

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।”

“Investment in capital market involves a certain degree of risks. The investors are required to read the Rights Share Offer Document (ROD) and risk factors carefully, assess their own financial conditions and risk taking ability before making their investment decisions.”

“পুঁজিবাজারে বিনিয়োগ ঝুঁকিপূর্ণ। বিনিয়োগকারীগণ রাইটস শেয়ার অফার ডকুমেন্ট (আরওডি) পড়ে এবং ঝুঁকির বিষয়গুলি সতর্কতার সাথে অনুধাবন করে নিজ নিজ আর্থিক অবস্থা ও ঝুঁকিগ্রহণ করার সক্ষমতা বিবেচনা করে বিনিয়োগ সিদ্ধান্ত গ্রহণ করবেন।”



Factory Address: Jatramura, Tarabo, Rupganj, Narayanganj
Head Office: 51, Central Road, Dhanmondi, Dhaka-1205
Phone: 58610056-59, 9677781,
Email: spshare@younusgroup.com

RIGHTS SHARE OFFER DOCUMENT OF

**SONALI PAPER & BOARD MILLS
LIMITED**

DATE: 20 APRIL 2022

Rights Offer of 10,981,729 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 10.00, totaling Tk. 109,817,290.00 offered on the basis of 01 (One) [R] : 02 (Two) i.e., 01 (One) rights share against 02 (Two) existing shares held on the record date for entitlement of rights share.

Record Date	:	May 23, 2022
SUBSCRIPTION		
Opens on	:	June 07, 2022
Closes on	:	June 28, 2022
(Within Banking hours)		

ISSUE MANAGER



Bulu's Centre, (17th Floor) Plot-CWS-(A)-1,
Road No-34, Gulshan Avenue, Dhaka-1212

UNDERWRITER/S



**BENGAL
INVESTMENTS**

Bilquis Tower (9th Floor), Plot: 06, Road: 46, Gulshan
Circle-2, Dhaka-1212



A New Generation Merchant Bank

Tower Hamlet (9th Floor), 16, Kemal Ataturk Avenue,
Banani C/A, Dhaka-1213

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

Hafiza Yousuf
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

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24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

List of Acronyms

Allotment	Allotment of Share
BSEC	Bangladesh Securities and Exchange Commission
BO A/C	Beneficial Owner Account or Depository Account
CDBL	Central Depository Bangladesh Ltd.
Commission	Bangladesh Securities and Exchange Commission
Companies Act	Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	Chittagong Stock Exchange Limited
DSE	Dhaka Stock Exchange Limited
EPS	Earnings Per Share
Issue	Rights Issue
Issue Manager	UCB Investment Limited
Issuer Company	Sonali Paper & Board Mills Limited
NAV	Net Assets Value
Offering Price	Price of the Securities of Sonali Paper & Board Mills Limited
Registered Office	Head Office of the Company
RI	Rights Issue
Rights Issue Rule	Securities and Exchange Commission (Rights Issue) Rules, 2006
ROD	Rights Offer Document
RJSC	Registrar of Joint Stock Companies & Firms
Securities	Shares of Sonali Paper & Board Mills Limited
Securities Market	The Share Market of Bangladesh
SPBML	Sonali Paper & Board Mills Limited
Sponsor	The Sponsor Shareholder of Sonali Paper & Board Mills Limited
Stockholder	Shareholder
The Company	Sonali Paper & Board Mills Limited


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24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

24 APR 2022

SECTION 1

LETTER TO THE SHAREHOLDERS**Sonali Paper & Board Mills Limited**

51, Central Road, Dhanmondi, Dhaka-1205

Telephone: 58610056-59, 9677781, Fax: +88-02-58613965

E-mail: spshare@younusgroup.com; Website: www.spbmlbd.com

RIGHTS ISSUE OF SHARES

Date: 23 April 2022

Dear Shareholder(s)

We are pleased to inform you that, the honorable shareholders of the Company in the 2nd Extra-Ordinary General Meeting held on November 11, 2021, approved rights issuance of 10,981,729 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 109,817,290.00 at 1 (One) [R]: 2 (Two) ratio i.e. 1 (One) Rights share for 2 (Two) existing share held on the record date for entitlement.

The demand for products Sonali Paper & Board Mills Limited is increasing day by day and it needs to further strengthen the operation through capital machinery import. The proceeds received from Rights Issue of Sonali Paper & Board Mills Limited will be invested to procure a portion of capital machinery of the Company for growth of overall business operation.

Having satisfactory operation, total comprehensive income of the Company is Tk. 89,465,514.00 for the period ended on June 30, 2021. The success couldn't have been possible with the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared in the light of the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

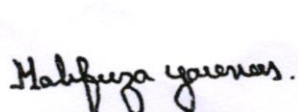
Sd/-

Mahfuza Younus

Managing Director & CEO


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022



Mahfuza Younus
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

SECTION 2


CORPORATE DIRECTORY OF THE ISSUER

Registered Name	Sonali Paper & Board Mills Limited
Nature of Business	Sonali Paper & Board Mills Limited (SPBML) started its business for the manufacturing and marketing of Media, Liner, Simplex, Duplex paper board, and quality writing Papers.
Date of Incorporation	September 6, 1977
Legal Status	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.
Date of Listing	The company got 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.
Authorized Capital	Tk. 500,000,000/-
Paid up Capital	Tk. 219,634,590/-
Net Asset Value per Share	Tk. 235.27/-
Earnings per Share	Tk. 4.07/-
Number of Directors in the Board	05 Directors including 02 Independent Directors
Office Address	51, Central Road, Dhanmondi, Dhaka-1205
Factory Address	Jatramura, Tarabo, Rupgonj, Narayanganj.
Statutory Auditor	MABS & J Partners Chartered Accountants SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka 1213, Bangladesh
Rating Agency	Credit Rating Agency of Bangladesh Ltd. (CRAB) D H Tower, Level-15, 6 Panthapath, Dhaka 1215
Corporate Governance Auditors	Rahman Zasim & Co. Cost & Management Accountants House # 9, Road # 2, Sector # 7, Uttara, Dhaka-1230
Manager to the Rights Issue	UCB Investment Limited Bulu's Centre, (17th Floor) Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212
Banker to the Proposed Rights Issue	United Commercial Bank Limited Bulu's Centre, Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212


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Sonali Paper & Board Mills Ltd.
24 APR 2022


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24 APR 2022


Hafiza Yasmin
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SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 3

DESCRIPTION OF THE ISSUER

The Company

Sonali Paper & Board Mills Limited (SPBML) is a one of the major concerns of Younus Group of Industries. The Company was incorporated in Bangladesh in 1977 under companies Act, 1913 & 1994 as a public limited company. The present owner took over all the shares of the company in 2006. Before that the company was out of operation for a long time. After taking over the charge the management brought the company into operation on March 11, 2007, by injecting new fund and efforts. Its principal activities are manufacturing of Media, Liner, Simplex, Duplex paper Board and Quality (newsprint & white news) Papers.

The industrial units are situated at Jatramura, Tarabo, Rupgonj, Narayanganj.

History of Non-Operation:

Due to continuous loss the previous management was failed to provide financial statements and to hold AGM (Annual General Meeting) for the consecutive years from 1998 to 2006. Subsequently, the management of the Company was bound to close its production. They could not run the Company well due to insufficient business policy. Besides they did not comply with the provisions of the Bangladesh Securities & Exchange Commission (BSEC), Listing Regulations of the Dhaka & Chittagong Stock Exchanges, and other necessary obligations of various regulatory authorities. On those periods the Company did not hold AGMs, declare dividend, make proper books of accounts and so on. Under these circumstances, they intended to sell the entire share of the Company to Mr. Mohammed Younus and his family. Mr. Younus finally took over the Company through buying the entire shareholding in the year 2005 and successfully started commercial operation in the year 2007 with necessary renovation.

Nature of Business

Sonali Paper & Board Mills Limited (SPBML) was established as a private limited company in September 1977 under the Company Act 1913. It was then converted to a public limited company in 1985. The company started its business for manufacturing of paper board, box board, duplex board, triplex board, cardboard, coated board, packing board, file board, corrugated board etc.

Mission

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

Vision

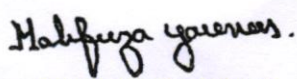
To be the market leader and an enduring force in the paper, board and packaging industry, positively influencing & providing value to stakeholders, society and our nation.

Type of Service

Manufacturing various grade of paper & marketing them to the local buyers.


Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.
24 APR 2022


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24 APR 2022


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Ethical Code of Conduct

Performance with integrity is central to operating at SPBML. The Company is committed to protecting the environmental issues.

Industry outlook and possible future development

The outbreak of the Covid-19 pandemic created highly uncertain circumstances for paper making business in Bangladesh. The people in Bangladesh, like elsewhere are in an unprecedented situation where the economy is struggling to recover from the effect of the Covid-19. From producers to importers, wholesalers to retailers, everyone in the paper industry takes a hit as schools and offices remain closed or have gone virtually to cope with the pandemic. We, the SPBML, have always tried to maintain the best quality in our manufacturing activities over the last few years. We are committed to providing the best possible product at the most reasonable price available in the market. We hope that in the coming years our sustainable growth will be improved.

Quality Policy

We, at SPBML, have always tried to maintain the best quality in our manufacturing activities over the last few years. We are committed to providing the best possible product at the most reasonable price available in the market.

Human Resources

The total strength of SPBML employees stood 440 at the end of the year. SPBML believes that a strong, skilled, and dedicated workforce is the key ingredient to success. SPBML has also implemented the Workers' Profit Participation Fund for its employees. The company provides 5% of profit before charging such expense to employees as Workers' Profit Participation Fund (WPPF) in accordance with the Bangladesh Labour Act 2006 (amended in 2013).

Health and Safety

SPBML is committed to providing a healthy and risk-free environment for its employees. We have made it compulsory that various tools like a fire extinguisher, oxygen cylinder, mask, first-aid box, etc. should be available for the topmost security of its employees and workers.

Compliance with Laws and Regulations

The Company was not involved in any activities contravening the laws and regulations of the Country. The Company ensures compliance with the provisions of all concerned regulatory authorities.

Corporate Social Responsibility

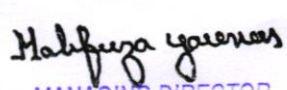
The Company continues to contribute to the welfare of the local communities through its CSR projects.

Subsidiaries of Sonali Paper and Board Mills Limited.

SPBML doesn't have any subsidiaries.


Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.
24 APR 2022


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24 APR 2022


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24 APR 2022


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Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 4

Rule 8 (a) & (b)

PARTICULARS OF THE RIGHTS OFFER

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(a)	Date of the rights share offer document
(b)	Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share

(a) Date of the rights share offer document

The Rights Offer of Sonali Paper & Board Mills Limited amounting Tk. 109,817,290/- was approved by the Bangladesh Securities & Exchange Commission on **20 APRIL 2022**. The date of this rights share offer document is **20 APRIL 2022**.

(b) Amount of rights shares, divided into number of shares, par value and issue price of each share, and number of right share offered for each existing share

Amount of rights shares	:	Tk. 109,817,290/-
Number of shares	:	10,981,729 nos
Par value	:	Tk. 10/-
Issue price of each share	:	Tk. 10/-
Number of right share offered for each existing share	:	1 (One) Rights Share for 2 (Two) existing Shares


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 Sonali Paper & Board Mills Ltd.
 24 APR 2022


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 24 APR 2022


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 UCB Investment Limited
 24 APR 2022

SECTION 5

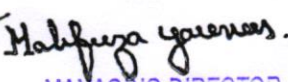
Rule 8 (c)

HIGHLIGHT OF THE RIGHTS OFFER, RISK FACTORS, AND MANAGEMENT PLANS FOR REDUCTION OF SUCH RISKS

SECTION CONTENTS	
(a)	Highlight of the rights offer
(b)	Risk factors, and management plans for reduction of such risks


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 Sonali Paper & Board Mills Ltd.
 24 APR 2022


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(a) **Highlight of the rights offer**

The Rights Issue

The Board of Directors of Sonali Paper and Board Mills Limited in its 69th meeting held on 16 September 2021, recommended Rights Offer of 10,981,729 Ordinary Shares of Tk.10.00 each at an issue price of Tk.10.00, totaling Tk. 109,817,290/- offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date. The recommendation of the Board was approved in the 2nd Extra Ordinary General Meeting (EGM) held on 11 November 2021. The purpose of issuance of Rights Shares is to procure a portion of capital machinery of the Company for growth of overall business operation. It is hereby stated that after the completion of the rights issue (post-dividend June 2021 paid-up capital), the paid-up capital of the company will stand at Tk. 329,451,880.

Issue Price

The Issue Price per share has been fixed in the 2nd Extra Ordinary General Meeting of the Company held on 11 November 2021 at Tk.10.00, totaling Tk. 109,817,290/- offered on the basis of 01 (One) [R]: 02 (Two) i.e., 01 (One) Rights Share against 02 (Two) existing shares held on the record date subject to approval of the Bangladesh Securities and Exchange Commission.

(b) **Risk factors, and management plans for reduction of such risks**

Any business will have to incorporate the integral component of risk and concerns associated with it. Risk management is the prioritized process of analyzing exposure to risk and probability of risks occurring as well as determining how best to handle such exposures. This involves identifying and characterizing the risks involved, assessing the threat from each, assessing migratory precautions and ways for cost-effectiveness, and devising a comprehensive risk management strategy to reduce those risks. We have a separate Legal department and an Internal Control and Compliance department to identify different business risks. In the case of complexities, we consult outside expert/ legal adviser.

Industry Risk

- i) **Market demand:** The company's sales and revenues are depended on the aggregate demand for its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline in the market demand of the Company products.

Management plan for mitigation:

The world's top-class raw materials, best quality, attractive price, strong brand loyalty of the company's products to its customers has enabled the Company to capture significant market share in the sector. The Company is continuously penetrating the market and upgrading the quality of the products to minimize market risks.

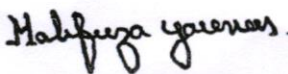
- ii) **Raw materials and energy costs:** Instability in raw materials and energy costs may hamper the profitability of The Company significantly. A recent government decision regarding the escalation of electricity prices will put huge pressure on the product cost of the local business.

Management plan for mitigation:

Our management believes that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. For power and electricity, SPBML has own power generator for uninterrupted production. The electricity cost is the same for all other competitors so it will be adjusted with price accordingly.


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Credit Risk

Credit risk is the risk of potential financial loss due to the non-performance of a financial contract or financial aspects or non-performance in any contract arising from the Company's accounts receivables from customers and other receivables.

Management plan for mitigation:

Company's credit policy is in place and the exposure to credit risk is monitored by taking into consideration of all aspects of such risk. NPIL has credit evaluation policy and standard business cycle processes, and a large portion of its goods are delivered on COD basis. Therefore, credit risk is minimal and well managed.

Liquidity Risk

Liquidity risk is a firm's possible inability to meet its short-term debt obligations, thereby incurring exceptionally large losses.

Management plan for mitigation:

The Management of the company ensures that it has sufficient cash and cash equivalents to meet the expected operational expenses, including financial obligations through preparation of the cash flow forecast based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity to make the expected payment within due date. Moreover, the Company seeks to maintain short term credit lines with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment.

Interest rate risk:

Interest rate risk is associated with the fluctuations in market interest rates which cause a company's cost of debt to increase. Changes in the Government's monetary policy also tend to increase interest rates. The high rate of interest may adversely affect the operating results and financial performance of the Company with additional financial charges and squeezes the profit of the company.

Management plan for mitigation:

The management of the Company is always aware of the interest rates at which the debts of The Company are being financed. Management finances both long-term & short-term funds at competitive rates. The Company has been repaying borrowed funds on a continuous basis to reduce such interest rate risk.

Exchange rate risk:

Most of the raw materials used by SPBML are imported from abroad against payment of foreign currency. Unfavorable volatility or fluctuations of foreign currency to the BDT exchange rate may have an impact on the cost structure and profitability of the company.

Management plan for mitigation:

The risk of foreign exchange cannot be eliminated fully as we require importing raw materials. However, the management is always alert in minimizing the negative impact of currency fluctuation cost by looking for new sources of raw materials and constantly negotiating with suppliers in reducing the price. It always takes steps to hedge all major currency dealings to safeguard the interest of the company.


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Market and technology-related risks:

Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may hamper the success of the business. Technological development may make the old machinery obsolete which may hamper the profitability of The Company's overall business.

Management plan for mitigation:

Own research for market and new products to retain the existing market and to attract new customers. It has a plan for required BMRE/ expansion regularly if required. It will continuously upgrade its machines and technology as required and any new one comes. So, the risk of the market and obsolescence of technology is minimum for the Company.

Potential or existing Government regulations:

The Company operates under the Companies Act, Taxation policy adopted by NBR, Bangladesh Securities and Exchange Commission (BSEC)'s Rules and Rules adopted by other regulatory bodies. Any abrupt changes in the policies formed by those bodies will impact the business of The Company adversely.

Management plan for mitigation:

The economy of Bangladesh has been developing over the decades because of business-friendly Rules and Regulations adopted by the various regulatory bodies of the country. Unless any adverse policies are taken, which may materially affect the industry, the business of The Company will not be affected. The government emphasizes the growth of the local industry to meet the local need. Yet the promoters and the sponsors have endeavored to convince the policymakers for adopting favorable terms and conditions, which will eventually help the industry to compete with the low-cost locations in the global arena and to save foreign currency.

