 2022	01 July 2021	1 July 2020	1 July 2019	1 July 2018
	to 30 June 2023	to 30 June 2022	to 30 June 2021	to 30 June 2020	to 30 June 2019
Revenue	2,490,642,634	2,046,087,300	1,414,657,548	1,408,650,300	1,836,468,625
Gross Profit	213,824,098	214,128,034	184,630,200	236,808,141	304,034,303
Profit before WPPF & Taxes	175,794,357	161,037,291	100,182,731	39,754,792	89,023,784
Net Profit after WPPF & Taxes	156,158,680	132,470,594	89,465,514	26,732,381	63,429,447
Earnings per Share (EPS)	4.74	6.03	4.07	1.61	4.19
Shareholder's Equity	5,434,075,986	5,299,880,767	5,204,015,939	5,122,869,917	5,096,137,536
Current Liabilities	1,099,522,084	1,191,274,525	849,445,458	866,582,849	923,055,269
Non-current Liabilities	413,562,667	513,313,441	622,202,256	315,537,053	369,142,506
NAV Per Share	164.94	241.30	284.33	307.88	336.90
Net Operating Cash Flow Per Share (NOCFPS)	7.47	(0.15)	11.27	14.64	0.88

(d) Comparative Financial Performance between Sonali Paper & Board Mills Limited & Peer Companies:

Particulars	Sonali Paper & Board Mills Limited (Audited till 30 June 2023)	Bashundhara Paper Mills Limited (Un-audited till 31 March 2023)	Hakkani Pulp & Paper Mills Limited (Un-audited till 31 March 2023)	BD Monospool Paper Manufacturing Com. Ltd. (Un-audited till 31 March 2023)
Revenue	2,490,642,634	10,075,956,630	835,474,198	602,649,132
Gross Profit (In Taka)	213,824,098	2,002,449,597	41,467,761	231,639,431
Gross Profit (In %)	8.59	19.87	4.96	38.44
Net Profit/(Loss) before WPPF & Taxes (In Taka)	175,794,357	596,131,857	(6,649,804)	60,021,013
Net Profit/(Loss) before WPPF & Taxes (In %)	7.06	5.92	(0.80)	9.96
Net Profit/(Loss) after WPPF & Taxes (In Taka)	156,158,680	392,599,851	(13,340,251)	45,011,687
Net Profit/(Loss) after WPPF & Taxes (In %)	6.27	3.90	(1.60)	7.47
EPS	4.74	2.26	(0.70)	4.79
NAV per Share	164.94	75.57	22.84	48.69
NOCFPS	7.47	10.33	1.67	(21.57)

**** Financial information of peer companies are based on the data available in their website.**

(e) The financial and economic scenario of the country and the globe:

Bangladesh's gross domestic product (GDP) is expected to grow by 5.3% in fiscal year (FY) 2023. The slower growth forecast reflects subdued domestic demand and weaker export expansion due to slow global growth following the Russian invasion of Ukraine. Inflation is forecast to accelerate from 6.2% in FY 2022 TO 8.7% in FY2023.

Global Scenario:

The Global economic growth was projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average. Compare with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation-which slows trade owing to the widespread invoicing of products in US dollars and rising trade barriers.

(f) Risk and Concerns:

An investment in equity carries risks. Investors should carefully consider all the information in this Annual Report including the risks and uncertainties described below, before making an investment in equity shares of Sonali Paper & Board Mills Limited. Any of the following risks as well as other risks and uncertainties discussed in the Annual Report could have a material adverse effect on business, financial condition and results of operations of SPBML and could cause the trading price of Equity Shares to decline, which could result in the loss of all or part of one's investment. In addition, the risks set out may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below. We are not in a position to specify or quantify the financial or other risks mentioned herein:

A. Interest Rate Risk

Change in interest rates and banking policies resulting in an increase in financial expenses may have an adverse effect in Company's profitability. The company is dependent on bank (s) for working Capital requirements. Therefore any change in the existing banking policies or increase in the interest rates may reduce profit of the company.

Management Perception

The Management of the Company is always aware of the interest rates at which the debts of the company are being financed. The company has been repaying borrowed funds on a continuous basis to reduce such interest risk.

B. Exchange Rate Risk

The company carries foreign exchange rate fluctuation risk as it imports raw materials against payment of foreign currency. Unfavorable volatility or currency fluctuation of foreign currency to BDT exchange rate may have negative impact on the cost structure and profitability of the company.

Management Perception

The risk of foreign exchange cannot be eliminated fully as we would have to import raw materials. However the management is always alert in minimizing the negative impact of currency fluctuation cost by identifying new sources of raw materials and constantly negotiating with suppliers for reducing price.

C. Labor Unrest

Smooth production is dependent on good relationship of the management with the factory workers and their ability to provide high-quality services. In the event of disagreements with the workers, the company may experience adverse impact.

Management Perception

SPBML maintains good atmosphere at the work place and provides all sort of facilities to the workers as per law of the land as well as Service Rules. Moreover the company has satisfactory compensation and welfare policies for its human resources, which reduces the risk of labor unrest.

D. Operational Risks

Rise in Input Costs may affect profitability. Costs of the products of the company may increase due to various reasons, such as increased cost of raw materials and other variable costs that adversely affect the input costs. In case the company is unable to pass on such increase to the consumers because of competition or otherwise, it may affect the profitability of the Company.

Management Perception

The company constantly endeavors to procure raw materials at competitive prices using its long association with the suppliers and constant development of new sources for the same. Moreover it follows prudent pricing policy to keep the costs under check. Usually the burden of price fluctuation is reduced by increasing the prices of finished products. Profitability will depend upon the company's ability to pass on the burden of rise in the price of raw materials to the consumers.

(g) Future Plan:

As per early declaration by the management, Sonali Paper & Board Mills Limited has already set up a Machine in its' factory premises to produce aluminum foil paper box. The production capacity of the machine is to produce 1,00,000 (One Lac) pieces of box per day. The company strongly believes that upon utilization of full capacity of the new machine, it will have significant impact on its competitive position in the market in addition to increasing its revenue.

We aim to passionately building value for our customers and Shareholders continuously. Our goal is to positioning the business in the changing business environment to maximize profit and credibility

Mahfuza Younus

Mahfuza Younus
Managing Director

Annexure-A

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

Sonali Paper & Board Mills Ltd.

Declaration by CEO and CFO

Date: October 30, 2023

The Board of Directors
Sonali Paper & Board Mills Ltd.
51, Central Road,
Dhanmondi, Dhaka-1205

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

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC//CMRRCD/2006-158/207/Admin/80 Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Sonali Paper & Board Mills Limited for the year ended on June 30, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on June 30, 2023 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Mahfuza Younus

Mahfuza Younus
Managing Director

Zaid

Mohammad Ziaul Haque
Chief Financial Officer

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]
REPORT TO THE SHAREHOLDERS
OF
SONALI PAPER & BOARD MILLS LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code of Sonali Paper & Board Mills Limited for the year ended on 30 June 2023. This Code relates to the Notification No. BSEC/CMRRC/2006-158/207/ Admin/80 dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

Principal
Rahman Zasim & Co.
Cost & Management Accountants



Dhaka, 6 December 2023

Corporate Governance Statement

Report on Corporate Governance: The Board of Directors of SPBML is responsible for proper governance which includes setting out Company's strategic aims, providing the necessary leadership to implement such aims, supervising the management of the business and reporting to the shareholders on their stewardships.

Sonali Paper & Board Mills Limited is committed to continually reviewing all corporate governance policies and practices to ensure the ongoing transparency of the company's practices and the delivery of high standards and quality information to stakeholders.

The maintenance of effective corporate governance remains a key priority of the Board of Sonali Paper & Board Mills Limited. To exercise clarity about directors' responsibilities towards the shareholders, corporate governance must be dynamic and remain focused on the business objectives of the Company and create a culture of openness and accountability. Keeping this in mind, clear structure and accountabilities supported by well understood policies and procedures to guide the activities of the Company's management have been instituted.

Statement of Compliance

Bangladesh Securities and Exchange Commission's notification on Corporate Governance Code

As Sonali Paper & Board Mills Limited is listed with the Stock Exchanges in Bangladesh, we comply with the BSEC's notification No. BSEC/CMRRCD/2006- 158/207/Admin/80 dated 3 June 2018. For the year ended 30th June 2023, we have complied with the relevant provisions set out in Annexure-C of this report.

Board Practices

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled.

The Directors of the Board keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate control. The Board also ensures that SPBML Policies & Procedures and Codes of Conduct are implemented and maintained, and the Company adheres to generally accepted principles for good governance and effective control of Company activities.

Roles and Responsibilities of the Board

The Board of Directors is responsible for protecting the rights and interests of all shareholders and also accountable for the overall management of the entity. Besides its usual legal and statutory responsibilities, the Board is responsible for the following:

- Reviewing and adopting a strategic plan for the company;
- Overseeing the conduct of the company's business to evaluate whether the business is being properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation and where appropriate, replacing senior management;
- Developing and implementing an investor relations program or shareholder communications policy for the company;
- Reviewing the adequacy and the integrity of the company's internal control systems and management information systems, including systems for compliance with applicable laws, and regulations, rules, directives and guidelines;
- Approving the financial statements and accounting policies of the company;
- Approving changes in the policy;
- Recommending dividend for declaration in AGM;
- Establishing committees including the Audit Committee & Nomination and Remuneration Committee.
- Receiving and reviewing reports from committees of the Board;
- Establishing and monitoring compliance with the company's standards of business conduct and other policies of the company;
- Establishing appropriate systems of corporate governance in the company;
- Considering and approving other matters specially reserved for the attention of the Board; and
- Constantly guide and assist the company in external stakeholder management.

Board Composition

The Board in SPBML is comprised of five Directors, including the Chairman who is elected from amongst the members.

In compliance with the BSEC's Corporate Governance Code the Board of Directors has appointed two Independent Directors. We believe that our Board has the optimum level of knowledge, composure and technical understanding about Company's business which, combined with its diversity of culture and background stands as the perfect platform to perform and deliver.

Please refer to pages 08 to 10 for details of the Board of Directors and their profile.

Board Committees

The Board has established two Board Committees to which it has delegated some of its responsibilities. They are the Audit Committee & Nomination and Remuneration Committee.

Audit Committee

The Audit Committee of Sonali Paper & Board Mills Limited is a sub-committee of the Board of Directors and is appointed and authorized by the Board in pursuance of BSEC Circular to review the activities of business. The role of the Audit Committee is to monitor the integrity of the financial statements of the company and review when appropriate, make recommendations to the Board of Directors on business risks, internal controls, governance issues and compliance. The committee satisfies itself by means of suitable steps and appropriate information, that proper and satisfactory internal control systems are in place to identify and contain business risks and that the company's business is conducted in a proper and prudent manner.

The Audit Committee comprises of three members and out of them, two are independent directors. The Chairman of the Audit Committee is an Independent Director.

a) Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of three Directors including two Independent Directors. One of the Independent Directors is the Chairman of the Nomination and Remuneration Committee. The Committee acts as per the terms and conditions of the Corporate Governance Code of BSEC.

Board Meetings

The meetings of the Board of Directors of SPBML are generally held at the Registered /Corporate Office of the Company. The meetings are held frequently, at least once in a quarter, to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board meeting is given, in writing to each director by the Company Secretary. The Board meets for both scheduled

meetings and on other occasions to deal with urgent and important matters that require attention.

The details of Board Meeting and attendance are given in Annexure - i of this report.

Role of the Chairman

The Chairman leads the Board in determination of its strategy and achievement of its objectives. The Chairman is responsible for organizing the business of the Board, ensuring its effectiveness and setting its agenda. The Chairman is also responsible for ensuring that the Directors receive accurate, timely and clear information. The Chairman facilitates the effective contribution of Independent Directors and ensures that constructive relations exist amongst the Directors. Minutes of Board meeting are signed by the Chairman.

Role of the Managing Director

The Managing Director is responsible for running the business and for formulating and implementing Board strategy and policy. She also has direct charge and overall control of the Company on a day-to-day basis and is accountable to the Board for the financial and operational performance of the Company.

She is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

Role of Company Secretary

The Corporate Governance Guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) also require a listed company to appoint a Company Secretary, as distinct from other managers of the Company. In pursuance of the same, the Board of Directors has appointed Mr. Md. Rashedul Hossain as Company Secretary and defined his roles & responsibilities. In SPBML, among other functions, the Company Secretary;

- Advises and assists the members of the Board with respect to their duties and responsibilities as Directors and compliance with their obligations under the Companies Act, Stock Exchange requirements and issues on corporate governance.

- Acts as a channel of communication and information.

- Ensures that the Board's decisions are properly implemented and communicated by assisting in the implementation of corporate strategies and policies.

- Ensures proper compliance with all relevant statutory and regulatory requirements.

- Communicates with the stakeholders of the company.

Role of Chief Financial Officer

The Chief Financial Officer is a versatile individual with the talent to meet a continually changing set of circumstances. He is responsible for accounts and treasury functions of the company. In addition he attends all board meetings and presents quarterly and periodical results.

