

Annual Report ▶ **15-16**



হাককালী পাল্প এন্ড পেপার মিলস লিঃ
HAKKANI PULP & PAPER MILLS LTD.



হাক্কানী পাল্প এন্ড পেপার মিলস্‌ লিঃ
HAKKANI PULP & PAPER MILLS LTD.

Annual Report
2015-2016

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TRANSMITTAL LETTER

Date: November 01, 2016

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

Dear Sir(s),

Annual Report for the year ended June 30, 2016

We are pleased to enclose a copy of the Annual Report of Hakkani Pulp & Paper Mills Limited together with the Audited Financial Statements, Report of the Board of Directors and Auditors' Report thereon for the year ended June 30, 2016 for your information and records.

Yours sincerely,



Mohammad Musa
Company Secretary



NOTICE OF THE 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the **20th ANNUAL GENERAL MEETING** of the shareholders of **Hakkani Pulp & Paper Mills Ltd.** will be held on Sunday the 4th December' 2016 at 11.30 AM at the **Eden Garden Community Center** Near "H" Block, Port Connecting Road, Haliashahar, Chittagong to transact the following business:

- Agenda-1 : To confirm the proceedings of the Nineteenth Annual General Meeting of the Company held on 6th December 2015.
- Agenda-2 : To receive, consider and adopt the Audited Financial Statements of the company for the year ended 30th June'2016 together with the Reports of the Auditors' and the Directors' thereon.
- Agenda-3 : To declare and approve Dividend for the year ended 30th June, 2016 as recommended by the Board of Directors.
- Agenda-4 : To elect Directors in terms of the relevant provision of Articles of Association of the company.
- Agenda-5 : To approve the re-appointment of Independent Director.
- Agenda-6 : To approve the re-appointment of Managing Director.
- Agenda-7 : To appoint Auditors for the year 2016-2017 and fix their remuneration.
- Agenda-8 : To transact any other business of the company with the permission of the Chair.

By order of the Board

Mohammad Musa
Company Secretary

Dated : Chittagong
October 29, 2016

Notes:

- (1) The Record Date will be Thursday, November 17, 2016.
- (2) The Shareholders whose names would appear in the Register of Members of the Company on the Record Date will be eligible to attend the meeting and quality for dividend.
- (3) A member eligible to attend and vote at the Annual General Meeting may appoint proxy to attend and vote on his / her behalf. Proxy Form must be affixed with revenue stamp of Tk. 10.00 and submit at the Registered office of the Company not later than 48 hours before the time fixed for the Annual General Meeting.
- (4) Election of Directors will be held in terms Articles of Association of the Company and relevant Rules / Circulars in force.
- (5) Shareholders are advised to update change of address, if necessary, through their respective Depository Participant.
- (6) Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice.



- (6) ନିଜେ ତରଫରୁ ନିଜ ନାମରେ ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ।
- (7) ନିଜ ନାମରେ କୌଣସି ଅନ୍ୟ ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ।
- (8) ଅନ୍ୟ କୌଣସି କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ଯାହା ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।
- (9) ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।
- (10) ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।
- (11) ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।
- (12) ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।
- (13) ଉପରୋକ୍ତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବା ସହିତ ସମ୍ପର୍କିତ ହେବ ।

ଶିକ୍ଷା

୧୯୦୧, ୧୯୧୧, ୧୯୨୧

। ହାଉସିଂ ଶିକ୍ଷା

ପୂର୍ବ ନିର୍ଦ୍ଦେଶ
(୧୯୯୧ ନିୟମାବଳୀ)
[Signature]

ଉପରୋକ୍ତ ନିୟମାବଳୀ

- । ଉପରୋକ୍ତ ନିୟମାବଳୀ ଉପରେ ନିମ୍ନଲିଖିତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବାକୁ ଅନୁମତି ଦିଆଯାଇଛି : ୧୦-୧୫୫୫ (ପୁରୀ)
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.. ଏହି .. କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବାକୁ ଅନୁମତି ଦିଆଯାଇଛି ଯାହା ଉପରୋକ୍ତ ନିୟମାବଳୀ ଉପରେ ନିମ୍ନଲିଖିତ କର୍ମକାରୀଙ୍କୁ ନିଯୁକ୍ତ କରିବାକୁ ଅନୁମତି ଦିଆଯାଇଛି : ୧୦-୧୫୫୫ (ପୁରୀ)

ଉପରୋକ୍ତ ନିୟମାବଳୀ ୨୦୧୧



Company Profile

Company Profile

Hakkani Pulp & Paper Mills Ltd is one of the pioneer, leading paper manufactures in Bangladesh, located at patiya, Chittagong, Bangladesh a sister concern of Hakkani Group has been established and incorporated in Registrar of Joint Stock Companies and firm in 1996 as public limited company and has already been issued public share in 2001 and listed with two largest Stock Exchange of the country Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. Authorized Capital of the company is 500 million and paid up capital is 190 million. The project commenced commercial production at the end of 2003.

Under the guidance of nine members of Board of Directors of the company is run by a management team headed by the managing director with a view to run the company efficiently. The company involved in producing the best quality of news print paper, writing printing paper and Medium paper.

The vision and mission of the company is to conduct transparent business operation based on market mechanism within the legal and ethical frame work and to produce best quality paper to meet the required country's demand and also to ensuring benefit to the shareholders, stakeholders and the society at large.

Company involved in the area production of papers and marketing, throughout the country with established agents and outlet in adequate supply chain to ensure effective smooth supply in time on terms. In the view of production of best quality paper and customer strength the company recognized for edge outstanding performance of product, quality manufacturing environment along with professional services.

The company places total emphasis on maintaining and improving of quality of its products at every levels of production and handling of the company. The customer considered as prime focus as such implemented satisfactory customer's service as deemed suitable and has been acquainted space in paper market with a lion portion of share in quality papers. Finished products are produced by composition of wastage paper both local and imported which is fully favorable for environment and it does not harmful for environment which save the global environment.

Considering the present market demand, the company wants to increase the production capacity by Balancing Modernization Rehabilitation and Expansion (BMRE) by adding of modern and powerful machineries and technology to meet the increasing market demand. The main objectives of up-coming project are to produce quality writing printing paper, both side quoted paper, offset paper & glossy paper.

Since commercial production, the company has been achieving profitability by utilization of maximum capacity and improvement in all phases, resulting gradually increases net asset value of shareholders simultaneously.

The company using most dependable machineries equipment's and technology to produce compatible best quality paper and also keeping continuous effort to upgrade and adopt new technology in production, quality control, distribution and administration of its products. Since commencement of commercial operation company has been contributing a decent amount to the national exchequer in the form of import related taxes, duties, vat and income tax.





MD. ABDULLAH
Chairman

Mr. Md. Abdullah was born in Chittagong, Bangladesh in 1947. He is one of the founders of Hakkani Group of Companies. He brings with him a wealth of experiences which he attained from his various leadership roles during his over 35 years in Hakkani Group. He is the Key- person of this group. He was appointed as Vice Chairman of the Company since its incorporation. After that, he was appointed as Chairman of Hakkani Pulp & Paper Mills Limited on 30th April, 2015. He has been provided his immeasurable capacity as a successful entrepreneur for more than three decade through establishing a good numbers of industrial units in different sector of business. He has focused his considerable talents and expertise to operate Paper Industries and transport business his leadership ability. He has already affiliated him with many foremost businesses he always intends to add new dimension to his business portfolio. He is a man of commitment prudent personality. He also engaged in various social activities.



MD. GOLAM MOSTOFA
Managing Director

Mr. Golam Mostafa was born in Chittagong, Bangladesh in 1977. He is the 1st son of Mr. Md. Abdullah. He was appointed as Managing Director of the company from its incorporation. He completed his Masters in Management from the Government College of Commerce, Chittagong. He is the dynamic Managing Director of Hakkani Pulp & Paper Mills Ltd. He has gathered huge knowledge and experience in the management of both industrial and trading organization. He started his business career after completion of his post graduation. Mr. Mostafa looks after the overall production of industrial concerns of Hakkani Group from the very beginning and meanwhile, he has gathered immense experienced in paper manufacturing technology, Trading business, packing industry, international trading, logistic management and fuel station through his practical involvement in this arena with his pragmatic and dynamic effort. He has been playing major role in planning, execution and control process of the industry in all phases and also controls the management skillfully.



MD. GOALM KIBRIA
Deputy Managing Director

Mr. Golam Kibria was born in Chittagong, Bangladesh in 1980. He is the 2nd son of Mr. Abdullah. He joined the family business after completion of his graduation. He was appointed as Deputy Managing Director of Hakkani Pulp & Paper Mills Limited from its incorporation. He has gathered huge knowledge in industrial management and production technology through working at different level of responsibilities with the inheritance of the group. He has also immense experience in the transport business. He acquired computer based education from NCC, UK and involved related business since long with goodwill and success He can individually manage the whole operational technological side of the industry. He has been also playing an important role on various aspects of management and corporate planning. He is a member of Audit committee of Hakkani Pulp & Paper Mills Limited. Ensuring quality of the product and focusing on customer' satisfactions are his priority.

Directors
Profile



HOSNE ARA BEGUM
Director

Mrs. Hosne Ara Begum was born in Chittagong, Bangladesh in 1952. She is the wife of Mr. Md. Abdullah. She is the Sponsor Director of Hakkani Pulp & Paper Mills Ltd and one of the important fellows in planning policy maker and executer. She is actively involving with this group business since 30 years. She is regular in Board of Directors meeting to play vital role and to make decision and ensure transparency in all assignment related to this Business group. She provided necessary back up to strength this group of company. She involved with different corporate social responsibility activities.



MD. GOLAM HAIDER
Director

Mr. Golam Haider was born in Chittagong, Bangladesh in 1984. He is the 3rd son of Mr. Abdullah. He was appointed as Director of Hakkani Pulp & Paper Mills Limited from its incorporation. He has been started his business career after completion his graduation. As a Director, Operation he has proved himself as a dynamic one in the relevant field. He is a young, energetic and devotee to his duty assigned for. His analytical knowledge and experience helped to implement and run number of industries and enterprise and holds the external ability to manage it in a up-to-date view.



MD. GOLAM MORSHED
Director

Mr. Golam Morshed was born in Chittagong, Bangladesh in 1985. He is the 4th son of Mr. Md. Abdullah, He is an MBA. He was appointed as Director of Hakkani Pulp & Paper Mills Limited on 30th April, 2015. He engaged with the family business after completion of his post graduation. He is active in the day to day operation of the company as the Director. He is introducing modern management practices in the company and installing a team spirit to excel in the industry. He is also a member of the Audit Committee.



MD. GOLAM RASUL MUKTADIR
Director

Mr. Md. Golam Rasul Muktadir was born in Chittagong, Bangladesh in 1991. He is the 5th son of Mr. Abdullah. He was appointed as Director of Hakkani Pulp & Paper Mills Limited on 30th April, 2015. He completed his graduation in Business Administration. He is one of the youngest Director of Hakkani Pulp & Paper Mills Limited. He started his business career after completion of his graduation. He has gathered his immense experience in paper manufacturing industries and transport business.



MD. AMIRUL ISLAM FCA, FCS
Independent Director

Mr. Md. Amirul Islam FCA, FCS was born in 1954. He is a Fellow Member of Institute of Chartered Accountants of Bangladesh (ICAB) and Institute of Chartered Secretary of Bangladesh (ICSB). He did his Honours and Masters in Management from University of Dhaka. Mr. Islam retired as General Manager from Bangladesh Development Bank Limited. Currently he is a Senior Partner of K M Hassan & Co., Chartered Accountants.

He was appointed as Independent Director of the Company in 2013. He is the Chairman of the Audit Committee of the company. He is adding a unique dimension to the Board with his long experiences in working for the BSRS and BDBL. Now he is working as Independent Director of NCC Bank Limited and Dhaka Dying & Manufacturing Company Limited. He is also the Chairman of Audit Committee of the Board Directors of NCC bank Limited. He is a senior faculty member of the Institute of Chartered Accountants of Bangladesh (ICAB) since 1994.



QAZI MERAZ UDDIN ARIF FCMA
Independent Director

Mr. Qazi Merazuddin Arif FCMA was born on 2nd February, 1967. He completed his Masters in Accounting from University of Chittagong. He is a Fellow member of the Institute of Cost and Management Accountants of Bangladesh (ICMAB). He is also a Member of the Association of Chartered Certified Accountants (ACCA) UK and Member of Chartered Institute of Public Finance and Accountancy (CIPFA)

He was appointed as an Independent Director in 2014. He is also a member of Audit Committee of the company. His analytical ability and professional knowledge on financial statements helps to improve the existing internal control system of the company. Currently he is working as Senior Financial Executive in a large autonomous body.

CORPORATE MANAGEMENT

Board of Directors:

Sl. No.	Name of the Directors	Position
01.	Mr. Md. Abdullah	Chairman
02.	Mr. Md. Golam Mostofa	Managing Director
03.	Mr. Md. Golam Kibria	Deputy Managing Director
04.	Mr. Md. Golam Haider	Director
05.	Mr. Md. Golam Morshed	Director
06.	Mr. Md. Golam Rasul Muktadir	Director
07.	Mrs. Hosne Ara Begum	Director
08.	Mr. Amirul Islam FCA,FCS	Independent Director
09.	Mr. Qazi Meraz Uddin Arif, FCMA	Independent Director

Audit Committee:

Sl. No.	Name of the Member	Status in the Company	Status in the Committee
01.	Mr. Amirul Islam FCA, FCS	Independent Director	Chairman
02.	Mr. Qazi Meraz Uddin Arif, FCMA	Independent Director	Member
03.	Mr. Md. Golam Kibria	Deputy Managing Director	Member
04.	Mr. Md. Golam Morshed	Director	Member
05.	Mr. Mohammad Musa	Company Secretary	Secretary

Company Secretary:

Mr. Mohammad Musa

Auditors:

Shafiq Basak & Co.
Chartered Accountants
National House (1st Floor)
109, Agrabad C/A, Chittagong, Bangladesh
Phone: 88-031-711561, Fax: 88-031-723680
E-mail: basak_sbc@yahoo.com

OTHER PARTICULARS

Banker:

Sl. No.	Name of the Bank
01.	Social Islami Bank Ltd.
02.	AB Bank Ltd.
03.	First Security Islami Bank Ltd.
04.	National Bank Ltd.
05.	Prime Bank Ltd.
06.	Premier Bank Ltd.
07.	Southeast Bank Ltd.
08.	The City Bank Ltd.
09.	Bangladesh Krishi Bank Ltd.

Registered Office:

2/10, Dhaka Trunk Road
North Pahartali, Chittagong, Bangladesh
Phone: 88-031-750864-5,75143 (PABX)
Fax: 88-031-752344
E-mail : info@hakkanigroup.com
hppml@hakkanigroup.com
Web : www.hakkanigroup.com

Dhaka Office:

Flat # B-03, 3rd Floor, 30 Topkhana Road
Paltan, Dhaka -1000, Bangladesh
Mobile: 01714-087508

Factory:

Halim Kharchar P.S. – Patiya
Chittagong, Bangladesh



বৎসর এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ২০১৪-২০১৫ অর্থ বৎসরের নিরীক্ষিত হিসাব বিবরণীর পূর্ণ মূল্যায়িত সম্পদের অবচয় হিসাবভুক্তকরণ প্রক্রিয়ার উপর আপত্তি জানায়।

যেহেতু পূর্ণ মূল্যায়িত সম্পদের অবচয় হিসাবভুক্ত করার ব্যাপারে IAS -16 এ স্পষ্টভাবে কোন উল্লেখ নেই এবং হিসাববিদগণের মধ্যে এতদবিষয়ে মতভেদ রয়েছে সেহেতু ব্যবস্থাপনা কর্তৃপক্ষ এটি একটি অপরিচালন ব্যয় হিসাব বিবেচনা করে আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করার পরিবর্তে পূর্ণ মূল্যায়ন সঙ্কীর্ণিত তহবিলের সাথে সমন্বয় করার সিদ্ধান্ত গ্রহণ করেছিলেন। কিন্তু উপরোক্ত অর্থ বৎসরসমূহের পূর্ণ মূল্যায়িত সম্পদের অবচয় হিসাবভুক্তির বিষয়ে ঢাকা স্টক এক্সচেঞ্জ লিমিটেড এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন এর পূর্ণ আপত্তির কারণে পরিচালনা পর্ষদ বিগত অর্থ বৎসরসমূহের হিসাব বিবরণী Restate করার সিদ্ধান্ত গ্রহণ করেন। ফলে পূর্ণ মূল্যায়িত সম্পদের অবচয় বাদ মোট ৭,৭৮,১২,৭৭৯.০০ (সাত কোটি আটাত্তর লক্ষ বার হাজার সাতশত উনিশ) টাকা উক্ত অর্থ বৎসর সমূহের আয়-ব্যয় বিবরণীর সহিত সমন্বয় করা হয় এবং অনুক্রমভাবে চলতি অর্থবৎসরে একই নীতি অনুসরণ করা হয়।

এটি একটি অপরিচালন ব্যয় হওয়া সত্ত্বেও বিগত অর্থ বৎসর সমূহের বিপরীতে পূর্ণ মূল্যায়িত সম্পদের অবচয় বাদ মোট ৭,৭৮,১২,৭৭৯.০০ টাকা আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করে হিসাব বিবরণী Restate করার ফলশ্রুতিতে এবং একই প্রক্রিয়ায় বর্তমান অর্থ বৎসর (২০১৫-২০১৬) এর আয়-ব্যয় বিবরণীতে পূর্ণ মূল্যায়িত সম্পদের অবচয় বাদ মোট ১,৬৪,১২,৭২২.০০ (এক কোটি চৌষট্টি লক্ষ বার হাজার সাতশত বাইশ) টাকা হিসাবভুক্তকরণের ফলে ১,২৬,০৯,০০০.০০ (এক কোটি ছাশিশ লক্ষ নয় হাজার) টাকা নীতি ক্ষতি হিসাবে প্রদর্শিত হয়েছে। কোম্পানীর পরিচালনগত লাভ বিদ্যমান থাক সত্ত্বেও IAS -16 পরিপালন করার জন্য পূর্ণ মূল্যায়িত সম্পদের অবচয় আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করার কোম্পানীর উক্ত ক্ষতি প্রদর্শিত হয়েছে।

পূর্ণ মূল্যায়িত সম্পদের অবচয় চলতি অর্থ বৎসরের আয়-ব্যয় বিবরণীতে সমন্বয় করা হলেও IAS -16 এর Paragraph 41 অনুসারে সংরক্ষিত মুনাফা তহবিলে তা স্থানান্তর করায় শেয়ারহোল্ডারদের মালিকানা স্বত্ব অটুট রয়েছে।