Potential or existing changes in global or national policies:

Changes in the existing global or national policies can have either positive or negative impacts on the company. Any scarcity or price hike or global or national policy change may hamper the profitability.

Management plan for mitigation:

Political turmoil and the disturbance are bad for the economy and so for the company. The Company can prosper in the situation of political stability and a congenial business environment. The management of SPBML is always concerned about the prevailing and upcoming future changes in the global or national policy and shall response appropriately and timely to safeguard its interest.

Operational Risk:

Operational Risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies, Employee errors, Systems failures, Fraud or other criminal activity. Any event that disrupts business processes.

Management plan for mitigation:

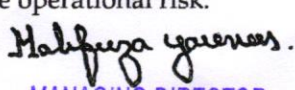
To reduce the operational risk, the management of SPBML has been monitoring a few sections regularly. Apart from those, routine checks and proper maintenance of the equipment also reduce and eliminate the operational risk.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.


24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Halifuga Yousuf
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022


SECTION 6
Rule 8 (d)

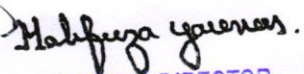
DATE AND TIME OF OPENING AND CLOSING OF SUBSCRIPTION

The date and time of opening and closing of subscription of this rights offer are disclosed below:

Record Date	:	May 23, 2022
SUBSCRIPTION		
Opens on	:	June 07, 2022
Closes on	:	June 28, 2022
(Within Banking hours)		


Md. Rashedul Hossain
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 24 APR 2022


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 24 APR 2022


Mahfuza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

SECTION 7

Rule 8 (e)

PURPOSES OF RAISING FUND THROUGH RIGHTS SHARE, SPECIFYING CLEARLY THE HEADS AND AMOUNT OF THE FUND UTILISATION AND IDENTIFYING VARIOUS PROPOSED PROJECTS WITH HEADS AND AMOUNT OF EXPENDITURE FOR EACH PROJECTS, AND ALSO HIGHLIGHTS OF SUCH PROJECTS

PURPOSE OF RIGHTS ISSUE AND IMPLEMENTATION SCHEDULE

The demand for products Sonali Paper & Board Mills Limited is increasing day by day and it needs to further strengthen the operation through capital machinery import. The proceeds received from Rights Issue of Sonali Paper & Board Mills Limited will be invested to procure a portion of capital machinery of the Company for growth of overall business operation. The Company shall issue 10,981,729 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 109,817,290.00 as rights offer at 1 (One) [R]: 2 (Two) ratio i.e. 1(One) Rights share for 2(Two) existing share held on the record date for entitlement.

The estimated utilization plan of the fund to be raised through the said Rights Issue is stated below:

Particulars	Amount in USD	Amount in Taka	Implementation Period
Capital Machinery:			
Brand new Caterpillar Gas Generator Sets with Complete Standard Accessories	1,350,000/-	109,817,290/-	Three to six months
Total	1,350,000/-	109,817,290/-	
Note: Any excess of fund due to exchange rate shall be covered from internal source of financing.			

Sd/-
Mahfuza Younus
Managing Director

Sd/-
Mohammad Ziaul Haque
Chief Financial Officer

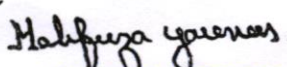
Sd/-
Md. Rashedul Hossain
Company Secretary

Place: Dhaka

Dated: 11 November 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 8**Rule 8 (f)**

NAME OF THE PRODUCTS MANUFACTURED OR TO BE MANUFACTURED OR SERVICES RENDERED OR TO BE RENDERED BY THE ISSUER TOGETHER WITH CAPACITY OR PROPOSED CAPACITY OF THE EXISTING AND PROPOSED PROJECTS VIS-A-VIS CAPACITY UTILISED BY THE EXISTING PROJECT DURING THE LAST THREE YEARS OR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION



Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022



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Chief Financial Officer
Sonali Paper & Board Mills Ltd.

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MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



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24 APR 2022

Nature of Business

Sonali Paper & Board Mills Limited (SPBML) started its business for the manufacturing and marketing of Media, Liner, Simplex, Duplex paper board, and quality writing Papers.

Principal Product & Services rendered by the Company and the markets for such products or services:

SPBML manufacturing and marketing of media, liner, simplex, duplex paper board, and quality writing papers. The market for those products is the local market.

Name of any Associate/Subsidiary/Related holding company and their core area of business:

Sonali Paper & Board Mills Limited doesn't have any associates, subsidiary or holding company

Distribution of Products/Services:

Distribution involves the physical distribution of the company's products to the sub-distributor or directly to the customer base. Typically, this is a combined transport and warehousing operation, responsible for storing and delivering products to meet the customer's needs. Again, this combined activity will often be placed with a 3rd party service provider who will control and implement the processes.

The Company supplies its products from its own factory premises to its customers at the risk of customers against delivery order.

Competitive conditions in the business:

There is a huge demand-supply gap for the product of the company in the Bangladeshi market.

The Company earned a good name & fame in the local market of the country for its quality products. The following are the major paper producers in Bangladesh:

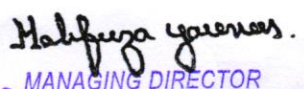
- Bashundhara Paper Mills Ltd.
- Asia Paper and Board Mills Ltd.
- Hakkani Pulp & Paper Mills Ltd.
- Pioneer Paper & Board Mills Ltd.
- Karnaphuli Paper Mills, Chittagong
- Magura Paper Mills Ltd.
- Khulna Printing & Packing Limited
- T. K. Paper Products Ltd.
- Maq Paper Industries, Narayanganj, Bangladesh


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24 APR 2022


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24 APR 2022

Sources and availability of Raw materials and the names of the Principal Suppliers:

The major raw materials of SPBML are imported from overseas, mainly from Singapore, UAE, Indonesia & Hong Kong. Suppliers are evaluated periodically on supply reliability, quality and prices with new suppliers being added after they meet the required quality and reliability benchmarks through supplier appraisals and track record.

The names of Principal suppliers are mentioned below:

Sl	Supplier Name	Items	Address
1	April International Enterprise Pte Ltd	Pulp	80 Raffles Place, # 50-01 UOB Plaza 1, Singapore
2	Zenath Paper Traders	Pulp	Dubai, UAE
3	Ekman Pulp and Paper Limited	Wastepaper	30 Harbour Road, Wanchai, Hong Kong

Production capacity and current utilization:

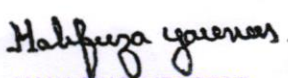
The production capacity and capacity utilization as on June 30, 2021, is as follows:

Major Products	Unit	Production Capacity	Actual Production	Capacity Utilization %
Writing Paper & Board Paper (2020-2021)	MT	38,500	32,738	85.03
Writing Paper & Board Paper (2019-2020)	MT	38,500	29,695	77.13
Writing Paper & Board Paper (2018-2019)	MT	38,500	35,003	90.92

Note: The capacity utilization declined in 2019-2020 due to world-wide COVID-19 pandemic.


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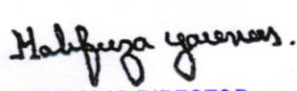
SECTION 9
Rule 8 (g)

JUSTIFICATION FOR THE ISSUE PRICE OF RIGHTS SHARES

SECTION CONTENTS	
(i)	Net asset value per share
(ii)	Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years
(iii)	Average market price per share for the last six months immediately prior to the offer for rights issue


Md. Rashedul Hossain
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 24 APR 2022


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 24 APR 2022

The issue price of rights share is not higher than the par value and the rights issue price at Tk. 10.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Taka)
Method (i)	Net Asset Value per Share (with Revaluation)	235.27
	Net Asset Value per Share (without Revaluation)	10.93
Method (ii)	Historical Earning Based Value Per Share (Market P/E)	41.89
	Historical Earning Based Value Per Share (Sector P/E)	134.68
Method (iii)	Average Market Price per Share for the last six months	652.97

(i) Net asset value per share

(a) Net Asset Value with Reserves

As per Audited Financial Statement for the year ended 30 June, 2021

Particulars	Note	Amount (BDT)
Paid-up Capital (BDT 183,028,830/- Plus 20% Stock Dividend BDT 36,605,760/-)	A	219,634,590
Add: Retained Earnings (BDT 93,540,251/- Less 40% Dividend BDT 73,211,520/-)	B	20,328,731
Add: Reserves- Revaluation Reserve	C	4,927,446,858
Total Equity	A+B+C=D	5,167,410,179
Number of Shares Outstanding	E	21,963,459
Net Asset Value (NAV) per share with revaluation	D/E	235.27


Note: After considering 20% Stock Dividend & 20% Cash Dividend on June 30, 2021

(b) Net Asset Value without Reserves

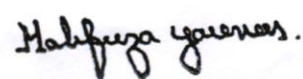
As per Audited Financial Statement for the year ended 30 June, 2021

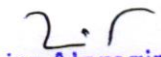
Particulars		Amount (BDT)
Paid-up Capital (BDT 183,028,830/- Plus 20% Stock Dividend BDT 36,605,760/-)	A	219,634,590
Add: Retained Earnings (BDT 93,540,251/- Less 40% Dividend BDT 73,211,520/-)	B	20,328,731
Total Equity	A+B=C	239,963,321
Number of Shares Outstanding	D	21,963,459
Net Asset Value (NAV) per share without revaluation	C/D	10.93

Note: After considering 20% Stock Dividend & 20% Cash Dividend on June 30, 2021


Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.
24 APR 2022


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MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(ii) Earning-based-value per share calculated on the basis of weighted average of net profit after tax for immediately preceding five years


Historical Earning-based Valuation using Market P/E Multiple					
Sl	Year	No. of Shares	Net Profit after Tax (BDT)	Weight on Total Number of Shares	Weighted Average Net Profit after Tax (BDT)
A	30 Jun, 2021	21,963,459	89,465,513	0.26	23,397,680
B	30 Jun, 2020	16,638,985	26,732,381	0.20	5,296,401
C	30 Jun, 2019	15,126,350	63,429,448	0.18	11,424,613
D	30 Jun, 2018	15,126,350	30,786,788	0.18	5,545,171
E	30 Jun, 2017	15,126,350	28,566,254	0.18	5,145,219
F	Total	83,981,494	238,980,384	1.00	50,809,083
G	Number of Shares before IPO				21,963,459
H	Weighted Average Earning Per Share				F/G 2.31
I	Market P/E Multiple (12 Months Average)				18.11
J	Sector P/E Multiple (12 Months Average)				58.22
	Historical Earning Based Value Per Share (Market P/E)				H*I 41.89
	Historical Earning Based Value Per Share (Sector P/E)				H*J 134.68

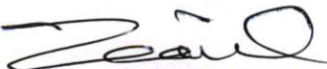
Note: After considering 20% Stock Dividend on June 30, 2021

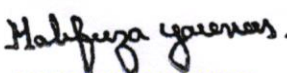
P/E Calculation

Month	Market P/E	Sector P/E (Paper & Printing)
Feb 2022	16.15	58.68
Jan 2022	16.58	58.75
Dec 2021	16.29	61.96
Nov 2021	17.79	56.11
Oct 2021	18.75	68.48
Sep 2021	20.12	62.72
Aug 2021	20.02	52.01
Jul 2021	19.17	47.05
Jun 2021	18.50	39.24
May 2021	18.31	43.20
Apr 2021	16.91	42.64
Mar 2021	16.89	42.86
Average	18.11	58.22

Source: DSE Monthly Reviews (<https://www.dsebd.org/mrg.php>)


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 Sonali Paper & Board Mills Ltd.
 24 APR 2022


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 24 APR 2022

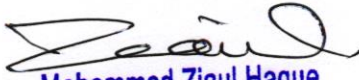

MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022

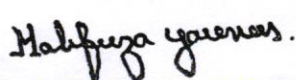

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(iii) Average market price per share for the last six months immediately prior to the offer for rights issue

Average market price per share for the last six months			
Month	Opening	Closing	Average
Feb 2022	772.20	774.20	773.20
Jan 2022	930.00	716.30	823.15
Dec 2021	570.00	957.70	763.85
Nov 2021	644.90	544.70	594.80
Oct 2021	463.90	639.80	551.85
Sep 2021	368.00	453.90	410.95
Average market price per share for the last six months			652.97


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 24 APR 2022


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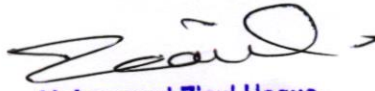
SECTION 10

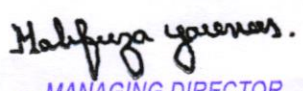
Rule 8 (h)

CASH FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT, BALANCE SHEET, CHANGES IN EQUITY AND NOTES TO THE ACCOUNTS OF THE ISSUER, TOGETHER WITH CERTIFICATE FROM THE AUDITORS AS IN FORM-C

SECTION CONTENTS	
(a)	Auditors Report along with the Audited Financial Statements for the year ended June 30, 2021
(b)	Auditors Certificate - Form C


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
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 24 APR 2022


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 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(a) **Auditors Report along with the Audited Financial Statements for the year ended June 30, 2021**

Independent Auditor's Report

**To the Shareholders
of
Sonali Paper & Board Mills Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sonali Paper & Board Mills Limited**, which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

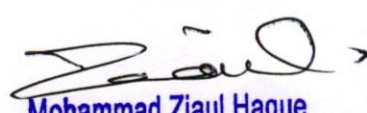
Basis for Opinion

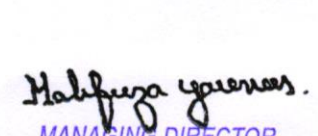
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with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

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. For each matter below our description of how our audit addressed the matters provided in that context.



Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.
24 APR 2022

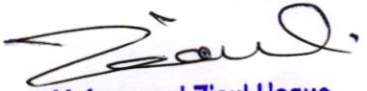

Mohammad Ziaul Haque
Chief Financial Officer
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24 APR 2022



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Risk	Our response to the risk
Revenue Recognition	
<p>During this year, net sales revenue of Tk. 1,414,657,548.</p> <p>Revenue is measured net of discounts, commission and rebates earned by customers on the sales. Within a number of the markets, the estimation of discounts, commission and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.</p> <p>There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing. • Agreeing a sample of claims and rebate accruals to supporting documentation; • Critically assessing manual journals posted to revenue to identify unusual or irregular items; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards; • Performing cut-off test by obtaining delivery challan for goods delivered during the beginning of the next accounting period and at the close of current accounting year to verify whether sales are recorded in the current accounting period; and • Inspecting VAT returns submitted to VAT authority to determine consistency of sales revenue recognized.
See note no 16.00 to The Financial Statements	


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Valuation of Inventory	
<p>The Inventory of Tk. 182,278,876 as at 30 June 2021, held in warehouses and across multiple product lines.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the directors apply judgement 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 provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company, including those at a sample of warehouses; • Testing, on a sample basis, the stock aging profile, expiry dates and the market price used in assessing the net realizable values of inventories to the related documents. • 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; • 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.
See Note No 5.00 to the Financial Statements	
Measurement of Deferred Tax Liabilities	
<p>Net Deferred Tax Liabilities Tk. 289,324,596 as at 30 June 2021.</p> <p>Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We additionally carried out the following substantive testing for this item:</p> <ul style="list-style-type: none"> • 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 liabilities. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense. • We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax liabilities. • We also assessed the appropriateness of presentation of disclosures against IAS 12 Income Tax.
See Note No 12 to the Financial Statements	


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24 APR 2022

Valuation of Property, Plant & Equipment	
<p>The carrying value of the PPE amounted to Tk. 5,764,210,439 at 30 June 2021. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</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. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. <p>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</p>
See Note No 03 to the Financial Statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon.