He is to certify to the board regarding financial statements and financial transactions of the company according to the corporate governance guidelines as issued by Bangladesh Securities and Exchange Commission (BSEC).

Role of the Head of Internal Audit and Compliance

The Head of Internal Control and Compliance is responsible for reporting to the Board/ Audit Committee regarding any deviation from accounting and internal control systems of the Company. He is also responsible for ensuring regulatory compliance of the Company.

Secretarial Standards

The Company has complied with all the Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

Price Sensitive Information

The Board of SPBML through the company secretary always ensures to inform all price sensitive information within 30 minutes of the decision or immediately upon getting such information to the BSEC and the Stock Exchanges and also ensure immediate publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English and in one on-line news portal. The communication is done through E-mail/Fax and by special messenger, and through courier service in special cases.

Statutory Audit

Statutory Audit of the Company is governed by the Companies Act, 1994 and Securities and Exchange Rules 1987. As per these regulations, auditors are appointed at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. Appropriate structure is in place as per corporate governance best practices to ensure independence of statutory auditors.

Corporate Governance Compliance Audit

As per the BESC's notification no. BSEC/CMRRC/2006-158/207/Admin/80 dated 3 June 2018 the compliance auditors are appointed at each Annual General Meeting (AGM) and their

remuneration is also fixed by the Shareholders at the AGM.

Internal Audit

The Internal Audit department is independent of business operations. It undertakes a program to address internal control and risk management processes with particular reference to the SPBML Audit Charter. It operates a risk-based methodology, ensuring that the Company's key risks receive appropriate regular examination. Its responsibilities include reviewing and reporting on the effectiveness of risk management systems and internal control with the Audit Committee and ultimately to the Board. Internal Audit facilitates oversight of risk and control systems across the company.

Workers' Profit Participation Fund (WPPF)

SPBML has also implemented Workers' Profit Participation Fund (WPPF) for their employees. The company provides 5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with Bangladesh Labour Act 2006 (amended in 2013).

Compliance with Bangladesh Labour Act

The Company has complied with the relevant conditions of Bangladesh Labour Act 2006 (as amended in 2013) in respect of Workers' Profit Participation Fund (WPPF), Provident Fund, and Gratuity etc.

Restriction on dealings in SPBML Shares by Insiders

The Company has established policy relating to trading of SPBML shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. All the Insiders are prohibited from trading in the SPBML shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading period. Directors and Employees are also required to notify their intention to trade in the SPBML shares prior to initiating the same.

Communication with Shareholders

SPBML is continuously striving to improve relations with its shareholders. The Company encourages communications with shareholders throughout the year welcomes their participation in the shareholders meeting. The quarterly financial results and all other information are published in widely circulated dailies in both Bengali and English newspaper

and one in Online newspaper. The information is also made available in the company website. Annual Reports in PDF form are sent to shareholders by e-mail to their respective e-mail addresses which are available to us. PDF form of the Annual Reports are also made available in the Company's website.

All information provided to the BSEC and Stock Exchanges are immediately made available to the Shareholders on our Company **website: www.spbmlbd.com**

General Meeting

Annual General Meeting normally takes place within the first six months of each fiscal year. The members of the Board of Directors, Chairman of Audit Committee, Chairman of Nomination &

Remuneration Committee and the Auditors remain present at the Annual General Meeting (AGM) so as to be available to answer Shareholders queries, if any, on the results of the Company.

Website:

The Company has an official website linked with the websites of the stock exchanges. All financial results are posted on the Investor Relations section of the Company's website: www.spbmlbd.com

Shareholders Queries:

SPBML has set up a separate share division in the 4th floor of the registered office of SPBML at 51, Central Road, Dhanmondi, Dhaka-1205. In addition we have special queries telephone lines and an email address. Shareholders can contact +880 2-58610058 or mail to SPBML Share Office: spshare@younusgroup.com for any queries and/or grievances.

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

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 along with its amendments dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1(1)	Size of the Board of Directors: The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)	✓		Board comprises 5 Members including 2 independent Directors
1(2)	Independent Directors:			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		2 (Two) Independent Directors namely: (1) Kh. Md. Aminur Rahman (2) K. M. Ashaduzzaman
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director—			
1(2)(b)(i)	Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company;	✓		
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 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; 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): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
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;	✓		Approved by BSEC
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 Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or			N/A
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 Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or 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;			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such incident arose
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
1(5)	The Directors' Report to Shareholders:			
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;	✓		
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);			N/A
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;	✓		N/A
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
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, cash flows 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;	✓		Notes to Accounts 2.09
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;			N/A
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;			N/A
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 disclosing the aggregate number of shares (along with name- wise details where stated below) held by :-	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			N/A
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 or reappointment 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; and	✓		
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 or MD 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;			N/A
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	✓		
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 Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		Code of conduct duly recommended by the NRC and approved by the Board is in place.
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The code of conduct is duly posted in the company's website
2.	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS):			
3(1)	Appointment:			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			N/A
3(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief :			
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	BOARD OF DIRECTORS' COMMITTEE:			
4(i)	Audit Committee; 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee:			
5(3)(a)	The Board 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.			No such reportable incident arose
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5(5)	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;			N/A
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			
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;			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such reportable incident arose

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	NOMINATION AND REMUNERATION COMMITTEE (NRC):			
6(1)	Responsibility to the Board of Directors:			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;			N/A
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			N/A
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, 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; and	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7.	EXTERNAL OR STATUTORY AUDITORS:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
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.	✓		
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)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Directors Meeting & Attendance

During the financial year under reporting total five Board Meetings were held and the attendance of the Directors is noted below:

SI No	Name of Directors	Designation	Total Meetings	Meetings Attended
1	Mr. Mohammed Younus	Chairman	5	5
2	Mrs. Mahfuza Younus	Managing Director	5	5
3	Mr. Mohammed Javed Noman	Director	5	5
6	Mr. K. M. Ashaduzzaman	Independent Director	5	5
7	Mr. Kh. Muhammad Aminur Rahman	Independent Director	5	5

The statement of remuneration paid to the Directors for attending meetings of the Board during the financial year under reporting are noted below:

Annexure-ii

SI No	Name of Directors	Board Meeting		Audit Committee	NRC Committee	Total Fees Paid (Tk.)
		Attendance	Fees (Tk)	Attendance	Attendance	
1	Mohammed Younus Chairman	5/5	48,000	-	-	48,000
2	Mahfuza Younus Managing Director	5/5	48,000	-	-	48,000
3	Mohammed Javed Noman Director	5/5	48,000	4/4	1/1	48,000
6	K. M. Ashaduzzaman Independent Director	5/5	48,000	4/4	1/1	48,000
7	Kh. Md. Aminur Rahman Independent Director	5/5	48,000	4/4	1/1	48,000
Total			2,40,000			2,40,000

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

The Pattern of Shareholding

Annexure-iii

As on 30 June, 2023

(i) Shareholding Position of Sponsor:

Name	No. of Shares Held	Percent (%)
Mr. Alhaj Mohd. Eunoos Khan	5,964	.02

(ii) Shareholding status of The Directors/CEO/CS/CFO/HIAC & their spouses and minor children:

Name of the Directors	Status	No. of Shares Held	Percent (%)
Mr. Mohammed Younus	Chairman	45,42,301	13.79%
Mr. Mohammed Javed Noman	Director	1,31,57,428	39.94%
Mr. K.M. Ashaduzzaman	Independent Director	Nil	Nil
Mr. Kh. Md. Aminur Rahman	Independent Director	Nil	Nil

Name of the Executives	Status	No. of Shares Held	Percent (%)
Mrs. Mahfuza Younus	Managing Director	45,33,489	13.76%
Mr. Mohammad Ziaul Haque	Chief Financial Officer	Nil	Nil
Mr. Md. Rashedul Hossain	Company Secretary	Nil	Nil
Mr. Md. Mahabub Alam	Head of Internal Audit & Compliance	Nil	Nil

(iii) Top five salaried persons other than the Directors, CEO, CS, CFO & HIAC

Name of the Directors	Status	No. of Shares Held	Percent (%)
Mr. Kawsar Azizur Rahman	Head of Human Resources	Nil	Nil
Mr. Md. Kamrul Islam	Head of Operation	Nil	Nil
Mr. Md. Ataur Rahman	Asst. Director (Admin)	Nil	Nil
Mr. Md. Mafizul Islam	Asst. Director (Technical)	Nil	Nil
Mr. Md. Sayed Hassan	DGM, Commercial	Nil	Nil

(iv) Shareholders holding 10 % or more voting interest in the Company:

Name	No. of Shares Held	Percent (%)
Mr. Mohammed Javed Noman	1,31,57,428	39.94%
Mr. Mohammed Younus	45,42,301	13.79%
Mrs. Mahfuza Younus	45,33,489	13.76%

Audit Committee Report

In accordance to the best practices of Corporate Governance, the Board of Directors of Sonali Paper & Board Mills Limited established an Audit Committee and the status of compliance with the conditions imposed by the Commission's Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

The Audit Committee supports the Board in fulfilling its responsibilities as per standard practice.

Role of the Audit Committee

The Audit Committee assisted the Board of Directors in fulfilling its responsibilities regarding the Company's accounting and financial process by monitoring the following:

- The integrity of the Company's financial statements;
- The independence, qualifications of performance quality of its' external auditors;
- The Company's system of internal control;
- The performance of the Company's internal audit process;
- The Company's compliance with law, regulations and codes of conduct with a view to safeguard the interests of all stakeholders of the Company.

Summary of Activities

The Audit Committee carried out the following activities during the financial year ended June 30, 2022

Composition of the Audit Committee

The Audit Committee was composed with the following members:

Name	Position
Mr. Kh. Md. Aminur Rahman	Chairman
Mr. K. M. Ashaduzzaman	Member
Mr. Mohammed Javed Noman	Member

The Chief Financial Officer attends the meeting by invitation only as and when requires. The Company Secretary functions as the Secretary of the Audit Committee.

Meeting

The details of the record of meetings of the Audit Committee are shown in page no. 41 of the Annual Report 2022-2023.

Regulatory Compliance

The Committee examines whether the Company's procedures are in place to ensure compliance with

- the laws and regulations framed by the regulatory Authorities (BSEC, DSE, CSE and RJSC);
- Internal regulations approved by the Board of Directors.

The Company is duly following the rules and regulations of the Regulatory bodies and also strictly follows areas with conflict of interest. The Committee was satisfied that the Company substantially complied with these regulatory requirements.

Financial Reporting

The Committee assisted the Board of Directors and the management to carry out their responsibilities of preparing true and fair financial statements in accordance with the IAS & IFRS by:

- Reviewing the adequacy and effectiveness of the internal control system and procedures in order to provide reasonable assurance that all transactions are accurately and completely recorded in the books of account;
- Reviewing the integrity of the process by which financial statements are prepared from the books of account;
- Reviewing the process by which compliance of provision of IAS & IFRS.

The Committee also reviewed:

- The quarterly and annual financial statements of the Company prior to recommending them for the approval by the Board;
- The annual audited financial statements of the Company with external auditors prior to submission to the Board for approval. The review focused particularly on changes of accounting policy and compliance with applicable accounting standards as adopted in Bangladesh and other legal & regulatory requirements.

The Committee reviewed:

- The Company's statement on internal control systems prior to approval by the Board.
- The policies and process for identifying and assessing business risks and the management of those risks by the Company.
- The adequacy of internal audit functions.
- Whether the management has set up the appropriate compliance culture across the Company in order to ensure that all employees have a clear understanding of their roles and responsibilities.
- The arrangements made by the management for building up a suitable management information system including computerized systems and its applications thereof.

Internal Audit

The Committee review and discussed the relevant reports of special investigations which were submitted by the internal Audit team. These are as follows:

- The annual audit plan for adequacy of scope and comprehensive coverage of these activities of the Company.
- Monitor and review the effectiveness of the Company's internal audit function in the context of Company's overall risk management system.
- Approve the appointment and removal of the head of the internal audit function.
- The audit programs, resources requirements for the year and assessed the performance of the internal audit functions.
- The internal audit reports, audit recommendations and management response to these recommendations and actions taken to improve the system of internal control and procedures.
- Exercise internal audit of Sonali Paper & Board Mills Limited reviewing the effectiveness of Internal Audit functions including performance and compliance with professional standards. Examine audit findings and material weakness and monitor implementation of audit action plans.
- Reviewed and monitored management's responsiveness of the findings and recommendation. The Committee advised the management to take effective steps for rectification of all the lapses and weaknesses identified by internal audit and to take utmost care, so that weaknesses and lapses shall not be repeated in future. Department heads attended the meetings when their reports were discussed.

External Audit:

The Committee met with the external auditors at the conclusion of the annual audit and exchanged views on their Audit Report. The Committee reviewed the findings and recommendations made by the external auditors in order to remove the weaknesses as detected in the external auditing process. The Committee assessed statutory auditors' qualification, expertise and resource and the effectiveness of the audit process. They also reviewed the findings of the audit with the external auditor. In addition, the Committee reviewed the performance of the external auditors and recommended to the Board on their appointment and fees.