এমতাবস্থায় অত্র প্রতিষ্ঠানকে একটি লাভজনক ও বহুমুখী পণ্য উৎপাদনকারী প্রতিষ্ঠান হিসাবে প্রতিষ্ঠিত করার জন্য ইতোমধ্যে ব্যবস্থাপনা কর্তৃপক্ষ বর্তমান প্রকল্পের Balancing Modernization Rehabilitation and Extension (BMRE) এর পদক্ষেপ গ্রহণ করেছেন। উক্ত BMRE প্রকল্পের অংশ হিসাবে উল্লেখযোগ্য পরিমাণ যন্ত্রপাতি ইতোমধ্যে আমদানী করা হয়েছে। প্রকল্প সফলভাবে সম্পন্ন হলে উৎপাদন ক্ষমতা বৃদ্ধির পাশাপাশি পণ্যের গুণগত মান আরো উন্নত হবে। উক্ত প্রকল্প হতে বর্তমানে উৎপাদিত নিউজপ্রিন্ট এবং রাইটিং প্রিন্টিং কাগজের পাশাপাশি অফসেট, গ্লোসি এবং উন্নতমানের রাইটিং প্রিন্টিং এবং নিউজপ্রিন্ট কাগজ উৎপাদন করা সম্ভব হবে।

আপনার অবগত হয়েছেন যে, পণ্যের বহুমুখীকরণের উদ্দেশ্যে আপনার এই প্রতিষ্ঠান ইতোমধ্যে দৈনিক ২৪টন ক্ষমতা সম্পন্ন একটি টিসু পেপার উৎপাদন প্রকল্প হাতে নিয়েছে। উক্ত প্রকল্পের উল্লেখযোগ্য পরিমাণ যন্ত্রপাতি ইতোমধ্যে আমদানী করা হয়েছে। উক্ত প্রকল্পের অবশিষ্ট যন্ত্রপাতি আমদানীর প্রক্রিয়া চলমান অবস্থায় আছে। উক্ত প্রকল্প সফলভাবে সম্পন্ন হলে বাজারের চাহিদাপূরণ, লাভজনকতা বৃদ্ধি, উৎপাদন ক্ষমতার ব্যাপক ব্যবহার এবং সর্বোপরি বাজারে অত্র প্রতিষ্ঠানের একটি শক্ত অবস্থান তৈরীর পাশাপাশি প্রতিষ্ঠানের মুনাফা অর্জন ক্ষমতা অনেকাংশে বৃদ্ধি পাবে এবং বাজারে পণ্যের একটি শক্ত অবস্থান তৈরীতে সক্ষম হবে।

৩। বিক্রয় কার্যক্রম :

২০১৫-২০১৬ অর্থ বছরে বিপণন ব্যবস্থা ছিল সর্বোচ্চ চ্যালেঞ্জের সম্মুখীন। একদিকে সরকারী শিক্ষানীতি, মূল্য সংযোজন কর আইনের ব্যাপক পরিবর্তন এবং ক্রয়নীতির ব্যাপক পরিবর্তনে মুক্তবাজার ব্যবস্থায় কাগজ শিল্প সুবিধাবঞ্চিত হয়েছে। অত্র প্রতিষ্ঠানের প্রতিযোগীর সংখ্যা ব্যাপক হারে বৃদ্ধি পাওয়ায় এবং একক প্রতি বিক্রয় মূল্য হ্রাস পাওয়ায় বিগত বৎসরের তুলনায় চলতি বৎসরে বিক্রয়ের পরিমাণ কিছুটা হ্রাস পেয়েছে।

বিগত বছরের ন্যায় ২০১৫-২০১৬ অর্থ বছরের জন্য প্রণীত বাজেটে সংবাদপত্রে ব্যবহৃত কাগজের উপর স্বল্পহারে আমদানী শুল্ক আরোপ এবং দেশীয় উৎপাদিত রাইটিং প্রিন্টিং কাগজের উপর টন প্রতি ৪৫,০২০.০০ টাকা মূল্য সংযোজন কর আরোপ করা হয়েছে যা বিগত বৎসরের তুলনায় প্রায় ২৫% বৃদ্ধি পেয়েছে। অন্যদিকে টন প্রতি উৎপাদিত মিডিয়াম পেপার এর উপর ৩,০০০.০০ টাকা হারে মূল্য সংযোজন কর আরোপ করা হয় যা বিগত বৎসরের তুলনায় প্রায় ২৫% বৃদ্ধি পেয়েছে। ফলে উৎপাদন খরচও বৃদ্ধি পেয়েছে। পূর্বের ন্যায় দেশীয় শিল্প থেকে কাগজ ব্যবহারের কোন বাধ্যবাধকতা না থাকায় আন্তর্জাতিক বাজার হতে তুলনামূলক কম মূল্যে সমজাতীয় কাগজের ব্যাপক আমদানী ও ব্যবহার বৃদ্ধি পেয়েছে যার ফলে দেশীয় কাগজের বাজারে স্থবিরতা বিরাজ করেছে সারা বছর ব্যাপী। তাছাড়া জাতীয় শিক্ষাক্রম পাঠ্য পুস্তক বোর্ড বিদেশী প্রতিষ্ঠানকেও টেন্ডারের মাধ্যমে বই ছাপানোর কার্যাদেশ দেয়। ফলে দেশীয় কাগজ উৎপাদনকারী প্রতিষ্ঠানের বিপন্ন ও বিক্রয় হ্রাস পায়।

পণ্য ভিত্তিক বিক্রয় কার্যক্রমের কিছু তথ্য ও উপাত্ত নিচে উপস্থাপন করা হল :

আপনাদের কোম্পানী একটি মাত্র ব্রোডস্ট লাইন থেকে বিভিন্ন গ্রেডের এবং বিভিন্ন মাপের পণ্য উৎপাদন করে থাকে।





নিম্নে পণ্য ভিত্তিক উৎপাদন ও বিক্রয়ের অর্জন উল্লেখ করা হলঃ

বিবরণ	২০১৫-২০১৬	২০১৪-২০১৫	২০১৩-২০১৪	২০১২-২০১৩
রাইটিং প্রিন্টিং বিক্রয়	৯১,৮১২,০৪২	৮৩,৩৭৯,৭৮৫	-	-
ব্রাইট নিউজপ্রিন্ট বিক্রয়	১৮১,১৬৩,১৫৭	২১৫,৫০১,৯৮১	২৭৫,৫১৮,৬০০	১৮৮,৭০৯,০৮১
মিডিয়াম পেপার বিক্রয়	-	১,৩৪১,৪৫২	৬,৭৩৭,২৫০	১১,৯১৭,৮১১
মোট বিক্রয়	২৭২,৯৭৫,১৯৯	৩০০,২২৩,২১৮	২৮২,২৫৫,৮৫০	২০০,৬২৬,৮৯২

আমাদের দৃঢ় বিশ্বাস ২০১৬-১৭ অর্থ বছরে বাজার আরোও শক্তিশালী হবে এবং বাজারে আমাদের পণ্যের চাহিদা বৃদ্ধি পাবে এবং পণ্যের অবস্থান আরও সুদৃঢ় হবে।

৪। ঝুঁকিসমূহ :

কোম্পানীর সাথে সংশ্লিষ্ট ঝুঁকিসমূহ নিম্নে তুলে ধরা হল :

(i) সামগ্রিক অর্থনৈতিক কর্মকান্ড :

সামগ্রিক অর্থনৈতিক কর্মকান্ড কোম্পানীর জন্য অত্যন্ত গুরুত্বপূর্ণ কারণ এর দ্বারা কাগজ শিল্প ও শিল্পায়ন প্রভাবিত হয়। অর্থনৈতিক কর্মকান্ডের উপর ভিত্তি করে অত্র শিল্পের উৎপাদন, ক্রয় ও বিপণন কার্য পরিচালিত হয়। স্থির ও সুনিশ্চিত অর্থনৈতিক কর্মকান্ড শিল্পায়নের পূর্ব শর্ত।

(ii) বাহ্যিক বিষয়াবলী :

রাজনৈতিক অস্থিরতা, ধর্মঘট, গণ আন্দোলন ও সন্ত্রাসী কর্মকান্ড দ্বারা কোম্পানীর আর্থিক ফলাফল প্রভাবিত হয়।

(iii) আয়কর ও মূল্য সংযোজন কর আইনে পরিবর্তন :

আয়কর ও মূল্য সংযোজন কর আইনে পরিবর্তন, কর হারের পরিবর্তন, মূল্য সংযোজন কর হারের পরিবর্তন এবং বাণিজ্যিক আইনে আকর্ষক পরিবর্তনের কারণে কোম্পানীর মুনাফা ও নগদ অর্থ প্রবাহের উপর বিরূপ প্রভাব পড়তে পারে।

(iv) পরিবেশ, স্বাস্থ্য ও নিরাপত্তা সংক্রান্ত আইনে পরিবর্তন :

সামাজিক পরিমন্ডলের সাথে তাল রেখে সরকার বিভিন্ন সময়ে পরিবেশ, স্বাস্থ্য ও নিরাপত্তা সংক্রান্ত আইন ও বিধিতে পরিবর্তন এনে থাকে যার পরিপালন নিশ্চিত করতে কোম্পানীকে অতিরিক্ত অর্থ বিনিয়োগ ও ব্যয় করতে হয়।

(v) মুদ্রার বিনিময় হারের পরিবর্তন :

হাক্কানী পাল্ল এন্ড পেপার মিলের কাঁচামাল অধিকাংশই আমদানী নির্ভর, বৈদেশিক মুদ্রার বিনিময় হারের পরিবর্তনের কারণে কোম্পানীর মুনাফা প্রভাবিত হয়।

(vi) অন্যান্য আর্থিক ঝুঁকিঃ

অন্যান্য আর্থিক ঝুঁকির মধ্যে যেমন তারল্য ঝুঁকি, অনাদায়ী দেনা সংক্রান্ত ঝুঁকি, বাজার ব্যবস্থার ঝুঁকি এবং সুদের হারের পরিবর্তন ঝুঁকি অনাভ্যস্ত বা প্রতিষ্ঠানের মুনাফা অর্জন ক্ষমতাকে প্রভাবিত করতে পারে।

হিসাব বিবরণীর নোট ৩৭.০০ এ এই ব্যাপারে বিস্তারিত আলোচনা রয়েছে।

(vii) ঝুঁকি বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের মূল্যায়নঃ

যদি ও বেশির ভাগ ঝুঁকি কোম্পানী বিশেষের আয়ন্ত্রের বাইরে, এইরূপ প্রত্যেক ঝুঁকির বিষয়ে হাক্কানী পাল্ল এন্ড পেপার মিলস্ লিঃ সর্বদা সর্ভক দৃষ্টি রাখে এবং পণ্যের বাজার বহুমুখীকরণ, দক্ষভাবে কাঁচামাল সংগ্রহ, সর্বাধুনিক প্রযুক্তি ব্যবহার এবং গবেষণা কার্যক্রমে বিনিয়োগের মাধ্যমে এই সকল ঝুঁকির মোকাবেলা ও কোম্পানীর প্রতিযোগিতামূলক অবস্থান অর্জন করে। পরিবেশ বিধিমালায় একনিষ্ঠ অনুসারী হিসেবে হাক্কানী পাল্ল এন্ড পেপার মিলস্ লিঃ ভাল মানের Effluent Treatment Plant (ETP) স্থাপন করে পরিবেশগত ঝুঁকি মোকাবেলায় গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে। বর্তমানে কারখানায় ব্যবহৃত পানির ৮০-১০০ ভাগ পরিশোধন করে পুনরায় ব্যবহার উপযোগী করে তোলার জন্য উন্নতমানের Effluent Treatment Plant স্থাপনের কাজ শেষ হয়েছে।

৫। বিক্রীত পণ্যের ব্যয়, মোট মুনাফা ও নীট মুনাফার উপর সংক্ষিপ্ত প্রতিবেদন :

আপনাদের সময় অবগতির জন্য হাক্কানী পাল্প এন্ড পেপার মিলস লিমিটেড এর বিক্রীত দ্রব্যের ব্যয়, মোট মুনাফা ও নীট মুনাফার উপর কিছু উল্লেখযোগ্য তথ্য ও উপাত্ত সন্নিবেশ করা হল :

বিবরণ	২০১৫-২০১৬		২০১৪-২০১৫	
	টাকা	শতকরা হার	টাকা	শতকরা হার
বিক্রয়	২৭২,৯৭৫,১৯৯	-	৩০০,২২৩,২১৮	-
বিক্রীত পণ্যের ব্যয়	২৫৪,৯৮৭,৯৯৮	৯৩.৪১	২৮৩,৫৬৮,২২৫	৯৪.৪৫
মোট মুনাফা	১৭,৯৮৭,২০১	৬.৫৯	১৬,৬৫৪,৯৯৩	৫.৫৫
নীট মুনাফা	(১৩,৭৪৬,৮৫১)	(৫.০৪)	(১০,৭৮৩,৪০৬)	(৩.৫৯)

এখানে বিশেষভাবে উল্লেখ্য যে, ২ নং অনুচ্ছেদে বর্ণিত কারণে IAS -16 পরিপালনের নিমিত্তে পূর্ণ মূল্যায়িত সম্পদের অবচয় আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করে বিগত বছর সমূহের আর্থিক বিবরণী Restate করা হয়েছে এবং চলতি অর্থ বৎসরেও একই নীতি অনুসরণ করা হয় ফলে অত্র প্রতিষ্ঠানের নীট মুনাফা ঋণাত্মক হয়।

৬। উৎপাদন :

সঠিক ও বাস্তবিক পরিকল্পনা প্রণয়ন, দিক নির্দেশনা, তদারকি, ব্যবস্থাপনা ও নিয়ন্ত্রণের মাধ্যমে উৎপাদন প্রক্রিয়ায় গ্যাস এবং বিদ্যুৎ সরবরাহ সমস্যা বিরাজমান থাকা সত্ত্বেও এবং চলমান মেশিনারী সংযোজন, বিয়োজন, রক্ষণাবেক্ষণ কর্মক্রম সচল রেখে উৎপাদনের বারাকে অব্যাহত রাখার জন্য অত্র প্রতিষ্ঠান কাজ করে যাচ্ছে।

সঠিক পদ্ধতিতে ও প্রাণোদনার মাধ্যমে জনশক্তি, জ্বালানী শক্তি ও কাঁচামালের সঠিক ব্যবহার এবং সর্বোপরি নিবিড় তদারকির মাধ্যমে পণ্যের মান সংরক্ষণ করে উৎপাদন মূল্য বৈজ্ঞানিক স্তরে রাখার দিকে কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ সর্বদা সচেতন রয়েছে এবং ভবিষ্যতেও এর ধারাবাহিকতা বজায় থাকবে। উৎপাদনের সর্বস্তরে দক্ষতা বৃদ্ধির মাধ্যমে কাঙ্ক্ষিত মুনাফা অর্জন আমাদের ভবিষ্যৎ লক্ষ্য।

উৎপাদন পর্যালোচনা :

বিবরণ	২০১৫-২০১৬	২০১৪-২০১৫	২০১৩-২০১৪
উৎপাদন ক্ষমতা (মেট্রিক টন)	৬০০০	৬০০০	৬০০০
প্রকৃত উৎপাদন (মেট্রিক টন)	৫১৭২	৪৩৬০	৩৯০৫
উৎপাদন ক্ষমতার ব্যবহার (%)	৮৬.২০	৭২.৬৭	৬৫.০৯
বিক্রয় (মেট্রিক টন)	৩৭৪৩.২৮	৪৫৬৬.৮৪	৪১৪৫.১৯

চলতি বছরে কোম্পানীর উৎপাদন প্রায় ১৮.৬২ শতাংশ বৃদ্ধি পেয়েছে পাশাপাশি উৎপাদন ক্ষমতার ব্যবহার বৃদ্ধি পেয়েছে প্রায় ১৩.৫৩ শতাংশ।

৭। অস্বাভাবিক মুনাফা / ক্ষতি :

২০১৫-২০১৬ অর্থ বছরে কোম্পানীর কোন রূপ অস্বাভাবিক মুনাফা / ক্ষতি (Extra ordinary gain or loss) ছিল না।

৮। সংশ্লিষ্ট অন্যান্য কোম্পানীর সাথে আর্থিক লেনদেন :

চলতি বছরের সংশ্লিষ্ট অন্যান্য প্রতিষ্ঠান এবং সংশ্লিষ্ট পক্ষের লেনদেনের বিস্তারিত বিবরণ হিসাব বিবরণীর নোট ৪০.০০ এ বিস্তারিত আলোচনা রয়েছে।

৯। ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য ব্যবধান :

কোম্পানীর ত্রৈমাসিক ও বার্ষিক ফলাফলের উল্লেখযোগ্য কোন ব্যবধান হয়নি। উল্লেখ্য যে, ২০১০-২০১১ অর্থ বছরে স্থায়ী সম্পদের পূর্ণ মূল্যায়ন করা হয় এবং তখন পূর্ণ মূল্যায়িত সম্পদের অবচয় পূর্ণ মূল্যায়ন সক্ষমতা তহবিলের সাথে সমন্বয় করা হয়। তবে পরবর্তীতে IAS -16 পরিপালনের নিমিত্তে পূর্ণ মূল্যায়িত সম্পদের অবচয় আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করে বিগত বছর সমূহের আর্থিক বিবরণী Restate করা হয় এবং চলতি অর্থ বৎসরেও একই নীতি অনুসরণ করা হয় ফলে অত্র প্রতিষ্ঠানের নীট মুনাফা ঋণাত্মক হয়।



১০। আর্থিক ফলাফল :

২০১৫-২০১৬ অর্থ বৎসরের বিক্রয় ও অর্জিত মুনাফার চিত্র নিম্নে প্রদর্শিত হল :

বিবরণ	২০১৫-২০১৬ (টাকায়)	২০১৪-২০১৫ (টাকায়)
মোট বিক্রয়	২৭২,৯৭৫,১৯৯	৩০০,২২৩,২১৮
মোট ব্যয়	২৮৭,৩৫১,৭৮৭	৩০৮,৮১৫,৭৩৩
পরিচালন মুনাফা / (ক্ষতি)	(১৪,৩৭৬,৫৮৮)	(৮,৫৯২,৫১৫)
অন্যান্য আয়	২,৭৮৪,২৩০	১,৩১৩,২৯৬
নীট মুনাফা / (ক্ষতি)	(১৩,৫৯২,৩৫৮)	(১৫,৮৭১,৭২৯)

পুনঃ মূল্যায়িত সম্পদের অবচয় আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করে বিগত বৎসর সমূহের আর্থিক বিবরণী Restate করার কারণে এবং চলতি অর্থ বৎসরে একই নীতি অনুসরণ করায় অত্র প্রতিষ্ঠানের নীট মুনাফা ঋণাত্মক হয়।

১১। Independent Director সহ পরিচালকদের পারিশ্রমিক :