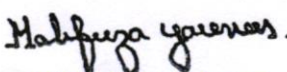
Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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 that there is a material misstatement of this other information, we are required to report that fact. But we have nothing to report in this regard.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

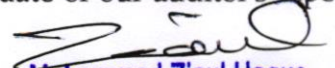
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee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

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

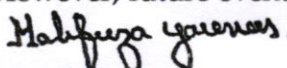
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

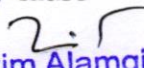
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

the Company to cease to continue as a going concern.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with the mall 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

Place: Dhaka

Dated: 16 September 2021

Signed for & on behalf of
MABS & J Partners
Chartered Accountants

Sd/-

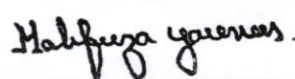
Jagadish Chandra Biswas, FCA
Partner
ICAB Enrollment No: 199
DVC No.: 2109210199AS970338


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Javeria
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Financial Position
As at 30 June 2021

Particulars	Notes	Amount in Taka 30 June 2021	Amount in Taka 30 June 2020
ASSETS			
Non-Current Assets		5,764,210,439	5,792,468,096
Property, Plant and Equipments	3.00	5,764,210,439	5,792,468,096
Current Assets		911,453,213	512,521,723
Investment in Shares	4.00	439,281,269	-
Inventories	5.00	182,278,876	263,923,073
Trade and Other Receivables	6.00	154,778,171	191,240,291
Advances, Deposits & Prepayments	7.00	49,749,837	22,168,947
Cash and Cash Equivalents	8.00	85,365,060	35,189,412
TOTAL ASSETS		6,675,663,652	6,304,989,819
EQUITY AND LIABILITIES			
Share Holders' Equity		5,204,015,939	5,122,869,917
Share Capital	9.00	183,028,830	166,389,850
Revaluation Reserve	10.00	4,927,446,858	4,927,446,858
Retained Earnings		93,540,251	29,033,209
Non-Current Liabilities		622,202,256	315,537,053
Long Term Bank Loan (Secured)	11.00	332,877,660	15,476,709
Deferred Tax Liability	12.00	289,324,596	300,060,344
Current Liabilities		849,445,458	866,582,849
Short Term Bank Loan (Secured)	13.00	640,282,253	717,668,881
Current Portion of Long Term Loan	11.00	128,977,320	75,792,251
Trade and Other Payables	14.00	57,324,533	55,813,399
Provision for Income Tax	15.00	22,861,352	17,308,318
TOTAL EQUITY AND LIABILITIES		6,675,663,652	6,304,989,819
Net Asset Value (NAV) Per Share	23.00	284.33	307.88

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 16 September 2021 and were signed on its behalf by:

Sd/- Sd/- Sd/- Sd/- Sd/-
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: 16 September 2021

Signed for & on behalf of

MABS & J Partners

Chartered Accountants


Sd/-

Jagadish Chandra Biswas, FCA

Partner

ICAB Enrollment No: 199

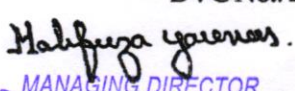
DVC No.: 2109210199AS970338


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Halifuzza Yousuf
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

Particulars	Notes	Amount in Taka 2020-2021	Amount in Taka 2019-2020
Revenue	16.00	1,414,657,548	1,408,650,300
Less: Cost of Sales	17.00	(1,230,027,348)	(1,228,606,943)
Gross Profit		184,630,200	180,043,357
Less: Operating Expenses:		(75,893,842)	(74,388,078)
Administrative Expenses	18.00	(67,465,246)	(63,529,232)
Selling and Distribution Expenses	19.00	(8,428,596)	(10,858,846)
Profit from Operation		108,736,358	105,655,279
Less: Finance Cost	20.00	(61,221,079)	(66,168,778)
Add: Other Income	21.00	52,667,451	268,290
Profit before W.P.P.F		100,182,731	39,754,792
Less: Workers Profit Participation Fund @ 5%		(4,770,606)	(1,893,085)
Net Profit before Tax		95,412,124	37,861,706
Income Tax Expense		(5,946,611)	(11,129,325)
Less: Current Tax Expenses	22.00	(16,682,359)	(12,049,108)
Add: Deferred Tax Income	22.00	10,735,748	919,783
Net Profit after Tax		89,465,514	26,732,381
Earnings Per Share (EPS)	24.00	4.89	1.46

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 16 September 2021 and were signed on its behalf by:

Sd/- Chief Financial Officer Sd/- Company Secretary Sd/- Director Sd/- Director Sd/- Managing Director

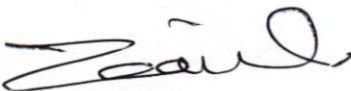
This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

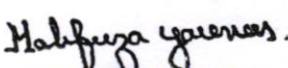
Place: Dhaka
 Dated: 16 September 2021

Signed for & on behalf of
MABS & J Partners
 Chartered Accountants

Sd/-
Jagadish Chandra Biswas, FCA
Partner
 ICAB Enrollment No: 199
 DVC No.: 2109210199AS970338


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Halimul Haque
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Taka
As at 30 June 2020	166,389,850	4,927,446,858	29,033,209	5,122,869,917
Profit for the year	-	-	89,465,514	89,465,514
Stock Dividend (2019-2020)	16,638,980	-	(16,638,980)	-
Cash Dividend (2019-2020)	-	-	(8,319,493)	(8,319,493)
Balance at 30 June 2021	183,028,830	4,927,446,858	93,540,251	5,204,015,939

Sonali Paper & Board Mills Limited
Statement of Changes in Equity
For the year ended 30 June 2020


Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Taka
As at 30 June 2019	151,263,500	4,927,446,858	17,427,178	5,096,137,536
Profit for the year	-	-	26,732,381	26,732,381
Stock Dividend (2018-2019)	15,126,350	-	(15,126,350)	-
Balance at 30 June 2020	166,389,850	4,927,446,858	29,033,209	5,122,869,917

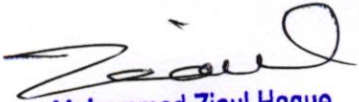
The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 16 September 2021 and were signed on its behalf by:

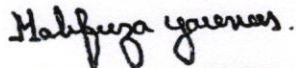
Sd/- Sd/- Sd/- Sd/- Sd/-
 Chief Financial Officer Company Secretary Director Director Managing Director

Place: Dhaka

Dated: 16 September 2021


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Cash Flows
As at and for the year ended 30 June 2021

Particulars	Notes	Amount in Taka 2020-2021	Amount in Taka 2019-2020
A. Cash Flows from Operating Activities			
Received from customers	6.01	1,544,926,695	1,469,484,010
Received from Bad Debt	21 (d)	377,625	-
Paid to suppliers, payables and other expenses		(1,103,550,806)	(1,006,899,518)
Paid for administrative expenses	18.00	(56,873,614)	(55,269,627)
Paid for Selling and distribution expenses	19.00	(8,428,596)	(10,514,583)
Advance, deposit & prepayments	7.00	(22,699,089)	(50,087,255)
VAT paid	14.01	(90,069,901)	(83,833,935)
Foreign Exchange Rate Loss		(35,420)	(69,835)
Income Tax paid		(16,011,126)	(19,224,154)
Net cash generated from operating activities		247,635,768	243,585,103
B. Cash Flows from Investing Activities			
Purchase of property, plant and equipment	3.00	(43,847,831)	(61,453,472)
Investment in Shares	Annex-E	(440,768,983)	-
Received from Bank Interest	6.02	141,384	268,290
Received from Sales of Shares (Realise Gain)	21 (b)	49,256,488	-
Received from Sales of Motor Vehicle	21 (e)	800,000	-
Received from Insurance Claim	18.01	13,300,000	-
Net cash used in investing activities		(421,118,942)	(61,185,182)
C. Cash Flows from Financing Activities			
Long term bank loan received/(refund)	11.00	370,586,020	(50,104,206)
Short term bank loan received/(refund)	13.00	(77,386,628)	(67,654,910)
Finance cost	20.00	(61,221,079)	(66,168,778)
Paid for Cash Dividend		(8,319,493)	-
Net cash from financing activities		223,658,821	(183,927,894)
D. Net cash inflow/(outflow) for the period (A+B+C)		50,175,648	(1,527,973)
E. Opening cash and cash equivalents		35,189,412	36,717,385
F. Closing Cash and Cash equivalents (D+E)		85,365,060	35,189,412
Net Operating Cash Flow Per Share	25.00	13.53	13.31

The annexed notes form an integral part of these Financial Statements. These Financial Statements were authorized for issue by the Board of Directors on 16 September 2021 and were signed on its behalf by:

Sd/- Sd/- Sd/- Sd/- Sd/-
Chief Financial Officer Company Secretary Director Director Managing Director

Place: Dhaka

Dated: 16 September 2021

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

Habfuza yeannas.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

Sonali Paper & Board Mills Limited
Notes to the Financial Statements
As at and for the year ended 30 June 2021

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 Statements

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 16 September 2021.

2.03 Going Concern

The company has adequate resources to continue in 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.

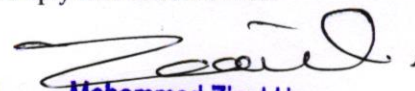
2.05 Use of Estimates and Judgments:

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.


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

2.07 Reporting Period

The Financial Statements covers twelve months from 1 July 2020 to 30 June 2021 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
 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:

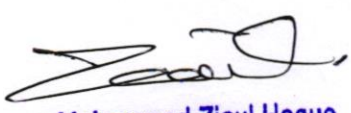
Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic 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.


 Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.

24 APR 2022


 Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.

24 APR 2022


 Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

24 APR 2022

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.

Sl 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 Fitting 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.

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

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Habfuza yeennas.
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SONALI PAPER & BOARD MILLS LTD.

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Managing Director & CEO
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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

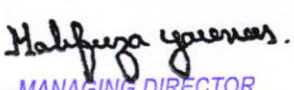
The Company has established an contributory provident fund scheme in accordance with IAS 19. A Board of trustees administers the fund. No part of the fund is included in the asset of the Company.

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.


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Hafiza Yasmin
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SONALI PAPER & BOARD MILLS LTD.
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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 & 30.

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.


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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:

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

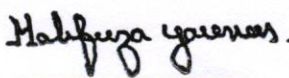
- Statement of Financial Position as at 30 June 2021;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021;
- Statement of Change in Equity for the year ended 30 June 2021;
- Statement of Cash Flows for the year ended 30 June 2021; and
- Accounting Policies and Explanatory Notes to the Financial Statements for the year ended 30 June 2021.

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.


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24 APR 2022


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MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
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Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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3.00 Property, Plant and Equipment: Tk. 5,764,210,439

The break-up is as below:

Cost

Opening Balance	6,349,945,469	6,288,491,997
Addition during the year	43,847,831	61,453,472
Adjustment during the year	(32,956,681)	-
Closing Balance	6,360,836,619	6,349,945,469

Accumulated Depreciation

Opening Balance	557,477,373	497,017,018
Charged during the year	58,342,409	60,460,355
Adjustment during the year	(19,193,602)	-
Closing Balance	596,626,180	557,477,373

Written Down Value

5,764,210,439	5,792,468,096
---------------	---------------

Details of Property, Plant and Equipment along with depreciation charged thereon as on 30 June 2021 has been shown in Annexure-"A". Full amount of depreciation has been charged to administrative expenses.

665.50 Decimal Land under Mouza: Tarabo, SRO: Rupgonj, District: Narayanganj and the property, plant and equipment of the company has been pledged as security against loan with Islami Bank Bangladesh Limited, Chawk Mugoltolly Branch, Dhaka.

4.00 Investment in Shares: Tk. 439,281,269

The break-up is as below:

Balance as per Portfolio of SBL Capital Management Limited	193,350,380	-
Balance as per Portfolio of EBL Securities Limited	245,930,889	-
Total	439,281,269	-

Details of investment in shares (company wise) as on 30 June 2021 has been shown in Annexure-"E".

5.00 Inventories: Tk. 182,278,876

The break-up is as below:

Raw Materials	Note 5.01	89,255,395	190,514,169
Materials-In-Process	Note 5.02	14,764,056	12,579,822
Finished Goods	Note 5.03	78,034,994	60,712,492
Spare Parts	Note 5.04	224,432	116,590
Total		182,278,876	263,923,073

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 Islami Bank, Bangladesh Limited, Chawk Mugoltolly Branch, Modhumoti Bank Limited, Aganagar Branch and Pubali Bank Limited, Gulshan Corporate Branch.

5.01 Raw Materials

	Quantity (KG)	Quantity (KG)
Opening Balance	3,966,286	9,422,868
Add: Purchase & Import during the year	37,784,907	31,487,608
Available for Use	41,751,193	40,910,476
Less: Consumption during the Year	40,105,282	36,944,190
Closing Balance	1,645,911	3,966,286

5.02 Materials-In- Process

	Quantity (KG)	Quantity (KG)
Opening Balance	182,740	143,387
Add: Input from Store during the year	40,105,282	36,944,190
Available for Production	40,288,022	37,087,577
Less: Production (Process Completed)	32,737,790	29,695,138
	7,550,232	7,392,439
Less: Closing Balance	206,058	182,740
Normal Process Loss	7,344,174	7,209,699
% of Normal Process Loss	22.43	24.28

Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.
24 APR 2022

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Mahfuzza yeener.
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24 APR 2022

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Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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5.03 Finished Goods

	Quantity (KG)	Quantity (KG)
Opening Balance	1,008,201	724,495
Add: Production during the year	32,737,790	29,695,138
Available for Sales	33,745,991	30,419,633
Less: Sales during the year	32,842,728	29,411,432
Closing Balance	903,263	1,008,201

5.04 Spare Parts: Tk. 224,432

The break-up is as below:

	Amount in Taka	Amount in Taka
Opening Balance	116,590	149,235
Add: Purchase during the year	755,192	423,673
Available for Use	871,782	572,908
Less: Consumption (Machine Rep. & Maintenance)	647,350	456,318
Closing Balance	224,432	116,590

6.00 Trade and Other Receivables: Tk. 154,778,171

(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 6.01	152,369,415	191,132,584
Bank Interest Receivable	Note 6.02	87,886	107,707
Cash Dividend Receivable	Note 6.03	2,320,870	-
Total		154,778,171	191,240,291

6.01 Trade Receivables: Tk. 152,369,415

The break-up is as below:

Opening Balance	191,132,584	166,184,770
Add: Sales during the year (Note # 16.00)	1,506,938,631	1,495,584,554
	1,698,071,215	1,661,769,324
Less: Realised during the year	1,544,926,695	1,469,484,010
Less: Provision for Bad Debts	775,105	1,152,730
Closing Balance	152,369,415	191,132,584

6.02 Bank Interest Receivable: Tk. 87,886

The break-up is as below:

Opening Balance	107,707	-
Add: Bank Interest Income during the year	121,563	268,290
	229,270	268,290
Less: Realised during the year	141,384	160,583
Closing Balance	87,886	107,707

6.03 Cash Dividend Receivable: Tk. 2,320,870

The break-up is as below:

Portfolio of SBL Capital Management Ltd.	1,060,874	-
Portfolio of EBL Securities Limited	1,259,997	-
	2,320,870	-

Aging of Trade Receivables

Below 30 days	42,458,520	62,608,485
Within 31-60 days	21,700,880	12,627,571
Within 61-90 days	11,474,616	1,776,293
Above 90 days	77,510,504	115,272,965
Provision for Bad Debts	(775,105)	(1,152,730)
Total	152,369,415	191,132,584

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24 APR 2022

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24 APR 2022

Malifuzza yeasmin.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

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24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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(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	152,369,415	191,132,584
Receivables considered doubtful bad	775,105	1,152,730
Receivable to Directors	-	-
Receivables due by common management	-	-
The maximum amount of receivable due by any director or other officer of the company.	-	-
Total	153,144,520	192,285,314

7.00 Advances, Deposits & Prepayments: Tk. 49,749,837

The break-up is as below:

Fixed Security Deposits (Electric & Gas Line)		9,902,811	2,492,411
Advance Income Tax	Note-7.01	7,603,623	2,721,822
L/C Margin & Goods In Transit	Note-7.02	27,171,346	10,371,654
Advance VAT Deposit	Note-7.03	626,004	626,004
Salaries & Allowances (Answer)		791,574	791,574
Security Deposits (CDBL)		200,000	200,000
Bank Guarantee Margin		-	1,005,919
MTDR (Lien with Islami Bank Bangladesh Ltd)		1,790,678	2,295,762
Prepaid Insurance Premium (Fire)	Note-7.04	1,663,801	1,663,801
Total		49,749,837	22,168,947

7.01 Advance Income Tax: Tk. 7,603,623

The break-up is as below:

Opening Balance	2,721,822	4,640,817
Add: Addition for the year	7,603,623	2,721,822
	10,325,445	7,362,639
Less: Adjusted during the year	(2,721,822)	(4,640,817)
Total	7,603,623	2,721,822

Advance Income Tax amounting Tk. 27,21,822 has been adjusted during the year for the Assessment year 2020-2021 and the balance of Tk. 76,03,623 is carried forward for the Assessment year 2021-2022.

7.02 L/C Margin & Goods In Transit: Tk. 27,171,346

	27,171,346	10,371,654
Total	27,171,346	10,371,654

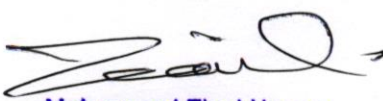
The entire amount was paid for Import of raw materials.

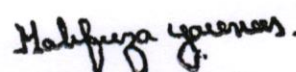
7.03 Advance VAT Deposit: Tk. 626,004

The break-up is as below:

Opening Balance	626,004	626,004
Add: Deposit during the Year	-	-
	626,004	626,004
Less: Adjusted during the Year	-	-
Total	626,004	626,004


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Hafiza Yousuf
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
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Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
7.04	Prepaid Insurance Premium (Fire): Tk. 1,663,801		
	The break-up is as below:		
	Opening Balance	1,663,801	-
	Add: Payment Insurance Premium (Fire)	2,852,230	2,852,230
		4,516,031	2,852,230
	Less: Adjusted during the year (Note: 18.00)	2,852,230	1,188,429
	Total	1,663,801	1,663,801

8.00 Cash & Cash Equivalents: Tk. 85,365,060

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	4766	3,851,112	1,387,301
Shahjalal Islami Bank Ltd.	Dhanmondi	8919	5,857,364	1,358,866
Al- Arafah Islami Bank Ltd.	New Elephant Road	2468	4,871,333	170,171
National Bank Ltd.	New Elephant Road	4464	1,315,656	882,511
Sonali Bank Ltd.	New Elephant Road	6338	1,772,654	462,502
Shahjalal Islami Bank Ltd.	Dhanmondi	1347	110,831	70,982
Dutch Bangla Bank Ltd.	Dhanmondi	2978	14,316,804	3,116,435
The Premier Bank Ltd.	Bangshal	8497	1,017,499	1,021,189
Modhumoti Bank Ltd.	Aganagar	0004	1,879,332	7,418,759
Marcantile Bank Ltd	Noyabazar	5618	1,123,308	718,976
Pubali Bank Ltd.	Gulshan	1860	581,165	386,951
			36,697,057	16,994,642
b) Cash in Hand			48,668,003	18,194,770
		Total	85,365,060	35,189,412

The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 30-06-2021. Cash in hand balance was duly certified.

9.00 Share Capital: Tk. 183,028,830

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:**

1,66,38,985 ordinary shares of Tk.10 each.