Deliberations of Audit Committee during the year in 2022-2023:

1. The Audit Committee reviewed the quarterly, half yearly and annual financial statements and recommended to the Board for consideration.
2. Committee had reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
3. Committee has reviewed whether there is any related party transactions as per BSEC order.
4. The Committee has reviewed its' internal control policy & recommended to the Board of kind approval.
5. The Committee has reviewed its' risk management policy & recommended to the Board of kind approval.
6. Committee has kept their valuable suggestion for answering any queries asked by Regulators.
7. The Committee found necessary arrangement to present a true and fair view of the activities and the financial status of the company and address any significant material deviation, discrepancies or any adverse finding/ observation in the areas of reporting.

Acknowledgement

The Audit Committee expressed of sincere thanks to the Chairman and members of the Board, management and the Auditors for their support in carrying out its' duties and responsibilities effectively.
On behalf of the Audit Committee



Khondaker Muhammad Aminur Rahman
Chairman
Audit Committee

Report of the Nomination & Remuneration Committee

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/ 2006-158/ 207/Admin /80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This policy on nomination and remuneration of Directors and top level executives of the company has been formulated by the Nomination and Remuneration Committee (NRC) and has been approved by the Board of Directors. This is a sub-committee of the Board.

The Nomination and Remuneration Committee (NRC) of SONALI PAPER & BOARD MILLS LIMITED is Comprised of the following members:

Name & Designation	Position
Mr. K. M. Ashaduzzaman Independent Director	Chairman
Mr. Khondaker Muhammad Aminur Rahman Independent Director	Member
Mr. Mohammed Javed Noman Director	Member

TERMS OF REFERENCE

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC 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 policy for formal process of considering remuneration of directors and top level executives.

ROLE OF THE NRC

- NRC Shall be independent and responsible or accountable to the Board and to the shareholders;
- To oversee, among others, the following matters and make report with recommendation to the Board:

(i) Formulation the criteria for determining qualifications, positive attributes and independence relating to the remuneration of the directors, top level executive, considering the following:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(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;

(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background.

(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; of a director and recommend a policy to the Board,

(iv) formulating the criteria for evaluation of performance of independent directors and the Board;

(v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(vi) developing, recommending and reviewing annually the company's human resources and training policies;

The Activities of the NRC during the financial year were as follows:

i. During the year under review the Committee met once. The Managing Director, the Chief Financial Officer and the Head of Human Resources attended the meeting by invitation of the Committee. The Attendance record of the members is shown in Annexure ii.

ii. Recommended the management's proposals for the annual increment/promotion/enhancement of salary and renewal of contract appointments of Senior Management of the Company.



K.M. Ashaduzzaman

Chairman

Nomination and Remuneration Committee

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/269

Date of issue : August 13, 2023

BAPLC

Renewed Certificate

This is to certify that

SONALI PAPER & BOARD MILLS LIMITED

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

This certificate remains current until 31st December 2023.

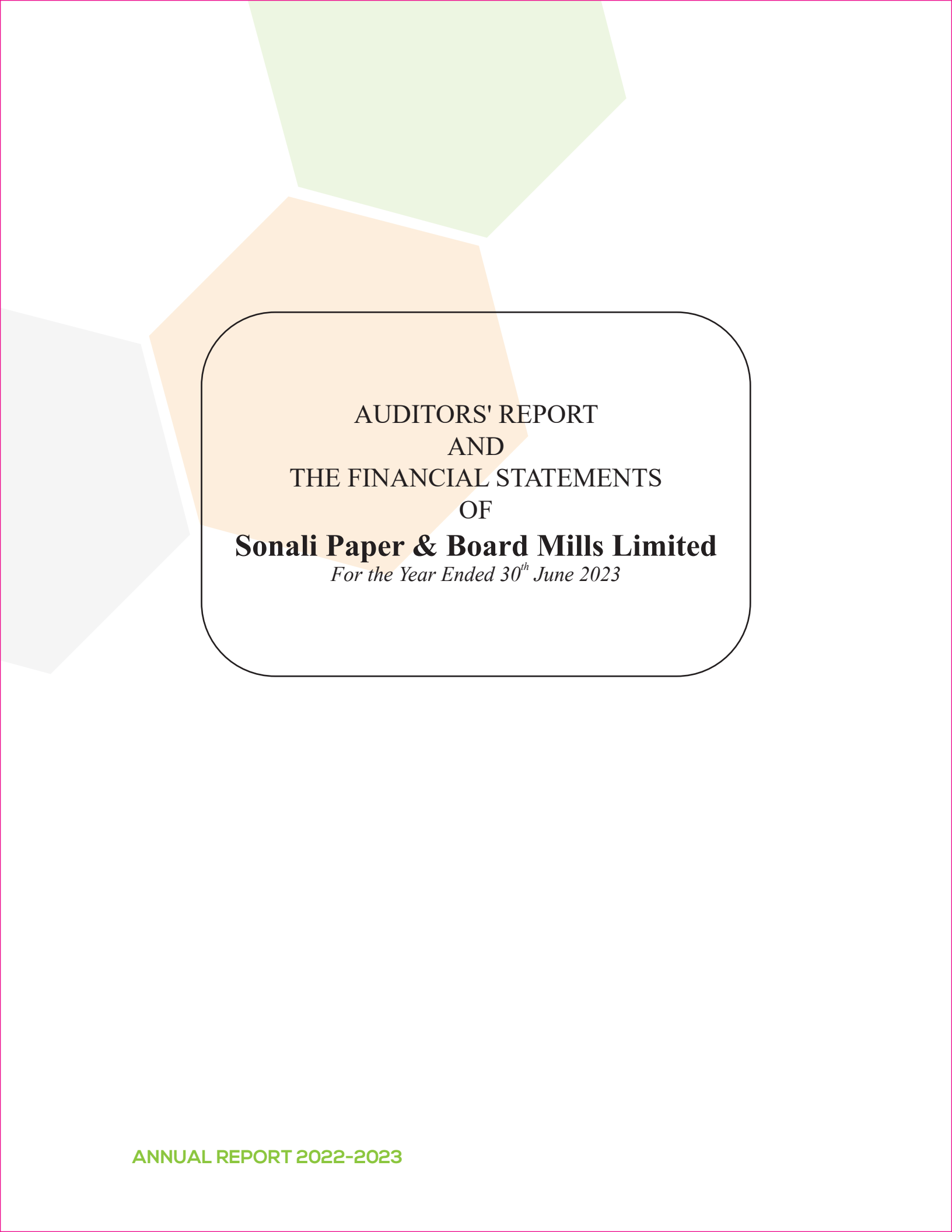



Secretary General

Screenshots from the 45thAGM held through Virtual Platform



SONALI PAPER & BOARD MILLS LTD.



AUDITORS' REPORT
AND
THE FINANCIAL STATEMENTS
OF
Sonali Paper & Board Mills Limited
For the Year Ended 30th June 2023

Independent Auditors' Report To the Shareholders of Sonali Paper & Board Mills Limited

Report on the Financial Statements

Opinion

We have audited the financial statements of Sonali Paper & Board Mills Limited (the Company), which comprise the Statement of Financial Position as at 30 June, 2023, and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

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


Key Audit Matters

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



Risk	Our response to the risk
Revenue Recognition	
<p>At the year end the reported total revenue of Tk. 2,490,642,634/-The company generates revenue from sale of goods to local market.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following</p> <ul style="list-style-type: none"> ➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. ➤ Segregation of duties in invoice creation and modification and timing of revenue recognition. ➤ Assessing the appropriateness of the Company’s accounting policies for revenue recognition and compliance of those policies with applicable accounting standards. ➤ Obtain supporting documents for sale transaction to determine whether revenue was recognized in the current period. ➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation. ➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
<p>Note no 18.00 to the statement of comprehensive income.</p>	



Valuation of inventory	
<p>The inventory of Tk. 348,513,875/-as at 30 June, 2023 held in warehouses and factory.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management’s assumptions applied in calculating the value of the inventory provision by:</p> <ul style="list-style-type: none"> ➤ Evaluating the design and implementation of key inventory controls operating across the factory and warehouse. ➤ Attending inventory counts and reconciling the count results to the inventory listing to test the completeness of data. ➤ Reviewing the historical accuracy of inventory provisioning and the level of inventory write-offs during the year; and challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete. ➤ Comparing the net realizable value obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete.
<p>Note no. 6.00 to the financial statements</p>	
Property Plant & Equipment	
<p>The Company’s PPE balance as at 30th June, 2023 was BDT 5,891,604,920/. This is estimation performed by management in regards to asset useful life. Based on the requirement of estimates and the fact that is a major asset category, this was determined to be a key audit matter.</p> 	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> ➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. ➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.

	<p>➤ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.</p> <p>Finally, we checked whether the depreciation of PPE items was commenced namely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.</p>
<p>Note no 3.00 to the financial statements</p>	
<p>Measurement of deferred tax liability</p>	
<p>Company reported net deferred tax liability totaling BDT 294,567,271 /- in the financial statements as at 30 June, 2023.</p> <p>Significant judgment is required in relation to deferred tax liability as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liability and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We also assessed the appropriateness of presentation and disclosures in relation to deferred tax.</p>
<p>Note no. 13.00 to the financial statements</p>	

Other Information

Management is responsible for the other information. The other information comprises the information including Director's report included in the annual report but does not include in the financial statements and our auditors' report thereon.

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

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

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



Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

Auditor's Responsibilities for the 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 judgment 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.
- 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



• Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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 auditors' 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:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Place : Dhaka
Dated: 30 October, 2023



Md. Abdur Rashid, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2310300474AS230772



Sonali Paper & Board Mills Limited
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka 30 June 2023	Amount in Taka 30 June 2022
ASSETS			
Non-Current Assets		5,891,644,735	5,884,510,138
Property, Plant and Equipments	3.00	5,891,604,920	5,884,510,138
Intangible Asset (Trade Mark)	4.00	39,815	-
Current Assets		1,055,516,002	1,119,958,594
Investment in Shares	5.00	448,503,866	259,920,530
Inventories	6.00	348,513,875	326,607,733
Trade and Other Receivables	7.00	65,255,644	175,261,452
Advances, Deposits & Prepayments	8.00	96,531,899	43,143,447
Cash and Cash Equivalents	9.00	96,710,718	315,025,432
TOTAL ASSETS		6,947,160,737	7,004,468,733
EQUITY AND LIABILITIES			
Share Holders' Equity		5,434,075,986	5,299,880,767
Share Capital	10.00	329,451,880	219,634,590
Revaluation Reserve	11.00	4,927,446,858	4,927,446,858
Retained Earnings		177,177,248	152,799,319
Non-Current Liabilities		413,562,667	513,313,441
Long Term Bank Loan (Secured)	12.00	118,995,396	220,267,780
Deferred Tax Liability	13.00	294,567,271	293,045,661
Current Liabilities		1,099,522,084	1,191,274,525
Short Term Bank Loan (Secured)	14.00	881,867,501	986,992,890
Current Portion of Long Term Loan	12.00	124,800,000	128,977,320
Trade and Other Payables	15.00	76,527,665	51,762,363
Unclaimed Dividend	16.00	568,604	185,770
Provision for Income Tax	17.00	15,758,314	23,356,182
TOTAL EQUITY AND LIABILITIES		6,947,160,737	7,004,468,733
Net Asset Value (NAV) Per Share	25.00	164.94	241.30

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 30 October 2023 and were signed on its behalf by:

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

This is the Statement of Financial Position referred to in our separate report of even date.