পরিচালক পর্ষদের সিদ্ধান্ত মোতাবেক ব্যবস্থাপনা পরিচালক ব্যতীত অন্যান্য পরিচালককে কোন পারিশ্রমিক প্রদান করা হয় না যা হিসাব বিবরণীর নোট নং-২৭ এ বর্ণিত রয়েছে।

১২। লভ্যাংশ ঘোষণা :

আপনারা নিশ্চয় অবগত আছেন যে, পণ্য বহুমুখী করণের উদ্দেশ্যে আপনাদের এই প্রতিষ্ঠান ইতোমধ্যে একটি টিস্যু পেপার উৎপাদন প্রকল্প হাতে নিয়েছে। যার পরিপ্রেক্ষিতে উক্ত প্রকল্প বাবদ প্রতিষ্ঠানকে প্রচুর নগদ অর্থ ব্যয় করতে হচ্ছে। নতুন এই প্রকল্পকে উৎপাদন উপযোগী করার জন্য আরো বিপুল পরিমাণ অর্থ ব্যয় করতে হবে। অনাদিকে ২০১৫-২০১৬ অর্থ বৎসরে সামগ্রিকভাবে কাগজের বাজারে স্থবিরতা বিরাজমান থাকায় বিক্রয়ের পরিমাণ হ্রাস পায় ফলে কাঙ্ক্ষিত মুনাফা অর্জন সম্ভব হয়নি।

উপরে উল্লেখিত সমস্যা বিরাজমান থাকা সত্ত্বেও শুধুমাত্র সাধারণ শেয়ারহোল্ডারদের স্বার্থ বিবেচনা করে পরিচালকমন্ডলী ৩০শে জুন, ২০১৬ সমাপ্ত বৎসরের জন্য স্পর্শক শেয়ার ব্যতীত শুধুমাত্র সাধারণ শেয়ারের উপর ৫% নগদ লভ্যাংশ সুপারিশ করেন। তবে আশার বিষয় এই যে টিস্যু পেপার প্রকল্পটি সফলভাবে সম্পন্ন হলে কোম্পানীর লাভজনকতা আরো বৃদ্ধি পাবে এবং অধিক পরিমাণে লভ্যাংশ ঘোষণা করা সম্ভব হবে।

১৩। ক্রেডিট রেটিং :

২০১৫-১৬ অর্থ বৎসরে কোম্পানীর ক্রেডিট রেটিং সম্পন্ন করা হয়। ইমার্জিং ক্রেডিট রেটিং লিঃ নিম্নোক্ত প্রতিবেদন প্রদান করে।

Date of Declaration	Valid till	Rating Action	Long Term Rating	Short term Rating	Out look
December 31, 2015	December 30, 2016	Sunveillance	A-	ECRL-2	Positive

১৪। পরিচালকবৃন্দের নিয়োগ ও পুনঃ নিয়োগ :

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশন এর ৮২ ধারা অনুযায়ী পরিচালক জনাব মোঃ আবদুল্লাহ এবং জনাবা হোসনে আরা বেগম পরিচালক পর্ষদ থেকে অবসর গ্রহণ করেছেন এবং তাঁরা যোগ্য বিধায় পুনঃ নির্বাচনের আবেদন জানিয়েছেন।

এখন আরো উল্লেখ্য যে, গত ৩০/০৪/২০১৬ইং তারিখে অত্র প্রতিষ্ঠানের স্বাধীন পরিচালক জনাব আমিরুল ইসলাম এর মেয়াদ পূর্ণ হয়। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত প্রজ্ঞাপন নং- বিএসইসি / সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ ০৭ আগস্ট, ২০১২ইং এর নির্দেশনা পরিপালনের লক্ষ্যে গত ৩০/০৪/২০১৬ ইংরেজী তারিখে কোম্পানীর রেজিস্টার্ড কার্যালয় ২/১০ ডি.টি. রোড, উত্তর পাহাড়তলী, চট্টগ্রামে অনুষ্ঠিত পরিচালক পর্ষদের সভায় জনাব আমিরুল ইসলামকে পরবর্তী ৩ (তিন) বৎসরের জন্য স্বাধীন পরিচালক হিসাবে পুনরায় নির্বাচন করা হয় যা ২০তম বার্ষিক সাধারণ সভায় অনুমোদনের জন্য উপস্থাপন করা হবে।

১৫। ব্যবস্থাপনা পরিচালক এর পূর্ণনিয়োগ অনুমোদন :

গত ২৯/১০/২০১৬ ইংরেজী তারিখে কোম্পানীর রেজিস্টার্ড কার্যালয়ে ২/১০ ডি.টি. রোড, উত্তর পাহাড়তলী, চট্টগ্রামে অনুষ্ঠিত পরিচালক পর্ষদের সভায় জনাব মোঃ গোলাম মোস্তফাকে পরবর্তী ৫ (পাঁচ) বৎসরের জন্য পুনরায় ব্যবস্থাপনা পরিচালক নির্বাচন করা হয় যা ২০তম বার্ষিক সাধারণ সভায় অনুমোদনের জন্য উপস্থাপন করা হবে।

১৬। নিরীক্ষক :

২০তম বার্ষিক সাধারণ সভায় কোম্পানীর বর্তমান বিধিবদ্ধ নিরীক্ষক মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস অবসর গ্রহণ করবে এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশ নং BSEC/SMRRC/2009-193/104/Admin dated July 27, 2011 অনুযায়ী মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস আগামী বৎসরের জন্য নিরীক্ষাকার্য সম্পাদনের যোগ্য হওয়ায় তাঁরা পুনরায় নিয়োগ পাওয়ার ইচ্ছা প্রকাশ করেছেন যা পরিচালক পর্ষদের সভায় অনুমোদিত হয়েছে।

১৭। কর্পোরেট সুশাসন :

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নির্দেশিত কর্পোরেট সুশাসনের শর্তগুলো কোম্পানী যথাযথভাবে পরিপালন করেছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত প্রজ্ঞাপন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ ০৭ আগস্ট, ২০১২ইং এর নির্দেশনানুসারে প্রয়োজনীয় প্রতিবেদন (Corporate Governance Compliance Report) সম্মানিত শেয়ারহোল্ডারবৃন্দের অবগতির জন্য - সংযুক্তি ১,২,৩ ও ৪ এর মাধ্যমে উপস্থাপন করা হয়েছে।

১৮। সরকারী কোষাগারে অর্থ প্রদান :

কোম্পানী সর্বদা সরকারী আইনকানুন, নিয়মনীতি সমূহ যথাযথভাবে অনুসরণ করেছে। জাতীয় কোষাগারে অর্থ প্রদানের ক্ষেত্রে কোম্পানী সচেতন ও যত্নবান। ২০১৫-২০১৬ অর্থ বছরে সরকারী কোষাগারে আর্থিক অবদানের পরিসংখ্যান নিম্নে দেয়া হলো :

বিবরণ	২০১৫-২০১৬ (টাকায়)	২০১৪-২০১৫ (টাকায়)	২০১৩-২০১৪ (টাকায়)
কর্পোরেট আয়কর বাবদ প্রদান	৯,২৩২,৬৭৫	৯,৪৬০,১৪৯	৮,২৫৯,৯২৮.০০
আমদানী শুল্ক ও মুসক পরিশোধ	৭,৯০৭,৫১৫	৬,৮৩৮,৭০২	৪,২০০,০০০.০০
লভ্যাংশের বিপরীতে কর কর্তন বাবদ	১,০৯৬,৫৮৫	৮৫৫,৭৮৫	১,০৩৮,৮৬৫.০০
উৎস কর ও মুসক পরিশোধ	১,৫৮৫,১৮২	১,১৪৮,১৪৮	১,০৫০,১৫৫.০০
মোট	১৯,৮২১,৯৫৭	১৮,৩০২,৭৮৪	১৪,৫৪৮,৯৪৮.০০

১৯। মানব সম্পদ উন্নয়ন :

কোম্পানীর কর্মকর্তা কর্মচারীদের সর্বোচ্চ মেধা ও কর্ম ক্ষমতার উন্নয়নে সঠিক পরিচর্যা ও ব্যবহারের উদ্দেশ্যে কর্মকর্তা কর্মচারীদের কাজের ক্ষেত্র, পরিধি, দায়-দায়িত্ব, কর্তব্য ও ক্ষমতা নির্ধারণপূর্বক সময়ে সময়ে পূর্ণাঙ্গ বিন্যাস করার ব্যবস্থা নিয়মিতভাবে পরিচালিত হচ্ছে। উপরন্তু প্রশাসনিক জন্ম বিশেষ প্রানোদনা কার্যক্রম ও ব্যবস্থা গ্রহণ করা হয়েছে। ফলশ্রুতিতে সকলের কর্মপ্রেরণা ও দক্ষতা উত্তরোত্তর বৃদ্ধি পাচ্ছে। কোম্পানীর সামগ্রিক ব্যবস্থাপনায় তথ্য প্রযুক্তির ব্যবহার সম্প্রসারণ করে কার্যক্ষেত্রে আনয়ন করা হচ্ছে অধিকতর স্বচ্ছতা, দ্রুততা এবং নিশ্চিত করা হচ্ছে শ্রমশক্তির কাম্য ব্যবহার। কর্মরত সকল কর্মকর্তা কর্মচারীদের আর্থিক প্রানোদনাসহ সার্বিক উন্নয়নের লক্ষ্যে প্রতি বছর কোম্পানীর নীট মুনাফার ৫%(পাঁচ শতাংশ) শ্রমিক কর্মচারী মুনাফা অংশীদারিত্ব তহবিলে নিয়মিতভাবে প্রদান করা হচ্ছে। প্রতি বছর দক্ষতা, যোগ্যতা, শৃঙ্খলা ইত্যাদির বিবেচনায় নিয়মিত ভাবে পদোন্নতি, বেতন বৃদ্ধিসহ বিশেষ প্রানোদনা বোনাসের মাধ্যমে সকল কর্মকর্তা কর্মচারীদের কর্মের মূল্যায়ন ও দক্ষতার উন্নয়ন সাধন করা হচ্ছে। আভ্যন্তরীণ নিরীক্ষায় প্রয়োজনীয় ট্রেনিং ও সঠিক দিক নির্দেশনার মাধ্যমে কর্মরত সকলের কর্মদক্ষতা বৃদ্ধি করা হচ্ছে এবং ভবিষ্যতে যুগোপযোগী মানবসম্পদ প্রস্তুতের যাবতীয় কার্যক্রম ও চলমান রাখা হয়েছে।

২০। পরিবেশ ও নিরাপত্তা :

কোম্পানীর কারখানার চতুর্দিকে পর্যাপ্ত সুপারিকল্পিত বৃক্ষরোপণের মাধ্যমে সবুজ বেষ্টিত তৈরী করা হয়েছে এবং বর্জ্য নিঃসরণের যথাযথ ব্যবস্থাও গৃহীত হয়েছে। স্বাস্থ্য ও নিরাপত্তার জন্য প্রয়োজনীয় ব্যবস্থা গ্রহণ করা হয়েছে এবং উত্তরোত্তর তা সম্প্রসারণ করা হচ্ছে। আভ্যন্তরীণ ও বাহ্যিক





সংবেদনশীল পরিবেশ অত্যন্ত যত্নসহকারে রক্ষণাবেক্ষণ করা হয় এবং কারখানায় অবস্থিত সকল সম্পদের যথাযথ নিরাপত্তা ও সুরক্ষার যাবতীয় ব্যবস্থা সুদৃঢ় করা হয়েছে। প্রতি বছর প্রয়োজনীয় সকল ক্ষেত্রে প্রাক্ক প্রস্তুতি গ্রহণ, তদারকি ও উন্নয়ন কার্যক্রম ধারাবাহিকভাবে পরিচালিত হচ্ছে। বিগত বছরের ন্যায় ২০১৫-২০১৬ অর্থ বছরে ও সন্ধ্যা ঝুঁকি বিবেচনায় কোম্পানীর কাঁচামাল গোডাউন, গ্যাস জেনারেটরের বীমা করা হয়েছে এবং যথারীতি এসিড, অগ্নিনির্বাপক বাবস্থা সংক্রান্ত পরিদর্শন ও তদন্ত প্রতিবেদন গ্রহণপূর্বক লাইসেন্স নবায়ন করা হয়েছে। কারখানার কাঁচামাল ও তৈরী পণ্যের মজুদাণায়, মেশিনারিজসহ স্থাপনা সমূহে অগ্নিনির্বাপক যন্ত্র বৃদ্ধি করা হয়েছে এবং যথারীতি নবায়ন ও রক্ষণাবেক্ষণ করা হচ্ছে। তদুপরি কর্মরত কর্মচারীদের প্রয়োজনীয় যন্ত্র ব্যবহার প্রশিক্ষণও প্রদান করা হয়েছে।

কারখানায় নিঃসারিত প্রাকৃতিক ক্ষতিকর রাসায়নিক নিঃসরণের জন্য ইটিপি স্থাপন সম্পন্ন হয়েছে। কোম্পানীর কারখানায় নিঃসারিত পানি উপযুক্ত রি-সাইক্লিং প্রক্রিয়ায় পুনঃ পুনঃ ব্যবহার পূর্বক ড্রেনেজ সিস্টেমের মাধ্যমে নিষ্কাশন করা হয় যাতে পরিবেশ কোন ভাবে দূষিত না হয় কিংবা প্রাকৃতিক পরিবেশে কোন নেতিবাচক প্রভাব না পড়ে। কোম্পানীর কারখানার অভ্যন্তরে স্থাপিত সকল বিপজ্জনক স্থাপনা সমূহ ও কেমিক্যাল মজুদাণারে যথোপযুক্ত উপায়ে সংরক্ষণ ও সতর্কতা অবলম্বন করা হয়। কোম্পানীর কর্মরত সকল শ্রমিক কর্মচারীদের স্বাস্থ্য সুবক্ষা ও নিরাপত্তার জন্য প্রয়োজনীয় চিকিৎসার ব্যবস্থা গ্রহণ করা হয়েছে। কোম্পানীর আভ্যন্তরীণ ও বাহ্যিক সর্বোপরি পরিবেশগত ক্ষতি এড়ানোর বিষয়ে এই সংক্রান্ত বিধিমালা ও যথারীতি অনুসরণ করা হচ্ছে এবং সকল সরকারী নির্দেশনা যথারীতি অনুসরণ করা হচ্ছে। সম্পদের সুরক্ষা ও নিরাপত্তার জন্য সঠিক সংখ্যক প্রহরীর মাধ্যমে নিরাপত্তা বেস্টনী রাখা হয়েছে।

২১। আর্থিক বিবরণীর ব্যাপারে পরিচালকমন্ডলীর দায়িত্ব :

সিকিউরিটিস এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনা নং-এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ ০৭ আগস্ট, ২০১২ইং অনুযায়ী পরিচালকমন্ডলী নিশ্চিত করেছে যে :

- (ক) কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে এর কর্মকাল, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটির পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে;
- (খ) কোম্পানীর হিসাবের বহিসমূহ যথাযথ সংরক্ষণ করা হয়েছে;
- (গ) আর্থিক বিবরণী প্রস্তুত করার সময় উপযুক্ত হিসাবনীতি সঙ্গতিপূর্ণভাবে প্রয়োগ করা হয়েছে এবং হিসাবের প্রাক্কলন যুক্তিসঙ্গত ও বিজ্ঞ বিচারবোধের ভিত্তিতে করা হয়েছে;
- (ঘ) আর্থিক বিবরণীসমূহ প্রস্তুত করার সময় আন্তর্জাতিক ও বাংলাদেশে গৃহীত হিসাব মানদণ্ড অনুসরণ করা হয়েছে এবং তা থেকে যে কোন ব্যত্যয় পর্যাণ্ডভাবে প্রকাশ করা হয়েছে;
- (ঙ) আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে;
- (চ) চানু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোন ঝিবা নেই;
- (ছ) কোম্পানীর কার্যক্রমের ফলাফলের ক্ষেত্রে বিগত বছরের তুলনায় উল্লেখযোগ্য যেসব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে; এবং
- (জ) কার্যক্রম ও আর্থিক বিষয়ে পঁচ বছরের উপাত্ত সংযোজন করা হয়েছে।

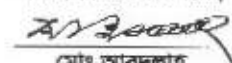
২১। স্বীকৃতি :

সন্মানিত শেয়ারহোল্ডারবৃন্দ, আর্থিক প্রতিষ্ঠান, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, চট্টগ্রাম স্টক এক্সচেঞ্জ লিঃ, ঢাকা স্টক এক্সচেঞ্জ লিঃ, সেন্ট্রাল ডিপোজিটরী বাংলাদেশ লিঃ, সংশ্লিষ্ট সরকারী সংস্থা, নিরীক্ষক ও সরবরাহকারীসহ সকলের সার্বিক পরামর্শ ও সহযোগিতার জন্য আমরা সকলের প্রতি কৃতজ্ঞতা জ্ঞাপন করছি। সাথে সাথে ভবিষ্যতেও তাদের অনুরূপ সহযোগিতার হাত আমাদের প্রতি প্রশস্ত থাকবে এই কামনা করছি। ২০১৫-১৬ অর্থ বছরে কোম্পানীর সার্বিক কার্যক্রমে অংশগ্রহণ করে বিরূপ পরিস্থিতি ও প্রতিকূলতা উত্তরণে যারা সার্বিক ও সর্বাঙ্গিক সহযোগিতা করেছেন পরিচালকবৃন্দের পক্ষ থেকে সেই সকল কর্মকর্তা কর্মচারীবৃন্দকে কৃতজ্ঞতা ও ধন্যবাদ জানাচ্ছি এবং ভবিষ্যতে অনুরূপ আন্তরিকতা, সহযোগিতা অব্যাহত থাকবে এই কামনা করছি। মহান আল্লাহ আমাদের সহায় হউন।

চট্টগ্রাম

তারিখ : ২৯ অক্টোবর, ২০১৬ ইং

পরিচালকমন্ডলীর পক্ষে,


মোঃ আবদুল্লাহ
চেয়ারম্যান

Key operating and financial data of preceding 5 (Five) years:

Particulars		2015-2016	2014-2015 (Restated)	2013-2014 (Restated)	2012-2013 (Restated)	2011-2012 (Restated)
Operation and Market:						
Production Capacity	MT	6000	6000	6000	6000	6000
Actual Production	MT	5171.63	4359.591	3905.100	3067.837	5265.192
Sales Quantity	MT	3743.277	4566.841	4145.192	2955.278	4377.220
Financial Results:						
Turnover	TK	27,29,75,199	30,02,23,218	28,22,55,850	20,06,26,892	20,79,10,324
Gross Profit	TK	17,987,201	16,654,993	13,463,567	9,700,748	11,739,722
	%	6.59%	5.55%	4.77%	4.84%	5.65%
Operating Profit	TK	(14,376,588)	(8,592,515)	(5,299,608)	(5,845,189)	(1,329,022)
	%	(5.27%)	(2.86%)	(1.88%)	(2.91%)	(0.64%)
Net Profit before Tax	TK	(11,592,358)	(7,853,744)	(5,244,144)	(3,394,552)	(1,779,201)
	%	(4.25%)	(2.62%)	(2.10%)	(2.40%)	(0.86%)
Net Profit after Tax	TK	(1,37,46,851)	(10,783,406)	(10,434,984)	(9,055,641)	(9,293,298)
	%	(5.04%)	(3.59%)	(3.70%)	(4.51%)	(4.47%)
Earnings Per Share (EPS)	TK	(0.72)	(0.57)	(0.55)	(0.48)	(0.49)
Dividend (Cash)		Sponsors- 0% Public- 5%	5%	Sponsors- 3% Public- 5%	5%	5%
Financial Position:						
Paid-up Capital	TK	19,00,00,000	19,00,00,000	19,00,00,000	19,00,00,000	19,00,00,000
Current Ratio		0.77:1	1.12:1	1.22:1	1.52:1	1.64:1
Non-Current Assets with Revaluation	TK	63,16,51,793	65,29,82,392	64,91,16,084	64,34,66,003	66,20,91,371
Current Assets	TK	26,44,56,451	20,11,90,654	21,51,05,773	16,80,54,624	14,40,91,586
Current Liability	TK	34,19,43,875	17,87,93,847	17,66,76,459	11,05,94,493	8,77,10,729
Net Current Assets	TK	(7,74,87,424)	2,23,96,807	3,84,29,314	5,74,60,131	5,63,80,856
Net Assets Value with Revaluation	TK	55,14,34,934	57,44,31,842	57,13,60,679	58,91,76,006	60,61,34,964
Net Assets Value without Revaluation	TK	22,60,24,320	23,50,70,413	21,70,85,093	21,89,54,975	21,88,64,381
Net Assets Value Per Share with Revaluation	TK	29.02	30.23	30.07	31.01	31.90
Net Assets Value Per Share without Revaluation	TK	11.90	12.37	11.43	11.52	11.52
Net Operating Cash Flow Per Share	TK	(2.65)	1.30	(1.26)	1.35	(0.33)

**THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2016****1) Parent/Subsidiary/Associated Companies and other related parties:**

Name	Relation	Number of Shares Held	Percentage of Share	Remarks
Parent Company	N/A	Nil	Nil	The Company is not subsidiary of any Company
Subsidiary Company	N/A	Nil	Nil	The Company has no subsidiary Company
Other Related Parties	N/A	Nil	Nil	-

2) Directors:

Name	Position in the company	Number of Shares Held	Percentage of Share	Remarks
Mr. Md. Abdullah	Chairman	15,24,000	8.02%	-
Mr. Md. Golam Mostofa	Managing Director	15,05,000	7.92%	-
Mr. Md. Golam Kibria	Deputy Managing Director	15,05,000	7.92%	-
Mr. Md. Golam Haider	Director	15,05,000	7.92%	-
Mr. Md. Golam Morshed	Director	15,05,000	7.92%	-
Mr. Golam Rasul Muktadir	Director	15,06,000	7.92%	-
Mrs. Hosne Ara Begum	Director	5,50,000	2.89%	-

3) CEO/CFO/Head of Internal Audit and their spouses and minor children:

Name	Position in the company	Number of Shares Held	Percentage of Share	Remarks
Mr. Md. Golam Mostofa	Chief Executive Officer	15,05,000	7.92%	Managing Director
Mr. Mohammad Musa	Company Secretary & Manager	Nil	Nil	-
Mr. Mohammad Moinul Abedin	Chief Financial Officer	Nil	Nil	-
Mr. Md. Saleh Ahmed Polash	Head of Internal Audit	Nil	Nil	-

4) Shareholding Position of top 5 salaried employee other than CEO, CS, CFO & HIA:

Name	Position in the company	Number of Shares Held	Percentage of Share	Remarks
Dr. Kshudiram Bhowmick	General Manager-Production	Nil	Nil	-
Mr. Mohammad Younus Mia	Assistant General Manager	Nil	Nil	-
Mr. Md. Ershadul Hoque	Mechanical Engineer	Nil	Nil	-
Mr. Md. Assaduzzaman	Assistant Electrical Engineer	Nil	Nil	-
Mr. Md. Saiful Islam	Electrical Engineer	Nil	Nil	-

5) Shareholders Holding 10% or more voting interest in the company:

Shareholders Holding 10% or more voting interest in the company		Nil	Nil	-
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Compliance Status of BSEC Guidelines for Corporate Governance

Status of compliance by HPPML with the Corporate Governance (CG) Guidelines issued by BSEC through Notification No.SEC/ CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1	Board of Directors:			
1.1	Board's Size: The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty): Provided, however, that in case of banks and non-bank financial institutions, insurance companies and statutory bodies for which separate primary regulators like Bangladesh Bank, Insurance Development and Regulatory Authority, etc. exist, the Boards of those companies shall be constituted as may be prescribed by such primary regulators in so far as those prescriptions are not inconsistent with the aforesaid condition.	✓		The HPPML Board is comprised of 9 (Nine) Directors.
1.2	Independent Directors: All companies shall encourage effective representation of independent directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the companies shall comply with the following:			
1.2(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		There are 2 (two) Independent Directors in the HPPML Board.
1.2(ii)	For the purpose of this clause "independent director" means a director -			
1.2(ii)(a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		The Independent Directors have declared their compliances.
1.2(ii)(b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		Do
1.2(ii)(c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	✓		Do



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1.2(ii)(d)	Who is not a member, director or officer of any stock exchange;	✓		Do
1.2(ii)(e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		Do
1.2(ii)(f)	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;	✓		Do
1.2(ii)(g)	Who shall not be an independent director in more than 3 (three) listed companies;	✓		Do
1.2(ii)(h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		Do
1.2(ii)(i)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		Do
1.2(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		Board of Directors appointed 2 Independent Directors & were duly approved in AGM.
1.2(iv)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	✓		No vacancy occurred.
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.		✓	Under Process
1.2(vi)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director (ID)			
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		The qualifications and background of IDs justify their abilities as such.
1.3(ii)	The person should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		Do

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1.4	Chairman of the Board and Chief Executive Officer The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	Directors' Report to Shareholders: The directors of the companies shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-			
1.5(i)	Industry outlook and possible future developments in the industry.	✓		The Directors' report complies with the guideline.
1.5(ii)	Segment-wise or product-wise performance.	✓		Do
1.5(iii)	Risks and concerns.	✓		Do
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Do
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		Do
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		A statement of all related party transaction are disclosed under Notes to the Financial Statements no. 40
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			There was no IPO/RPO/Rights issued in 2015-2016
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	✓		No Significant variance occurred during the year.
1.5(x)	Remuneration to directors including independent directors.	✓		A statement directors remuneration are disclosed under Notes to the Financial Statements no.27



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1.5(xii)	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.	✓		The Directors' report complies with the guideline.
1.5(xii)	Proper books of account of the issuer company have been maintained.	✓		Do
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.	✓		Do
1.5(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Do
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		Do
1.5(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		No significant doubts has occurred.
1.5(xvii)	Significant deviations from the last period's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Significant deviations was not occurred.
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		The Directors' report complies with the guideline.
1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		
1.5(xx)	The number of Board meetings held during the period and attendance by each director shall be disclosed.	✓		
1.5(xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);			N/A
1.5(xxi)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1.5(xxi)(c)	Executives; Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.	✓		
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more votes interest in the company (name wise details).	✓		No shareholders holding ten percent (10%) or more votes interest.
1.5(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			
1.5(xxii)(a)	a brief resume of the director;	✓		
1.5(xxii)(b)	nature of his/her expertise in specific functional areas;	✓		
1.5(xxii)(c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT(HIA), AND COMPANY SECRETARY (CS):			
2.1	Appointment: The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	Requirement to Attend Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		
3	AUDIT COMMITTEE:			
3(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
3.1	Constitution of the Audit Committee:			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is comprised of 4 (four) members.
3.1(ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1(iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience. Explanation: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/Finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	✓		
3.1(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until 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 of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	✓		The board have appointed members in due time and no vacancy occurred.
3.1(v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
3.2	Chairman of the Audit Committee:			
3.2(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2(ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
3.3	Role of Audit Committee: Role of audit committee shall include the following:-			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
3.3(i)	Oversee the financial reporting process.	✓		
3.3(ii)	Monitor choice of accounting policies and principles.	✓		
3.3(iii)	Monitor Internal Control Risk management process.	✓		
3.3(iv)	Oversee hiring and performance of external auditors.	✓		
3.3(v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3(vii)	Review the adequacy of internal audit function.	✓		
3.3(viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	✓		There was no IPO/RPO/Rights issued in 2016 or in recent past.
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1(ii)(a)	report on conflicts of interests;	✓		There was no reportable case of conflict of interest in 2016.
3.4.1(ii)(b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		There was no such case in the year.
3.4.1(ii)(c)	suspected infringement of laws, including securities related laws, rules and regulations;	✓		DO



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
3.4.1(ii)(d)	any other matter which shall be disclosed to the Board of Directors immediately.	P		DO
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors 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 of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	N/A		DO
3.5	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The Audit Committee Report is disclosed in the annual report and signed by the Chairman of the AC.
4	EXTERNAL/STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely			
4(i)	Appraisal or valuation services or fairness opinions.	✓		The Statutory Auditor have declared their compliances.
4(ii)	Financial information systems design and implementation.	✓		DO
4(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		DO
4(iv)	Broker-dealer services.	✓		DO
4(v)	Actuarial services.	✓		DO
4(vi)	Internal audit services.	✓		DO
4(vii)	Any other service that the Audit Committee determines.	✓		DO
4(viii)	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.	✓		DO

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
4(ix)	Audit / certification services on compliance of corporate governance as required under clause (i) of condition No.7	✓		DO
5	SUBSIDIARY COMPANY			
5(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		HPPML does not have any subsidiary company.
5(ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		DO
5(iii)	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		DO
5(iv)	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		DO
5(v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		DO
6	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO): The CEO and CFO shall certify to the Board that:			
6(i)	They have reviewed financial statements for the period and that to the best of their knowledge and belief -	✓		CEO and CFO certified to the board during finalization of financial statements.
6(i)(a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		DO
6(i)(b)	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.	✓		DO
6(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violation of the company's code of conduct.	✓		DO



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
7	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7(i)	<p>The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.</p> <p>Explanation: Chartered Accountant means Chartered Accountant as defined in the Bangladesh Chartered Accountants Order, 1973 (President's Order No.2 of 1973); Cost & Management Accountant means Cost & Management Accountant as defined in the Cost & Management Accountants Ordinance, 1977 (Ordinance No. LIII of 1977); Chartered Secretary means Chartered Secretary as defined in the Chartered Secretaries Act, 2010 (Act No.25 of 2010)</p>	✓		<p>Proper certification has been obtained from M/s. Khan Wahab Shafique Rahman & Co. Chartered Accountants for the period from 1st July, 2015 to 30th June, 2016 which is published as Annexure 3 to the Directors' Report.</p>
7(ii)	<p>The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.</p>	✓		<p>Status of Compliance is published with the Director's Report as required.</p>

CORPORATE GOVERNANCE

Hakkani Pulp & Paper Mills Limited maintains a standard of corporate governance that stems right from the Board of Directors down to all employees. This translates into interacting with all our members with trust, confidence and transference. The company's corporate governance is based on full compliance to the laws of the country in which it operates, adhering to the principles of integrity and openness towards the community stakeholders and employees.

The company also ensures that it works in strict compliance with the accounting and reporting standards of Bangladesh Securities and Exchange Commission and other regulatory bodies of the Government.

Board of Directors:

The Board of Directors is currently comprised of nine members. Well the Board is responsible of overall management and business of the company, it has entrusted the Chief Executive Officer of the company, also a director of the Board, to run the Management team. The Chief Executive Officer provides the link between the Board of Directors and the Management team of the company. It is the responsibility of the Board of Directors to see that prudent administration of business activities and effective control is maintained.

The Board of Directors meets at least once a quarter and four meetings of the Board were held during the year.

Accountability and Audit:

In compliance with the order of Bangladesh Securities and Exchange Commission, the Board of Directors formed and Audit Committee. The Audit Committee consists of four Directors of the Company including two independent directors, one of whom is the Chairman of the Audit Committee.

As part of its core jobs, the Audit Committee ensures the assessment of the relevance and consistency of accounting methods adopted to prepare the Financial Statements and also reviews the Financial Statements. The report of the Audit Committee is also published in the Annual Report of the Company. The Audit Committee held four meeting during the year.

Statutory Audit:

Statutory Audit of the company is governed by the Companies Act, 1994 of Bangladesh. It provides clear guidelines for the appointment, scope of work and retirement of Auditors. The Auditors are appointed in the Annual General Meeting (AGM) by the shareholders.

Legal and Compliance:

We strongly believed that compliance is the key to building shareholders' trust . The company strictly adheres to the applicable laws, rules and regulation of the country in which it operates, and this belief is core to its business. The regulatory bodies like Bangladesh Securities and Exchange Commission, Registrar of Joint Stock Companies and Firms, the National Board of Revenue and the Board of Investment closely monitor the company.

Throughout its year of operations, the company has been fully compliant with national laws, rules and regulation and paid all applicable taxes and duties. We scrutinize and review the legal papers and required legal permissions to conduct the business in Bangladesh.

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Partners:

S. M. Shafique FCA
Md. Abu Sina FCA
Md. Anisur Rahman FCA
Faruk Ahmed ACA

KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS



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**Certificate on Compliance of Conditions of Corporate Governance
To the Shareholders of Hakkani Pulp & Paper Mills Limited**

We, in respect of **Hakkani Pulp & Paper Mills Limited** (the Company), have examined the status of its compliance for the year ended 30th June, 2016 with conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006- 158/134/Admin/44 dated 07 August, 2012.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Company. Our responsibility is to provide a certificate about whether the Company is in compliance with the said conditions of Corporate Governance based on our examination.

Our examination has been made for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance and make reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Company.

To the best of our information and according, to the explanations given to us, we certify that, except condition **No. 1.2(V)** subject to the remarks and observation as reported in the attached compliance statement, **Hakkani Pulp & Paper Mills Limited** has complied with the conditions of Corporate Governance as enclosed stipulated in the above mentioned BSEC's notification dated 07 August, 2012.

Dated, Chittagong,
29th October, 2016


Md. Faruk Ahmed ACA
Partner

ICAB Enrollment No. 1591
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Branch Office:
Sabbir Chamber (3rd Floor),
60, Agrabad C/A, Chittagong
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বাংলাদেশ এজোসিয়েশন অব পাবলিকলী লিস্টেড কোম্পানীজ
BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES
Block # B, Road #1, House # 17 (8th Floor), Unit-A, Niketan Eastern Housing Complex, Gulshan-1, Dhaka-1212
Phone : 8824926 Fax : 9887245. E-mail : baplc@dhaka.net

Ref: CM-2016/229

7th August 2016

TO WHOM IT MAY CONCERN

Certificate of Membership

This is to certify that **HAKKANI PULP & PAPER MILLS LIMITED** is an Ordinary Member of Bangladesh Association of Publicly Listed Companies (BAPLC).

This Certificate remains current until 31st December 2016.

K. M. Abdul Hai
Secretary-General





BANGLADESH
PAPER MILLS ASSOCIATION (BPMA)

Ref: BPMA/Certificate/2016 (09)


October 31, 2016

TO WHOM IT MAY CONCERN

This is to certify that **Hakkani Pulp & Paper Mills Ltd.**, 02/10, Dhaka Trunk Road, North Pahartali, Chittagong, Bangladesh is a Member Organization of this Association. Their membership number is 021 and valid up to December 31, 2016.

We wish every success of Hakkani Pulp & Paper Mills Ltd.

On behalf of BPMA


AKM. Nawsherul Alam
Secretary



Report of the Audit Committee
For the year ended 30th June, 2016

Constitution of the Audit Committee:

The Audit Committee of Hakkani Pulp & Paper Mills Limited has been reconstituted by the Board of Directors in its meeting held on 30th April, 2015 with the following Directors:

Name of the Member	Status in the Company	Status in the Committee
Mr. Md. Amirul Islam, FCS, FCA	Independent Director	Chairman
Mr. Qazi Meraz Uddin Arif, FCMA	Independent Director	Member
Mr. Md. Golam Kibria	Director	Member
Mr. Md. Golam Morshed	Director	Member

Term of Reference:

The term of reference of the Audit Committee has been determined by the Board according to the Bangladesh Securities and Exchange Commission's notification. The Committee is responsible to the Board of Directors and reports on its activities regularly. The Committee assists to the Board of Directors by overseeing of financial reporting, internal controls and functions relating to internal audit.

Meeting of the Committee:

The audit committee held 4 (four) meetings during the year 2015-2016 on the following dates:

Number of Meetings	Date of Meetings
1st Meeting	11th September 2015
2nd Meeting	29th October 2015
3rd Meeting	28th January 2016
4th Meeting	29th April 2016

The Committee discharged its role as follows:

Internal Control:

- The Committee reviewed the internal control system prevailing in the company to introduce the appropriate compliance culture and also to ensure that all employees have clear understanding of their respective roles and responsibilities.
- The Committee reviewed the arrangements made by the management for developing a suitable Management Information System (MIS).

External Audit:

- The Committee reviewed the finding of external auditor and finalized the audit report and annual financial statements.

Financial Statements Reporting:

- The Committee reviewed quarterly and half yearly financial statements before submission to the Board for approval.
- The Committee reviewed the annual financial statements before submission to the Board for approval.


Md. Amirul Islam
Chairman
Audit Committee
Dated: October 29, 2016



Report of the Managing Director and the Chief Financial Officer

We have reviewed accompanying Financial Statements of Hakkani Pulp & Paper Mills Limited comprise the Statement of Financial Position as at 30 June 2016, 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 a summary of significant accounting policies and others explanatory notes.

These Financial Statements have been prepared and presented fairly in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS), the Companies Act. 1994, The Securities and Exchange Rules 1987, Dhaka and Chittagong Stock Exchange listing regulations and other applicable laws and rules.

The Company has taken proper and sufficient care in installing a system of internal control which is reviewed, evaluated and updated on an ongoing basis. The Internal Audit department of the company periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed.

Based on the internal control system of the Company and our review of these financial statements, we certify that to the best of our knowledge and belief:

- i) these Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) these Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- iii) no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the company's code of conduct.