166,389,850 151,263,500

Add: 16,63,898 Bonus shares @ of Tk. 10 each

16,638,980 15,126,350

Total 1,83,02,883 shares of Tk. 10 each.

Total 183,028,830 166,389,850

Distribution Schedule Disclosures Under the Listing Regulation of Stock Exchanges:

The position of shareholders as on 30 June 2021 is as follows:

Particulars of Investors	No of Investors	Number of Shares	Percentage of Share Holding 2020-2021	Percentage of Share Holding 2019-2020
Sponsor	1	2,809	0.02%	0.02%
Directors other than Sponsor	3	13,185,122	72.04%	72.04%
General Public	1293	4,483,418	24.49%	21.27%
Financial Institutes	5	582,567	3.18%	6.36%
Private Corporate Institute	1	13,169	0.07%	0.10%
Suspense A/C	1	35,798	0.20%	0.21%
Total	1,304	18,302,883	100%	100%

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Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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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	184	15,860	738	111,475	922	127,335	0.70
501 to 5,000	12	16,207	300	501,683	312	517,890	2.83
5001 to 10,000	1	5,777	27	217,699	28	223,476	1.22
10,001 to 20,000	-		11	153,638	11	153,638	0.84
20,001 to 30,000	-		4	99,306	4	99,306	0.54
30,001 to 40,000	-		2	69,963	2	69,963	0.38
40,001 to 50,000	-		4	186,692	4	186,692	1.02
50,001 to 100,000	-		7	526,342	7	526,342	2.88
100,001 to 1,000,000	-		11	3,213,119	11	3,213,119	17.56
Over 1,000,000	-		3	13,185,122	3	13,185,122	72.04
Total	197	37,844	1,107	18,265,039	1,304	18,302,883	100

10.00 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 fixed assets (only land) by an independent valuer M/S. S.H. Khan & Co, Chartered Accountants on 18 May 2016. Moreover the Board of Directors approved at 45th meeting held on 30 May 2016.

11.00 Long Term Bank Loan: Tk. 332,877,660

The break-up is as below:

Modhumoti Bank Limited.

(Aganagar Branch, Keranigonj, Dhaka)

Loan A/C NO # 00003	-	49,075,873
Loan A/C NO # 00004	-	1,935,894
Loan A/C NO # 00006	-	40,257,193
Loan A/C NO # 00009	20,272,583	-

Pubali Bank Limited.

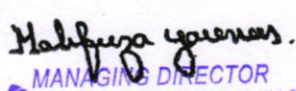
(Gulshan Corporate Branch, Dhaka)

Loan A/C NO # 08361	441,582,397	-
	461,854,980	91,268,960
	(128,977,320)	(75,792,251)
Total	332,877,660	15,476,709

The total long term bank loan is lying with Modhumoti Bank Limited, Aganagar Branch, Keranigonj, Dhaka and Pubali Bank Limited, Gulshan Corporate Branch, Dhaka.


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Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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12.00 Deferred Tax Liability: Tk. 289,324,596

The break-up is as below:

Calculation of Deferred Tax :

A. Temporary Difference:

Written down value as per accounting base	5,764,210,439	5,792,468,096
Written down value as per tax base	5,396,975,792	5,419,221,741
Taxable temporary difference	367,234,647	373,246,356
Deductible temporary difference (Gratuity)	(1,347,554)	(1,004,980)
	365,887,093	372,241,376
Income Tax Rate	22.50%	25%
Deferred Tax Liabilities at the end of the year	82,324,596	93,060,344

B. Revaluation:

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

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 289,324,596	300,060,344

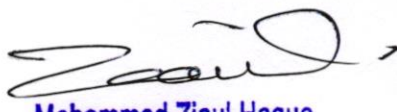
13.00 Short Term Bank Loan: Tk. 640,282,253

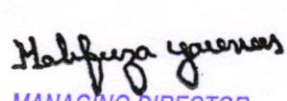
The break-up is as below:

Islami Bank Bangladesh Limited (Chawk Moghultoly Branch, Dhaka.)	-	300,241,039
Foreign Cash Bills (UPAS LC)	-	280,451,849
Murabaha TR		
Modhumoti Bank Limited. (Aganagar Branch, Keranigonj, Dhaka.)	10,160,830	44,777,314
(CC Hypo)	2,548,500	92,198,679
Foreign Cash Bills (UPAS LC)	61,365,889	-
Stimulus Loan		
Pubali Bank Limited. (Gulshan Corporate Branch, Dhaka)	11,225,957	-
Over Draft Loan	385,935,571	-
Foreign Cash Bills (UPAS LC)		
SBL Capital Management Limited (2, D.I.T Avenue, Motijheel, Dhaka)	78,669,475	-
Loan against Investment in Shares		
EBL Securities Limited (Libon Bima Bhaban, 10 Dilkusha, Dhaka)	90,376,032	-
Loan against Investment in Shares		
Total	640,282,253	717,668,881

The above balances were in agreement with the balances as per respective bank loan statement and Port Folio Statements as on 30 June 2021.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
14.00	Trade and Other Payables: Tk. 57,324,533		
	The break-up is as below:		
	Trade Payables:		
	Raw Materials Supplier (Details are enclosed in Annexure "D")	225,650	125,630
	Other Payables:		
	Provision for Value Added Tax (VAT) Note-14.01	5,311,501	3,100,319
	Audit & Professional Fees	138,000	212,250
	Gas Bill	32,505,490	25,332,795
	Electricity Bill	2,763,677	1,919,983
	Internet Bill	37,750	41,086
	Wages & Salaries	4,530,696	3,652,306
	Salary & Allowances	3,142,780	3,406,639
	Overtime Bill	1,784,861	1,395,039
	Telephone & Mobile bill	33,335	38,793
	Provision for W.P.P.F	4,770,606	1,893,085
	Interest Payable on MTR	-	13,555,781
	Unclaimed Dividend up to F/Y: 2018-2019	64,878	64,878
	Unclaimed Dividend for the F/Y: 2019-2020	39,954	-
	Provision for Foreign Exchange Rate Loss	35,420	69,835
	Provision for Gratuity Note-14.02	1,347,554	1,004,980
	Registration, Rate & Renewal Fees Payable	592,381	-
	Total	57,324,533	55,813,399

14.01 Provision for Value Added Tax (VAT): Tk. 5,311,501

The break-up is as below:

Opening Balance	3,100,319	-
Add: Collection with Sales during the Year	92,281,083	86,934,254
	95,381,402	86,934,254
Less: Deposit during the Year	(90,069,901)	(83,833,935)
Total	5,311,501	3,100,319

14.02 Provision for Gratuity: Tk. 1,347,554

The break-up is as below:

Opening Balance	1,004,980	-
Add: Addition during the Year	718,098	1,004,980
	1,723,078	1,004,980
Less: Payment during the Year	(375,524)	-
Total	1,347,554	1,004,980

15.00 Provision for Income Tax: Tk. 22,861,352

The break-up is as below:

Opening Balance	17,308,318	26,402,359
Add: Addition for the year (Note: 22.00)	16,682,359	10,385,210
Add: Income Tax on Stock dividend	-	1,663,898
	33,990,677	38,451,467
Less: Adjusted during the year	(2,721,822)	(4,640,817)
Less: Payment during the year	(8,407,503)	(16,502,332)
Total	22,861,352	17,308,318

Provision for Income Tax amounting Tk. 2,721,822 was adjusted from advance income tax and Tk. 8,407,503 was paid for the assessment year 2020-2021. Amounting Tk. 22,861,352 is remaining balance for Provision for Income Tax.

Md. Rashedul Hossain
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Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
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24 APR 2022

Halfulza yeemmes.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
16.00	Revenue: Tk. 1,414,657,548		
	The break-up is as below:		
	Sales (Including VAT)	1,506,938,631	1,495,584,554
	Less : Value Added Tax (VAT)	(92,281,083)	(86,934,254)
	Total	1,414,657,548	1,408,650,300

Sales Quantity:

Writing Paper & Board Paper (Note # 5.03)

32,843 MT	29,411 MT
-----------	-----------

17.00 Cost of Sales: Tk. 1,230,027,348

The break-up is as below:

Opening Stock of Raw Materials & Chemicals	190,514,169	252,581,863
Add: Local Purchase of Raw Materials & Chemicals	357,031,170	212,005,599
Add: Import of Raw Materials & Chemicals	477,454,904	667,674,976
Goods Available for Consumed	1,025,000,243	1,132,262,437
Less : Closing Stock of Raw Materials & Chemicals	(89,255,395)	(190,514,169)
Raw Materials Used	935,744,848	941,748,268
Add: Factory Overhead		
Wages & Salaries	51,838,729	50,298,476
Overtime Bill	21,157,685	19,299,447
Festival Bonus	4,809,048	4,455,797
Oil & Lubricant	5,291,622	4,936,640
Gas Bill	144,395,877	136,647,477
Electricity Bill	30,728,580	20,180,127
Workers Tiffin	65,230	60,042
Machine Repairs & Maintenance (Note 5.04)	647,350	456,318
Depreciation Charges (Annexure- "A")	54,855,115	56,764,784
	1,249,534,084	1,234,847,376
Add: Opening Stock of Material-In-Process	12,579,822	9,750,360
	1,262,113,906	1,244,597,736
Less: Closing Stock of Material-In-Process	(14,764,056)	(12,579,822)
Cost of Production	1,247,349,850	1,232,017,914
Add : Opening Stock of Finished Goods	60,712,492	57,301,521
	1,308,062,342	1,289,319,435
Less: Closing Stock of Finished Goods	(78,034,994)	(60,712,492)
Cost of Sales	1,230,027,348	1,228,606,943

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Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

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24 APR 2022

Habfuzza yeennas.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
18.00	Administrative Expenses: Tk. 67,465,246		
	The break-up is as below:		
	Salaries & Allowances	39,691,061	37,885,876
	Festival Bonus	2,771,395	3,026,435
	Telephone & Mobile bill	421,623	469,052
	Office Rent	276,000	276,000
	Directors Meeting Attendance Fees	259,200	249,600
	Directors Remuneration	2,700,000	3,900,000
	Travelling & Conveyance	325,822	277,228
	AGM Expenses	289,000	431,700
	Annual Listing Fees	433,168	1,178,900
	Entertainment	484,761	384,809
	Spare Parts (Motor Car)	1,347,009	2,895,774
	Oil & Fuel (Motor Car)	815,395	915,881
	Insurance Premium (Fire) (Note:7.04)	2,852,230	1,188,429
	Loss on Fire (Note: 18.01)	253,984	-
	Staff Uniform	9,225	125,652
	Office Maintenance	424,608	563,596
	Internet Bill	454,690	318,567
	Electrical Expenses	34,080	92,675
	Stationeries	314,800	548,081
	News Paper & Periodicals	3,860	5,750
	Postage & Stamps	9,390	12,820
	Medical Aid Expenses	41,630	78,250
	Registration, Rate & Renewal Fees	2,704,655	1,411,652
	Allowance for Bad Debts	-	1,152,730
	Gratuity	718,098	1,004,980
	Foreign Exchange Rate Loss	35,420	69,835
	Unrealised Loss on Investment in Shares (Annexure- "E")	1,487,714	-
	Fees & Charges on Investment in Shares (Annexure- "E")	2,494,092	-
	Miscellaneous Expenses	467,474	584,726
	Audit & Professional Fees	254,000	212,250
	Legal Fees & Expenses	146,930	10,510
	Bank Charges	1,456,637	561,902
	Depreciation Charges (Annexure- "A")	3,487,295	3,695,572
	Total	67,465,246	63,529,232

Directors Meeting Attendance Fees: Tk. 259,200

Directors Meeting Attendance Fees amounting Tk. 259,200 was paid to six Directors from which a sum of Tk. 21,600 was deducted as VAT and Tk. 21,600 as Tax at source and were duly paid to Govt. Rev A/C vide challan.

Directors Remuneration: Tk. 2,700,000

During the year the above amount was paid as Director Remuneration to three Directors from which a sum of Tk. 2,32,265 was deducted at source as tax and duly paid.

Allocation of Depreciation

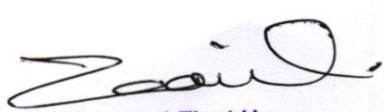
The total Depreciation allocated into Cost of Sales and Administrative Expenses during the year and subsequently the prior year comparative has been restated.

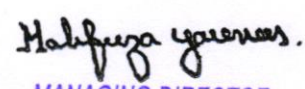
18.01 Loss on Fire: Tk. 253,984

A fire occurred in the factory building during the financial year and damaged Generators. The above loss is arrived at as follows:

Total Loss on Fire	13,553,984	-
Less : Insurance Claim Received	13,300,000	-
Loss on Fire	253,984	-


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Sonali Paper & Board Mills Ltd.
24 APR 2022


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Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafizur Rahman
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
19.00	Selling and Distribution Expenses: Tk. 8,428,596		
	The break-up is as below:		
	Salaries & Allowances	2,632,192	4,131,167
	Packing & Binding Expenses	2,812,526	2,039,878
	Repairs & Maintenance	337,527	430,750
	Business Promotion Expenses	377,500	903,126
	Advertisement	473,770	575,011
	Delivery, Load & Unload Expenses	1,010,990	815,270
	Sales Promotion Expenses	368,255	752,380
	Sample Expenses	415,836	1,211,264
	Total	8,428,596	10,858,846
20.00	Finance Cost: Tk. 61,221,079		
	The break-up is as below:		
	MTR (Islami Bank Bangladesh Ltd.)	7,016,590	14,114,382
	UPAS (Islami Bank Bangladesh Ltd.)	9,608,103	7,248,126
	CC Hypo (Modhumoti Bank Ltd.)	344,632	12,501,204
	Term Loan (Modhumoti Bank Ltd.)	2,672,251	15,473,894
	UPAS (Modhumoti Bank Ltd.)	2,219,288	16,831,172
	OD (Pubali Bank Ltd.)	506,076	-
	UPAS (Pubali Bank Ltd.)	363,936	-
	Term Loan (Pubali Bank Ltd.)	35,142,397	-
	Stimulus (Modhumoti Bank Ltd.)	3,347,806	-
	Total	61,221,079	66,168,778
21.00	Other Income: Tk. 52,667,451		
	The break-up is as below:		
	(a) Bank Interest Income:	121,563	268,290
	MTDR A/C No: 838089/2839 (IBBL)	82,001	212,561
	MTDR A/C No: 838341/3089 (IBBL)	29,585	53,731
	STD A/C No: 1347 (SJBIL)	1,263	1,998
	SND A/C No: 1860 (Pubali Bank Ltd.)	8,714	-
	(b) Income from Sales of Shares (Realise Gain):	49,256,488	-
	Portfolio of SBL Capital Management Ltd.	12,053,220	-
	Portfolio of EBL Securities Limited	37,203,268	-
	(c) Cash Dividend Income:	2,320,870	-
	Portfolio of SBL Capital Management Ltd.	1,060,874	-
	Portfolio of EBL Securities Limited	1,259,997	-
	(d) Bad Debts Recovery	377,625	-
	Opening Balance of Bad Debts	1,152,730	-
	Less: Closing Balance of Bad Debts (Note: 5.00)	(775,105)	-
	(e) Income from Sales of Motor Vehicle:	590,905	-
	Sales Value of Motor Vehicle	800,000	-
	Purchase Value of Motor Vehicle	1,470,000	-
	Less: Depreciation	(1,260,905)	-
	Written down Value of Motor Vehicle	209,095	-
	Total	52,667,451	268,290

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

Halifuzza Yuenas.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
22.00	Income Tax Expense: Tk. 5,946,611		
	The break-up is as below:		
	<u>Current Tax</u>		
	Net Profit before Tax	95,412,124	37,861,706
	Less: Income from Sales of Shares (Realise Gain)	49,256,488	-
	Less: Income from Cash Dividend	2,320,870	-
	Net Profit before Tax (without income from Sales of Share and Cash Dividend)	43,834,766	37,861,706
	Add: Accounting Depreciation	58,342,409	60,460,355
	Add: Provision for Gratuity (Net off payment of Tk. 375,524)	342,574	1,004,980
		102,519,749	99,327,042
	Less: Tax base Depreciation	52,330,700	57,786,203
	Taxable Income	50,189,049	41,540,839
	Tax Rate	22.50%	25%
		11,292,536	10,385,210
	Income Tax on Stock Dividend	-	1,663,898
	10% Income Tax on Realise Gain of Sales of Shares (Tk. 49,256,488*10%)	4,925,649	-
	20% Income Tax on Cash Dividend Income (Tk. 2,320,870*20%)	464,174	-
		16,682,359	12,049,108
	<u>Deferred Tax</u>		
	Closing Deferred Tax Liabilities (Note: 12.00)	289,324,596	300,060,344
	Opening Deferred Tax Liabilities	300,060,344	300,980,127
	Deferred Tax (Income)/ Expenses	(10,735,748)	(919,783)
	Total	5,946,611	11,129,325

23.00 Net Asset Value (NAV) Per Share with Revaluation

Net Asset Value	5,204,015,939	5,122,869,917
Number of Shares	18,302,883	16,638,985
Net Asset Value Per Share	284.33	307.88

24.00 Earnings Per Share (EPS)

Surplus for the year attributable to Shareholders (Net Income)	89,465,514	26,732,381
Number of Shares	18,302,883	18,302,883
Earnings Per Share (Restated)	4.89	1.46

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 2019-2020.