Place: Dhaka

Dated: 30 October, 2023




Md. Abdur Rashid, FCA
 Partner
 FAMES & R
 Chartered Accountants
 DVC # 2310300474AS230772

Sonali Paper & Board Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka 2022-2023	Amount in Taka 2021-2022
Revenue	18.00	2,490,642,634	2,046,087,300
Less: Cost of Sales	19.00	(2,276,818,536)	(1,831,959,266)
Gross Profit		213,824,098	214,128,034
Less: Operating Expenses:		(73,143,653)	(82,382,700)
Administrative Expenses	20.00	(59,247,911)	(62,544,236)
Selling and Distribution Expenses	21.00	(13,895,742)	(19,838,464)
Profit from Operation		140,680,446	131,745,334
Less: Finance Cost	22.00	(110,206,444)	(80,964,380)
Add: Other Income	23.00	145,320,355	110,256,337
Profit before W.P.P.F		175,794,357	161,037,291
Less: Workers Profit Participation Fund @ 5%		(8,371,160)	(7,668,442)
Net Profit before Tax		167,423,197	153,368,849
Income Tax Expense		(11,264,517)	(20,898,254)
Less: Current Tax Expenses	24.00	(9,742,908)	(17,177,189)
Add: Deferred Tax Income	24.00	(1,521,609)	(3,721,065)
Net Profit after Tax		156,158,680	132,470,594
Earnings Per Share (EPS)	26.00	4.74	4.02

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 30 October 2023 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Place: Dhaka
Dated: 30 October, 2023



Md. Abdur Rashid, FCA
 Partner
 FAMES & R
 Chartered Accountants
 DVC # 2310300474AS230772



Sonali Paper & Board Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Taka
As at 01 July 2022	219,634,590	4,927,446,858	152,799,320	5,299,880,768
Profit for the year	-	-	156,158,680	156,158,680
2:1 Right Share @ Tk. 10.00	109,817,290	-	-	109,817,290
Cash Dividend (2021-2022)	-	-	(131,780,752)	(131,780,752)
Balance at 30 June 2023	329,451,880	4,927,446,858	177,177,248	5,434,075,986

Sonali Paper & Board Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Taka
As at 1 July 2021	183,028,830	4,927,446,858	93,540,251	5,204,015,939
Profit for the year	-	-	132,470,594	132,470,594
Stock Dividend (2020-2021)	36,605,760	-	(36,605,760)	-
Cash Dividend (2020-2021)	-	-	(36,605,766)	(36,605,766)
Balance at 30 June 2022	219,634,590	4,927,446,858	152,799,320	5,299,880,767

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 30 October 2023 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

Place: Dhaka
Dated: 30 October, 2023



Sonali Paper & Board Mills Limited

Statement of Cash Flows

As at and for the year ended 30 June 2023

Particulars	Notes	Amount in Taka 2022-2023	Amount in Taka 2021-2022
A. Cash Flows from Operating Activities			
Received from customers		2,758,101,640	2,155,143,450
Received from Bad Debt	23.00	359,261	18,280
Paid to suppliers, payables and other expenses		(2,222,218,899)	(1,942,411,144)
Paid for administrative expenses	20.00	(52,004,947)	(58,697,616)
Paid for Selling and distribution expenses	21.00	(13,895,742)	(19,838,464)
Advance, deposit & prepayments	8.00	(52,077,610)	8,000,599
VAT paid	15.01	(153,540,791)	(127,420,166)
Income Tax paid		(18,651,618)	(18,076,567)
Net cash generated from operating activities		246,071,295	(3,281,628)
B. Cash Flows from Investing Activities			
Purchase of property, plant and equipment	3.00	(77,437,272)	(180,681,118)
Trade Mark	4.00	(39,815)	-
Investment in Shares	Annex-E	(98,319,836)	73,552,258
Received from Bank Interest	7.02	277,053	686,942
Received from Sales of Shares (Realise Gain)	23.00	47,568,472	214,354,400
Received from Cash Dividend	7.03	5,831,833	3,413,057
Net cash used in investing activities		(122,119,565)	111,325,539
C. Cash Flows from Financing Activities			
Long term bank loan received/(refund)	12.00	(105,449,704)	(112,609,880)
Short term bank loan received/(refund)	14.00	(105,125,389)	346,710,637
Finance cost	22.00	(109,727,888)	(75,878,530)
Paid for Cash Dividend		(131,780,752)	(36,605,766)
Right Shares		109,817,290	-
Net cash from financing activities		(342,266,443)	121,616,461
D. Net cash inflow/(outflow) for the period (A+B+C)		(218,314,714)	229,660,372
E. Opening cash and cash equivalents		315,025,432	85,365,060
F. Closing Cash and Cash equivalents (D+E)		96,710,718	315,025,432
Net Operating Cash Flow Per Share	27.00	7.47	(0.10)

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 30 October 2023 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

Place: Dhaka

Dated: 30 October, 2023



Sonali Paper & Board Mills Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2023

1.00 About the Company

1.01 Legal Form of the Company

Reporting Company : Sonali Paper & Board Mills Limited was incorporated vide registration no C-5576/134 in Bangladesh in the year 1978 under Companies Act, 1913 & 1994 as a Public Limited Company. The company listed with Dhaka Stock Exchange Limited (DSE) in the year 1985 & Re-listed on 15 June 2020 and listed with Chittagong Stock Exchange Limited (CSE) on 21 December 1996 & Re-listed on 15 June 2020. The shares of the company are traded in Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited of Bangladesh.

1.02 Address of the Registered Office and Factory

The registered office of the Company is Located at 51, Central Road, Dhanmondi, Dhaka-1205. The Industrial Unit is situated at Jatramura, Tarabo, Rupgonj, Narayanganj.

1.03 Nature of Business Activities

Principal activities of the company are manufacturing & marketing of Media, Liner, Simplex, Duplex Board Papers and Quality Writing, Printing Papers.

2.00 Significant Accounting Policies and Other Material Information.

2.01 Basis of Preparation and Presentation of Financial Statement

The financial statements have been prepared on going concern concept, historical cost convention and on accrual basis in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and in compliance with the companies Act 1994, the Securities and Exchanges Rules 1987 and listing regulations of Dhaka Stock Exchange Ltd (DSE).

2.02 Authorization for Issue

The financial statements were approved by the Board of Directors of the company on 30 October 2023.

2.03 Going Concern

The company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the directors continue to adopt going concern assumption in preparing the Financial Statements.

2.04 Functional and Presentational Currency

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

2.05 Use of Estimates and Judgments:

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Due to inherent uncertainties involved in making estimates actual results may differ from those estimates and under lying assumptions are reviewed on a going concern basis.

2.06 Comparative Information and Re-arrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Previous year's figures have been rearranged wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant IASs.



2.07 Reporting Period

The Financial Statements covers twelve months from 1 July 2022 to 30 June 2023 consistently.

2.08 Principal Accounting Policies

Specific accounting policies were selected and applied by the company's management for significant transaction and events that have material effect within the framework of IAS 1 ("Presentation of Financial Statements") in preparation and presentation of financial statements. The previous years figures were presented according to the same accounting principles. Changes made to the presentation are explained in the note for each respective item.

Accounting and valuation methods are disclosed for reasons of clarity. The company classified the expenses using the function of expenses method as per IAS 1.

2.09 Compliance with International Accounting Standards (IASs)

IAS 01 Presentation of Financial Statements

IAS 02 Inventories

IAS 07 Statement of Cash Flows

IAS 08 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10 Events After the Reporting Period

IAS 12 Income Taxes

IAS 16 Property, Plant and Equipment

IAS 19 Employee Benefits

IAS 21 The Effects of Changes in Foreign Exchange Rates

IAS 23 Borrowing Costs

IAS 24 Related Party Disclosures

IAS 33 Earnings Per Share

IAS 36 Impairment of Assets

IAS 37 Provisions, Contingent Liabilities and Assets

IAS 38 Intangible Assets

IFRS 7 Financial Instruments: Disclosures

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contract with Customers

The related IFRSs are also complied for the preparation of these financial statements.

2.10 Property, Plant and Equipment (PPE)

Recognition and Measurement :

Property, Plant and Equipments have been stated at cost and subsequent revaluation (only land) amount less accumulated depreciation. Accumulated historical cost and depreciation have been shown in the Financial Statements. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its state of intended use.

Subsequent Expenditure :

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.

Disposal :

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non operating income and reflected in the Statement of Profit or Loss and Other Comprehensive Income.



2.11 Depreciation

Depreciation on Property, Plant & Equipments other than Land and land development has been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on additions on the basis of when it is available for use.

After considering the useful life of assets as per IAS 16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

SI No.	Non-Current Assets	Rate of Depreciation.
01	Building & Godown	5%
02	Labour Shed	5%
03	Plant, Machinery & Boiler	10%
04	Electric Equipments & Others	10%
05	Generator & 5 M W Power Station	10%
06	Weighting & Road Scale	10%
07	Electric & Gas Installation	10%
08	Motor Vehicles	15%
09	Fax Machine	10%
10	PABX & Telephone Set	10%
11	Computer	10%
12	ETP	5%
13	Fire Fighting Equipments	5%
14	Crane, Trolley & Fork Lift	5%
15	Workshop & Loose Tools	5%
16	Furniture & Fixture	10%

2.12 Impairment of Assets

All assets have been reviewed according to IAS 36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

2.13 Inventories

Inventories are measured at the lower of cost and net realizable value as prescribed by IAS 2. The cost of inventories is based on the FIFO method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate allocation of production overheads based on normal operation capacity.

Nature of Inventories	Basis of valuation
Raw Materials	FIFO Method
Work-in Progress	Material cost plus proportionate conversion cost based on percentage of completion.
Finished Goods	Valued at cost or net realizable value whichever is lower.



2.14 Income Taxes

Current Tax:

Current income tax expense represents the sum of the tax currently payable.

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

2.15 Financial Instruments

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

2.15.1 Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which a contractual right is created to receive cash or another financial asset from another company. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Cash and Cash Equivalents

According to IAS 7 'Statement of Cash Flows ' cash comprises of cash in hand, demand deposits and cash equivalents which are short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. IAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provision of IAS 7 & IAS 1, Cash in Hand & Bank Balances including FDR have been treated as Cash & Cash Equivalents.

Available for Sale of Financial Assets

During the year the company had no financial asset for sale.

Trade and other Receivables

Trade receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amount at the period end.

2.15.2 Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognises a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognised initially at fair value less any directly attributable transactions costs. Subsequently to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.



2.16 Employees Benefit Scheme

a) Provident Fund

The Company has established an contributory provident fund scheme in accordance with IAS 19. A Board of trustees administers the fund. No part of the fund is included in the asset of the Company.

b) Defined benefit plan (Gratuity)

The Company operates an unfunded gratuity scheme. Each employee who has completed five years of service is eligible to one month gratuity for each completed year.

c) Medical Aid Benefit

The company provides medical aid benefit to all employees.

2.17 Workers Profit Participation Fund

The company has introduced workers profit participation fund in accordance with chapter 15 under Labour Act 2006 as amended in 2013.

2.18 Revenue Recognition

Revenue has been recognized as per IFRS 15: Revenue from contract with customers under 05 (five) step approach of recognizing revenue. According to the core principal of IFRS 15, the entity has recognized revenue to depict the transfer of promise goods or service to custom in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchanging for those goods or services.

05 (five) step approach applied are as follows :

- i. Identify the contract;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price;
- iv. Allocate the price to the performance obligations;
- v. Recognize revenue.

Interest Income

It is recognized on accrual basis.

2.19 Foreign Currency Transaction

Transactions in Foreign Currencies are translated into BDT at the rate of exchange ruling on date of transaction in accordance with IAS 21. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the Statement of Financial Position date. Gains or losses resulting from foreign currency transactions are taken to the Statement of Profit or Loss and Other Comprehensive Income.

2.20 Statement of Cash Flows

Statement of Cash Flows has been prepared principally in accordance with IAS 7 “Statement of Cash Flows” and the cash flows from the operating activities have been presented under direct method.

2.21 Earnings Per Share

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share has been calculated by the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period.

2.22 Related Party Transaction

There was no related party transaction during the year other than Director Remuneration and Meeting Fees as disclosed in Note-18 & 31.



2.23 Finance Cost

Finance cost (Borrowing Cost) incurred during the year was recognized as revenue expenditure in accordance with IAS 23 "Borrowing Cost." Finance cost comprises interest on borrowings and bank commission & charges.

2.24 Provisions

In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) reliable estimates can be made of the amount of the obligation.

2.25 Segment Reporting

No segmental reporting is applicable for the company as required by IFRS 8: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

2.26 Events After the Reporting Period

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

2.27 Contingent Liabilities

There are Contingent Liabilities as regards National Board of Revenue (NBR) case against Customs Duty of Tk. 190,914,362 since 1996 and Titas Gas case of Tk. 123,789,334 since 2006 Totaling Tk. 314,703,696 which are pending in the Courts and Tribunals.

2.28 Components of Financial Statements

The Financial Statements comprise the followings;

- Statement of Financial Position as at 30 June 2023;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023;
- Statement of Change in Equity for the year ended 30 June 2023;
- Statement of Cash Flows for the year ended 30 June 2023; and
- Accounting Policies and Explanatory Notes to the Financial Statements for the year ended 30 June 2023.

2.29 General

The Financial Statements are prepared and presented in Bangladeshi Currency (Taka) which is the Company's Functional currency. All financial information presented have been rounded off to nearest Taka.



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
3.00	Property, Plant and Equipment: Tk. 5,891,604,920		
	The break-up is as below:		
	Cost		
	Opening Balance	6,541,517,737	6,360,836,619
	Addition during the year	77,437,272	180,681,118
	Adjustment during the year	-	-
	Closing Balance	6,618,955,009	6,541,517,737
	Accumulated Depreciation		
	Opening Balance	657,007,599	596,626,180
	Charged during the year	70,342,490	60,381,419
	Adjustment during the year	-	-
	Closing Balance	727,350,089	657,007,599
	Written Down Value	5,891,604,920	5,884,510,138

Details of Property, Plant and Equipment along with depreciation charged thereon as on 30 June 2023 has been shown in **Annexure-"A"**.

4.00 Intangible Assets: Tk. 39,815

The break-up is as below:

Trade Mark

Opening Balance	-	-
Addition during the year	39,815	-
Adjustment during the year	-	-
Closing Balance	39,815	-
This represents Trade Mark		

5.00 Investment in Shares: Tk. 448,503,866

The break-up is as below:

Balance as per Portfolio of SBL Capital Management Limited	126,451,988	125,397,053
Balance as per Portfolio of EBL Securities Limited	295,003,878	134,523,477
Balance as per Portfolio of ABACI Investment Limited	27,048,000	-
Total	448,503,866	259,920,530

Details of investment in shares (portfolio wise) as on 30 June 2023 has been shown in **Annexure-"E"**.