Managing Director

Date: 29 October, 2016


Chief Financial Officer

শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

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E-mail : basak_sbc@yahoo.com

Partners :

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Md. Enayet Ullah, FCA
Sarwar Mahmud, FCA

DHAKA OFFICE :

Satabdi Centre (6th Floor)
292, Inner Circular Road,
Fakirapool, Motijheel, Dhaka.
Phone : 88-02-7194870
Fax : 88-02-7192098
E-mail : shafiq_basak@yahoo.com

Ref. No.-SB/521/2016

Dated: October 29, 2016

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HAKKANI PULP & PAPER MILLS LIMITED**

We have audited the accompanying financial statements of HAKKANI PULP & PAPER MILLS LIMITED, which comprise the statement of financial position as at 30 June 2016, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and securities and exchanges rules 1987, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, we consider internal control relevant to the entity's preparations and fair presentations of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentations of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accounts are maintained and the statements are prepared and reported in accordance with the Bangladesh Accounting Standards (BAS) and the Bangladesh Financial Reporting Standards (BFRS), the financial statements present fairly in all material respect, give a true and fair view of the financial position of the company as of June 30, 2016 and of the results of its financial performances and its cash flows for the year then ended and comply with the Companies Act, 1994 and other applicable laws and regulation.

Branch Office :

Dhaka : House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 1, Dhaka. Phone : 88-02-99859602-3, 01819-285169, E-mail : mahmoods.bd@gmail.com



Emphasis of Matters

We draw users' attention to note 3.01.03 to the financial statements, where managements applied changes in accounting policy and made retrospective restatement as required by BAS 8 and corresponding disclosure as required by BAS 1 in statement of financial position. The company revalued its property, plant and equipment in 2012 and since then the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the assets original cost has not been charged to profit and loss accounts rather, adjusted with revaluation reserve. During the period, the company followed the guidance of BAS 16 for charging depreciation of revalued carrying amount to profit and loss accounts and changed related prior year's balances.

We also draw user's attention to note 6.03 to financial statements, where the company charged loss on fair value changes of investment in share in comprehensive income as required by BAS 39 which was previously used to be charged in profit and loss accounts.

The reported financial statements of 30 June 2015 has been disclosed instead of disclosure of financial statements at 01 July 2014 disregarding the requirement of Para 40B (C) of BAS -1

Our opinion is not qualified with regard to either of the above matters.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the securities and exchanges rules 1987, we also report the following:

- (i) We have obtained all the information, explanations and documents which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.
- (ii) The Company management has followed relevant provision of law and rules in managing the affairs of the Company and that proper books of account, records and other statutory books have been properly maintained.
- (iii) 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 returns; and
- (iv) The expenditure incurred and payments made were for the purpose of the Company's business for the year.

Dated - Dhaka
October 29, 2016


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

HAKKANI PULP & PAPER MILLS LIMITED

Statement of Financial Position

As at 30th June, 2016

	Note(s)	2016 Taka	2015 *Restated Taka	2015 Reported Taka
ASSETS				
Non Current Assets :				
		754,514,411	690,397,847	690,397,847
Property, Plant and Equipment	04	631,651,793	652,982,392	652,982,392
Capital Work In Progress	05	105,586,125	18,123,383	18,123,383
Investment in Shares	06	17,276,493	19,292,072	19,292,072
Current Assets:				
		264,456,451	201,190,654	201,190,654
Inventories	07	142,167,234	103,740,121	103,740,121
Trade Receivables	08	34,865,465	47,738,984	47,738,984
Advances, Deposits & Prepayments	09	71,247,069	44,092,399	44,092,399
Interest Receivable on FDR		402,904	235,001	235,001
Cash & Cash equivalents	10	15,773,779	5,384,149	5,384,149
TOTAL ASSETS		1,018,970,862	891,588,501	891,588,501
SHARE HOLDERS EQUITY & LIABILITIES				
Shareholders Equity:				
		551,434,935	574,431,842	574,431,842
Share Capital	11	190,000,000	190,000,000	190,000,000
Dividend Equalization Reserve	12	15,000,000	15,000,000	15,000,000
Revaluation Reserve	13	325,410,615	339,361,429	339,361,429
Fair Value Reserve		(3,168,122)	(956,157)	-
Retained Earnings	14	24,192,442	31,026,570	30,070,413
Non Current Liabilities:				
		125,592,052	138,362,812	138,362,812
Unsecured Loan	15	21,928,250	16,451,250	16,451,250
Long Term Loan		11,197,507	27,500,000	27,500,000
Deferred Tax Liability	17	92,466,295	94,411,562	94,411,562
Current Liabilities:				
		341,943,875	178,793,847	178,793,847
Short Term Loan & Overdraft	18	291,282,585	111,193,030	111,193,030
Accrued Expenses	19	7,969,471	5,810,312	5,810,312
Workers Profit Participation and Welfare Fund	20	1,108,876	1,685,819	1,685,819
Current Portion of Long Term Loan		10,632,000	-	-
Trade Payables	21	20,447,020	41,700,718	41,700,718
Liabilities for Other Finance	22	2,657,438	3,797,782	3,797,782
Directors Current Account	23	4,600,000	4,600,000	4,600,000
Current Tax Liabilities	24	3,246,485	10,006,186	10,006,186
TOTAL EQUITY & LIABILITIES		1,018,970,862	891,588,501	891,588,501
Net Asset Value Per Share(with revaluation)	34	29.02	30.23	30.23
Net Asset Value Per Share(without revaluation)	35	11.90	12.37	12.37

The annexed notes from 1 to 43 form an integral part of these financial statements.

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

Subject to our Separate report of even date

SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

হাক্কানী পাল্প এন্ড পেপার মিলস্ লিঃ

আর্থিক অবস্থার বিবরণী
৩০শে জুন, ২০১৬ইং তারিখে

নোট	২০১৬ টাকা	২০১৫ *রিফ্রেস্টেড টাকা	২০১৫ রিপোর্টেড টাকা
সম্পত্তি			
দীর্ঘমেয়াদী সম্পত্তি :			
স্থায়ী সম্পত্তি	০৪	৭৫৪,৫১৪,৪১১	৬৯০,৩৯৭,৮৪৭
প্রক্রিয়াধীন মূলধনী কার্য	০৫	৬৩১,৬৫১,৭৯৩	৬৫২,৯৮২,৩৯২
শেয়ারে বিনিয়োগ	০৬	১০৫,৫৮৬,১২৫	১৮,১২৩,৩৮৩
		১৭,২৭৬,৪৯৩	১৯,২৯২,০৭২
চলতি সম্পত্তি :			
মজুদ মালামাল	০৭	২৬৪,৪৫৬,৪৫১	২০১,১৯০,৬৫৪
বিবিধ দেয়াদার	০৮	১৪২,১৬৭,২৩৪	১০৩,৭৪০,১২১
অগ্রিম, জমা ও আগাম পরিশোধ	০৯	৩৪,৮৬৫,৪৬৫	৪৭,৭৩৮,৯৮৪
এফডিআর এর উপর প্রাপ্য সুদ		৭১,২৪৭,০৬৯	৪৪,০৯২,৩৯৯
নগদ এবং নগদ সমতুল্য	১০	৪০২,৯০৪	২৩৫,০০১
		১৫,৭৭৩,৭৭৯	৫,৩৮৪,১৪৯
মোট সম্পত্তি		১,০১৮,৯৭০,৮৬২	৮৯১,৫৮৮,৫০১
শেয়ারহোল্ডারদের মালিকানাধীন ও দায়			
শেয়ারহোল্ডারদের মালিকানা সত্ত্ব		৫৫১,৪৩৪,৯০৫	৫৭৪,৪৩১,৮৪২
শেয়ার মূলধন	১১	১৯০,০০০,০০০	১৯০,০০০,০০০
লভ্যাকাংশ সমতাকরণ তহবিল	১২	১৫,০০০,০০০	১৫,০০০,০০০
পূর্ণ মূল্যায়ন সঞ্চিত তহবিল	১৩	৩২৫,৪১০,৬১৫	৩৩৯,৩৬১,৪২৯
শেয়ারে বিনিয়োগের উপর নায্য মূল্য সঞ্চিত		(৩,১৬৮,১২২)	(৯৫৬,১৫৭)
সংরক্ষিত মূল্য তহবিল	১৪	২৪,১৯২,৪৪২	৩১,০২৬,৫৭০
দীর্ঘমেয়াদী দায় :			
জামানত বিহীন ঋণ	১৫	১২৫,৫৯২,০৫২	১৩৮,৩৬২,৮১২
দীর্ঘ মেয়াদী ঋণ	১৬.০১	২১,৯২৮,২৫০	১৬,৪৫১,২৫০
বিলম্বিত কর দায়	১৭	১১,১৯৭,৫০৭	২৭,৫০০,০০০
		৯২,৪৬৬,২৯৫	৯৪,৪১১,৫৬২
চলতি দায় :			
২৯ মেয়াদী ঋণ ও জমাতিরিক্ত	১৮	৩৪১,৯৪৩,৮৭৫	১৭৮,৭৯৩,৮৪৭
কেয়া খরচাবলী	১৯	২৯১,২৮২,৫৮৫	১১১,১৯৩,০৩০
শ্রমিকদের লাভের অংশীদারিত্ব ও কল্যাণ তহবিল	২০	৭,৯৬৯,৪৭১	৫,৮১০,৩১২
দীর্ঘমেয়াদী ঋণের চলতি দায়	১৬.০১	১,১০৮,৮৭৬	১,৬৮৫,৮১৯
বিবিধ পাওনাদার	২১	১০,৬৩২,০০০	-
অন্যান্য অর্থ সংস্থান জনিত দায়	২২	২০,৪৪৭,০২০	৪১,৭০০,৭১৮
পরিচালকদের চলতি হিসাব	২৩	২,৬৫৭,৪৩৮	৩,৭৯৭,৭৮২
চলতি কর দায়	২৪	৪,৬০০,০০০	৪,৬০০,০০০
		৩,২৪৬,৪৮৫	১০,০০৬,১৮৬
মোট মালিকানাধীন ও দায়		১,০১৮,৯৭০,৮৬২	৮৯১,৫৮৮,৫০১
পূর্ণমূল্যায়িত শেয়ার প্রতি নীট সম্পদ মূল্য	৩৪	২৯.০২	৩০.২৩
পূর্ণমূল্যায়িত ছাড়া শেয়ার প্রতি নীট সম্পদ মূল্য	৩৫	১১.৯০	১২.৩৭

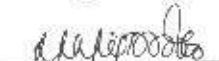
* সংযোজিত নোট সমূহ আর্থিক বিবরণীর একটি অবিচ্ছেদ্য অংশ


ব্যবস্থাপনা পরিচালক


পরিচালক


কোম্পানী সচিব

একই তারিখে স্বাক্ষরিত পৃথক নিবন্ধিত প্রতিবেদন সাপেক্ষে


শিক্ষিক বসাক এন্ড কোং
চার্টার্ড একাউন্ট্যান্টস্

চক্রগ্রাম- অক্টোবর ২৯, ২০১৬ইং

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HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2016

	Note(s)	2016 Taka	2015 *Restated Taka	2015 Reported Taka
Revenue	25	272,975,199	300,223,218	300,223,218
Less: Cost of Sales	26	254,987,998	283,568,225	266,022,158
Gross Profit		17,987,201	16,654,993	34,201,060
Less: Operating Expenses:				
Administrative Expenses	27	11,848,565	12,604,730	12,604,730
Financial Expenses	28	18,674,433	10,257,036	10,257,036
Selling & Distribution Expenses	29	1,840,791	2,385,742	2,385,742
		32,363,789	25,247,508	25,247,508
Operating Profit		(14,376,588)	(8,592,515)	8,953,552
Add: Non-Operating Income	30	2,784,230	1,313,296	1,313,296
		(11,592,358)	(7,279,219)	10,266,848
Add: Provision for diminution in value of Investment in shares written back		-	-	1,798,165
Net Profit Before WPPF & WWF		(11,592,358)	(7,279,219)	12,065,013
Less: Contribution to Workers Profit Participation and Welfare Fund	31	-	574,525	574,525
Net profit before Tax		(11,592,358)	(7,853,744)	11,490,488
Less: Income Tax Provision:				
Current Tax		1,637,851	1,900,000	1,900,000
Deferred Tax	32	516,642	1,029,662	1,029,662
		2,154,493	2,929,662	2,929,662
Net profit after Tax for the year		(13,746,851)	(10,783,406)	8,560,826
Other Comprehensive Income / Loss:				
Depreciation on Revalued amount of Fixed Assets		-	-	(17,546,067)
Deferred Tax on Revaluation Reserve		2,461,908	2,631,910	2,631,910
Gain / (Loss) on Investment in Shares	6.02	(2,211,965)	1,798,165	-
Total Comprehensive Income		(13,496,908)	(6,353,331)	(6,353,331)
Earning Per Share - Basic	33	(0.72)	(0.57)	0.45

The annexed notes from 1 to 43 form an integral part of these financial statements.

MANAGING DIRECTOR

DIRECTOR

COMPANY SECRETARY

Subject to our Separate report of even date

SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Chittagong: October 29, 2016

HAKKANI PULP & PAPER MILLS LIMITED

Statement of Cash Flows

For the year ended 30 June, 2016

	Note(s)	2016 Taka	2015 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		288,632,948	280,975,965
Payment for Material and Expenses		(311,025,887)	(236,585,054)
Interest Paid		(18,674,433)	(10,257,035)
Income Tax Paid		(9,232,675)	(9,460,149)
Net Cash flows from Operating Activities	42	(50,300,047)	24,673,727
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(10,274,845)	(36,339,235)
Capital Work In Progress		(87,462,742)	-
Purchase of shares during the year		(2,373,183)	(2,778,996)
Sales of shares during the year		2,176,730	2,044,723
Net cash flows from Investing Activities		(97,934,040)	(37,073,508)
C. Cash flows from Financing Activities			
Short Term Loan & Overdraft		180,089,555	(2,671,682)
Repayment of Long Term Loan		(16,302,493)	27,500,000
Unsecured Loan Received		5,477,000	(3,732,000)
Directors Current Account			(1,745,000)
Liabilities for other finance		(913,252)	953,302
Dividend paid during the year		(9,727,093)	(6,987,976)
Net Cash flows from Financing Activities		158,623,717	13,316,644
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		10,389,630	916,862
E. Opening Cash and Bank Balances		5,384,149	4,467,287
Closing Cash and Bank Balances (D+E)		15,773,779	5,384,149
F. Net Operating Cash Flows Per Share		(2.65)	1.30

The annexed notes from 1 to 43 form an integral part of these financial statements.


MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Chittagong: October 29, 2016



হাক্কানী পাথর এন্ড পেপার মিলস লিঃ

নগদ অর্থ প্রবাহ বিবরণী

৩০শে জুন, ২০১৬ ইং তারিখে সমাপ্ত বছরের জন্য

	নেট	২০১৬ টাকা	২০১৫ টাকা
ক পরিচালন কার্যক্রম খাতে নগদ অর্থ প্রবাহঃ			
বিক্রয় ও অন্যান্য হতে নগদ প্রাপ্তি		২৮৮,৬৩২,৯৪৮	২৮০,৯৭৫,৯৬৫
কাঁচামাল ক্রয় এবং অন্যান্য খরচের বিপরীতে নগদ প্রদান		(৩১১,০২৫,৮৮৭)	(২৩৬,৫৮৫,০৫৪)
সুদ প্রদান		(১৮,৬৭৪,৪৩৩)	(১০,২৫৭,০৩৫)
আয়কর প্রদান		(৯,২৩২,৬৭৫)	(৯,৪৬০,১৪৯)
পরিচালন কার্য খাতে নীট নগদ অর্থ প্রবাহ	৪২	(৫০,৩০০,০৪৭)	২৪,৬৭৩,৭২৭
খ বিনিয়োগ কার্যক্রম খাতে নগদ অর্থ প্রবাহঃ			
সম্পত্তি, যন্ত্রপাতি ও সরঞ্জাম ক্রয়		(১০,২৭৪,৮৪৫)	(৩৬,৩৩৯,২৩৫)
প্রক্রিয়াধীন মূলধনী কার্য		(৮৭,৪৬২,৭৪২)	-
শেয়ার ক্রয় বাবদ নগদ প্রদান		(২,৩৭৩,১৮৩)	(২,৭৭৮,৯৯৬)
শেয়ার বিক্রয় বাবদ নগদ প্রাপ্তি		২,১৭৬,৭৩০	২,০৪৪,৭২৩
বিনিয়োগ কার্য খাতে নীট নগদ অর্থ প্রবাহ		(৯৭,৯৩৪,০৪০)	(৩৭,০৭৩,৫০৮)
গ আর্থিক কার্যক্রম খাতে নগদ অর্থ প্রবাহঃ			
বল্লমোদনী ঋণ ও ব্যাংক জমাতিরিক্ত		১৮০,০৮৯,৫৫৫	(২,৬৭১,৬৮২)
দীর্ঘমেয়াদী ঋণ গ্রহণ		(১৬,৩০২,৪৯৩)	২৭,৫০০,০০০
জামানত বিহীন ঋণ পরিশোধ		৫,৪৭৭,০০০	(৩,৭৩২,০০০)
পরিচালকদের চলতি হিসাব		-	(১,৭৪৫,০০০)
অন্যান্য অর্থ সংস্থানজনিত ব্যয়		(৯১৩,২৫২)	৯৫৩,৩০২
লভ্যাংশ প্রদান		(৯,৭২৭,০৯৩)	(৬,৯৮৭,৯৭৬)
আর্থিক কার্য খাতে নীট নগদ অর্থ প্রবাহ		১৫৮,৬২৩,৭১৭	১৩,৩১৬,৬৪৪
ঘ নীট নগদ অর্থ ও ব্যাংক জমা বৃদ্ধি/(হ্রাস)- (ক+খ+গ)		১০,৩৮৯,৬৩০	৯১৬,৮৬২
ঙ বছরের প্রারম্ভিক নগদ অর্থ ও ব্যাংক জমা		৫,৩৮৪,১৪৯	৪,৪৬৭,২৮৭
বছরের সমাপনী নগদ অর্থ ও ব্যাংক জমা (ঘ+ঙ)		১৫,৭৭৩,৭৭৯	৫,৩৮৪,১৪৯
চ শেয়ার প্রতি পরিচালন কার্যক্রম খাতে নগদ অর্থ প্রবাহ		(২,৬৫)	১,৩০
* সংযোজিত নোট সমূহ আর্থিক বিবরণীর একটি অবিচ্ছেদ্য অংশ			

ব্যবস্থাপনা পরিচালক

পরিচালক

কোম্পানী সচিব

HAKKANI PULP & PAPER MILLS LIMITED

Statement of Changes in Equity


For the year ended 30 June, 2016

(Amount in Taka)