25.00 Cash Flows Per Share from Operating Activities

Operating Cash Inflow during the Period	247,635,768	243,585,103
Number of Shares (Restated)	18,302,883	18,302,883
	13.53	13.31

During the year the company purchased less quantity of raw materials and used a significant portion of the raw materials held in godown as inventory for production of finished goods. For this reason during the year operating cash flows increased in comparison with previous year.

26.00 Implication of COVID-19 on Business

On 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which also impacted our business.

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mahfuza yeves.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
27.00	Reconciliation of Profit/(Loss) after Tax with Cash Flows from Operating Activities		
	Net Profit/(Loss) after Tax	Profit/Loss A/C 89,465,514	26,732,381
	Add: Depreciation	Annexure-"A" 58,342,409	60,460,355
	Add: Loss on Fire	Note-18.01 253,984	-
	Add: Disposal of Motor Vehicle	Note-21 209,095	-
	Add: Finance Cost	Note-20 61,221,079	66,168,778
	Add: Unrealised Loss on Investment in Shares	Note-18 1,487,714	-
	Less: Other Income	Note-21 (50,197,872)	(268,290)
	(Increase)/Decrease in Advance, Deposits and Prepayment	Note-07 (27,580,890)	52,006,250
	(Increase)/Decrease in Trade and Other Receivable	Note-06 36,462,120	(25,055,521)
	(Increase)/Decrease in Inventory	Note-05 81,644,197	55,859,906
	Increase/(Decrease) in Trade and Other Payables	Note-14 1,511,134	17,695,068
	Increase/(Decrease) in Provision for Income Tax	Note-15 5,553,034	(9,094,041)
	Increase/(Decrease) in Deferred Tax for Temporary Difference	Note-12 (10,735,748)	(919,783)
	Total	247,635,768	243,585,103

28.00 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
2016-2017	2017-2018	9,522,085	9,522,085	Completed
2017-2018	2018-2019	11,041,047	11,041,047	Completed
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	16,682,359	16,682,359	Will be Submitted

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

SI	Salary Range	2020-2021	2019-2020
I	5,000 - 15,000	10 Person	12 Person
II	15,001 - 25,000	19 Person	16 Person
III	25,001 - 50,000	12 Person	18 Person
IV	50,001 - 200,000	13 Person	12 Person
V	2,00,001 - 250,000	1 Person	-
Total		55 person	58 person

30.00 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	1,200,000	1,248,000
Mohammed Javed Noman	Director	5	9,600	48,000	1,500,000	1,548,000
A.K.M Nurul Fazal Bulbul	Director	5	9,600	48,000	-	48,000
Kazi Aslam Hossain	Director	3	9,600	28,800	-	28,800
Ashim Kumar Roy	Director	4	9,600	38,400	-	38,400
Total				259,200	2,700,000	2,959,200

(a) During the year total 5 board meetings were held, total meeting fee was Tk. 2,59,200 including VAT & Tax.

(b) 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 1,00,000)= Tk. 12,00,000 as Remuneration and Mr. Mohammed Javed Noman received (12 Month X 1,25,000)= Tk. 15,00,000 as Director Remuneration.

(c) No compensation was made to the Managing Director & CEO of the company except as stated above.

(d) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.

Md. Rashedul Hossain
Company Secretary
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24 APR 2022

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24 APR 2022

Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Note #	Particulars	Amount in Taka 2020-21	Amount in Taka 2019-20
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31.00 Production Capacity and Utilization:

Major Products	Unit	Production Capacity	Actual Production	Capacity Utilization %
Writing Paper & Board Paper (2020-2021)	MT	38,500	32,738	85.03
Writing Paper & Board Paper (2019-2020)	MT	38,500	29,695	77.13

32.00 Event After the Reporting Period

a) The Board of Directors of the Company in its meeting held on 16 September 2021 approved the financial statements of the Company for the year ended 30 June 2021 and authorized the same for issue. The Board of Directors also recommended 20% stock dividend and 20% cash dividend for all shareholders of the company for the year ended 30 June 2021 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.

b) 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.

33.00 Capital Expenditure Commitment

Contract for capital expenditure are being executed by the Contractors and the running bill are accounted for but the unfinished contracts has not been reflected in this Financial Statements. There was no material capital expenditure authorized by the board.

34.00 Claim Acknowledgement

There was no claim against the Company acknowledged as debt as on 30 June 2021.

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

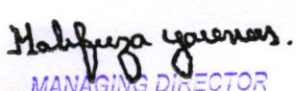
Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that is controlled and monitored on an ongoing basis. 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.

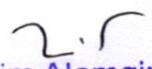
Liquidity Risk

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.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

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.

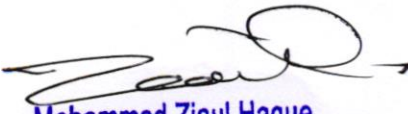
(b) Interest Rate Risk

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.

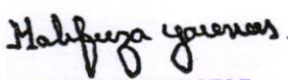
Sd/- Sd/- Sd/- Sd/- Sd/-
Chief Financial Officer Company Secretary Director Director Managing Director


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Sonali Paper & Board Mills Limited
Schedule of Property, Plant & Equipments
For the year ended 30 June 2021

Annexure- "A"

Sl. No.	Name of Assets	Cost		Rate	Depreciation			Written Down Value as on 30 June, 2021	Written Down Value as on 30 June, 2020
		Balance as on 01 July 2020	Addition During the Year		Adjustment During the Year	Charged During the Year	Balance as on 30 June, 2021		
1	Land & Land Development	5,175,047,500	-	0%	-	-	-	5,175,047,500	5,175,047,501
2	Building & Godown	91,115,440	871,840	5%	-	2,603,403	42,086,697	49,900,583	51,632,146
3	Labour Shed	2,323,952	-	5%	-	63,577	1,115,986	1,207,966	1,271,543
4	Plant, Machinery & Boiler	722,957,323	26,384,073	10%	-	40,496,807	371,678,100	377,663,296	391,776,029
5	Electric Equipments & Others	63,395,630	1,603,350	10%	-	2,974,156	37,429,897	27,569,083	28,939,889
6	Gene & 5 MW Power Station	215,134,304	13,370,115	10%	(31,486,681)	8,379,292	96,986,360	100,031,378	108,594,538
7	Weighting & Road Scale	6,394,610	206,000	10%	-	260,782	4,150,577	2,450,034	2,504,815
8	Electric & Gas Installation	12,777,243	-	10%	-	401,457	9,164,133	3,613,110	4,014,567
9	Motor Vehicles	37,408,739	339,000	15%	(1,470,000)	2,149,804	22,665,113	13,612,626	15,632,525
10	Fax Machine	30,000	-	10%	-	763	23,137	6,863	7,626
11	PAEX & Telephone Set	992,572	1,200	10%	-	34,662	681,810	311,962	345,425
12	Computer	7,649,776	301,153	10%	-	470,808	3,713,659	4,237,270	4,406,925
13	ETP	1,569,181	-	5%	-	40,276	803,930	765,251	805,527
14	Fire Fitting Equipments	1,601,353	10,600	5%	-	49,415	673,061	938,891	977,706
15	Crane, Trolley & Fork Lift	7,748,894	751,140	5%	-	297,558	2,846,430	5,653,604	5,200,022
16	Workshop & Loose Tools	483,799	-	5%	-	12,418	247,863	235,936	248,354
17	Furniture & Fixture	3,315,153	9,360	10%	-	107,232	2,359,427	965,086	1,062,958
	Balance as on 30 June 2021	6,349,945,469	43,847,831		(32,956,681)	58,342,409	596,626,180	5,764,210,439	5,792,468,096
	Balance as on 30 June 2020	6,288,491,997	61,453,472		-	60,460,355	557,477,373	5,792,468,096	

Note: Land and land development represents only land.

Allocation of Depreciation:	Amount
Cost of Sales	54,855,115
Administrative Expenses	3,487,295
Total Depreciation	58,342,409

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

Habfuya Javeria
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

Sonali Paper & Board Mills Limited
Schedule of Inventories
As on 30 June 2021

Annexure -"B"

Particulars	30 June 2021			30 June 2020		
	Qty (Kg)	Rate	Taka	Qty (Kg)	Rate	Taka
Raw Materials:						
Waste Paper (Fuka Board)	37,000	21.50	795,500	892,893	19.50	17,411,414
Waste Paper (KLT)	23,000	47.00	1,081,000	-	-	-
Waste Paper (O C C)	438,638	21.00	9,211,398	151,000	18.75	2,831,250
Waste Paper (Different Grade)	99,271	15.75	1,563,518	14,769	12.49	184,465
Pulp (Different Grade)	964,391	67.50	65,096,393	2,659,965	55.75	148,293,049
CoCa3	31,600	23.00	726,800	28,547	23.50	670,855
Sizing	308	57.00	17,556	17,845	52.00	927,940
OBA	14,533	185.00	2,688,605	30,195	210.00	6,340,950
Oxidise Modifide Starch	24,310	120.00	2,917,200	155,512	41.00	6,375,992
Fixing	150	450.00	67,500	4,927	250.00	1,231,750
Retention (Local)	-	-	-	1,433	500.00	716,500
Retention (Imported)	23	775.00	17,825	6,994	774.40	5,416,187
De-Foming	7,663	260.00	1,992,380	-	-	-
Paper Colour	869	140.00	121,660	224	340.00	76,160
5 B. F. N	3,267	900.00	2,940,300	-	-	-
Sodium Silicate	888	20.00	17,760	1,982	19.00	37,658
Total	1,645,911		89,255,395	3,966,286		190,514,169

Material-in-Process:

Paper of Different Grades	206,058	71.65	14,764,056	182,740	68.84	12,579,822
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Finished Goods:

Simplex (Different Grade)	121,596	42.50	5,167,830	-	-	-
Liner (Different Grade)	7,096	50.00	354,800	379,469	48.96	18,578,802
White Liner (Different Grade)	12,900	77.00	993,300			
Medium (Different Grade)	1,345	36.00	48,420	50,068	32.50	1,627,210
Writing Paper (Different Grade)	-	-	-	171,573	70.00	12,010,110
Printing Paper (Different Grade)	685,417	94.00	64,429,198	407,091	70.00	28,496,370
A-4 Paper (Different Grade)	74,909	94.00	7,041,446	-	-	-
Total	903,263		78,034,994	1,008,201		60,712,492

Spare Parts:

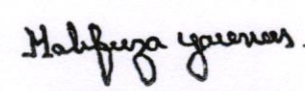
Particulars	Pcs	Rate	Taka	Pcs	Rate	Taka
a) Different Items	380	590.61	224,432	196	594.85	116,590
Total Taka			182,278,876	Total Taka		263,923,072


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
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 Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafizur Rahman
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Trade Receivables
As at 30 June 2021

Annexure - "C"

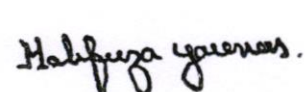
Sl. No	Name of the Party	Amount in Taka 30 June 2021	Amount in Taka 30 June 2020
1	A A Yearn Mills Ltd.	3,779,489	5,550,562
2	Asian Paper Converting Ind.	2,545,200	5,038,352
3	Badsha Textile Ltd.	5,757,038	5,059,050
4	B.N.N Packaging	-	5,675,917
5	Creative Paper Mills Ltd.	-	4,132,803
6	Dada Bobins Ltd.	3,595,172	5,356,308
7	G. C. Box Ltd.	-	2,324,183
8	EJ Paper & Packaging Pvt. Ltd.	6,294,154	-
9	Hasan Printing & Packaging Ind Ltd.	-	7,503,136
10	H. A. Sattar Printing & Packaging Ind.	4,623,004	4,631,533
11	Interna Plastic Ind.	-	3,632,018
12	Industrial Paper Products Enterprise	3,675,395	-
13	J. M. E Packaging	5,728,723	-
14	Kashpia Printing & Packaging Ind.	7,768,680	22,594,810
15	Motin Spinning	3,111,883	-
16	Modern Poly Industries	3,173,714	4,594,581
17	MSA Spinning	3,205,296	-
18	M/S. M.A.B Paper Products	3,058,481	4,480,672
19	MR Ali & Company	3,243,108	-
20	Platinum Print & Packaging Ltd.	7,686,236	5,659,780
21	Royel Box	-	2,302,660
22	Satata Printing & Packaging	3,933,611	-
23	Walton Hightec Ind. Ltd.	-	4,954,512
24	Wintech Core Pipe Ind.	4,152,700	-
25	Chandpur Paper House	-	9,238,649
26	Ever Green	-	9,652,433
27	Bashundhara Printing Zone	9,985,617	8,276,340
28	Razu Traders	-	7,484,165
29	Alam & Sons	9,652,316	9,760,138
30	Ananda Paper House	9,952,956	9,368,171
31	Intergraphic Ltd.	-	4,335,506
32	MJ Paper	7,578,889	8,493,942
33	M/S Akanda Traders	8,485,848	-
34	Rashedul Enterprise	7,673,862	6,930,838
35	Floral Printing & Binding	-	2,934,667
36	Neamot Enterprise	7,194,684	6,739,419
37	Saddam Paper	8,841,143	8,254,801
38	Sristi Printer	5,992,520	-
39	Dhaka Trade Center	2,454,800	-
40	Siddiq Printers	-	7,325,368
Total Trade Receivables		153,144,520	192,285,314
Less: Provision for Bad Debts		775,105	1,152,730
Net Trade Receivables		152,369,415	191,132,584


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammed Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

Sonali Paper & Board Mills Limited
Statement of Trade and Other Payables
As at 30 June 2021

Annexure -"D"

Sl. No	Name of the Party	Amount in Taka 30 June 2021	Amount in Taka 30 June 2020
1	M/S. Babul Enterprise	225,650	125,630
	Total Taka	225,650	125,630


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafizur Rahman
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

Sonali Paper and Board Mills Limited
Statement of Investment in Shares
As at 30 June 2021


Annexure - "E"

SL. No.	Name of Securities Company	Purchase Value of Shares as on 30 June 2021 Taka	Market Value of Shares as on 30 June 2021 Taka	Realised Gain for the FY 2020-21 Taka	Loan Balance as on 30 June 2021	Fees & Charges during the FY 2020-21	Dividend Receivables
1	SBL Capital Mangt. Ltd.	188,667,335	193,350,380	12,053,220	78,669,475	1,516,311	1,060,874
2	EBL Securities Ltd.	252,101,648	245,930,889	37,203,268	90,376,032	977,781	1,259,997
Total Taka		440,768,983	439,281,269	49,256,488	169,045,506	2,494,092	2,320,870

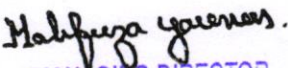
Investment in Shares: Tk. 439,281,269.00

The break-up is as below:

Sl. No.	Shares in Public Limited Company (Listed Company)	2020-2021				Balance as on 30 June 2020
		Number of Shares	Purchase Value as on 30 June 2021 Taka	Market Value as on 30 June 2021 Taka	Un-Realized Gain/(Loss)	
(a) Portfolio of SBL Capital Management Limited						
1	Asia Insurance Ltd.	199,728	20,117,883	20,631,902	514,019	-
2	BD National Ins Ltd.	484,518	64,444,664	61,727,593	(2,717,071)	-
3	Eastern Insurance Ltd.	309,155	39,671,498	37,284,093	(2,387,405)	-
4	Fortune Shoes Ltd.	1,394,994	51,631,254	62,356,232	10,724,978	-
5	NRB Commercial Bank Ltd.	353,600	12,802,036	11,350,560	(1,451,476)	-
Sub Total		2,741,995	188,667,335	193,350,380	4,683,045	
(b) Portfolio of EBL Securities Limited						
1	Asia Insurance Ltd.	300,000	31,895,400	30,990,000	(905,400)	-
2	BNICL	97,331	14,650,311	12,399,969	(2,250,342)	-
3	Eastern Insurance Ltd.	340,836	44,835,324	41,104,822	(3,730,502)	-
4	Fortune Shoes Ltd.	741,754	27,156,507	33,156,404	5,999,897	-
5	Genexil	1,300,000	119,306,850	115,570,000	(3,736,850)	
6	Northern Insurance Ltd	200,000	13,821,340	12,320,000	(1,501,340)	
7	NRB Commercial Bank Ltd.	12,140	435,916	389,694	(46,222)	-
Sub Total		2,992,061	252,101,648	245,930,889	(6,170,759)	
Grand Total						
		5,734,056	440,768,983	439,281,269	(1,487,714)	


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(b) Auditors Certificate – Form C

FORM-C

[Rule 8(h), 8(i) and 8(t)]

Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from **01 July 2020 to 30 June 2021** of **Sonali Paper & Board Mills Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 June 2021 and of the result of its operations and cash flows for the period/year then ended.
- Proper Books of Account have been kept by the company as required by the relevant laws.
- The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

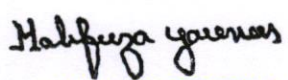
Financial Year	Date of Dividend Declaration	Rate (%)		Declared Dividend (Tk.)	
		Cash	Stock	Total Amount	Total Paid
2020-2021	September 16, 2021	20%	20%	7,32,11,532	-
2019-2020	October 22, 2020	5%	10%	2,49,58,473	2,49,58,473
2018-2019	October 20, 2019	-	10%	1,51,26,350	1,51,26,350
2017-2018	October 30, 2018	-	-	-	-
2016-2017	October 26, 2017	-	-	-	-

Place: Dhaka, Bangladesh
Dated: 13 November 2021

Sd/-
MABS & J Partners
Chartered Accountants


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd
24 APR 2022


Hafiza Yousuf
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022


SECTION 11**Rule 8 (i)****SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS**

SECTION CONTENTS	
(i)	Auditors Report in pursuance of Section-135(1) under Para-24 of part-II of the Third Schedule of the Companies Act, 1994

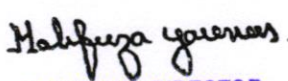
Sonali Paper & Board Mills Limited**Auditors' Report under Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994**

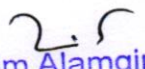
As per the requirement of Section-135(I), Para 24(I), of Part-II of Schedule III to the Companies Act 1994, management of Sonali Paper & Board Mills Limited has prepared the following statements of its assets and liabilities, profit and loss accounts and cash flows for the years ended 30 June 2017, 2018, 2019, 2020 and 2021 and submitted those to us for working and issuance of our confirmation thereon.