Investment in shares is recognised and measured according to IFRS 9 as stated in note 3.7

6.00 Inventories: Tk. 348,513,875

The break-up is as below:

Raw Materials	Note 19.01	229,134,700	213,715,681
Materials-In-Process	Note 19.02	39,560,394	16,825,640
Finished Goods	Note 6.03	53,573,374	85,113,090
Spare Parts	Note 6.04	26,245,407	10,953,322
Total		348,513,875	326,607,732

The basis of valuation is stated in note 2.13. Details of Inventories have been shown in **Annexure "B"**.

The inventories of the company has been pledged as security against loan with Modhumoti Bank Limited, Aganagar Branch and Pubali Bank Limited, Gulshan Corporate Branch.

6.01 Raw Materials

	Quantity (KG)	Quantity (KG)
Opening Balance	3,777,057	1,645,911
Add: Purchase & Import during the year	38,142,464	45,617,411
Available for Use	41,919,521	47,263,322
Less: Consumption during the Year	38,535,768	43,486,266
Closing Balance	3,383,753	3,777,057



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
6.02	Materials-In- Process		
	Opening Balance	238,350	206,058
	Add: Input from Store during the year	38,535,768	43,486,266
	Available for Production	38,774,118	43,692,324
	Less: Production (Process Completed)	30,367,254	35,528,402
		8,406,864	8,163,922
	Less: Closing Balance	347,021	238,350
	Normal Process Loss	8,059,843	7,925,572
	% of Normal Process Loss	26.54	22.31
6.03	Finished Goods		
	Opening Balance	1,007,834	903,263
	Add: Production during the year	30,367,254	35,528,402
	Available for Sales	31,375,088	36,431,665
	Less: Sales during the year	30,609,604	35,423,831
	Closing Balance	765,484	1,007,834
6.04	Spare Parts: Tk. 26,245,407		
	The break-up is as below:		
	Opening Balance	10,953,322	224,432
	Add: Purchase (Local)	16,186,864	939,262
	Add: Purchase (Import)	11,180,346	11,919,084
	Available for Use	38,320,532	13,082,778
	Less: Consumption (Machine Rep. & Maintenance)	(12,075,125)	(2,129,456)
	Closing Balance	26,245,407	10,953,322
7.00	Trade and Other Receivables: Tk. 65,255,644		
	(i) Trade and Other Receivables occurred in the ordinary course of business are insecure but considered good. This is arrived at as follows:		
	Trade Receivables Note 7.01	64,234,514	175,260,557
	Bank Interest Receivable Note 7.02	-	-
	Cash Dividend Receivable Note 7.03	1,021,130	895
	Total	65,255,644	175,261,452
7.01	Trade Receivables: Tk. 64,234,514		
	The break-up is as below:		
	Opening Balance	175,260,557	152,369,415
	Add: Sales during the year (Note # 18.00)	2,647,075,597	2,178,034,592
		2,822,336,154	2,330,404,007
	Less: Realised during the year	(2,757,704,076)	(2,154,386,625)
	Less: Provision for Bad Debts	(397,564)	(756,825)
	Closing Balance	64,234,514	175,260,557
7.02	Bank Interest Receivable: Tk. 0		
	The break-up is as below:		
	Opening Balance	-	87,886
	Add: Bank Interest Income during the year (Note # 23.00)	277,053	599,056
		277,053	686,942
	Less: Realised during the year	277,053	686,942
	Closing Balance	-	-



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
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7.03 Cash Dividend Receivable: Tk. 1,021,130

The break-up is as below:

Opening Balance	895	2,320,870
Add: Cash Dividend Income during the year (Note # 23.00)	6,852,068	1,093,082
	6,852,963	3,413,952
Less: Realised during the year	5,831,833	3,413,057
Closing Balance (Annexure-"E")	1,021,130	895

Aging of Trade Receivables

Below 30 days	6,850,313	32,483,755
Within 31-60 days	9,390,883	32,545,210
Within 61-90 days	8,634,530	35,305,942
Above 90 days	39,756,353	75,682,475
Provision for Bad Debts	(397,564)	(756,825)
Total	64,234,515	175,260,557

(ii) There was no amount due by the Directors (including Managing Director), Managing Agents, Managers and other officers of the Company and any of them severally or jointly with any other person.

Party wise schedule has been enclosed in Annexure-"C".

The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:

Receivable considered good in respect of which the company is fully secured	-	-
Receivable considered good in respect of which the company holds no security other than the debtor personal security	64,234,515	175,260,557
Receivables considered doubtful or bad	397,564	756,825
Receivable to Directors	-	-
Receivables due by common management	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	64,632,078	176,017,382

8.00 Advances, Deposits & Prepayments: Tk. 96,531,899

The break-up is as below:

Fixed Security Deposits (Electric & Gas Line)	9,902,811	9,902,811
Advance Income Tax Note-8.01	10,308,674	8,997,832
L/C Margin & Goods In Transit Note-8.02	73,823,876	16,655,866
Advance VAT Deposit Note-8.03	632,737	5,132,737
Salaries & Allowances (Ansar)	-	590,400
Security Deposits (CDBL)	200,000	200,000
Prepaid Insurance Premium (Fire) Note-8.04	1,663,801	1,663,801
Total	96,531,899	43,143,447

8.01 Advance Income Tax: Tk. 10,308,674

The break-up is as below:

Opening Balance	8,997,832	7,603,624
Add: Addition for the year	10,308,674	8,997,832
	19,306,506	16,601,456
Less: Adjusted during the year	(8,997,832)	(7,603,624)
Total	10,308,674	8,997,832

Advance Income Tax amounting Tk. 8,997,832 has been adjusted during the year for the Assessment year 2022-2023 and the balance of Tk. 10,308,674 is carried forward for the Assessment year 2023-2024.



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
8.02	L/C Margin & Goods In Transit: Tk. 73,823,876	73,823,876	16,655,866
	Total	73,823,876	16,655,866

The entire amount was paid for Import of raw materials.

8.03 Advance VAT Deposit: Tk. 632,737

The break-up is as below:

Opening Balance

Add: Deposit during the Year

Less: Adjusted during the Year

5,132,737	626,004
12,500,000	5,000,000
17,632,737	5,626,004
(17,000,000)	(493,267)
Total	5,132,737

8.04 Prepaid Insurance Premium (Fire): Tk. 1,663,801

The break-up is as below:

Opening Balance

Add: Payment Insurance Premium (Fire)

Less: Adjusted during the year (Note: 20.00)

1,663,801	1,663,801
2,852,230	2,852,230
4,516,031	4,516,031
2,852,230	2,852,230
Total	1,663,801

9.00 Cash & Cash Equivalents: Tk. 96,710,718

The break-up is as below:

a) Cash at Bank:

Bank Name	Branch Name	Account No	Amount in Taka	Amount in Taka
Islami Bank Bangladesh Ltd.	Chawk Mugoltolly	6616	4,252,390	1,845,054
Shahjalal Islami Bank Ltd.	Dhanmondi	8919	2,319,662	3,514,653
Al- Arafah Islami Bank Ltd.	New Elephant Road	2468	3,496,799	1,487,152
National Bank Ltd.	New Elephant Road	4464	2,016,261	2,653,683
Sonali Bank Ltd.	New Elephant Road	6338	105,388	9,469,809
Shahjalal Islami Bank Ltd.	Dhanmondi (Dividend A/C)	1347	836,932	448,682
Dutch- Bangla Bank Ltd.	Dhanmondi	2978	24,874,505	15,318,458
The Premier Bank Ltd.	Bangshal	8497	1,010,119	1,013,809
Modhumoti Bank Ltd.	Aganagar	0004	575,844	120,612,767
Marcantile Bank Ltd	Noyabazar	5618	878,407	472,924
Dhaka Bank Ltd.	Motijheel	2875	126,170	-
Pubali Bank Ltd.	Gulshan	1860	6,304,155	111,388,822
			46,796,632	268,225,812
b) Cash at Portfolio account of ABACI Investment Limited Annexure -"E"- (C)			357,332	-
c) Cash in Hand			49,556,754	46,799,620
		Total	96,710,718	315,025,432

The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 30-06-2023. Cash in hand balance was duly certified.

10.00 Share Capital: Tk. 329,451,880

The break-up is as below:

a) Authorized Capital:

500,00,000 ordinary shares of Tk.10 each

500,000,000 500,000,000

b) Issued, Subscribed and Paid -up Capital:

21,963,459 ordinary shares @ Tk.10 each.

219,634,590 219,634,590

Add: 10,981,729 Right shares (2:1) @ of Tk. 10 each

109,817,290 -

Total 32,945,188 shares @ Tk. 10 each.

Total 329,451,880 219,634,590



Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
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Distribution Schedule Disclosures Under the Listing Regulation of Stock Exchanges:
The position of shareholders as on 30 June 2023 is as follows:

Particulars of Investors	No of Investors	Number of Shares	Percentage of Share Holding 2022-2023	Percentage of Share Holding 2021-2022
Sponsor	1	2,809	0.01%	0.01%
Directors other than Sponsor	3	22,233,218	67.49%	67.49%
General Public	4360	8,808,457	26.74%	22.01%
Financial Institutes	14	1,858,434	5.64%	10.29%
Private Corporate Institute	0	-	0.00%	0.00%
Capital Market Stabilization Fund	1	19,514	0.06%	0.09%
Suspense A/C	1	22,756	0.07%	0.11%
Total	4,380	32,945,188	100%	100%

The distribution schedule showing the number of share holders and their share holdings in percentage has been disclosed below:

Range of Share Holdings	As per Folio		As per BO ID		Total Holding	Total Share	Percentage (%)
	Holders	Shares	Holders	Shares			
Less than 500	139	11,916	3,263	361,321	3,402	373,237	1.13
501 to 5,000	10	11,527	728	1,137,684	738	1,149,211	3.49
5,001 to 10,000	-	-	82	596,575	82	596,575	1.81
10,001 to 20,000	-	-	61	854,333	61	854,333	2.59
20,001 to 30,000	-	-	20	486,526	20	486,526	1.48
30,001 to 40,000	-	-	11	386,016	11	386,016	1.17
40,001 to 50,000	-	-	10	446,482	10	446,482	1.36
50,001 to 100,000	-	-	29	2,040,407	29	2,040,407	6.19
100,001 to 1,000,000	-	-	24	4,379,183	24	4,379,183	13.29
Over 1,000,000	-	-	3	22,233,218	3	22,233,218	67.49
Total	149	23,443	4,231	32,921,745	4,380	32,945,188	100

11.00 Revaluation Reserve: Tk. 4,927,446,858

Total	4,927,446,858	4,927,446,858
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The company made revaluation of its Property, Plant and Equipment (only land) by an independent valuer M/S. S.H. Khan & Co, Chartered Accountants on 18 May 2016. The cost value of Land was taka 40,553,142 (Deed value of the land was Taka 11,370,100) which was revalued to taka 5,175,000,000 in 2016. Moreover the Board of Directors approved the above valuation in its 45th Board Meeting held on 30 May 2016.

12.00 Long Term Bank Loan: Tk. 118,995,396

The break-up is as below:

Modhumoti Bank Limited.
(Aganagar Branch, Keranigonj, Dhaka)

Loan A/C NO # 00009

Pubali Bank Limited.
(Gulshan Corporate Branch, Dhaka)

Loan A/C NO # 08361

Less: Current portion of long term loan

-	17,845,321
243,795,396	331,399,779
243,795,396	349,245,100
(124,800,000)	(128,977,320)
Total	220,267,780



Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
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13.00 Deferred Tax Liability: Tk. 294,567,271

The break-up is as below:

Calculation of Deferred Tax :

A. Temporary Difference:

Written down value as per accounting base	5,891,604,920	5,884,510,138
Written down value as per tax base	5,499,612,590	5,499,938,779
Taxable temporary difference	391,992,330	384,571,360
Deductible temporary difference (Gratuity) (Note: 15.02)	(2,804,461)	(2,146,198)
	389,187,869	382,425,162
Income Tax Rate	22.50%	22.50%
Deferred Tax Liabilities at the end of the year	87,567,271	86,045,661

B. Revaluation:

Carrying Value		
Land	5,175,000,000	5,175,000,000
Tax rate:		
Land	4%	4%
Deferred Tax Liabilities at the end of the year	207,000,000	207,000,000

Closing Deferred Tax Liabilities	207,000,000	207,000,000
Opening Deferred Tax Liabilities	207,000,000	207,000,000
Deferred Tax asset / liability	-	-
Deferred Tax Liabilities at the end of the year (A+B) Total	294,567,271	293,045,661

14.00 Short Term Bank Loan: Tk. 881,867,501

The break-up is as below:

Modhumoti Bank Limited.

(Aganagar Branch, Keranigoni, Dhaka)

(CC Hypo)	48,401,302	5,023,801
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Pubali Bank Limited.