Particulars	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July, 2015	190,000,000	15,000,000	339,361,429	(956,157)	31,026,570	574,431,843
Adjustment of depreciation on carrying amount of revalued asset	-	-	(16,412,722)	-	16,412,722	-
Deferred Tax on Revaluation Surplus	-	-	2,461,908	-	-	2,461,908
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(2,211,965)	-	(2,211,965)
Dividend for the Year 2014-2015	-	-	-	-	(9,500,000)	(9,500,000)
Net Profit after Tax for the year	-	-	-	-	(13,746,851)	(13,746,851)
Balance as on 30 June, 2016	190,000,000	15,000,000	325,410,615	(3,168,122)	24,192,442	551,434,935
Balance as at 01 July, 2014	190,000,000	10,000,000	354,275,586	(2,754,322)	19,839,415	571,360,679
Revaluation Surplus Realized	-	-	(17,546,067)	-	17,546,067	-
Transferred from Retained Earnings	-	5,000,000	-	-	-	5,000,000
Transferred to Dividend Equalization Reserve	-	-	-	-	(5,000,000)	(5,000,000)
Adjustment for Deferred Tax on Revaluation Surplus	-	-	2,631,910	-	-	2,631,910
Prior year Adjustment for Deferred Tax	-	-	-	-	16,747,294	16,747,294
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	1,798,165	-	1,798,165
Dividend for the Year 2013-2014	-	-	-	-	(7,322,800)	(7,322,800)
Net Profit after Tax for the year	-	-	-	-	(10,783,406)	(10,783,406)
* Restated Balance as on 30 June, 2015	190,000,000	15,000,000	339,361,429	(956,157)	31,026,570	574,431,842
Reported Balance as on 30 June, 2015	190,000,000	15,000,000	339,361,429	-	30,070,413	574,431,842


 MANAGING DIRECTOR


 DIRECTOR


 COMPANY SECRETARY

হাকালী পাল্ল এন্ড পেপার মিলস্‌ লিঃ

শেয়ারহোল্ডারদের মালিকানা স্বত্বের পরিবর্তন বিবরণী

৩০শে জুন, ২০১৬ইং তারিখে সমাপ্ত বৎসরের জন্য

বিবরণ	পেয়ার মূলধন	লভ্যাংশ সমতাকরণ তহবিল	পুনর্লগায়ন সঞ্চিতি	ন্যায় মূল্য সঞ্চিতি	সংরক্ষিত মুদাফা তহবিল	মোট
১ জুলাই, ২০১৫ - এ স্থিতি	১৯০,০০০,০০০	১৫,০০০,০০০	৩৩৯,৩৬১,৪২৯	(৯৫৬,১৫৭)	৩১,০২৬,৫৭০	৫৭৪,৮৩৪,৮৪২
পুনর্লগায়িত সম্পত্তির অবশেষে সমাপ্ত	-	-	(১৬,৪১২,৭২২)	-	১৬,৪১২,৭২২	-
পুনর্লগায়িত মুদাফার উপর বিলদিত কর সমন্বয়	-	-	২,৪৬১,৯০৮	-	-	২,৪৬১,৯০৮
শেয়ারে বিনিয়োগের উপর অনাদায়ী লাভ/(ক্ষতি)	-	-	-	(২,২১১,৯৬৫)	-	(২,২১১,৯৬৫)
লভ্যাংশ প্রদান (২০১৪-২০১৫)	-	-	-	-	(৯,৫০০,০০০)	(৯,৫০০,০০০)
কর পরবর্তী নীট মুদাফা	-	-	-	(৩,১৬৮,১২২)	২৪,১৯২,৪৪২	২০,০২৪,৩২০
৩০ জুন, ২০১৬ - এ স্থিতি	১৯০,০০০,০০০	১৫,০০০,০০০	৩২৫,৪১০,৬১৫	(৩,১৬৮,১২২)	২৪,১৯২,৪৪২	৫৫২,৪৩৪,৪৩৫
১ জুলাই, ২০১৪ - এ স্থিতি	১৯০,০০০,০০০	১০,০০০,০০০	৩৫৪,২৭৫,৫৮৬	(২,৭৫৪,৩২২)	১৯,৮৩৯,৪১৫	৫৫৬,৩৬০,৬৬৯
পুনর্লগায়িত সম্পত্তির অবশেষে সমাপ্ত	-	-	(১৭,৫৪৬,০৬৭)	-	১৭,৫৪৬,০৬৭	-
সংরক্ষিত মুদাফা তহবিল হতে স্থানান্তর	-	৫,০০০,০০০	-	-	(৫,০০০,০০০)	-
লভ্যাংশ সমতাকরণ তহবিলে স্থানান্তর	-	-	২,৬৩১,৯১০	-	-	২,৬৩১,৯১০
পুনর্লগায়িত মুদাফার উপর বিলদিত কর সমন্বয়	-	-	-	-	-	-
বিলদিত করের বিপরীতে পরবর্তী বৎসরের সমন্বয়	-	-	-	১,৭৯৮,১৬৫	-	১,৭৯৮,১৬৫
শেয়ারে বিনিয়োগের উপর অনাদায়ী লাভ/(ক্ষতি)	-	-	-	-	(৭,৩২২,৮০০)	(৭,৩২২,৮০০)
লভ্যাংশ প্রদান (২০১৩-২০১৪)	-	-	-	-	(১০,৭৮৩,৪০৬)	(১০,৭৮৩,৪০৬)
কর পরবর্তী নীট মুদাফা	-	-	-	(৯৫৬,১৫৭)	৩১,০২৬,৫৭০	৩০,০৭০,৪১৩
* রিস্টেটেড ৩০ জুন, ২০১৫ - এ স্থিতি	১৯০,০০০,০০০	১৫,০০০,০০০	৩৩৯,৩৬১,৪২৯	(৯৫৬,১৫৭)	৩১,০২৬,৫৭০	৫৭৪,৮৩৪,৮৪২
রিস্টেটেড ৩০ জুন, ২০১৫ - এ স্থিতি	১৯০,০০০,০০০	১৫,০০০,০০০	৩৩৯,৩৬১,৪২৯	-	৩০,০৭০,৪১৩	৫৭৪,৮৩৪,৮৪২

* সংযোজিত নেট সমূহে আর্থিক বিবরণীর একটি অধিচ্ছেদ অংশ

বাবস্বাপনা পরিচালক

কোম্পানী সচিব

চট্টগ্রাম- আক্টোবর ২৯, ২০১৬ইং

HAKKANI PULP & PAPER MILLS LIMITED

Notes to the Financial Statements

For the year ended 30 June, 2016

1.00 LEGAL STATUS AND NATURE OF THE BUSINESS:

1.01 Status and Legal Form of the Company

Hakkani Pulp & Paper Mills Ltd. (hereinafter referred to as the "Company") has been incorporated in Bangladesh as a public company limited by shares under the Companies Act, 1994 vide Registration No. CHC-2462/1996 with the Registrar of Joint Stock Companies and Firms on December 28, 1996 with an Authorized Capital of Tk. 500,000,000.00 comprising of 50,000,000 Ordinary Shares of Tk. 10 each. The Company issued shares to the general public in 2001 and got listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

The registered office of the Company is situated at 2/10, D.T. Road, North Pahartali, Chittagong. The factory is located at Mouza: Halimkhar Char, P.S.: Potiya, Dist: Chittagong on Chittagong -Cox's Bazar Highway.

1.02 Nature of Business:

The principal objects of the company is to manufacture different kinds of Pulp & Papers.

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS

2.01 Statement of compliance:

These Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for Cash Flows Statement, in accordance with the International Accounting Standard (IAS) and international Financial Reporting Standard (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standard (BFRS).

2.02 Application of Bangladesh Accounting Standard (BAS):

The following BAS are applicable for the Financial Statements for the year under review:

BAS 01	Presentation of Financial Statements
BAS 02	Inventories
BAS - 07	Statement of Cash Flows
BAS - 08	Accounting Policies, Changes In Accounting Estimates and Errors
BAS - 10	Events after the Reporting Year
BAS - 12	Income Taxes, Deferred Taxes
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 23	Borrowing Costs
BAS 24	Related Party Disclosures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earning per Share
BAS - 39	Financial Instruments: Recognition & Measurement
BFRS - 07	Financial Instruments: Disclosure
BFRS- 09	Financial Instruments



2.03 Basis of Reporting :

The Financial Statement have been prepared and presented for external users by the company in accordance with identified Financial reporting framework, presentation has been made in compliance with the requirements of BAS 1 - "Presentation of Financial Statements " and The Financial Statements Reporting Standards (BFRSs).

- a. A Statement of Financial Position as at 30 June' 2016
- b. A Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June, 2016
- c. A Statement of changes in equity for the year ended 30 June, 2016
- d. A Statement of Cash flows for the year ended 30 June, 2016
- e. Notes , comprising a summary of significant accounting policies and explanatory information.
- f. Comperative information prescribed by the Standard.

2.04 Other Regulatory Compliances:

The entities are also required to comply with the following major laws and regulation along with the Companies Act, 1994.

- The Income Tax Ordinance, 1984
- The Income Tax Rules , 1984
- The Value Added Tax Act, 1991
- The Value Added Tax Rules, 1991
- The Customs Act, 1969
- Bangladesh Labour Law, 2006 as amended in 2013.
- The Securities and Exchange Rules, 1987

2.05 Authorization for Issue :

These Fianancial Statements have been authorized for issue by the Board of Directors on 29th October, 2016.

2.06 Basis of Measurement :

The Financial Statements have been prepared on going concern basis under the historical cost convention except for revaluation of non-current assets.

2.07 Functional and presentation currency:

The Financial Statements are presented in Bangladesh Taka which is the company's functional currency. All financial information presented in BDT has been rounded off to the nearest Taka.

2.08 Use of Estimates and Judgements:

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgments , estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, Actual results may differ from these estimates. Estimates and underlying assumption are reviewed on an on going basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised in any future years affected.

In particular, information about significant areas of estimation, uncertainty and critical Judgements in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the following notes

- Note: 04 Property, Plant and Equipment
- Note: 07 Inventories
- Note: 08 Trade Receivables
- Note : 09 Advances, Deposits & Prepayments
- Note: 17 Deferred Tax Liability
- Note : 21 Trade Payables

2.9 Reporting Year:

The financial year of the companies covers one year from 01 July 2015 to 30 June 2016 and it is followed consistently.

3.00 SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies set out below have been applied consistently to all years presented in the Financial Statements. Certain comparative amounts have been reclassified to confirm with the current year's presentation.

3.01 Property, plant and equipment:

3.01.01 Recognition and measurement:

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed/ installed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

3.01.02 Subsequent costs:

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future benefit embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in profit and loss as incurred.

3.01.03 Charging of Depreciation on Revalued Assets as per BAS 16 :

The company revalued its property, plants and equipments in 2012 and since then depreciation was being charged on the cost rather than revalued amount as per BAS 16. During the year, the company followed the guidance of BAS 16 for charging depreciation and changed related prior year's balances as required. And accordingly depreciation during the year on revalued assets Tk. 1,64,12,722.00 has been charged in statement of profit or loss and other comprehensive income.

3.01.04 Depreciation:

Depreciation is recognized in Statement of Profit or Loss and other Comprehensive Income on diminishing balance method over the estimated useful lives of Property, Plant and Equipment. Depreciation is charged on Property, Plant and Equipment from the usable date i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management and no depreciation is charged in the year of disposal.

No depreciation is charged on land and capital work-in-progress. Depreciation is charged on all other fixed assets on a diminishing balance method. Depreciation of an assets is charged by the rates depending on the nature and estimated useful life of assets are given below:

Assets	Rate
Building & Other Civil Construction	5%
Plant & Machinery	7%
Furniture & Fixtures	10%
Office Equipment	10%
Electric Installation	10%
Gas Line Installation	10%
Telephone Line Installation	10%
Water Line Installation	10%
Fire Extinguisher	20%
Office Decoration	10%
Vehicle	20%
Motor Vehicle	20%



3.02 **Inventories:**

Inventories are measured at lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring these inventories and bringing them to their existing location and condition in accordance with BAS-2

Category	Basis of Valuation
Finished Goods	Finished goods are valued at cost or NRV whichever is lower.
Raw materials	Raw materials are valued at cost or NRV whichever is lower.
Work in Process	Work in process is valued at 75% of sales price.
Consumable stores	Based on weighted average method.
Packing materials	Based on weighted average method.

3.03 **Advances, deposits and prepayments:**

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges.

3.04 **Cash and cash equivalents:**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term fixed deposits with banks.

3.05 **Impairment:**

Property, Plant and Equipment:

The carrying amount of the company's assets are reviewed at end of each reporting date and adjustment for value from loss or missing item, if any, are made with approval of Board of Directors.

Receivables:

Company policy is to provide for impairment loss on debtors, if any receivable are not realized within three years from due date

3.06 **Employee benefit schemes:**

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund as per provisions of law.

3.07 **Provisions:**

Provisions are made against obligations arising from past events, for which company has obligations to pay in future and such probable expenditures of company are provided at Financial Position date.

3.08 **Interest income and expenses:**

Interest income has been recognized on accrual basis.

Interest expenses incurred during the year have been charged to statement of Profit or Loss and other comprehensive income.

3.09 **Contingencies:**

Contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be measured reliably.

3.10 **Income tax expenses :**

Current tax

Provision for income tax has been made as per provisions of income tax laws.

Deferred Tax

Deferred Tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying value 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 substantially enacted on the balance sheet date. The impact on the account of changes in the deferred tax assets or liabilities has been recognized in the Statement of Profit or Loss and Other Comprehensive Income as per BAS-12.

3.11 **Revenue:**

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods.

3.12 **Earning Per Share (EPS):**

Basic Earnings:

This represents profit for the year attributable to ordinary shareholders. As there is no preference dividend or extra ordinary items, the net profit after tax for the year less noncontrolling interest has been considered fully attributable to the ordinary shareholders.

Diluted Earning per share:

No diluted earnings per share is required to be calculated for the year as there is no scope for dilution during the year.

3.13 **Foreign Currency Transaction Policy:**

The foreign currency transaction in respect of imported raw materials, machineries and other spares parts have been recognized by applying exchange rate prevailing on the date of transaction.

3.14 **Comparative Information:**

Comparative information has been disclosed in respect of all numeric 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 years figures have been rearranged, wherever considered necessary, to ensure comparability with current year.

The company has labeled the restated comparative information with the heading "restated". This is to highlight for users the fact that the comparative Financial Statements information is not the same as the Financial Statements information previously presented in the prior year's Financial Statements. The company has restated the comparative information due to charging of depreciation on revalued amount of non current assets to the Statement of Profit or Loss and Other Comprehensive Income which was not charged to the Statement of Profit or Loss and Other Comprehensive Income in the prior year's Financial Statements.

4.00 **PROPERTY, PLANT & EQUIPMENT:**

This is arrived at as under:

Balance as on 1st July 2015 (including revaluation)

Add: Addition during the year

Less: Adjustment during the year

Balance as on 30 June 2016

Less: Accumulated depreciation

Written down value as on 30 June 2016

2016	2015
Taka	Taka

904,118,313	867,779,078
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10,274,845	36,339,235
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-	-
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914,393,158	904,118,313
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287,741,365	251,135,921
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631,651,793	652,982,392
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(a) Details of Groupwise fixed assets with cost, addition and adjustment during the year, depreciation and written down value are shown at **Note-4.01**.

4.01 PROPERTY, PLANT & EQUIPMENT:

(Amount in Taka)

Particulars	C O S T				Rate of Dep.	D E P R E C I A T I O N			Written Down Value as on 30 June, 2016
	Balance as on 01 July 2015	Addition during the year	Diposal / Adjustment during the year	Balance as on 30 June, 2016		Balance as on 01 July 2015	Charged during the year	Balance as on 30 June, 2016	
At original cost									
Land & Land Development	38,296,802	168,587	-	38,465,389	-	-	-	-	38,465,389
Building & Other Construction	70,019,293	3,958,218	-	73,977,511	5%	22,690,875	2,374,676	25,065,551	48,911,960
Plant & Machinery	286,695,432	2,138,427	-	288,833,859	7%	135,760,349	10,674,380	146,434,728	142,399,131
Furniture & Fixture	796,659	76,000	-	872,659	10%	337,186	50,112	387,298	485,361
Office Equipment	2,666,363	139,300	-	2,805,663	10%	947,858	180,194	1,128,053	1,677,610
Electric Installation	16,786,966	814,272	-	17,601,238	10%	7,345,358	948,815	8,294,172	9,307,066
Gas Line Installation	3,777,251	-	-	3,777,251	10%	2,213,348	156,390	2,369,739	1,407,512
Telephone Line Installation	128,263	-	-	128,263	10%	71,320	5,694	77,014	51,249
Water Line Installation	5,732,923	894,794	-	6,627,717	10%	2,275,103	383,168	2,658,271	3,969,446
Fire Extinguisher	111,870	-	-	111,870	20%	54,482	11,478	65,959	45,911
Office Decoration	295,300	-	-	295,300	10%	174,399	12,090	186,489	108,811
Vehicle Car	1,749,672	-	-	1,749,672	20%	1,452,864	59,362	1,512,226	237,446
Motor Vehicle	-	2,085,247	-	2,085,247	20%	-	336,362	336,362	1,748,885
"A"	427,056,794	10,274,845	-	437,331,639		173,323,143	15,192,721	188,515,864	248,815,775
At Revaluation									
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	5%	20,527,452	4,506,820	25,034,272	85,629,577
Plant & Machinery	227,369,650	-	-	227,369,650	7%	57,285,326	11,905,903	69,191,229	158,178,421
"B"	477,061,519	-	-	477,061,519		77,812,779	16,412,722	94,225,501	382,836,018
Grand total (A+B) as on 30 June, 2016	904,118,313	10,274,845	-	914,393,158		251,135,921	31,605,444	282,741,365	631,651,793
As on 30 June 2015	867,779,078	36,339,235	-	904,118,313		218,662,994	32,472,927	251,135,921	652,982,392

Allocation of Depreciation :

Administrative Expenses
Factory Expenses

	2016	2015
Administrative Expenses	307,452	294,222
Factory Expenses	31,297,991	32,178,705
TAKA =	31,605,444	32,472,927

	2016 Taka	2015 Taka
5.00 CAPITAL WORK IN PROGRESS:		
Balance as on 01 July 2015	18,123,383	-
Addition during the year	87,462,742	18,123,383
	105,586,125	18,123,383
Capitalized during the year	-	-
Balance as on 30 June 2016	105,586,125	18,123,383

5.01 Details of Capital Work-In-Progress:

Particulars	Opening Balance	Addition during the year	Capitalized during the year	Closing Balance
ETP Extension	1,919,144	8,572,579	-	10,491,723
New High Speed Washer	62,820	-	-	62,820
Sheet Cutter Machine	15,334,659	700,871	-	16,035,530
Tissue Project Purpose Expenses	806,760	49,272,710	-	50,079,470
Building & Other Construction	-	7,950,814	-	7,950,814
Hot Dispenser Chest	-	72,826	-	72,826
High Speed Washer	-	226,700	-	226,700
BMRE Project	-	20,666,242	-	20,666,242
Total	18,123,383	87,462,742	-	105,586,125

These costs include costs incurred initially to construct Property, Plant and Equipment (PPE). Construction costs are transferred to PPE when the construction is completed.