We, as the auditors of the Company, having examined the financial statements of the Company for the years ended 30 June 2017, 2018, 2019, 2020 and 2021 hereby confirm that the following information has been correctly extracted from those audited financial statements. In pursuance of section 135(1) under paragraph 24(1) of part II of the Third schedule of the Companies Act 1994 our report is as under:


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd
24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

1. Statement of Assets and Liabilities:

Assets

Property, plant and equipment

Non-current assets

Investment in Shares

Inventories

Advance, Deposits & Prepayments

Trade and Other Receivables

Cash and Cash Equivalents

Current assets

Total Assets

Share Holders' Equity and Liabilities

Share Capital

Revaluation Reserve

Retained Earnings

Share Holders' Equity

Long Term Bank Loan

Deferred Tax Liability

Non-Current Liabilities

Short Term Bank Loan (Secured)

Current Portion of Long Term Loan

Accounts Payable

Income Tax Liability

Current Liabilities

Total liabilities

Total Equity and Liabilities

Net Assets Value Per Share With Assets Revaluation

Net Assets Value Per Share Without Assets Revaluation

Amount in Taka					
30/Jun/2021	30/Jun/2020	30/Jun/2019	30/Jun/2018	30/Jun/2017	30/Jun/2016
5,764,210,439	5,792,468,096	5,791,474,979	5,786,966,859	5,787,160,382	5,798,466,328
5,764,210,439	5,792,468,096	5,791,474,979	5,786,966,859	5,787,160,382	5,798,466,328
439,281,269	-	-	-	-	-
182,278,876	263,923,073	319,782,979	212,553,124	178,757,391	246,483,912
49,749,837	22,168,947	74,175,197	75,258,411	19,760,954	17,356,388
154,778,171	191,240,291	166,184,770	80,202,987	10,193,730	15,151,929
85,365,060	35,189,412	36,717,385	45,224,744	34,727,867	56,170,070
911,453,213	512,521,723	596,860,331	413,239,266	243,439,942	335,162,299
6,675,663,652	6,304,989,819	6,388,335,310	6,200,206,125	6,030,600,324	6,133,628,627
183,028,830	166,389,850	151,263,500	151,263,500	151,263,500	137,512,280
4,927,446,858	4,927,446,858	4,927,446,858	4,927,446,858	4,927,446,858	4,927,446,858
93,540,251	29,033,209	17,427,178	(46,002,269)	(76,789,058)	(91,604,092)
5,204,015,939	5,122,869,917	5,096,137,536	5,032,708,089	5,001,921,300	4,973,355,046
332,877,660	15,476,709	68,162,379	127,411,335	195,583,236	239,142,408
289,324,596	300,060,344	300,980,127	301,997,723	303,243,065	306,239,338
622,202,256	315,537,053	369,142,506	429,409,058	498,826,301	545,381,746
640,282,253	717,668,881	785,323,792	615,821,259	415,567,024	519,187,115
128,977,320	75,792,251	73,210,788	66,826,272	41,962,470	40,365,768
57,324,533	55,813,399	64,520,689	55,441,447	72,323,229	55,338,952
22,861,352	17,308,318	-	-	-	-
849,445,458	866,582,849	923,055,269	738,088,978	529,852,723	614,891,835
1,471,647,714	1,182,119,902	1,292,197,775	1,167,498,036	1,028,679,024	1,160,273,581
6,675,663,653	6,304,989,819	6,388,335,310	6,200,206,125	6,030,600,324	6,133,628,627
284.33	307.88	336.90	332.71	330.68	361.67
15.11	11.74	11.15	6.96	4.92	3.34

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd
24 APR 2022

Halifuya Jannat
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

2. Statement of Operating Result:

Revenue	1,414,657,548	1,408,650,300	1,836,468,625	1,488,570,023	1,347,786,898	1,417,564,851
Less : Cost of Goods Sold	1,230,027,348	1,228,606,943	1,532,434,322	1,241,587,572	1,123,619,788	1,181,789,780
Gross Profit	184,630,200	180,043,357	304,034,303	246,982,451	224,167,110	235,775,071
Operating Expenses	75,893,842	74,388,078	141,608,178	138,975,009	140,621,733	145,171,057
Less : Administrative Expenses	67,465,246	63,529,232	128,332,086	125,460,416	124,198,330	124,478,549
Less : Selling and Distribution Expenses	8,428,596	10,858,846	13,276,092	13,514,593	16,423,403	20,692,508
Profit From Operation	108,736,358	105,655,279	162,426,125	108,007,442	83,545,377	90,604,014
Less : Financial Expense	61,221,079	66,168,778	73,541,349	64,106,634	45,855,987	60,076,227
Add: Other Income	52,667,451	268,290	139,009	128,493	398,949	-
Profit Before W.P.P.F	100,182,730	39,754,792	89,023,785	44,029,301	38,088,339	30,527,787
Less : Workers Profit Participation Fund @ 5%	(4,770,606)	(1,893,085)	(4,451,189)	(2,201,465)	-	-
Profit Before Tax	95,412,124	37,861,706	84,572,596	41,827,836	38,088,339	30,527,787
Less : Provision for Tax	(5,946,611)	(11,129,325)	(21,143,148)	(11,041,048)	(9,522,085)	(7,631,947)
Current tax	(16,682,359)	(12,049,108)	(22,160,745)	(12,286,389)	(12,518,358)	(10,968,096)
Deferred tax	10,735,748	919,783	1,017,597	1,245,341	2,996,273	3,336,149
Profit after tax	89,465,513	26,732,381	63,429,448	30,786,788	28,566,254	22,895,841
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income	89,465,513	26,732,381	63,429,448	30,786,788	28,566,254	22,895,841
Earning per Share (EPS) Basic	4.89	1.46	4.19	2.04	1.89	1.67
Earning per Share (EPS) Diluted	-	-	-	-	-	-
Total number of outstanding shares	18,302,883	16,638,985	15,126,350	15,126,350	15,126,350	13,751,228
Weighted average no.of shares outstanding	18,302,883	16,638,985	15,126,350	15,126,350	15,126,350	13,751,228

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

3. Dividend Declared :

	20%	5%	0%	0%	0%
Cash					
Bonus share					
	20%	10%	10%	0%	0%

4. Statement of Cash Flows:

A) CASH FLOWS FROM OPERATING ACTIVITIES

Received from customers	1,544,926,695	1,469,484,010	1,890,499,083	1,558,203,608	1,484,093,932	1,543,763,241
Received from Bad Debt	377,625	-	-	-	-	-
Paid to suppliers, payables and other expenses	(1,103,550,806)	(1,006,899,518)	(1,646,739,913)	(1,295,749,268)	(1,117,356,680)	(1,417,594,720)
Paid for administrative expenses	(56,873,614)	(55,339,462)	(67,724,242)	(66,225,869)	-	-
Paid for Selling and distribution expenses	(8,428,596)	(10,514,583)	(13,276,092)	(13,514,593)	-	-
Advance, deposit & prepayments	(22,699,089)	(50,087,255)	2,477,670	(55,497,457)	-	-
VAT paid	(90,069,901)	(83,833,935)	(139,283,900)	(140,243,299)	(131,092,400)	(116,956,400)
Foreign Exchange Rate Loss	(35,420)	-	-	-	-	-
Income Tax paid	(16,011,126)	(19,224,154)	(12,579,756)	(10,403,218)	(11,960,836)	(7,874,416)
Net cash generated from operating activities	247,635,768	243,585,103	13,372,850	(23,430,096)	223,684,016	1,337,705

B) CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment	(43,847,831)	(61,453,472)	(65,115,964)	(59,041,024)	(54,086,623)	(62,145,598)
Investment in Shares	(440,768,983)	-	-	-	-	-
Received from Bank Interest	141,384	268,290	139,009	128,493	398,949	-
Received from Sales of Shares (Realise Gain)	49,256,488	-	-	-	-	-
Received from Motor Vehicle	800,000	-	-	-	-	-
Received from Insurance Claim	13,300,000	-	-	-	-	-
Net Cash Inflow / (Outflow) from Investing Activities	(421,118,942)	(61,185,182)	(64,976,955)	(58,912,531)	(53,687,674)	(62,145,598)

C) CASH FLOWS FROM FINANCING ACTIVITIES

Long term bank loan received/(refund)	370,586,020	(50,104,206)	(52,864,439)	(43,308,099)	(41,962,469)	(45,014,467)
Short term bank loan received/(refund)	(77,386,628)	(67,654,910)	169,502,534	200,254,235	(103,620,091)	204,167,989
Finance cost	(61,221,079)	(66,168,778)	(73,541,349)	(64,106,634)	(45,855,987)	(60,076,227)
Paid for Cash Dividend	(8,319,493)	-	-	-	-	-
Net Cash Inflow / (Outflow) from Financing Activities	223,658,821	(183,927,894)	43,096,746	92,839,502	(191,438,547)	99,077,295

D) Net Increase/ (Decrease) in Cash & Cash Equivalents

	50,175,648	(1,527,973)	(8,507,359)	10,496,875	(21,442,205)	38,269,403
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E) Cash and Cash Equivalents at the beginning of the year

	35,189,412	36,717,385	45,224,744	34,727,867	56,170,070	17,900,667
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F) Cash and Cash Equivalents at the end of the year

	85,365,060	35,189,412	36,717,385	45,224,744	34,727,867	56,170,070
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Net Operating Cash Flow per Share-Reported

	13.53	13.31	0.88	(1.55)	14.79	0.10
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Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

5. The Company has no any Subsidiary or Sister Concern.

6. Figures relating to previous years have been re-arranged/re-stated wherever considered necessary.

7. No Accounts have been audited in respect of any period subsequent to the period ended 30 June 2021.

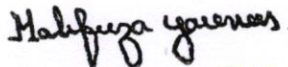
8. No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business as revealed from the said accounts.


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

Place: Dhaka, Bangladesh
Dated: 13 November 2021

Sd/-
MABS & J Partners
Chartered Accountants


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 12**Rule 8 (j)**

LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS

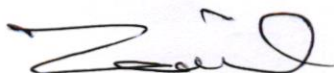
Sonali Paper & Board Mills Limited was incorporated in Bangladesh in the year 1978 under Companies Act, 1913 & 1994 as a Public Limited Company. The Company has started commercial operations in the same year and has successfully completed almost 43 years of operation.

The company got 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.



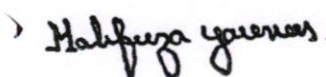
Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022



Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022



MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 13

Rule 8 (k)

IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONG WITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT**PURPOSE OF RIGHTS ISSUE AND IMPLEMENTATION SCHEDULE**

The demand for products Sonali Paper & Board Mills Limited is increasing day by day and it needs to further strengthen the operation through capital machinery import. The proceeds received from Rights Issue of Sonali Paper & Board Mills Limited will be invested to procure a portion of capital machinery of the Company for growth of overall business operation. The Company shall issue 10,981,729 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 109,817,290.00 as rights offer at 1 (One) [R]: 2 (Two) ratio i.e. 1(One) Rights share for 2(Two) existing share held on the record date for entitlement.

The estimated utilization plan of the fund to be raised through the said Rights Issue is stated below:

Particulars	Amount in USD	Amount in Taka	Implementation Period
Capital Machinery:			
Brand new Caterpillar Gas Generator Sets with Complete Standard Accessories	1,350,000/-	109,817,290/-	Three to six months
Total	1,350,000/-	109,817,290/-	
Note: Any excess of fund due to exchange rate shall be covered from internal source of financing.			

Sd/-
Mahfuza Younus
Managing Director

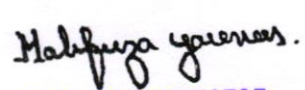
Sd/-
Mohammad Ziaul Haque
Chief Financial Officer

Sd/-
Md. Rashedul Hossain
Company Secretary

Place: Dhaka
Dated: 11 November 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

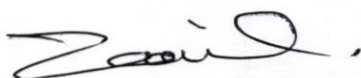
SECTION 14**Rule 8 (1)**

QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT



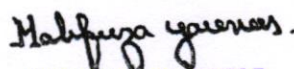
Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022



Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022



MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

**QUANTITY OF SHARES HELD BY EACH DIRECTOR ON THE DATE OF THE
RIGHT SHARE OFFER DOCUMENTS**

Name of the Directors	Position	Number of Shares	Percentage
Mohammed Younus	Chairman	3,028,201	13.79%
Mahfuza Younus	Managing Director	3,022,326	13.76%
Mohammed Javed Noman	Director	8,771,619	39.94%
A.K.M. Nurul Fazal Bulbul	Independent Director	Nil	Nil
Ashim Kumar Roy	Independent Director	Nil	Nil
Total number of shares held by the Directors		14,822,146	67.49%
Total number of shares held by all category		21,963,459	100%

As on March 2022

**QUANTITY OF SHARES HELD BY BENEFICIAL OWNERS HOLDING SHARES
5% OR ABOVE ON THE DATE OF THE RIGHT SHARE OFFER DOCUMENTS**

There are no beneficial owners who own 5% or above shares of Sonali Paper and Board Mills Limited on the date of the right share offer documents.

COMPOSITION OF SHAREHOLDING POSITION OF THE COMPANY

Particulars	Number of Shares	Total Amount in TK	Percentage
Sponsor/Director	14,828,110	148,281,100	67.51%
Government	-	-	-
Institute	27,21,859	27,218,590	12.40%
Foreign	-	-	-
General Public	4,413,490	44,134,900	20.09%
Total number of shares held by all category	21,963,459	219,634,590	100%

As on March 2022


Sd/-
Mahfuza Younus
Managing Director

Sd/-
Mohammad Ziaul Haque
Chief Financial Officer

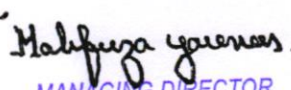
Sd/-
Md. Rashedul Hossain
Company Secretary

Place: Dhaka

Dated: 23 April 2022


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 15

Rule 8 (m)

NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY**Board of Directors**

Name of Directors	Position	Address	Educational Qualification	Occupation
Mohammed Younus	Chairman	51, Central Road, Dhanmondi, Dhaka-1205	H.S.C.	Business
Mahfuza Younus	Managing Director	51, Central Road, Dhanmondi, Dhaka-1205	H.S.C.	Business
Mohammed Javed Noman	Director	51, Central Road, Dhanmondi, Dhaka-1205	BBA	Business
A.K.M. NurulFazal Bulbul	Independent Director	House No-28/A, Road-3, Old D.O.H.S, Banani, Dhaka	M. COM	Adviser
Ashim Kumar Roy	Independent Director	Flat No-15B, 'Digonto', 3 & 3A Paribag, Dhaka-1215	M. COM	Consultancy

Management and Executives


Name of Employee	Position	Address	Educational Qualification	Occupation
Mohammad Ziaul Haque	Chief Financial Officer	15/10, Sobhanbag Officers Quarter, Dhanmondi, Dhaka	MBA	Service Holder
Md. Rashedul Hossain	Company Secretary	27/5/A-1 Topkhana Road, Dhaka-1000	MBS	Service Holder
Md. Mahabub Alam	Head of Internal Audit	House-183, Road-5, Mohammadia Housing Ltd. Dhaka	MBA, CA-P1	Service Holder
AL-Mamun Parvez	GM, Accounts	322/2, Jafrabad, Mohammadpur, Dhaka	B. Com	Service Holder
Md. Sayed Hassan	DGM, Commercial	186, Chata Moszid Lane, Rayerbazar, Dhaka	B. Com	Service Holder

Sd/-
Mahfuza Younus
 Managing Director

Sd/-
Mohammad Ziaul Haque
 Chief Financial Officer

Sd/-
Md. Rashedul Hossain
 Company Secretary

Place: Dhaka
 Dated: 11 November 2021


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.