(Gulshan Corporate Branch, Dhaka)

Over Draft Loan	76,090,460	16,294,510
Stimulus Loan	-	30,341,313
Foreign Cash Bills (UPAS LC)	543,204,319	818,700,166

Dhaka Bank Limited.

(Motijheel Local Office, Dhaka)

Over Draft Loan	25,449,092	-
Foreign Cash Bills (UPAS LC)	13,802,693	-

SBL Capital Management Limited

(2, D.I.T Avenue, Motijheel, Dhaka)

Loan against Investment in Shares	74,709,222	67,098,408
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EBL Securities Limited

(Jibon Bima Bhaban, 10 Dilkusha, Dhaka)

Loan against Investment in Shares	100,210,413	49,534,693
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Total	881,867,501	986,992,890
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The above balances were in agreement with the balances as per respective bank loan statement and Port Folio Statements as on 30 June 2023.



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
15.00	Trade and Other Payables: Tk. 76,527,665		
	The break-up is as below:		
	Trade Payables:		
	Raw Materials Supplier (Details are enclosed in Annexure "D")	2,030,032	175,210
	Other Payables:		
	Provision for Value Added Tax (VAT) (Note-15.01)	12,730,800	9,838,628
	Director Remuneration	50,000	-
	Audit Fees	138,000	115,000
	Professional Fees & Expense	132,000	126,000
	Gas Bill	34,475,191	15,040,850
	Electricity Bill	555,076	1,265,710
	Internet Bill	39,637	79,274
	Wages & Salaries	5,522,638	4,926,304
	Salary & Allowances	2,881,519	3,732,812
	Overtime	1,724,583	2,051,830
	Telephone & Mobile bill	24,424	26,515
	Provision for W.P.P.F	8,371,160	7,668,442
	Provision for Foreign Exchange Rate Loss	5,048,145	4,569,589
	Provision for Gratuity Note-15.02	2,804,461	2,146,198
	Total	76,527,665	51,762,363
15.01	Provision for Value Added Tax (VAT): Tk. 12,730,800		
	The break-up is as below:		
	Opening Balance	9,838,628	5,311,501
	Add: Collection with Sales during the Year	156,432,963	131,947,292
		166,271,591	137,258,793
	Less: Deposit during the Year	(153,540,791)	(127,420,165)
	Total	12,730,800	9,838,628
15.02	Provision for Gratuity: Tk. 2,804,461		
	The break-up is as below:		
	Opening Balance	2,146,198	1,347,554
	Add: Addition during the Year	751,358	798,644
		2,897,556	2,146,198
	Less: Payment during the Year	(93,095)	-
	Total	2,804,461	2,146,198
16.00	Unclaimed Dividend: Tk. 568,604		
	The break-up is as below:		
	Unclaimed Dividend up to F/Y: 2019-2020	39,954	39,954
	Unclaimed Dividend for the F/Y: 2020-2021	145,816	145,816
	Unclaimed Dividend for the F/Y: 2021-2022	382,834	-
	Total	568,604	185,770
	The amount is lying with Shahjalal Islami Bank Limited, Dhanmondi Branch, Dhaka (Dividend A/C No: 1347)		
17.00	Provision for Income Tax: Tk. 15,758,314		
	The break-up is as below:		
	Opening Balance	23,356,182	22,861,352
	Add: Addition for the year (Note: 24.00)	9,742,908	17,177,189
		33,099,090	40,038,541
	Less: Adjusted during the year	(8,997,832)	(7,603,624)
	Less: Payment during the year	(8,342,944)	(9,078,735)
	Total	15,758,314	23,356,182

Provision for Income Tax amounting Tk. 8,997,832 was adjusted from advance income tax and Tk. 8,342,944 was paid for the assessment year 2022-2023. An Amount of Tk. 15,758,314 has been remaining as balance for Provision for Income Tax.

Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
18.00	Revenue: Tk. 2,490,642,634		
	The break-up is as below:		
	Sales (Including VAT)	2,647,075,597	2,178,034,592
	Less : Value Added Tax (VAT)	(156,432,963)	(131,947,292)
	Total	2,490,642,634	2,046,087,300
	Sales Quantity:		
	Writing Paper & Board Paper (Note # 6.03)	30,610 MT	35,528 MT
19.00	Cost of Sales: Tk. 2,276,818,536		
	The break-up is as below:		
	Opening Stock of Raw Materials & Chemicals	213,715,681	89,255,395
	Add: Local Purchase of Raw Materials	827,355,608	787,203,308
	Add: Import of Raw Materials	1,036,286,757	821,114,294
	Goods Available for Consumed	2,077,358,046	1,697,572,997
	Less : Closing Stock of Raw Materials (Note: 19.01)	(229,134,700)	(213,715,681)
	Raw Materials Used	1,848,223,346	1,483,857,316
	Add: Factory Overhead		
	Wages and Salaries	62,156,901	55,915,524
	Overtime Bill	24,788,014	23,609,908
	Festival Bonus	5,799,262	7,886,922
	Oil and Lubricant	4,788,701	4,706,492
	Gas Bill	223,503,175	154,671,665
	Electricity Bill	15,967,582	51,125,293
	Electrical spare parts	3,368,180	
	Workers Tiffin	226,824	279,254
	Spare Parts (Machine Repairs-Note 6.04)	12,075,125	2,129,456
	Depreciation Charges (Annexure- "A")	67,116,464	56,917,116
		2,268,013,574	1,841,098,946
	Add: Opening Stock of Material-In-Process	16,825,640	14,764,056
		2,284,839,214	1,855,863,002
	Less: Closing Stock of Material-In-Process (Note: 19.02)	(39,560,394)	(16,825,640)
	Cost of Production	2,245,278,820	1,839,037,362
	Add : Opening Stock of Finished Goods	85,113,090	78,034,994
		2,330,391,910	1,917,072,356
	Less: Closing Stock of Finished Goods (Note: 19.03)	(53,573,374)	(85,113,090)
	Cost of Sales	2,276,818,536	1,831,959,266



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
20.00	Administrative Expenses: Tk. 59,247,911		
	The break-up is as below:		
	Salaries and Allowances	35,589,936	40,645,846
	Festival Bonus	2,325,568	4,103,327
	Telephone and Mobile bill	287,710	322,234
	Office Rent	276,000	276,000
	Directors Meeting Attendance Fees	240,000	336,000
	Directors Remuneration	600,000	600,000
	Travelling and Conveyance	487,922	125,237
	AGM Expenses	300,000	234,700
	Annual Listing Fees	1,192,669	423,770
	Entertainment	549,083	171,223
	Spare Parts (Motor Car)	975,813	851,730
	Oil & Fuel (Motor Car)	1,394,293	1,344,608
	Insurance Premium (Fire) (Note: 8.04)	2,852,230	2,852,230
	Staff Uniform	40,600	-
	Office Supplies	285,913	528,893
	Internet Bill	474,957	477,532
	Stationeries	618,972	529,385
	News Paper & Periodicals	1,280	5,140
	Postage & Stamps	47,945	5,520
	Medical Aid Expenses	75,169	23,714
	Caffeteria Expenses	901,000	694,661
	Registration, Rate & Renewal Fees	2,846,509	2,428,122
	Gratuity	751,358	798,644
	Miscellaneous Expenses	329,952	386,318
	Audit Fees	138,000	115,000
	Professional Fees & Expenses	644,005	800,100
	Right Issue Expenses	1,725,000	-
	Dividend Processing Expenses	70,000	-
	Depreciation Charges (Annexure- "A")	3,226,027	3,464,302
	Total	59,247,911	62,544,236

Directors Meeting Attendance Fees: Tk. 240,000

Directors Meeting Attendance Fees amounting Tk. 240,000 was paid to seven Directors from which a sum of Tk. 20,000 was deducted as VAT and Tk. 20,000 as Tax at source and were duly paid to Govt. Rev A/C vide challan.

Directors Remuneration: Tk. 600,000

During the year the above amount was paid as Director Remuneration to the Managing Director from which a sum of Tk. 65,005 was deducted at source as tax and duly paid.

Allocation of Depreciation

The total Depreciation allocated into Cost of Sales and Administrative Expenses.

21.00 Selling and Distribution Expenses: Tk. 13,895,742

The break-up is as below:

Salaries and Allowances	986,957	1,566,518
Packing and Binding Expenses	3,352,900	2,994,927
Spare Parts (Delivery Vehicle)	697,119	383,330
Business Promotion Expense	-	426,000
Advertisement	1,850,833	10,978,536
Labour bill (Loading and Unloading)	588,630	282,164
Oil & Fuel (Delivery Vehicle)	3,831,063	2,312,609
Sales Promotion Expenses	2,442,000	471,130
Sample Expenses	146,240	423,250
Total	13,895,742	19,838,464



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
22.00	Finance Cost: Tk. 110,206,444		
	The break-up is as below:		
	CC Hypo (Modhumoti Bank Ltd.)	11,756,216	1,799,942
	LTR (Modhumoti Bank Ltd.)	316,706	-
	Term Loan (Modhumoti Bank Ltd.)	385,936	1,735,057
	UPAS (Modhumoti Bank Ltd.)	-	6000
	OD (Pubali Bank Ltd.)	4,469,957	1,147,314
	UPAS (Pubali Bank Ltd.)	33,112,805	12,315,394
	Term Loan (Pubali Bank Ltd.)	26,795,617	35,377,382
	Stimulus (Pubali Bank Ltd.)	754,051	592,962
	OD (Dhaka Bank Ltd.)	1,868,986	-
	Foreign Exchange Rate Loss	5,048,145	4,569,589
	Fees and Charges on investment in Shares (Annexure- "E")	24,843,304	22,869,059
	Bank Charges	854,721	551,681
	Total	110,206,444	80,964,380
	Foreign Exchange Rate Loss represents unsettled foreign bill as on 30.06.2023		
23.00	Other Income: Tk. 145,320,355		
	The break-up is as below:		
	(a) Bank Interest Income:	277,053	599,056
	STD A/C No: 1347 (SJIBL)	8,448	3,414
	SND A/C No: 1860 (Pubali Bank Ltd.)	268,605	595,642
	(b) Realise Gain from Sales of Shares, (Annexure- "E")	47,568,472	214,354,400
	Portfolio of SBL Capital Management Ltd.	(32,389,555)	91,742,065
	Portfolio of EBL Securities Limited	79,958,027	122,612,335
	ABACI Investment Limited	-	-
	(c) Unrealise Gain/Loss from Sales of Shares, (Annexure- "E")	90,263,501	(105,808,481)
	Portfolio of SBL Capital Management Ltd.	34,809,169	(60,270,703)
	Portfolio of EBL Securities Limited	55,549,000	(45,537,777)
	ABACI Investment Limited	(94,668)	-
	(d) Cash Dividend Income	6,852,068	1,093,082
	Portfolio of SBL Capital Management Ltd.	2,122,677	576,516
	Portfolio of EBL Securities Limited	4,729,391	516,567
	(e) Bad Debts Recovery	359,261	18,280
	Opening Balance of Bad Debts	756,825	775,105
	Less: Closing Balance of Bad Debts (Note: 7.01)	(397,564)	(756,825)
	Total	145,320,355	110,256,337



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
24.00	Income Tax Expense: Tk. 11,264,517		
	The break-up is as below:		
	<u>Current Tax</u>		
	Net Profit before Tax	167,423,197	153,368,848
	Less: Income from Sales of Shares (Note: 23.00 -b+c)	137,831,973	108,545,919
	Less: Income from Cash Dividend (Note: 23.00 -d)	6,852,068	1,093,082
	Net Profit before Tax (without income from Sales of Share and Cash Dividend)	22,739,156	43,729,847
	Add: Accounting Depreciation	70,342,490	60,381,419
	Add: Provision for Gratuity	751,358	798,644
		93,833,005	104,909,911
	Less: Tax base Depreciation	77,763,461	77,781,105
	Taxable Income	16,069,543	27,128,806
	Tax Rate	22.50%	22.50%
		3,615,647	6,103,981
	10% Income Tax on Realise Gain of Sales of Shares (Tk. 47,568,472*10%)	4,756,847	10,854,592
	20% Income Tax on Cash Dividend Income (Tk. 6,852,068*20%)	1,370,414	218,616
		9,742,908	17,177,189
	<u>Deferred Tax</u>		
	Closing Deferred Tax Liabilities (Note: 13.00)	294,567,271	293,045,661
	Opening Deferred Tax Liabilities	293,045,661	289,324,596
	Deferred Tax (Income)/ Expenses	1,521,609	3,721,065
	Total	11,264,517	20,898,254
25.00	Net Asset Value (NAV) Per Share with Revaluation		
	Net Asset Value	5,434,075,986	5,299,880,767
	Number of Shares	32,945,188	21,963,459
	Net Asset Value Per Share	164.94	241.30
	Due to issue of right shares (2:1) the number of share has been increased as a result NAV has been decreased compare to the financial year 2021-2022.		
26.00	Earnings Per Share (EPS)		
	Surplus for the year attributable to Shareholders (Net Income)	156,158,680	132,470,594
	Number of Shares	32,945,188	32,945,188
	Earnings Per Share (Restated)	4.74	4.02
	Previous year's EPS has been adjusted in accordance with IAS 33: Earnings Per Share. During the Financial Year Our Sales and Others Income have been increased as a result EPS has also been increased compare to the Financial Year 2021-2022.		
27.00	Cash Flows Per Share from Operating Activities		
	Operating Cash Inflow during the Period	246,071,295	(3,281,628)
	Number of Shares	32,945,188	32,945,188
	Net Operating Cash Flow Per Share (Restated)	7.47	(0.10)
	During the financial year our sales & collection have been increased, for this reason during the year operating cash flows has also been increased in comparison with previous financial year.		