6.00 INVESTMENT IN SHARES:

6.01 Company wise investment position at market value are shown below:

Name of company	No. of Shares	Cost	Market Value as on 30 June, 2016	Unrealized gain/(loss)
Agni Systems Ltd.	36	1,234	680	(554)
Bank Asia Ltd.	32,683	427,051	529,217	102,166
Beximco Ltd.	39,842	1,550,974	956,208	(594,766)
Beximco Pharma Ltd.	7,999	356,040	660,717	304,677
Brac Bank Ltd.	32,220	820,104	1,707,660	887,556
DESCO Ltd.	12,964	528,536	652,089	123,553
Dhaka Bank Ltd.	36,253	386,205	551,046	164,840
Exim Bank Ltd.	39,573	1,009,366	312,627	(696,740)
Fuwang Foods Ltd.	8,280	164,067	115,092	(48,975)
Grameen Phone Ltd.	8,700	3,102,644	2,194,140	(908,504)
IBBL Mudaraba Bond	615	465,000	585,863	120,863
Islamic Finance and Invest Ltd.	50,078	1,779,803	635,991	(1,143,812)
Jamuna Oil Ltd.	2,299	271,160	412,671	141,511
Lafarge Surma Cement Ltd.	2,000	275,096	153,000	(122,096)
Meghna Petroleum Ltd.	2,402	249,415	409,541	160,126
Merchantile Bank Ltd.	24,012	305,303	242,521	(62,782)
MTBL	34,848	622,287	588,931	(33,356)
National Bank Ltd.	50,789	903,036	406,312	(496,724)
One Bank Ltd.	42,778	508,332	551,801	43,469
Premier Bank Ltd.	31,944	335,128	223,608	(111,520)
Rupali Bank Ltd.	23,685	1,761,404	593,711	(1,167,693)
Shahjalal Bank Ltd.	92,679	853,568	1,047,273	193,705
Southeast Bank Ltd.	86,303	1,040,447	1,363,587	323,140
Summit Power Ltd.	2,465	22,956	81,345	58,389
Squire Pharmaceuticals Ltd.	3,937	954,754	1,035,037	80,284
Titas Gas Ltd.	9,250	560,934	444,925	(116,009)
Trust Bank Ltd.	44,373	1,189,771	820,901	(368,870)
Total:	723,007	20,444,615	17,276,493	(3,168,122)



	2016 Taka	2015 Taka
6.02 Gain/ (Loss) on Investment in Shares:		
Unrealized Gain/ (Loss) (Closing)	(3,168,122)	(956,157)
Unrealized Gain/ (Loss) (Opening)	(956,157)	(2,754,322)
Gain/ (Loss) on Investment in Shares during the year	(2,211,965)	1,798,165

6.03 The above investment in marketable securities designated as available for sale by the management are measured at fair value being non-current assets. Unrealized gain / (loss) has been recognized as other comprehensive income and shown in statement of profit or loss and other comprehensive income as per BFRS-09.

7.00 INVENTORIES:	2016		2015	
	Qty (in Kg)	Value (Taka)	Qty (in Kg)	Value (Taka)
a) Raw Materials				
Wastage Paper	5,397,101	26,082,606	6,392,384	38,946,481
Chemicals	180,906	2,406,047	251,693	3,726,086
		28,488,653		42,672,567
b) Finished Goods				
Bright Newsprint Paper	1,772,441	69,364,313	742,580	41,450,147
Medium Paper	-	-	-	-
Writing Printing Paper	417,398	27,130,870	18,906	1,277,642
Work In Process	127,727	6,079,582	158,357	7,216,731
c) Consumable Store	-	11,003,816	-	11,023,034
d) Packing Material	-	100,000	-	100,000
		142,167,234		103,740,121

(a) Value of raw materials, consumables and packing materials was made at weighted average method.

(b) Work-in-Process was valued taking 100% materials cost and 50% labour and overheads.

(c) Finished goods was valued at lower of cost or market price.

(d) Quantities are taken into accounts from stock register.

8.00 TRADE RECEIVABLES:

Akhter Paper House	288,800	-
Advance to Jamal Uddin	-	45,000
Atlantic Traders C & F	789,706	232,919
Ashraf Traders	493,125	-
Babul Store	13,968,324	18,895,274
Bangladesh Marine Hoist & House	46,000	-
Bismillah Enterprise	1,652,075	5,552,188
Bismillah Traders-Ashiq	-	804,333
Dainik azadi (Shapon chy)	717,358	5,666,625
Dainik Purbokone (Swopon Chy)	1,037,696	3,537,696
Ershad Electric Workshop	17,000	-
E Tec Ltd.	200,000	-
F & V Traders	567,424	567,424
Fahim Enterprise	688,666	688,666
Garibe Newaz Traders	279,593	1,932,768
Glory Tapes & Labels Ltd.	176,863	-
Hakkani Motors Ltd	287,000	-
Islam & Brothers	28,800	-
M Ahmed & Sons	131,816	131,816
M.B Paper Cutting House	366,392	-
M. T. Engineering Works	-	610,216
Metaphor Syster International	33,000	33,000
MJL Bangladesh Limited	124,974	62,344
Modern Biponi	2,226,252	2,469,082
Moulana Hafez Syed Ahmed Shah	223,838	136,550

	2016 Taka	2015 Taka
Musa Sowdagor	2,203,100	703,100
Nezam Paper House	563,791	463,791
P.H.P Float Glass Ind. Ltd.	684,161	2,963,493
Pintu Refrigerator & Technology	15,000	-
Rahib Trading	500	-
Samuda Chemical Complex Ltd	2,138,940	495,660
Say Automation & Engineering	100,000	100,000
Seamax Corporation	2,326,385	426,249
Shah Amanat Enterprise Chemical	39,375	-
Shah Amanat Paper Enterprise	399,164	478,064
Shohag Wastage paper	198,690	198,690
Syed Ahmed Shah Store	69,138	69,138
Water System & Solution Ltd	481,700	474,900
Other Receivables	1,300,820	-
	34,865,465	47,738,984

Trade Receivables are occurred in the ordinary course of business are unsecured but considered good. Ageing of the above Trade Receivables is as follows:

Below 30 Days	7,321,748	10,025,187
Within 31- 60 Days	10,808,294	14,799,085
Within 61 - 90 Days	9,065,021	12,412,136
Above 90 Days	7,670,402	10,502,576
	34,865,465	47,738,984

9.00 ADVANCES, DEPOSITS & PREPAYMENTS:

A) Advance Income Tax Paid	10,146,357	9,460,149
Advance Income Tax - Import	363,818	215,125
Advance Income Tax Deducted at Source	2,730,266	2,730,045
Advance Income Tax Deducted at Source (Dividend Income)	296,937	266,154
Advance Against Salary & Wages	91,432	53,932
Advance Against Purchase Abu saleh	475,422	350,600
Advance Against Purchase Mohiuddin	225,300	-
Advance to Jamal Uddin	208,500	-
Advance for Pick up Purchase	-	676,707
Advance for Land Purchase	500,000	500,000
Advance office rent	-	18,000
Advance for Dhaka Office expenses	259,700	237,060
Advance against company Business	-	654,238
Anima Development Limited	7,502,749	6,901,000
Advance to Ctg. Bricks & Clay Works Ltd.	66,500	630,300
Advance to Elias-Documet	-	145,000
Advance to B.L International	200,000	200,000
Advance to Debashish Benarjee	1,439,755	487,772
Advance to Dulal (KGDCL)	170,000	170,000
Shahjahan & Brothers	80,000	80,000
Advance to Total Trading	89,600	208,600
Advance to Photocopier Purchase	-	64,500
Advance to Khorshed Alam	190,000	-
Advance against Travelling expenses	2,235,835	-
Advance to BD Link	155,000	-
Advance against purchase print seller	1,637	-
VAT Current Account	220,310	63,210
Lanka Bangla Securities Ltd.	249,533	-
Other Advance	3,684,074	7,184,727
	31,582,724	31,297,118



	2016 Taka	2015 Taka
B) ADVANCED AGAINST L/C	33,156,066	7,910,851
C) DEPOSITS AND PREPAYMENTS:		
Security Deposit (PBS-1)	821,100	821,100
Security Deposit (BGSL) Boiler	1,811,601	1,811,601
Security Deposit (BGSL) Generator	1,099,524	592,239
Security Deposit (PDB)	25,200	25,200
Security Deposit (GEP Holdings Ltd)	8,000	8,000
Security Deposit (Grameen Phone)	20,000	20,000
Security Deposit (BTCL)	6,000	6,000
Security Deposit (CDBL)	300,000	300,000
L.C Margin (Gas Gen) BKB	257,040	257,040
L.C Margin (Boiler) BKB	1,043,250	1,043,250
Security Deposit Container Purpose	1,114,264	-
Security Deposit to RanksTel	2,300	-
	6,508,279	4,884,430
Total (A+B+C)	71,247,069	44,092,399

10.00 CASH & CASH EQUIVALENTS:

Cash In Hand

At Head Office
At Dhaka Office
At Factory

208,481	217,663
5,000	5,000
35,000	35,000
248,481	257,663

Cash at Banks

Bangladesh Krishi Bank, Agrabad Branch, CD A/C-2903-0210014807
Social Islami Bank Ltd., Agrabad Branch-CC A/C - 0041330027978
First Security Islami Bank Ltd., Agrabad Branch. STD A/C-010413100000463
Social Islami Bank Ltd., Agrabad Branch, STD Account-41300458
National Bank Ltd., Pahartali Branch- CD A/C-005533008427
AB Bank Ltd., PCR Branch, CD A/C-4127773938000
Prime Bank Ltd., Laldighi East Branch, CD A/C -14511090025949
Southeast Bank Ltd., Pahartali Branch, CD A/C-004111100004378
City Bank Ltd., Agrabad Branch, CD A/C No 1101497955001
Premier Bank Ltd., Agrabad Branch, CD A/C No-010311100015243

36,493	37,793
5,886,069	-
54,879	54,188
1,052,729	283,572
46,688	88,129
11,708	48,080
508,149	11,261
223,607	53,145
8,275	8,965
5,196,701	2,041,352
13,025,298	2,626,486
2,500,000	2,500,000
15,773,779	5,384,149

Fixed Deposit with Union Capital Ltd. # LF/CTG-140240-16/SME-214

(a) Cash balance as on 30.06.2016 was certified by management.

(b) All bank balances were duly reconciled with bank statements of respective bank account.

		2016 Taka	2015 Taka
11.00 SHARE CAPITAL:			
11.01 Authorized:			
	50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
11.02 Issued, Subscribed and Paid-up:			
	85,00,000 Ordinary shares of Tk. 10.00 each fully paid up in cash.	85,000,000	85,000,000
	1,05,00,000 Ordinary shares of Tk. 10.00 each fully paid up other than cash.	105,000,000	105,000,000
		<u>190,000,000</u>	<u>190,000,000</u>

11.03 **The break up of share holdings as on 30 June, 2016 is as follows:**

Description	No. of shares June 2016	% of share holding 30 June 2016	No. of shares June 2015	% of share holding June 2015
Sponsors	10,886,000	57.29	10,886,000	57.29
Investment Corporation of Bangladesh.	35,500	0.19	35,500	0.19
Bangladesh Development Bank Ltd.	1,580,800	8.32	1,580,800	8.32
Other Institution and General Public	6,497,700	34.20	6,497,700	34.20
Total	19,000,000	100.00	19,000,000	100.00

11.04 **Number of shareholders & their share holdings in percentage are as follows:**

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	2016	2015	2016	2015	2016	2015
Less than 500 shares	415	415	132,973	132,973	0.70	0.70
500 to 5000 Shares	328	328	578,197	578,197	3.04	3.04
5001 to 10000 Shares	51	51	357,504	357,504	1.88	1.88
10001 to 20000 Shares	22	22	309,993	309,993	1.63	1.63
20001 to 30000 Shares	9	9	215,590	215,590	1.13	1.13
30001 to 40000 Shares	9	9	304,985	304,985	1.61	1.61
40001 to 50000 Shares	2	2	97,582	97,582	0.51	0.51
50001 to 100,000 Shares	7	7	432,796	432,796	2.28	2.28
100001 to 1,000,000 Shares	18	18	7,635,080	7,635,080	40.18	40.18
Over 1,000,000 Shares	7	7	8,935,300	8,935,300	47.03	47.03
Total	868	868	19,000,000	19,000,000	100.00	100.00

12.00 **DIVIDEND EQUALIZATION RESERVE:**

Dividend Equalization Reserve is made-up as follows :

Balance as on 01 July 2015	15,000,000	10,000,000
Add: Transferred from Retained Earnings	-	5,000,000
Balance as on 30 June 2016	<u>15,000,000</u>	<u>15,000,000</u>

Dividend equalization reserve was created in the earlier year(s) with the concurrence of Board of Directors. The objective of this reserve is to pay dividend to shareholders during bad time of company.

**13.00 REVALUATION RESERVE:**

A revaluation of Land , Buildings and Plant and Machinery has been made during the financial year 2010-2011 by M/S. G. K. Adjusters, a professional valuer and the surplus amount of these assets were transferred to Revaluation Reserve Account . Breakup of such surplus is as follows:

	2016 Taka	2015 Taka
Land and land development	139,028,020	139,028,020
Factory Building & Other Civil Construction	110,663,849	110,663,849
Plant & Machinery	227,369,650	227,369,650
	477,061,519	477,061,519
Less: Depreciation on Revalued Assets till 30.06.2016 (Note-4.01)	94,225,501	77,812,779
	382,836,018	399,248,740
Less : Adjustments for Deferred Tax	57,425,403	59,887,311
Balance as on 30 June, 2016	325,410,615	339,361,429

Revaluation reserve relates to the revaluation of Property Plant and Equipment.

14.00 RETAINED EARNINGS:

Retained earning is made-up as follows:

Balance as on 01 July 2015	31,026,570	19,839,415
Less: Dividend for the year 2014-2015 as approved in the AGM	9,500,000	7,322,800
	21,526,570	12,516,615
Add: Net profit after tax for the year	(13,746,851)	(10,783,406)
	7,779,719	1,733,208
Less: Transferred to Dividend Equalization Reserve	-	5,000,000
	7,779,719	(3,266,791)
Add: Revaluation Surplus Realized	16,412,722	17,546,067
	24,192,442	14,279,276
Add: Adjustment for deferred tax relating to prior year	-	16,747,294
Balance as on 30 June 2016	24,192,442	31,026,570

15.00 UNSECURED LOAN:

Mr. Mohammad Abdullah, Chairman	11,174,250	5,697,250
Mr. M. Golam Mostafa, Managing Director	2,354,000	2,354,000
Mr. M. Golam Kibria, Director	2,300,000	2,300,000
Mrs. Hosne Ara Begum, Director	3,800,000	3,800,000
Mr. M. Golam Hayder, Director	2,300,000	2,300,000
	21,928,250	16,451,250

The above loans from Directors and others are interest free.

16.00 LONG TERM LOAN:

Premier Leasing & Finance Ltd, Agrabad Branch,	-	27,500,000
Social Islami Bank Limited ,Agrabad Branch, A/C No - 0043220004376	21,829,507	-
Balance as on 30 June 2016	21,829,507	27,500,000

16.01 LONG TERM LOAN- MATURITY ANALYSIS:

Due within one year- Current portion	10,632,000	-
Due after more than one year- Non-current portion	11,197,507	-
	21,829,507	-

16.02 **TERMS OF LONG TERM LOAN:**

Lenders:

The company entered into a secured long term loan agreement with Social Islami Bank Limited, Agrabad Branch, for take over the loan from Premier Leasing and Finance Limited on 27 October 2015.

Total loan facilities: Tk. 3.00 crore.

Interest rate:

Interest rate is 14% per annum subject to change as per decision of the management of the Bank and variable depending on the situation of money market. The company currently enjoying the loan @ 11.5%.

Disbursement:

The first disbursement was made on November 24, 2015.

Repayments:

This secured long term loan is repayable in 36 (thirty six) months.

Securities:

- Hypothecation of machineries and stock.
- Total 75.30 decimal land has been placed as prime securities against the loan.
- Creation of charge with RJSC.

Purpose:

To takeover existing term liability from Premier Leasing and Finance Limited availed for business expansion.

17.00 **DEFERRED TAX LIABILITY:**

	2016 Taka	2015 Taka
Balance as on 01 July 2015	34,524,251	50,241,883
Deferred tax (Income)/ Expenses for the year - (Note-32)	516,642	1,029,662
	35,040,893	51,271,545
Less: Prior year Adjustment for Deferred Tax - (Note-17.02)	-	16,747,294
Balance as on 30 June 2016	35,040,893	34,524,251
Add: Deferred Tax for Revaluation Surplus	57,425,403	59,887,311
	92,466,295	94,411,562

This represents provision made for deferred income tax to pay future income tax liability for temporary differences of Property, plant and equipment value. Calculation of Deferred Tax Liability as on 30.06.2016 has been shown at **Note-17.01**.

17.01 **Calculation of Deferred Tax Liability:**

(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 30.06.2016	210,350,386	215,436,849
(b) Tax Based Property, Plant and Equipment	70,186,816	77,339,843
(c) Net Taxable Temporary Differences (a-b)	140,163,570	138,097,006
(d) Deferred tax liability at effective Tax Rate	35,040,893	34,524,251
(e) Increase of net taxable temporary differences	-	4,118,650
(f) Deferred tax expenses on Net Taxable Temporary differences	516,642	1,029,662

17.02 **Prior year Adjustment for Deferred Tax:**

Provision required for deferred tax liability as on 30 June 2016 @ 25%	-	33,494,589
Provision for deferred tax liability held as on 30 June 2015	-	50,241,883
Excess Provision to be adjusted	-	(16,747,294)

Carrying amount of Property, Plant and Equipment represents net written down value of assets as on 30.06.2016.

**18.00 SHORT TERM LOAN AND OVERDRAFT:**

Social Islami Bank Ltd, Agrabad Branch-CC A/C - 0041330027978
UPAS Loan from Social Islami Bank Ltd.
Term Loan-UNICAP
Lanka Bangla Securities Ltd.
Short Term Loan LATR Loan & others
Loan Against Trust Receipt (LATR) # 18499
Loan Against Trust Receipt (LATR) # 18514
Loan Against Trust Receipt (LATR) # 18515
Loan Against Trust Receipt (LATR) # 9667
UPAS -010 - 305 - 215 -0007
UPAS -010 - 305 - 215 -0010
UPAS -010 - 305 - 215 -0012
UPAS -010 - 305 - 215 -0016
UPAS -010 - 305 - 215 -0018
UPAS -010 - 305 - 215 -0019
UPAS -010 - 305 - 215 -0027
UPAS -010 - 305 - 215 -0028
UPAS -010 - 305 - 215 -0029
UPAS -010 - 305 - 215 -0030
UPAS -010 - 305 - 215 -0031
UPAS -010 - 305 - 215 -0034
UPAS -010 - 305 - 215 -0036
UPAS -010 - 305 - 215 -0047

2016 Taka	2015 Taka
124,907,604	84,805,015
129,892,457	-
-	4,765,554
-	869,009
36,482,524	-
-	59,716
-	42,724
-	118,471
-	14,034
-	2,052,082
-	1,056,502
-	1,363,454
-	735,632
-	1,126,948
-	2,603,444
-	1,337,502
-	1,252,107
-	878,178
-	1,108,501
-	1,500,854
-	2,890,680
-	1,128,286
-	1,484,340
291,282,585	111,193,030

(a) Bai-Muazzal (Commercial Trading)-CC loan was sanctioned by the Social Islami Bank Limited, Agrabad Branch on the date of 5th May,2015. It is renewable.