24 APR 2022


Mahfuza Younus
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited


24 APR 2022

SECTION 16**Rule 8 (n)****NAME OF THE PUBLIC LISTED COMPANY UNDER COMMON MANAGEMENT**

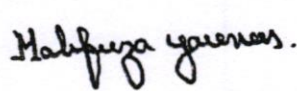
As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the complete common Management of Sonali Paper & Board Mills Limited. However, some directors of SPBML as disclosed below hold directorship in other companies listed with the exchanges:

Name	Position held in SPBML	Name of the Public Listed Company	Position held in listed companies
Mohammed Younus	Chairman	Shahjalal Islami Bank Limited	Director
Mahfuza Younus	Managing Director	Express Insurance Ltd.	Director
Mohammed Javed Noman	Director	N/A	N/A
A.K.M. Nurul Fazal Bulbul	Independent Director	Exim Bank Ltd.	Director
Ashim Kumar Roy	Independent Director	N/A	N/A

None of our Directors except disclosed above has any directorship in other companies listed on the exchanges.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

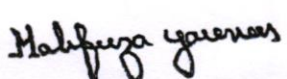
SECTION 17
Rule 8 (o)

NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE

SECTION CONTENTS	
(a)	Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter
(b)	Name and address of issue manager
(c)	Name and address of the auditor
(d)	Name and address of the legal adviser
(e)	Name and address of banker to the rights issue


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Hafiza Yousuf
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(a) Name and address of the underwriter(s) along with the number of shares underwritten by each underwriter

Underwriter/s	Number of shares Underwritten	Amount Underwritten (Tk)
Bengal Investments Limited Address: Bilquis Tower (9th Floor), Plot: 06, Road: 46, Gulshan Circle-2, Dhaka-1212 Website: bengal-investments.com Email: md.bengalinvestments@gmail.com	10,481,729	104,817,290.00
CAPM Advisory Limited., Tower Hamlet (9th Floor), 16, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213. Website: capmadvisorybd.com Email: md@capmadvisorybd.com	500,000	5,000,000.00
Total	10,981,729	109,817,290

(b) Name and address of issue manager

Issue Manager/s	Address
UCB Investment Limited	Bulu's centre, (17th Floor) Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212 Website: ucb-investment.com Email: support@ucb-investment.com

(c) Name and address of the auditor

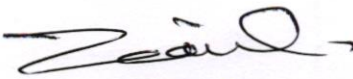
Auditor	Address
MABS & J Partners Chartered Accountants	SMC Tower (7th Floor), 33 Banani C/A, Road #17, Dhaka 1213, Bangladesh Website: mabsj.com Email: info@mabsj.com

(d) Name and address of the legal adviser

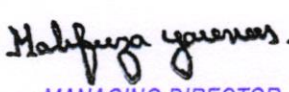
The issuer has no legal advisors.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

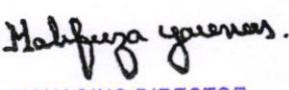
(e) Name and address of banker to the rights issue

Banker to the Rights Issue	Address
United Commercial Bank Limited	Bulu's Centre, Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212 Website: ucb.com.bd Email: info@ucb.com.bd

Region	SL.	Branch Name	Address
Dhaka	1	Gulshan	Concord I.K. Tower (1st floor), Plot#CEN(A)-2, North Avenue, Gulshan-2, Dhaka
	2	Mirpur	House#1, Road#4, Block -A, Section-6, Mirpur, Dhaka
	3	Uttara	Paradise Tower (Ground to 2nd floor), Plot#11, Sector#03, Dhaka-Mymensingh Road, DNCC, Uttara, Dhaka.
	4	Kawran Bazar	11, Kawran Bazar, Titas Gas Bhaban, Kawran Bazar, Dhaka
	5	Foreign Exchange	20, Dilkusha C/A Dhaka-1000
	6	Gazipur Chowrasta	Unisay Tower (1st floor) Mymensingh Road, Union-Bason, P.O - Chandana, Dist- Gazipur.
	7	Chashara	Badhan Community Centre (1st flr), 231/5, B.B. Road, Chashara, Narayangonj
Mymensingh	8	Mymensingh	17, Chota Bazar, Mymensingh -2200
Chittagong	9	O.R. Nizam Road	Aerial Legend Centre, Holding-1080, CDA Avenue, East Nasirabad (GEC), PS-Panchlaish, Chittagong.
	10	Agrabad	Atlas Rangs Plaza, Plot No.7, Sheikh Mojib Road, Agrabad C/A, Ward No.36, PS-Bandar, Chittagong City Corporation, Dist. Chittagong
	11	Comilla	125/117, Raigonj (1st floor), Chatipatty, Comilla-3500
Rajshahi	12	Rajshahi	70/71, Miah Para (1st Flr.), Shaheb Bazar, Natore Maha Sarak, Rajshahi -6100
	13	Bogra	221, Jhawtola, Pashari Mansion, Bogra- 5800
Khulna	14	Khulna	47, K.D Ghosh Road, Khulna-9000
Barisal	15	Barisal	Hosue# 87-88, Hemayet Uddin Road, Barisal City Corporation, P.S-Barisal Sadar, Barisal.
Sylhet	16	Zindabazar	1683/A, Zindabazar, Sylhet
Rangpur	17	Rangpur	Asha Centre, 624, G.L. Roy Road, Ward-24, Rangpur City Corporation, PS-Kotwali, Rangpur


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 18

Rule 8 (p)

PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

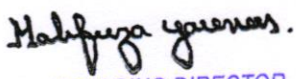
SECTION CONTENTS	
(a)	Particulars of Vendor's Agreement
(b)	Particulars of Underwriting Agreement
(c)	Particulars of Issue Management Agreement
(d)	Particulars of the Banker's to the Issue Agreement
(e)	Particulars of Contract for Acquisition of Property, Plant & Equipment


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

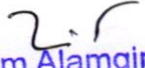
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Halimul Haque
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

(a) Particulars of Vendor's Agreement

SPBML has not entered in to any vendor agreement till to date.

(b) Particulars of Underwriting Agreement

Full amount of Rights Offer of SPBML has been underwritten by underwriter/s as shown in the classified information part of ROD. Each underwriter will be paid underwriting commission @ 0.25% of the nominal value of shares underwritten by them out of the Rights Issue. Simultaneously, with the calling upon an underwriter to subscribe and pay for any number of shares, the company will pay no additional commission to that underwriter on the nominal value of shares required to be subscribed by them.

(c) Particulars of Issue Management Agreement

UCB Investment Limited is appointed as Issue Manager for the Rights Issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay a lump-sum issue management fee amounting to Tk. 15 Lac only to the Issue Manager.

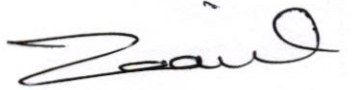
(d) Particulars of the Banker's to the Issue Agreement

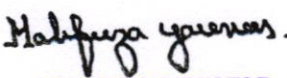
United Commercial Bank Limited is the Banker to the Issue who will collect the subscriptions money of the Rights Offer. The Bankers to the Issue will be paid commission @ 0.10% on the amount of subscription collected by them. But no commission will be paid to SPBML. The Rights Issue subscriptions money collected from the shareholders by the Bankers to the Issue will be remitted to the Company's STD Account Name SONALI PAPER & BOARD MILLS LIMITED - RIGHTS ISSUE A/C and Account no. 0541101000005893 with Gulshan Branch.

(e) Particulars of Contract for Acquisition of Property, Plant & Equipment

After the balance sheet date 30 June 2021, the Company did not acquire any property or entered in to any agreement for acquisition of any property.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 19**Rule 8 (q)**

NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION

DIRECTORS TAKE-UP OF RIGHTS SHARE

We declare that the directors of Sonali Paper & Board Mills Limited **shall not renounce any shares and are expected to exercise their full portion of Rights offer** in the following way:

Name of Directors	Status	Number of Shares Held	Taking-Up In the Right Offer	Number of Shares to be Renounced
Mohammed Younus	Chairman	3,028,201	1,514,100	Nil
Mahfuza Younus	Managing Director	3,022,326	1,511,163	Nil
Mohammed Javed Noman	Director	8,771,619	4,385,809	Nil
A.K.M. Nurul Fazal Bulbul	Independent Director	Nil	Nil	Nil
Ashim Kumar Roy	Independent Director	Nil	Nil	Nil

Sd/-

Mahfuza Younus
Managing Director

Sd/-

Mohammad Ziaul Haque
Chief Financial Officer

Sd/-

Md. Rashedul Hossain
Company Secretary

Place: Dhaka

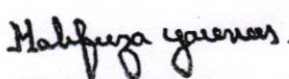
Dated: 23 April 2022


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

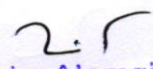
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 20
Rule 8 (r)

STATEMENT OF ACTUAL UTILISATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREFOR
DECLARATION REGARDING UTILIZATION OF PREVIOUS FUND

Sonali Paper & Board Mills Limited was incorporated in Bangladesh in the year 1977 under companies Act, 1913 & 1994 as a Public Limited Company. The present owner took over all the shares of the company in 2005. Before that, the company was out of operation for a long time. After taking over the charge the management brought the company into operation on March 11, 2007. Its' shares were being traded in the OTC market up to 15 June 2020 which includes sponsors contribution to paid-up capital and subsequent bonus shares. Hence, the amount of fund raised through Initial Public Offer (IPO) and its utilization are beyond the knowledge of the current management.

Further the company did not raise any capital through issuance of rights share previously.

Sd/-

Mahfuza Younus
Managing Director

Sd/-

Mohammad Ziaul Haque
Chief Financial Officer

Sd/-

Md. Rashedul Hossain
Company Secretary

Place: Dhaka

Dated: 11 November 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 21

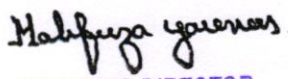
Rule 8 (s)

APPLICATION FORM FOR DEPOSITING THE SUBSCRIPTION MONEY WITH THE BANKERS TO THE ISSUE FOR THE RIGHTS SHARE, WITH THE PROVISION FOR RENUNCIATION OF THE RIGHTS OFFER

SECTION CONTENTS	
(a)	Letter of Offer for Rights Issue to the Shareholders
(b)	Form of Acceptance and Application for Shares, Form-A
(c)	Form of Renunciation, Form-B
(d)	Application by Renouncee(s), Form-C


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(a) Letter of Offer for Rights Issue to the Shareholders

**Sonali Paper & Board Mills Limited**

51, Central Road, Dhanmondi, Dhaka-1205

Telephone: 58610056-59, 9677781, Fax: +88-02-58613965

E-mail: spshare@younusgroup.com; Website: www.spbmlbd.com

Folio/BO Account No	:	
Name	:	
Address	:	

LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder(s)

We are pleased to inform you that the Board of Directors in its 69th Board Meeting recommended to issue 10,981,729 Ordinary Shares as rights shares of Tk.10.00 each at an issue price of Tk.10.00 per share on the basis of 01[R]:02 i.e., 01 (One) Rights Shares for every 02 (Two) existing share held, which was approved by the Shareholders in the Extraordinary General Meeting (EGM) held on 11 November 2021. As a registered Shareholder as on May 23, 2022 (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favour of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments. The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ Tk.10.00 each and to be deposited with any of the branches of Bankers to the Issue during Banking hours. Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "Sonali Paper & Board Mills Limited" and must be drawn on a Bank in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above Tk. 1.00 lac must be affected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application Form-A and/or Renunciation Form-B and Form-C with necessary payments have not been received by June 28, 2022 or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

On behalf of the Board of Directors,

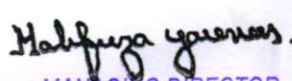
Sd/-

Mahfuza Younus

Managing Director & CEO


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(b) Form of Acceptance and Application for Shares, Form-A

পুঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Application Form - A
Sonali Paper & Board Mills Limited

51, Central Road, Dhanmondi, Dhaka-1205

Rights Offer of 10,981,729 Ordinary Shares of Tk.10.00 each at an issue price of Tk.10.00 each totaling Taka 109,817,290 offered on the basis of 01(One) [R]:02(Two) i.e. One Rights Share against 02(Two) existing share held to the shareholders whose name appeared in the share register at the close of business on May 23, 2022.

SUBSCRIPTION	
Opens on	Closes on
June 07, 2022	June 28, 2022
Within banking hours both days inclusive	

FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

The Managing Director & CEO
Sonali Paper & Board Mills Limited
51, Central Road, Dhanmondi, Dhaka-1205

Dated:/...../.....

Application Sl. No.....
(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and subject to the Memorandum and Articles of Associations of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @Tk. 10.00 per share in cash or by Draft/Pay Order/Cheque No..... dated..... drawn on Bank Branch.

Folio/BO Account No.	No. of Shares held at the close of business on May 23, 2022	No. of Shares offered	No. of Shares Accepted	Total Amount Paid (Tk.)

Yours faithfully,

1. Name (in block letters):	Signature:
Address:	
2. Name (in block letters):	Signature:
Address:	

[illegible]

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. In case of incomplete application, the offer will be deemed to have been declined. A/C payee Cheque/Draft/Pay order to be issued in favor of Sonali Paper & Board Mills Limited

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received Tk..... (Taka.....) only from
Mr./Ms..... Folio/BO Account No.....
.....for.....No(s) of rights shares of Sonali Paper & Board Mills Limited in Cash/Pay
order/Draft/Cheque No.....date.....of.....Bank.....Branch.

Application Sl. No (SPBML's Seal)

(Bank's Seal)

Signature of Receiving Officer
Date:

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd
24 APR 2022

Halfeza yuemes.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(c) Form of Renunciation, Form-B

পূঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Renunciation Form - B

Sonali Paper & Board Mills Limited

51, Central Road, Dhanmondi, Dhaka-1205

Rights Offer of 10,981,729 Ordinary Shares of Tk.10.00 each at an issue price of Tk.10.00 each totaling Taka 109,817,290 offered on the basis of 01(One) [R]:02(Two) i.e. One Rights Share against 02(Two) existing share held to the shareholders whose name appeared in the share register at the close of business on May 23, 2022.

SUBSCRIPTION	
Opens on	Closes on
June 07, 2022	June 28, 2022
Within banking hours both days inclusive	

FORM OF RENUNCIATION

(যাঁর বিত্তে শেয়ার আছে তাঁর জন্য প্রযোজ্য)

The Managing Director & CEO
Sonali Paper & Board Mills Limited
51, Central Road, Dhanmondi, Dhaka-1205

Dated:/...../.....

Application Sl. No.....
(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in Application by Renouncee(s) and apply for allotment in his/her/their name(s).

Folio/BO Account No. (যাঁর বিত্তে শেয়ার আছে তাঁর জন্য প্রযোজ্য)	No. of Shares held at the close of business on May 23, 2022	No. of Shares offered	No. of Shares Renounced	Total Amount Paid (Tk.)

Yours faithfully,

1. Name (in block letters):	Signature:
Address:	
2. Name (in block letters):	Signature:
Address:	

Name(s) of Renouncee(s) (যাঁর বিত্তে শেয়ার আছে তাঁর জন্য প্রযোজ্য)	BO Account No.															
1. Name:																
2. Name:																

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

Halifuzza yeener.
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

(d) Application by Renouncee(s), Form-C

পূঁজিবাজার ঝুঁকিপূর্ণ। জেনে ও বুঝে বিনিয়োগ করুন।

Renunciation Form - C

APPLICATION BY RENOUNCEE(S)

(যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)

The Managing Director & CEO
Sonali Paper & Board Mills Limited
51, Central Road, Dhanmondi, Dhaka-1205

Dated:/...../.....

Application Sl. No.....
(Bank's Seal)

Dear Sir,

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of shares as renounced, by making payment of Tk. being the value ofShares @ Tk.10.00 each.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

(যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)

N.B. use photocopy in case of renouncement favoring more than 2 (two) persons

Signature of the Renouncer(s)	
Renouncer 1	Renouncer 2

As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

Note: Signature must be the same as was furnished to the Company earlier. Incomplete or incorrectly filled application will be rejected.

ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)

Received Tk..... (Taka.....) only from
Mr./Ms..... Folio/BO Account No.....
.....for.....No(s) of rights shares of Sonali Paper & Board Mills Limited in Cash/Pay
order/Draft/Cheque No.....date.....of..... BankBranch.

Application Sl. No (SPBML's Seal)

(Bank's Seal)

Signature of Receiving Officer

Date:

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

SECTION 22
Rule 8 (t)

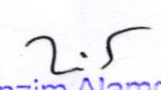
DECLARATION ABOUT THE RESPONSIBILITY OF THE ISSUE MANAGER, THE UNDERWRITER, THE AUDITORS AND THE DIRECTORS IN FORMS-A, B, C AND D RESPECTIVELY

SECTION CONTENTS	
(a)	Declaration about the responsibility of the Issue Manager, Form-A
(b)	Declaration about the responsibility of the Underwriter, Form-B
(c)	Declaration about the responsibility of the Auditor, Form-C
(d)	Declaration about the responsibility of the Directors, Form-D


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(a) Declaration about the responsibility of the Issue Manager, Form-A

FORM-A

[Rule 5 and 8(t)]

Declaration (due diligence certificate) about responsibility of the issue manager in respect of the rights share offer document

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

For UCB Investment Limited

Place: Dhaka

Dated: 24 October 2021

Sd/-

Tanzim Alamgir

Managing Director & CEO


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

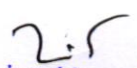
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

(b) Declaration about the responsibility of the Underwriter, Form-B

FORM-B
[Rule 6 and 8(t)]Declaration (due diligence certificate) about responsibility of the
underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

For Bengal Investments Limited

Place: Dhaka
Dated: 26 October 2021

Sd/-
Tahid Ahmed Chowdhury
Managing Director

FORM-B
[Rule 6 and 8(t)]Declaration (due diligence certificate) about responsibility of the
underwriter(s) in respect of the rights share offer document

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

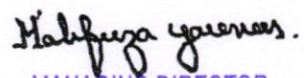
For CAPM Advisory Limited

Place: Dhaka
Dated: 26 October 2021

Sd/-
Tania Sharmin
Managing Director & CEO


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Halimul Haque
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(c) Declaration about the responsibility of the Auditor, Form-C

FORM-C

[Rule 8(h), 8(i) and 8(t)]

Auditors' report to the shareholders

We have audited the accompanying financial statements for the period from **01 July 2020 to 30 June 2021** of **Sonali Paper & Board Mills Limited** in accordance with the International Standards of Auditing, as applicable in Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:


- These financial statements have been drawn up in accordance with the requirements of the Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and the International Accounting Standards, as applicable in Bangladesh.
- These financial Statements which are in agreement with the books of account of the issuer company give a true and fair view of the state of its affairs as at 30 June 2021 and of the result of its operations and cash flows for the period/year then ended.
- Proper Books of Account have been kept by the company as required by the relevant laws.
- The expenditure incurred was for the purposes of the issuer company's business.