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
28.00	Reconciliation of Profit/(Loss) after Tax with Cash Flows from Operating Activities		
	Net Profit/(Loss) after Tax	Profit/Loss A/C 156,158,680	132,470,594
	Add: Depreciation	Annexure-"A" 70,342,490	60,381,419
	Add: Finance Cost	Note-22 109,727,888	75,878,530
	Add: Unrealised Loss on Investment in Shares	Note-21 (90,263,501)	105,808,481
	Less: Other Income	Profit/Loss A/C (54,697,593)	(216,046,538)
	(Increase)/Decrease in Advance, Deposits and Prepayment	Note-08 (53,388,452)	6,606,390
	(Increase)/Decrease in Trade and Other Receivable	Note-07 111,026,043	(22,891,142)
	(Increase)/Decrease in Inventory	Note-06 (21,906,142)	(144,328,857)
	Increase/(Decrease) in Trade and Other Payables	Note-15 24,765,302	(5,376,400)
	Increase/(Decrease) in Unclaimed Dividend	Note-16 382,834	-
	Increase/(Decrease) in Provision for Income Tax	Note-17 (7,597,868)	494,830
	Increase/(Decrease) in Deferred Tax for Temporary Difference	Note-13 1,521,609	3,721,065
	Total	246,071,295	(3,281,628)

29.00 Tax Assessment Status

Income tax return submitted by the company under income tax ordinance 1984. Income tax paid under section-74 basic of return.

Income year	Assessment Year	Provision	Tax Liabilities	Remarks
2018-2019	2019-2020	21,143,149	21,143,149	Completed
2019-2020	2020-2021	11,129,325	11,129,325	Completed
2020-2021	2021-2022	16,683,359	16,683,359	Completed
2021-2022	2022-2023	17,177,189	17,177,189	Completed
2022-2023	2023-2024	9,742,908	9,742,908	Will be Submitted

30.00 Salary Range: Salary range of the employees are given below

SI	Salary Range	2021-2022	2020-2021
I	5,000 - 15,000	03 Persons	7 Persons
II	15,001 - 25,000	18 Persons	22 Persons
III	25,001- 50,000	04 Persons	10 Persons
IV	50,001-200,000	13 Persons	16 Persons
V	2,00,001-250,000	3 Persons	2 Persons
	Total	41 persons	57 persons

31.00 Payment to Directors

Details in respect of payment to Directors are given below.

Name of Board of Directors	Designation	No. of Meeting	Meeting Attending Fees	Total Meeting Fees	Directors Remuneration	Total (Taka)
Mohammed Younus	Chairman	5	9,600	48,000	-	48,000
Mahfuza Younus	MD & CEO	5	9,600	48,000	600,000	648,000
Mohammed Javed Noman	Director	5	9,600	48,000	-	48,000
K. M. Ashaduzzaman	Independent Director	5	9,600	48,000	-	48,000
Khon. Md. Aminur Rahman	Independent Director	5	9,600	48,000	-	48,000
Total				240,000	600,000	840,000

- During the year total 5 board meetings were held, total meeting fee was Tk. 240,000 including VAT & Tax.
- During the Financial Year Mr. Mohammed Younus, Chairman of the Company did not receive any Remuneration, Mrs. Mahfuza Younus, Managing Director & CEO received (12 Month X 50,000) = Tk. 600,000 as Remuneration.
- No compensation was made to the Managing Director & CEO of the company except as stated above.
- No amount was spent by the company for compensating any member of the Board of Directors except as stated above.



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
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32.00 Production Capacity and Utilization:

Major Products	Unit	Production Capacity	Actual Production	Capacity Utilization %
Writing Paper & Board Paper (2022-2023)	MT	38,500	30,367	78.88
Writing Paper & Board Paper (2021-2022)	MT	38,500	35,528	85.03

33.00 Event after the Reporting Period

- The Board of Directors of the Company in its meeting held on 30 October 2023 approved the financial statements of the Company for the year ended 30 June 2023 and authorized the same for issue. The Board of Directors also recommended 40% cash dividend on the paid-up capital equivalent to Taka 131,780,752 for all shareholders of the company for the year ended 30 June 2023 subject to approval in the next Annual General Meeting has not been considered as a liability in the financial statements which is in compliance with the Bangladesh Accounting Standard (IAS) 10 Para 12.
- Foreign exchange loss includes loss arising from the translation of foreign currency liabilities, mainly comprised of UPAS loan liabilities. Under IAS 21, closing rate has to be used to convert foreign currency assets and liabilities. Consistent with past practice, the BC selling rate of Tk. 109/USD as on 30.6.2023 has been used as the closing rate. Subsequently, up to 30 September 2023, the average settlement rate with different banks was BDT 115/USD. Had this rate been used for the translation of the total liabilities the additional translation loss would have been Tk. 50.00 Lac.
- There is no other significant event that has occurred between the Financial Position date and the date when the Financial Statements were authorized for issue by the Board of Directors.

34.00 Claim Acknowledgement

There was no claim against the Company acknowledged as debt as on 30 June 2023.

35.00 Credit Facility

There was no credit facility available to the Company under any contract other than bank credit facility and trade credit available in the ordinary course of business.

36.00 Financial Risk Management

The management of company has overall for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk

Liquidity Risk

Market Risk

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that is controlled and monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Trade receivables are related to sale of Media, Liner, Simplex, Duplex Board and Quality Writing Papers. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. Risk exposures from other financial assets. i.e. Cash at bank and other receivables are nominal.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.



Note #	Particulars	Amount in Taka 2022-23	Amount in Taka 2021-22
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Market Risk


Market risk is the risk that any changes in market prices such as foreign exchange rates, interest rate and investment in freely traded share of stock exchange will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

a) Currency Risk

Currency risk is the risk that arises due to changes in currency exchange rate. The company procures major part of raw materials from local markets and sells finished products in domestic markets which are not affected by changes in currency exchange rates. The company only procures machineries and immaterial part of raw materials from abroad which are not significantly affected changes in currency exchange rate.

(b) Interest Rate Risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. Local loans are, however, not significantly affected by fluctuations in interest rate risk . The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

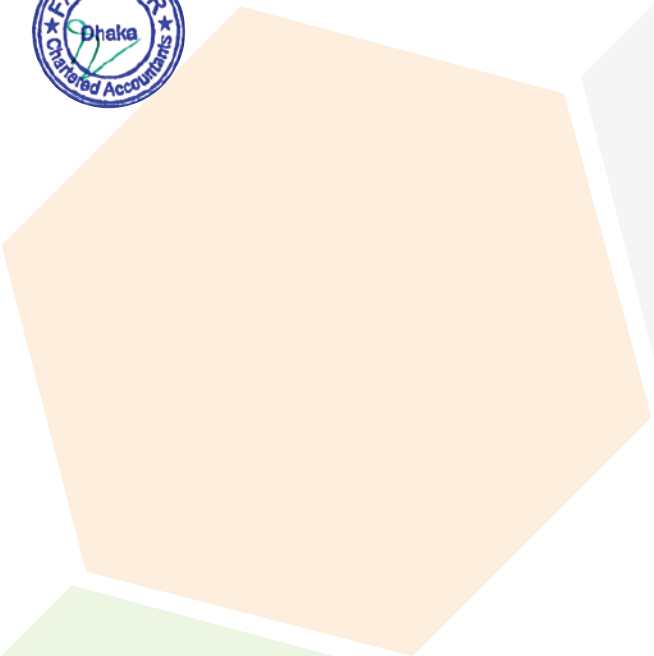

Chief Financial Officer


Company Secretary


Director


Director


Managing Director



Sonali Paper & Board Mills Limited
Schedule of Property, Plant & Equipments
For the year ended 30 June 2023

Annexure- "A"

SL No.	Name of Assets	Cost			Rate	Depreciation			Written Down Value as on 30 June, 2023	Written Down Value as on 30 June, 2022
		Balance as on 01 July, 2022	Addition During the Year	Adjustment During the Year		Balance as on 30 June, 2023	Charged During the Year	Adjustment During the Year		
1	Land & Land Development	5,175,047,500	23,750	-	5,175,071,250	0%	-	-	5,175,071,250	5,175,047,500
2	Building & Godown	97,304,411	3,163,729	-	100,468,140	5%	2,708,581	-	53,044,905	52,589,757
3	Labour Shed	2,348,952	-	-	2,348,952	5%	58,566	-	1,236,200	1,171,318
4	Plant, Machinery & Boiler	791,955,548	26,715,553	-	818,671,101	10%	39,373,819	-	450,948,956	380,380,411
5	Electric Equipments & Others	69,737,519	2,089,935	-	71,827,454	10%	3,035,875	-	43,459,608	29,313,787
6	Gene. & 5 MW Power Station	321,078,254	44,102,000	-	365,180,254	10%	21,673,009	-	129,696,344	213,054,919
7	Weighting & Road Scale	6,955,110	134,000	-	7,089,110	10%	260,880	-	4,674,186	2,541,805
8	Electric & Gas Installation	12,777,243	-	-	12,777,243	10%	325,180	-	9,850,624	3,251,799
9	Motor Vehicles	36,685,783	185,000	-	36,870,783	15%	1,806,101	-	26,543,711	11,948,173
10	Fax Machine	30,000	-	-	30,000	10%	618	-	24,441	6,177
11	PABX & Telephone Set	1,111,432	38,890	-	1,150,322	10%	42,555	-	767,327	386,660
12	Computer	8,504,539	402,815	-	8,907,354	10%	471,461	-	4,664,208	4,311,792
13	ETP	1,569,181	-	-	1,569,181	5%	36,349	-	878,542	726,988
14	Fire Fighting Equipments	1,859,953	103,000	-	1,962,953	5%	61,527	-	793,933	1,127,547
15	Crane, Trolley & Fork Lift	10,744,000	478,600	-	11,222,600	5%	389,905	-	3,575,114	7,558,791
16	Workshop & Loose Tools	483,799	-	-	483,799	5%	11,207	-	270,867	224,139
17	Furniture & Fixture	3,324,513	-	-	3,324,513	10%	86,858	-	2,542,793	868,577
	Balance as on 30 June 2023	6,541,517,737	77,437,272	-	6,618,955,009		70,342,490	-	727,350,089	5,891,604,920
	Balance as on 30 June 2022	6,360,836,619	180,681,118	-	6,541,517,737		60,381,419	-	657,007,599	5,884,510,138

Note: Land and land development represents only land.

Allocation of Depreciation:	Amount
Cost of Sales	67,116,464
Administrative Expenses	3,226,027
Total Depreciation	70,342,490



Sonali Paper & Board Mills Limited

Schedule of Property, Plant & Equipments

For the year ended 30 June 2022

Annexure- "A"

Sl No.	Name of Assets	Cost			Rate	Depreciation			Written Down Value as on 30 June, 2022	Written Down Value as on 30 June, 2021
		Balance as on 01 July 2021	Addition During the Year	Adjustment During the Year		Balance as on 30 June 2022	Charged During the Year	Adjustment During the Year		
1	Land & Land Development	5,175,047,500	-	-	0%	5,175,047,500	-	-	-	5,175,047,500
2	Building & Godown	91,987,280	5,317,131	-	5%	97,304,411	2,627,957	-	44,714,654	49,900,583
3	Labour Shed	2,323,952	25,000	-	5%	2,348,952	61,648	-	1,177,634	1,207,966
4	Plant, Machinery & Boiler	749,341,396	42,614,152	-	10%	791,955,548	39,897,037	-	411,575,137	377,663,296
5	Electric Equipments & Others	64,998,980	4,738,539	-	10%	69,737,519	2,993,835	-	40,423,732	27,569,083
6	Gene. & 5 MW Power Station	197,017,738	124,060,516	-	10%	321,078,254	11,036,975	-	108,023,335	100,031,378
7	Weighting & Road Scale	6,600,610	354,500	-	10%	6,955,110	262,728	-	4,413,305	2,450,034
8	Electric & Gas Installation	12,777,243	-	-	10%	12,777,243	361,311	-	9,525,444	3,613,110
9	Motor Vehicles	36,277,739	408,044	-	15%	36,685,783	2,072,497	-	24,737,610	13,612,626
10	Fax Machine	30,000	-	-	10%	30,000	686	-	23,823	6,863
11	PABX & Telephone Set	993,772	117,660	-	10%	1,111,432	42,962	-	724,772	311,962
12	Computer	7,950,929	553,610	-	10%	8,504,539	479,088	-	4,192,747	4,237,270
13	ETP	1,569,181	-	-	5%	1,569,181	38,263	-	842,193	765,251
14	Fire Fighting Equipments	1,611,953	248,000	-	5%	1,859,953	59,345	-	732,406	938,891
15	Crane, Trolley & Fork Lift	8,500,034	2,243,966	-	5%	10,744,000	338,779	-	3,185,209	5,653,604
16	Workshop & Loose Tools	483,799	-	-	5%	483,799	11,797	-	259,660	235,936
17	Furniture & Fixture	3,324,513	-	-	10%	3,324,513	96,509	-	2,455,936	965,086
	Balance as on 30 June 2022	6,360,836,619	180,681,118	-		6,541,517,737	60,381,419	-	657,007,599	5,764,210,439
	Balance as on 30 June 2021	6,349,945,469	43,847,831	(32,956,681)		6,360,836,619	58,342,409	(19,193,602)	596,626,180	5,764,210,439

Note: Land and land development represents only land.