We also certify that the above company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under the Securities and Exchange Commission (Rights Issue) Rules, 2006, and that the company has duly paid off the following amounts of the declared dividend mentioned against respective year-

Financial Year	Date of Dividend Declaration	Rate (%)		Declared Dividend (Tk.)	
		Cash	Stock	Total Amount	Total Paid
2020-2021	September 16, 2021	20%	20%	7,32,11,532	-
2019-2020	October 22, 2020	5%	10%	2,49,58,473	2,49,58,473
2018-2019	October 20, 2019	-	10%	1,51,26,350	1,51,26,350
2017-2018	October 30, 2018	-	-	-	-
2016-2017	October 26, 2017	-	-	-	-

Place: Dhaka, Bangladesh
Dated: 13 November 2021

Sd/-
MABS & J Partners
Chartered Accountants


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

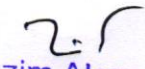
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

(d) Declaration about the responsibility of the Directors, Form-D

FORM-D

[Rule 8(t)]

**DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR
PERSONAL RESPONSIBILITY IN RESPECT OF THE RIGHTS SHARE OFFER
DOCUMENT**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006.

We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/-

Mohammed Younus
Chairman

Sd/-

Mahfuza Younus
Managing Director

Sd/-

Mohammed Javed Noman
Director

Sd/-


A.K.M. Nurul Fazal Bulbul
Independent Director

Sd/-


Ashim Kumar Roy
Independent Director

Place: Dhaka

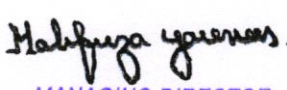
Dated: 11 November 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

SECTION 23

Rule 8 (u)

A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE

STATEMENT OF LOCK-IN ON THE RIGHTS SHARES

The rights share of directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights share by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period.

Sl.	Name of Directors/ Shareholders (5% or more)	Status	% of Shareholding	No. of Shares held at the Record Date (May 23, 2022)	Rights Share Portion	Date of Subscription Close	Expiry Date of Lock-in
1	Mohammed Younus	Chairman	13.79%	3,028,201	1,514,100	June 28, 2022	03 (three) years from the date of closure of the rights share subscription
2	Mahfuza Younus	Managing Director	13.76%	3,022,326	1,511,163		
3	Mohammed Javed Noman	Director	39.94%	8,771,619	4,385,809		

Md. Rashedul Hossain
Company Secretary
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24 APR 2022

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Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

SECTION 24**Rule 8 (v)**

A DECLARATION THAT THE RIGHTS SHARES TO BE ISSUED IN DEMATERIALIZED FORM AND THE SUBSCRIBING SHAREHOLDERS HAVE TO APPLY WITH RESPECTIVE DEPOSITORY ACCOUNTS

A per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account Number in the application form.



Md. Rashedul Hossain
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24 APR 2022



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24 APR 2022



Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

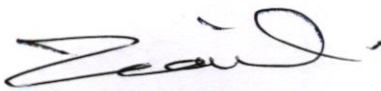
SECTION 25

CREDIT RATING REPORT OF THE ISSUER, IF THE OFFER IS AT A PREMIUM

The Issuer is offering the Rights at par. So, credit rating is not applicable in this case. However, Sonali Paper & Board Mills Limited has valid credit rating which is summarized as follows-

Credit Rating Status		
	Long Term	Short Term
Entity Rating	A2 (Lr)	ST-3
Outlook	Stable	
Date of Rating	12 January 2022	
Validity of Rating	31 January 2023	
Rating assigned by: Credit Rating Agency of Bangladesh (CRAB)		


Md. Rashedul Hossain
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 Sonali Paper & Board Mills Ltd.
 24 APR 2022


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 24 APR 2022


Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

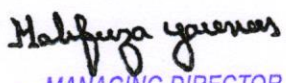
SECTION 26

CORPORATE GOVERNANCE

SECTION CONTENTS	
(a)	Certificate on Compliance with Corporate Governance Code
(b)	Corporate Governance Compliance Status


Md. Rashedul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022


Halima Zaman
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

(a) Certificate on Compliance with Corporate Governance Code

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 2021. This Code relates to the Notification No. BSEC/CMRRCD/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.

Sd/-

Principal

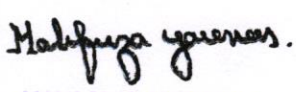
Rahman Zasim & Co.

Cost & Management Accountants

Dhaka, 15 October 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022


(b) Corporate Governance Compliance Status

Sonali Paper & Board Mills Limited
Status of Compliance with the Corporate Governance Code (CGC)
as on 30 June 2021

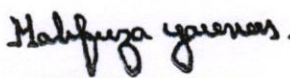
Status of compliance with the conditions imposed by the commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Complied	Not Complied	Remarks (If any)
1	Board of Directors			
1(1)	Size of the Board of Directors			
	The number of the board members shall not be less than 5(five) and more than 20 (twenty).	✓		
1(2)	Independent Directors:			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		Board comprises 5 members including 2 Independent Directors
1(2)(b)	For the purpose of this clause "independent director" means a director-			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
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;	✓		



Md. Rashadul Hossain
 Company Secretary
 Sonali Paper & Board Mills Ltd.
 24 APR 2022

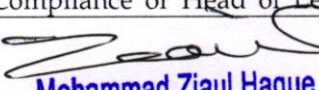

Mohammad Ziaul Haque
 Chief Financial Officer
 Sonali Paper & Board Mills Ltd.
 24 APR 2022

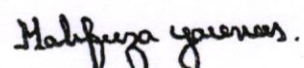

Hafiza Yasmin
 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No vacancy Occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
1(3)	Qualification of Independent Director			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3) (b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or 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	✓		


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 24 APR 2022


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 MANAGING DIRECTOR
 SONALI PAPER & BOARD MILLS LTD.
 24 APR 2022


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited
 24 APR 2022

	candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company;			
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law;			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
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;	✓		
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;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; 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			

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

Habibul Haque
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
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);	✓		
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for 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;			N/A
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5) (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5) (xii)	Proper books of account of the issuer company have been maintained;	✓		
1(5) (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5) (xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Notes to Accounts 2.09
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		

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24 APR 2022

1(5) (xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5) (xvii)	There is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1(5) (xviii)	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)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Page No. 11
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;	✓		
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
1(5) (xxiii)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);			N/A
1(5)(xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		
1(5)(xxiii)(c)	Executives; and	✓		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		
1(5) (xxiv)	In case of the appointment 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;	✓		
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of	✓		Page No. 19-20

Md. Rashedul Hossain
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24 APR 2022

Manjura Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

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Managing Director & CEO
UCB Investment Limited

24 APR 2022

	changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the 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	✓		

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Halifuzza Jannat
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

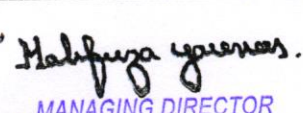
	members and Chief Executive Officer of the company;			
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		
2.	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	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;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		


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Company Secretary
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24 APR 2022


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Mahfuzul Haque
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


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Managing Director & CEO
UCB Investment Limited

24 APR 2022

3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
3(2)	Requirement to attend Board of 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:- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee	✓		
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a subcommittee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		

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5(2)	Constitution of the Audit Committee	✓		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	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.			N/A
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,	✓		

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MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
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Managing Director & CEO
UCB Investment Limited
24 APR 2022

	whichever is higher, where presence of an independent director is a must.			
5(5)	Role of Audit Committee: The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	monitor choice of accounting policies and principles;	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5(5)(d)	oversee hiring and performance of external auditors;	✓		
5(5)(e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	review the adequacy of internal audit function;	✓		
5(5)(i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	review statement of all related party transactions submitted by the management;			N/A
5(5)(k)	review The Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5(6)(a)(ii)	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

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SONALI PAPER & BOARD MILLS LTD.

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24 APR 2022

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
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 sub-committee of the Board;	✓		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	✓		
6(2)	Constitution of the NRC	✓		
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		

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6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
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;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6(3)	Chairperson of the NRC	✓		
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
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;			No such incident arose
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);	✓		

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UCB Investment Limited
24 APR 2022

6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6(5)(b)(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	✓		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5)(b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	Will be disclosed
7.	External or Statutory Auditors			

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.

24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022

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MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022

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);	✓		
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	✓		


Md. Rashedul Hossain
Company Secretary
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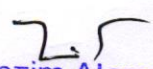
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.

24 APR 2022


Hafiza Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.

24 APR 2022


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Managing Director & CEO
UCB Investment Limited

24 APR 2022

	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.	✓		


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 SONALI PAPER & BOARD MILLS LTD.

24 APR 2022



Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

24 APR 2022

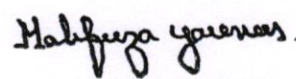
SECTION 27

TERMS AND CONDITIONS OF THE RIGHTS ISSUE

SECTION CONTENTS	
(a)	Basis of the Offer
(b)	Entitlement
(c)	Acceptance of the Offer
(d)	Renunciation
(e)	General
(f)	Condition of Subscription
(g)	Payment of Share Price
(h)	Lock-in on Rights Share
(i)	Others


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 24 APR 2022

(a) Basis of the Offer

The Company records its share register of members on May 23, 2022 for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each, in the ratio of 01[R]:02, i.e., 01 (One) right shares for every 02 (Two) existing shares held on the record date.

(b) Entitlement

As a shareholder of the Company on the record date on May 23, 2022 the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of two fully paid ordinary share is entitled to receive the Rights Offer.

(c) Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of June 28, 2022.

(d) Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

(e) General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

(f) Condition of Subscription

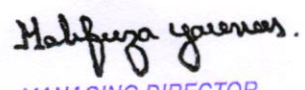
Rights Offer of 10,981,729 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 10.00, totaling Tk. 109,817,290.00 offered on the basis of 01 (One) [R] : 02 (Two) i.e., 01 (One) rights share against 02 (Two) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on May 23, 2022.


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MANAGING DIRECTOR
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24 APR 2022


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Managing Director & CEO
UCB Investment Limited

24 APR 2022

(g) Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "Sonali Paper & Board Mills Limited" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk. 1.00 lac must be affected through Demand Draft/Crossed Cheque/Pay Orders.

(h) Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

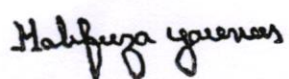
(i) Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by June 28, 2022 or by such later date as may be notified through national dailies to that effect.


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24 APR 2022


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SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


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Managing Director & CEO
UCB Investment Limited
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SECTION 28

Rule 3

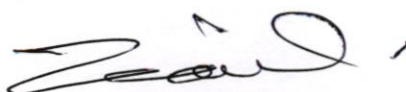
OTHER INFORMATION REGARDING CONDITIONS TO BE FULFILLED PRIOR TO MAKING RIGHTS ISSUE

SECTION CONTENTS	
(a)	Such rights issue and price thereof have been approved by the shareholders in a general meeting
(b)	The proceed of previous public offering, or rights issue, has been utilized full
(c)	Annual general meeting has been held regularly
(d)	The rights issue has been fully underwritten on a firm commitment basis by the underwriter
(e)	The financial statements of the company is prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh
(f)	The issuer or any of its directors is not a bank-defaulter
(g)	The issuer has been credit rated by a credit rating company, if the offer is at a premium
(h)	Profitability record in the immediate preceding year



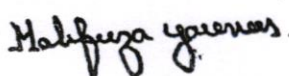
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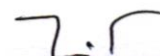
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UCB Investment Limited

24 APR 2022

- (a) Such rights issue and price thereof have been approved by the shareholders in a general meeting

The Board of Directors of SPBML recommended to raise capital through issuance of rights issue on its 69th board meeting held on 16 September 2021 and the rights issue and issue price have been approved by the shareholders at the Extra-Ordinary General Meeting held on 11 November, 2021. The extract of the minutes of the EGM regarding the approval is presented in Annexure-1.

- (b) The proceed of previous public offering, or rights issue, has been utilized full

SPBML has not offered any public issue and right issues previously.

- (c) Annual general meeting has been held regularly

SPBML has been holding Annual General Meeting (AGM) regularly since 2006. The detail of compliance is disclosed below.

STATEMENT OF DATE OF AGM HELD AND DIVIDEND DECLARED FOR LAST 5 YEARS

SPBML has been holding Annual General Meeting (AGM) regularly since 2006. The detail of compliance is disclosed below.

Year	Date of AGM	Dividend Declared (%)		
		Cash	Stock	Total
2020-2021	11-11-2021	20%	20%	40%
2019-2020	24-12-2020	5%	10%	15%
2018-2019	16-01-2020	-	10%	10%
2017-2018	17-01-2019	-	-	-
2016-2017	18-01-2018	-	-	-

Sd/-
Mahfuza Younus
Managing Director

Sd/-
Mohammad Ziaul Haque
Chief Financial Officer

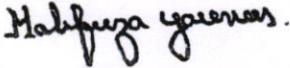
Sd/-
Md. Rashedul Hossain
Company Secretary

Place: Dhaka

Dated: 11 November 2021


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

(d) The rights issue has been fully underwritten on a firm commitment basis by the underwriter

This rights issue has been fully underwritten on a firm commitment basis. Detail of the underwriter and declaration is presented in page no. 68 & 81 of this document.

(e) The financial statements of the company is prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh

The financial statements of SPBML are prepared as per International Accounting Standards (IAS), as applicable in Bangladesh, and audited as per International Standards of Auditing (ISA) as applicable in Bangladesh. The detail of compliance is disclosed in the Independent Auditor's report of this document.

(f) The issuer or any of its directors is not a bank-defaulter

The issuer and its directors are free from loan default as per Bangladesh Bank.

(g) The issuer has been credit rated by a credit rating company, if the offer is at a premium

The Issuer is offering the Rights at par. So, credit rating is not applicable in this case. However, SPBML has valid credit rating which is summarized as follows-

Credit Rating Status		
	Long Term	Short Term
Entity Rating	A2 (Lr)	ST-3
Outlook	Stable	
Date of Rating	12 January 2022	
Validity of Rating	31 January 2023	
Rating assigned by: Credit Rating Agency of Bangladesh (CRAB)		

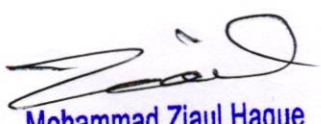
(h) Profitability record in the immediate preceding year

The profitability record of SPBML for the last five years is presented below-

Particulars	2021	2020	2019	2018	2017
Net Profit after Tax	89,465,514	26,732,381	63,429,447	30,786,789	28,566,254

As per audited financial statements for the year ended 30 June 2017 to 2021.


Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022


Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022


Halima Yasmin
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited
24 APR 2022

Annexure-1: Extract of EGM held on 11 November 2021

Sonali Paper & Board Mills Limited

Corporate Office:
51, Central Road, Dhanmendi,
Dhaka-1205, Bangladesh

Phone : 58610056-59, 9677781
Fax : +88-02-58613965, 58615683
E-mail : information@sonaligroup.com

11 November 2021

Ref :

Date :

MINUTES OF THE EXTRA-ORDINARY GENERAL MEETING

Proceedings of the meeting of the 2nd Extra-ordinary General Meeting (AGM) of SONALI PAPER AND BOARD MILLS LIMITED, held on 11 November 2021 at 12:30 p.m. through digital platform (Pursuant to the Bangladesh Securities and Exchange Commission's Order No. BSEC/SRMIC/94-231/25 dated 08 July 2020).

Following Directors joined the meeting through virtual platform.

Sl No	Name of Director	Designation	Signature
01	Mr. Mohammed Younus	Chairman	
02	Mrs. Mahfuza Younus	Managing Director	
03	Mr. Mohammed Javed Noman	Director	
04	Mr. A.K.M. Nurul Fazal Bulbul	Independent Director	
05	Mr. Ashim Kumar Roy	Independent Director	

Mr. Mohammed Younus, Chairman of the company was voted to the chair.

Mr. Md. Rashedul Hossain, Company Secretary conducted the procedure of the AGM.

Mr. Mohammad Ziaul Haque CFO of the Company was also present in the meeting.

Shareholders joined the meeting through the link <http://sonalipapregm.digitalegmbd.net>

Following resolution was approved in the meeting unanimously.

"Resolved That Proposal for raising Paid-up Capital of the company through issuance of Right Share at a ratio of 2:1(R) Share i.e. 1(One) Right Share against 2(Two) existing shares held by an individual at par i.e. Tk 10 (Ten) for each Right Share after considering 20% Stock Dividend for the year ended on June 30, 2021, subject to approval of the Shareholders, Bangladesh Securities and Exchange Commission (BSEC) and complying with the requirements embodied in relevant laws and Regulatory Authorities concerned."

Having no other business to transact the meeting was thereby ended up with vote of thanks to the chair.

(Mr. Mohammed Younus)
Chairman to the Meeting

Md. Rashedul Hossain
Company Secretary
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mohammad Ziaul Haque
Chief Financial Officer
Sonali Paper & Board Mills Ltd.
24 APR 2022

Mahfuza Younus
MANAGING DIRECTOR
SONALI PAPER & BOARD MILLS LTD.
24 APR 2022

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

24 APR 2022