Allocation of Depreciation:

Cost of Sales	56,917,116
Administrative Expenses	3,464,302
Total Depreciation	60,381,419



Sonali Paper & Board Mills Limited
Schedule of Inventories
As on 30 June 2023

Annexure -"B"

Particulars	30 June 2023			30 June 2022		
	Qty (Kg)	Rate	Taka	Qty (Kg)	Rate	Taka
Raw Materials:						
Waste Paper -Fuka Board-(Liner)	32,057	35.66	1,143,153	85,000	29.50	2,507,500
Waste Paper - KLT-(W. Liner)	228,784	88.32	20,206,203	213,375	47.50	10,135,313
Waste Paper- OCC- (Simplex)	2,160,168	35.15	75,929,905	2,016,780	35.00	70,587,300
Waste Paper- Different Grade- (Medium)	23,997	30.00	719,910	23,997	30.00	719,910
Pulp	757,385	127.72	96,733,212	1,220,197	85.00	103,716,745
Packing Materials	3,489	159.56	556,705	668	139.97	93,503
Aluminium Foil	4,788	1,287.81	6,166,034	16,248	561.00	9,115,128
Aluminium Foil Packed	27,376	467.48	12,797,732	3,560	620.00	2,207,200
CaCO3	79,650	30.00	2,389,500	114,795	16.00	1,836,720
Sizing	8,371	70.99	594,257	18,669	72.00	1,344,168
OBA	3,574	380.42	1,359,621	9,686	205.00	1,985,630
Oxidise Modifide Starch	30,350	157.71	4,786,499	25,255	112.00	2,828,560
Fixing	4,788	412.09	1,973,087	3,293	480.00	1,580,640
Retention (Imported)	1,619	1,010.53	1,636,048	1,945	925.00	1,799,125
De-Foaming	2,452	272.28	667,631	3,850	260.00	1,001,000
Paper Colour	1,074	900.00	966,600	4,177	410.00	1,712,570
Sodium Silicate	13,832	36.77	508,603	15,562	35.00	544,670
Total	3,383,753		229,134,700	3,777,057		213,715,681

Material-in-Process:

Paper of Different Grades	347,021	114.00	39,560,394	238,350	70.59	16,825,640
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Finished Goods:

Simplex Paper (Different Grade)	613,712	52.00	31,913,024	418,687	54.00	22,609,098
Liner Paper (Different Grade)	41,585	100.09	4,162,243	5,650	65.00	367,250
White Liner Paper (Different Grade)	-	-	-	97,000	75.00	7,275,000
White Writing Paper	34,971	154.99	5,420,155	19,300	110.00	2,123,000
White Printing Paper	53,601	160.00	8,576,160	408,260	112.00	45,725,120
White Printing Paper (A-4 Paper)	21,616	162.00	3,501,792	58,938	119.00	7,013,622
Aluminium Foil	587,220	5.02	2,947,844	-	-	-
Total	765,485		53,573,374	1,007,835		85,113,090

Spare Parts:

Particulars	Pcs	Rate	Taka	Pcs	Rate	Taka
a) Different Items	1,045	25,115	26,245,407	621	17,638	10,953,322
Total Taka			348,513,875	Total Taka		326,607,733



Sonali Paper & Board Mills Limited
Statement of Trade Receivables
As at 30 June 2023

Annexure -"C"

Sl. No	Name of the Party	Amount in Taka 30 June 2023	Amount in Taka 30 June 2022
1	A A Yearn Mills Ltd.	3,125,652	8,217,302
2	Asian Paper Converting Ind.	-	-
3	Badsha Textile Ltd.	3,812,795	7,603,075
4	Dada Bobins Ltd.	-	-
5	EJ Paper & Packaging Pvt. Ltd.	3,936,061	9,790,890
6	Faisal Spinning Mills Ltd	-	7,461,026
7	H. A. Sattar Printing & Packaging Ind.	3,387,758	9,605,688
8	Industrial Paper Products Enterprise	-	-
9	J. M. E Packaging	-	6,110,567
10	Kashpia Printing & Packaging Ind.	2,150,811	8,303,205
11	M. A. Motin Spinning	-	3,753,920
12	Modern Poly Industries	2,776,158	7,690,824
13	MSA Spinning	3,356,730	8,764,711
14	M/S. M.A.B Paper Products	-	-
15	MR Ali & Company	-	-
16	Platinum Print & Packaging Ltd.	2,854,802	8,526,330
17	Satata Printing & Packaging	-	-
18	Wintech Core Pipe Ind.	-	-
19	Bashundhara Printing Zone	3,779,125	10,535,264
20	Alam & Sons	3,162,555	10,505,210
21	Ananda Paper House	3,095,699	10,049,500
22	Fuluwang ltd	-	7,572,456
23	MJ Paper	-	10,509,843
24	M/S Akanda Traders	3,042,019	8,325,992
25	Rashedul Enterprise	-	-
26	Neamot Enterprise	4,896,542	10,591,824
27	Raju Enterprise	3,240,981	-
28	Saddam Paper	3,461,997	9,710,324
29	Sristi Printer	-	-
30	M/S. Stationery	1,575,016	4,116,128
31	Ananda Paper (A-4)	1,464,593	-
32	Chowdhuary & Brothers (A-4)	2,392,237	-
33	Dhaka Trade Center(A-4)	1,649,563	3,755,792
34	Akanda Traders (A-4)	1,432,315	-
35	Neamot Enterprise (A-4)	2,130,219	-
36	New Madani Paper House	2,300,525	4,517,511
37	Sonar Bangla Paper House	1,607,925	-
Total Trade Receivables		64,632,078	176,017,382
Less: Provision for Bad Debts		397,564	756,825
Net Trade Receivables		64,234,514	175,260,557



Sonali Paper & Board Mills Limited
Statement of Trade and Other Payables
As at 30 June 2023

Annexure -"D"

SI. No	Name of the Party	Amount in Taka 30 June 2023	Amount in Taka 30 June 2022
1	M/S. Babul Enterprise	-	175,210
2	Russel Garments	2,030,032	
Total Taka		2,030,032	175,210



Sonali Paper & Board Mills Limited
Statement of Investment in Shares
As at 30 June 2023

Annexure -"E"

SL. No.	Name of Securities Company	Purchase Value of Shares as on 30 June 2023 Taka	Market Value of Shares as on 30 June 2023 Taka	Realised Gain for the FY 2022-23 Taka	Loan Balance as on 30 June 2023	Interest, Fees & Charges during the FY 2022-23	Dividend Receivables
1	SBL Capital Mangt. Ltd.	147,230,477	126,451,988	(32,389,555)	74,709,222	10,541,047	166,630
2	EBL Securities Ltd.	291,163,416	295,003,878	79,958,027	100,210,413	14,302,257	854,500
3	ABACI Investment Ltd.	27,142,668	27,048,000	-	-	-	-
FY 2022-2023 Total Taka		465,536,561	448,503,866	47,568,472	174,919,635	24,843,304	1,021,130

FY 2021-2022 Total Taka	367,216,725	259,920,530	214,354,400	116,633,101	22,869,059	895
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Investment in Shares: Tk. 421,455,866.00

The break-up is as below:

Sl. No.	Shares in Public Limited Company (Listed Company)	2022-2023				Balance as on 30 June 2022
		Number of Shares	Purchase Value as on 30 June 2023 Taka	Market Value as on 30 June 2023 Taka	Un-Realized Gain/(Loss) as on 30 June 2023 Taka	

(a) Portfolio of SBL Capital Management Limited

Opening Balance						(55,587,658)	4,683,045
1	Asia Insurance Ltd.	-	-	-	-	-	(40,426)
2	Fortune Shoes Ltd.	182,252	16,428,603	13,796,514	(2,632,089)	(55,547,185)	
3	Genexil	1	109	69	(40)	(48)	
4	IPDC	1,955,823	130,801,765	112,655,405	(18,146,360)	-	
Closing Balance		2,138,076	147,230,477	126,451,988	(20,778,489)	(55,587,658)	
Un-Realise Gain/(Loss) during the year						34,809,169	(60,270,703)

(b) Portfolio of EBL Securities Limited

Opening Balance						(51,708,537)	(6,170,759)
1	Fortune Shoes Ltd.	940,090	71,391,163	71,164,813	(226,350)	(20,373,366)	
2	Genexil	-	-	-	-	(31,335,171)	
3	BDCOM	20,123	966,160	786,809	(179,351)	-	
4	IPDC	3,872,435	218,806,092	223,052,256	4,246,164	-	
Closing Balance		4,832,648	291,163,415	295,003,878	3,840,463	(51,708,537)	
Un-Realise Gain/(Loss) during the year						55,549,000	(45,537,778)

(c) ABACI Investment Limited

Opening Balance						-	-
	Excelsior Shoes Limited	235,200	27,142,668	27,048,000	(94,668)	-	
Closing Balance		-	-	-	-	-	
Un-Realise Gain/(Loss) during the year						(94,668)	-

Grand Total	6,970,724	438,393,892	421,455,866	90,263,501	(105,808,481)
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Total Cash Deposit to ABACI Investment Limited Taka

27,500,000

Purchase Value of Share

27,142,668

Cash at Portfolio account

357,332



Notice of the 46th Annual General Meeting (AGM) (Virtual Meeting Through Digital Platform)

Notice is hereby given that the 46th Annual General Meeting (AGM) of Sonali Paper & Board Mills Limited will be held on Wednesday, December 20, 2023 at 11:00 a.m. at virtually by using digital platform through the link <https://sonalipapr46.digitalagmbd.net> to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June, 2023 together with the Report of the Directors' and the Auditors' thereon.
2. To approve the dividend for the year ended 30 June, 2023 as recommended by the Board of Directors.
3. To elect/re-elect/resign Directors as per terms of the relevant provision of Articles of Association.
4. To appoint Statutory Auditors and to fix their remuneration.
5. To appoint Auditors/Professionals for Compliance of Corporate Governance Code.

By order of the Board
Sd/-



(Md. Rashedul Hossain)
Company Secretary

Dated: November 29, 2023

Notes:

- i. Shareholder's name appear in the Member/Depository Register of the company as on Record Date i.e. November 16, 2023 will be eligible to attend the 46th Virtual Annual General Meeting (AGM) and receive dividend.
- ii. We encourage the Members to login to the system prior to 11:00 a.m. (Dhaka time) on December 20, 2023. Please allow ample time to login and establish your connectivity. The webcast will start at 11:00 a.m. (Dhaka Time). Please connect on the appropriate time i.e. 5 minutes before commencement of the Meeting for avoiding any technical difficulties in accessing the Virtual Meeting.
- iii. Shareholders are eligible to attend the Annual General Meeting (AGM) is entitled to appoint a Proxy to attend and vote on his/her behalf (through digital platform). The "Proxy Form" must be affixed with requisite Revenue Stamp and deposited it at the Registered Office of the Company not later than 48 hours before the time fixed for the meeting;
- iv. Depository participants/ Stock Brokers are requested to send the list of margin account holders based on record date i.e. November 16, 2023, if any within December 24, 2023 to the company through hard copy or e-mail spshare@younusgroup.com, otherwise, the dividend will be paid to the shareholders whose names appeared in the Member/Depository Register on the "Record Date".
- v. As per condition no. 9(1) & (2) of the BSEC/CMRRCD/2006-158/208/Admin/81, dated 20 June 2018, the soft copy of the Annual Report for 2022-2023 of the Company will be sent to the Shareholders respective e-mail address. However, in case of non-receipt of Annual Report 2022-23 of the Company, Shareholders may collect the same from the Company's website at: www.spbmlbd.com
- vi. The Annual Report can be availed in the Company's website at www.spbmlbd.com



গুনগত মানসম্পন্ন মিডিয়া, লাইনার, সিমপেক্স ও ডুপেক্স বোর্ড
এবং লিখন ও মুদ্রন কাগজের উৎপাদন ও বাজারজাতকারী।

খাদ্য জীবানুমুক্ত, স্বাস্থ্যসম্মত ও
নিরাপদ রাখতে ব্যবহার করুন
সোনালী ফয়েল ফুড কন্টেইনার



সোনালী পেপার এন্ড বোর্ড মিলস্ লিমিটেড



দেশের উন্নয়নে আমরা অংশীদার

কর্পোরেট অফিস :

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