(b) Limit of Cash Credit loan was Tk. 13 (Thirteen) crore.

(c) Loan bears interest @ 11% p.a.

(d) Land, Building and Machinery has been placed as prime securities against the Loan.

19.00 ACCRUED EXPENSES:

Agency commission on Sale	3,310,113	2,059,422
Audit Fee	100,000	40,000
Directors Remuneration	50,000	50,000
Electricity Bill-(Factory)	1,511,456	660,492
Electricity Bill-(H/O)	16,000	15,059
Gas Bill Factory	1,817,980	1,644,826
Gas Bill Factory canteen	3,926	2,656
Gas Bill (H/O)	595	-
Incentive Bonus	13,000	-
Mobile Bill	14,592	-
Office rent	15,000	15,000
Overtime	216,342	194,429
Salary & Allowances	15,500	26,500
Salaries, Wages and Allowances	223,750	460,950
Staff Salary & Allowances	248,550	333,311
Telephone Bill	2,617	2,617
Wages & Allowances	410,050	305,050
7,969,471	5,810,312	

	2016 Taka	2015 Taka
20.00 WORKERS PROFIT PARTICIPATION & WELFARE FUND:		
Balance as on 01 July 2015	1,685,819	1,797,621
Add: Provision made during the year (Note-31.00)	-	574,525
	1,685,819	2,372,146
Loss: Payment made during the year	576,943	686,327
Balance as on 30 June 2016	1,108,876	1,685,819
21.00 TRADE PAYABLES:		
A.K. Corporation	23,200	23,200
A.M Poly Packaging	732,652	999,989
Abdur Rouf (C&F) Banapole	16,362	16,362
Azad Engineering Workshop	98,800	34,500
Arab Electric Printing Press	5,900	
Aramit Cement Ltd.	109,500	-
Bismillah Electric and Cables	11,085	38,800
Broad Band Telecom Services Ltd.	-	12,500
City Lub oil Industries Ltd.	137,800	56,120
Confidence Cement Ltd.		228,250
Desire Media Plus		14,080
Financial Express	36,000	-
GEP Holdings Ltd.	-	5,804
Golden Robber Industries	15,000	55,000
Hakkani Refueling Station	139,167	66,723
International Bearing	186,735	100,345
I.H Trading	-	109,715
Islam & Brothers	-	163,200
Jahangir and Brothers	-	82,760
Jishan Enterprise	-	91,167
Kaltimax Energy Bangladesh (Pvt) Ltd.	-	90,421
Mamun Hardware Store	84,618	118,431
Mohsin Enterprise		396,230
Mojammel Hossen	-	140,585
Molla Traders	-	535,671
Mozumder Enterprise	-	46,600
Munna Enterprise	3,950,000	180,486
Modern Manufacturing Complex	150,102	-
Mr. Nabi Feroj Shah	200,000	-
M/S Soleman Store	1,600,000	-
M.T Engineering Works	253,950	-
Nasim Paper House	246,180	241,180
Nano Computer	64,500	64,500
National Cement Mills Ltd.	-	103,750
North West Securities Ltd.	1,577	1,004
Ocean Oil Company	1,908	45,658
Prime Rubber Industries Ltd.	71,000	-
Raj Bearing	145,195	111,155
Resimax Industries Ltd.	956,150	118,650
R.S Marker Paper House	853,080	-
RMF Corporation	1,566,000	-



	2016 Taka	2015 Taka		
Sakib Enterprise	3,903,812	36,438,664		
Sagorika Printers	-	-		
Shadman Enterprise	-	393,800		
Shadat Engineering (S.Khan)	168,769	168,769		
Shah Amanat Paper Enterprise (Chemical)	-	151,776		
Sonia Paper Cutting	-	74,012		
Sonali Trading Corporation	-	180,861		
Team Star Asia	341,780	-		
Al Raji Chemical	923,750	-		
Bhuiyan Chemical	196,000	-		
Gentech Energy	108,000	-		
Global Trade Corporation	450,000	-		
Tanvir Paper Mills Ltd.	852,054	-		
Other Payable	1846395	-		
	20,447,020	41,700,718		
22.00 LIABILITIES FOR OTHER FINANCE:				
I.T. Deducted at Source	68,852	68,959		
VAT Deducted at Source	12,000	9,645		
E Securities Limited	231	(269)		
Loan from Mr. Md. Abdullah	-	900,000		
Security Deposit From Bluechip Computer & Technology	-	16,000		
Unclaimed Dividend	2,576,354	2,803,447		
	2,657,438	3,797,782		
23.00 DIRECTORS CURRENT ACCOUNT:				
Mr. Md. Golam Morshed	2,300,000	2,300,000		
Mr. Md. Golam R. Muktadir	2,300,000	2,300,000		
	4,600,000	4,600,000		
24.00 CURRENT TAX LIABILITIES:				
This is made up as follows:				
Balance as on 01 July 2015	10,006,186	8,106,186		
Provided during the year:				
Against current year	1,637,851	1,900,000		
Against previous years	1,637,851	1,900,000		
	11,644,037	10,006,186		
Adjusted with advance income tax paid	(8,397,552)			
Balance as on 30 June 2016	3,246,485	10,006,186		
25.00 REVENUE:				
	Gross Sales Amount	VAT Amount	Net Sales Amount	
			2016	
			2015	
Bright News print Paper	184,486,362	3,323,205	181,163,157	215,501,981
Writing printing paper	96,155,496	4,343,454	91,812,042	83,379,785
Medium Paper	-	-	-	1,341,452
	280,641,858	7,666,659	272,975,199	300,223,218

	2016 Taka	2015 *Restated Taka	2015 Reported Taka
26.00 COST OF SALES:			
Opening Stock of Raw Materials	42,672,567	44,748,335	44,748,335
Add: Purchase during the year	174,216,954	160,460,637	160,460,637
	216,889,521	205,208,972	205,208,972
Less: Closing Stock of Raw Materials	28,488,653	42,672,567	42,672,567
Raw Materials Consumed	188,400,868	162,536,405	162,536,405
Add: Factory Overhead:			
Salaries, Wages and Allowances	14,951,669	14,324,281	14,324,281
Overtime -Factory Worker	2,531,415	2,378,388	2,378,388
Incentive Bonus Factory Staff	167,887	149,075	149,075
Labour Charge	2,573,884	1,979,746	1,979,746
Carriage Inward	209,845	347,915	347,915
Gas Bill (Boiler & Gas Generator)	24,826,974	21,398,196	21,398,196
Electric Bill	16,634,390	11,376,411	11,376,411
Consumable Spare & Store	4,354,535	3,015,941	3,015,941
Factory Maintenance	8,119,193	7,007,683	7,007,683
Loading Unloading Charge	637,152	1,196,976	1,196,976
Paper Cutting Expenses	1,595,744	1,558,190	1,558,190
Fuel (Generator)	692,980	456,128	456,128
Fuel (Machine)	741,626	641,860	641,860
Fuel (Vehicle)	273,170	190,031	190,031
Medical & Medicine	42,227	21,315	21,315
Gas Generator Upkeep	1,062,363	641,330	641,330
Insurance Premium (Factory)	1,342,815	877,220	877,220
Annual Maintenance	66,126	33,063	33,063
Boiler Upkeep	225,900	181,170	181,170
Packing Material	-	48,200	48,200
Gas Generator Overhauling Exp	1,462,817	620,000	620,000
Canteen Expenses-Factory	113,824	50,450	50,450
Carrying outward	5,234,500	4,939,500	4,939,500
Gas Bill (Factory Canteen)	42,823	26,737	26,737
Water Treatment Expenses	15,525	-	-
Depreciation	31,297,991	32,178,705	14,632,638
	307,618,243	268,174,916	250,628,849
Add: Opening Work-in-Process	7,216,731	1,212,916	1,212,916
	314,834,974	269,387,832	251,841,765
Less: Closing Work-in-Process	6,079,582	7,216,731	7,216,731
Cost of Production	308,755,392	262,171,101	244,625,034
Add: Opening Stock of Finished Goods	42,727,789	64,124,913	64,124,913
	351,483,181	326,296,014	308,749,947
Less: Closing Stock of Finished Goods	96,495,183	42,727,789	42,727,789
Cost of Sales	254,987,998	283,568,225	266,022,158

During the year, depreciation on revalued amount of non current assets have been charged to Profit or Loss & Other Comprehensive Income and accordingly previous year's Financial Statements Information has been restated as under:

	2015	2014	2013	2012	2011
Cost of Sales originally reported	266,022,158	250,032,936	170,867,847	174,721,534	230,311,400
Depreciation originally reported	14,632,638	13,105,444	13,628,726	13,543,468	12,463,401
Add: Adjustment for depreciation on revalued amount of non-current Asset	17,545,067	18,759,347	20,058,297	21,449,068	-
Restated Depreciation	32,178,705	31,864,791	33,687,023	34,992,536	12,463,401
Restated Cost of Sales	283,568,225	268,792,283	190,926,144	196,170,602	230,311,400

**27.00 ADMINISTRATIVE EXPENSES:**

	2016 Taka	2015 Taka
Directors Remuneration	627,400	489,200
Staff Salary & Allowances (Note-27.01)	4,410,142	4,966,692
Office Rent	377,338	330,726
Telephone Bill	251,325	344,423
Entertainment	151,882	142,000
Staff Tea, Tiffin	335,753	376,248
Travelling Expenses	1,258,638	814,920
Dhaka Office Expenses	54,154	40,000
Canteen Expenses	7,100	25,246
Postage & Courier	16,651	24,928
Forms, Stamp & Legal Documents	16,795	329,290
Fees, Renewal & Subscription	228,140	1,102,852
Printing & Stationary	178,130	133,491
Gas Bill H/O	5,914	-
Board Meeting Attendance Fees	349,000	298,250
Audit Committee Meeting Attendance Fees	85,000	70,250
Board Meeting Expenses	57,995	93,265
B.O Maintenance Fees	1,601	2,500
Office Maintenance	588,406	470,900
Telephone, Fax, E-mail	4,520	5,050
Annual Subscription-CDBL	92,697	56,000
Intranet Bill (BBTSL)	84,000	76,600
Internet Bill (BBTSL)	66,000	49,000
Conveyance	449,723	383,134
Audit Fee	100,000	40,000
Miscellaneous Expenses	422,014	522,215
Legal & Professional Fee	438,763	282,774
A.G.M Expenses	45,617	95,910
Annual Fee of Stock Exchange	190,000	110,000
Electric Bill Head Office	227,622	157,454
Website Expenses	14,080	14,080
Fuel (vehicle)	309,427	283,828
Insurance Premium	27,927	32,432
Vehicle Upkeep	67,359	146,850
Depreciation	307,452	294,222
	11,848,565	12,604,730

- (a) Directors remuneration has been paid to Mr. Md. Golam Mostofa (Managing Director).
 (b) No remuneration was made to other directors.
 (c) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.
 (d) Audit fees of Tk. 100,000 represents fees including VAT for the audit of the financial statements of the company for the year 2015-2016.

27.01 PAYMENTS / PERQUISITES TO DIRECTORS AND OFFICERS:

The aggregate amount paid /provided during the year in respect of "Directors" and "Officers" of the company as defined in the Bangladesh Securities and Exchange Rules 1987 are disclosed below:

Directors Remuneration- Mr. Golam Mostofa (Managing Director)	627,400
Managerial Remuneration	2,762,278
Managerial Benefits:	
Bonus	296,250
House Rent	-
Conveyance	140,500
Total	3,826,428

	2016 Taka	2015 Taka
28.00 FINANCIAL EXPENSES:		
Bank Charges	157,585	270,800
Interest Expenses on Cash Credit	8,447,428	7,105,830
Interest on Short Term Loan	5,302,292	103,505
Interest on Long Term Loan	4,701,791	2,674,082
Loan Processing Fee	65,337	-
Interest on Loan From Sister Concern	-	102,819
	18,674,433	10,257,036
29.00 SELLING & DISTRIBUTION EXPENSES:		
Commission on Sales	1,250,691	1,886,370
Advertisement	245,910	225,217
Sale Promotion Expenses	344,190	274,155
	1,840,791	2,385,742
30.00 NON-OPERATING INCOME:		
Dividend Income	850,780	823,584
Interest Income on FDR	214,892	221,637
Miscellaneous Income	389,085	161,251
Profit on Sale of Shares	1,329,474	106,824
	2,784,230	1,313,296
31.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION AND WELFARE FUND:		
The computation of workers profit participation fund for the year has been made as per workers profit participation Act, 2006 as amended in 2013 as shown below:		
Net Profit		12,065,013
Contribution for WPPF at 5% on net operating profit		<u>12,065,013 X 5</u>
		105
		574,525
32.00 DEFERRED TAX EXPENSES:		
This is arrived as under:		
(a) Deferred Tax Liability on 30 June, 2016	35,040,893	51,271,545
(b) Deferred Tax Liability on 01 July, 2015	34,524,251	50,241,883
Deferred Tax Expenses for the year (a-b)	516,642	1,029,662
33.00 EARNING PER SHARE:		

Calculation is shown below:

	2016 Taka	2015 *Restated Taka	2015 Reported Taka
EPS	(0.72)	(0.57)	0.45
Formula:			
Net Profit after tax	(13,746,851)	(10,783,406)	8,560,826
Number of shares	19,000,000	19,000,000	19,000,000

During the financial year 2010-2011 the assets were revalued and the depreciation on revalued amount has not been charged to Profit or Loss Account. Had the depreciation been accounted for to the Statement of Profit or Loss, Profit and EPS during the years 2011-2012, 2012-2013, 2013-2014 and 2014-2015 would have as follows:

Particulars	2015	2014	2013	2012	2011
EPS Originally Reported	0.45	0.40	0.51	0.64	0.96
Profit after Tax as reported	8,560,826	7,630,118	9,590,594	12,155,770	18,310,780
Adjustment for depreciation	17,546,067	18,759,347	20,058,297	21,449,068	-
Adjustment for Gain/ (Loss) on Investment in Shares	1,798,165	(694,245)	(1,412,062)	-	-
Adjusted Profit	(10,783,406)	(10,434,984)	(9,055,641)	(9,293,298)	18,310,780
Weighted Average No. of Shares	19,000,000	19,000,000	19,000,000	19,000,000	19,000,000
Adjusted/Restated EPS	(0.57)	(0.55)	(0.48)	(0.49)	0.96



	2016 Taka	2015 Taka
34.00 NET ASSET VALUE PER SHARE WITH REVALUATION:		
Calculation is shown below:		
Net asset value per share	29.02	30.23
Formula:		
<u>Net Asset with Revaluation</u>	551,434,935	574,431,842
Number of shares	19,000,000	19,000,000

35.00 NET ASSET VALUE PER SHARE WITHOUT REVALUATION:		
Calculation is shown below:		
Net asset value per share	11.90	12.37
Formula:		
<u>Net Asset without revaluation</u>	226,024,320	235,070,413
Number of shares	19,000,000	19,000,000

36.00 Number of Employees:		
The total employees of the company as on June 30, 2016 stood at 187 nos comprising Head office staff 21 nos, Factory office staff 07 nos, Security 03 nos, Driver 2 nos , permanent worker 35 nos and temporary worker 119 nos.		
Salary Range :		
Number of employee whose monthly salary was below Tk. 3,000	Nil	Nil
Number of employee whose monthly salary was above Tk. 3,000	187	174

37.00 FINANCIAL RISK MANAGERMENTS

International Financial Reporting Standard IFRS-7 Financial Instruments: Disclosures - requires of disclosure of Information relating to both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information - the Company's policies for controlling risk and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyze the risk faced by the company to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

- a) Credit Risk
- b) Liquidity Risk
- c) Market Risk

37.01 a) Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from Trade Receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, Trade Receivables are grouped according to their risk profiles, i.e. their legal status, financial condition ageing etc. Trade receivable are related to sale of Writing Printing and News Print Paper.

Maximum exposure to credit risk of the company at reporting date are as follows:

a. Exposure of Credit risk:

Trade receivables	34,865,465	47,738,984
Advance, deposit and prepayments excluding deposit & prepayments	31,582,724	31,297,118
Bank Balances	15,525,298	5,126,486
	81,973,488	84,162,588

b) Ageing of Trade Receivables are as follows:

Below-30 Days	7,321,748	10,025,187
Within 31- 60 Days	10,808,294	14,799,085
Within 61 - 90 Days	9,065,021	12,412,136
Above 90 Days	7,670,402	10,502,576
	34,865,465	47,738,984

37.02 **b) Liquidity Risk:**

Liquidity risk is the risk that company will not be able to meet its financial obligations as they fall due. The company has sufficient liquidity (cash and cash equivalents) to cover the liquidity risk also the company maintains sufficient resources and arrangement of credit lines with the various banks for managing its liquidity risk.

37.03 **c) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of the market risk management is to manage and control market risk exposure within acceptable parameter.

i) Currency Risk:

The company is not exposed to foreign currency risk.

ii) Interest Rate Risk:

Interest Rate Risk is the risk that arises from the changes in interest rates on borrowings. The company's Local Loans are not significantly affected by fluctuations in interest rates. The company has not entered in to any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

38.00 **CAPACITY UTILIZATION:**

Particulars	2016	2015
Installed Capacity (in M.T)	6,000	6,000
Actual Production (in M.T)	5,172	4,360
% of Capacity Utilization	86.20%	72.67%

39.00 **OTHER RELEVANT INFORMATION:**

39.01 During the year 5 (Five) Board Meetings were held.

39.02 During the year 4 (Four) Audit Committee Meetings were held.

39.03 The audit fee of Tk. 100,000 along with imposed VAT has been provided in the accounts as per decision taken in the 19th Annual General Meeting of the Company held on 6th December 2015.

39.04 There was no sum for contingent liabilities on 30th June, 2016.

39.05 There was no claim against the company not acknowledged as debt at the reporting date.

39.06 No amount of money was spent by the company for compensation to member of the board for special service rendered.

40.00 **RELATED PARTY TRANSACTION:**

During the year, the company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. the name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of BAS-24.

40.01

Name of the Parties	Relationship	Nature of Transactions	Opening Balances	Transaction value during the year	Outstanding as on 30.06.2016
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UNSECURED LOAN:

Mr. Mohammad Abdullah	Chairman	Loan Received	5,697,250	(5,477,000)	11,174,250
Mr. Md. Golam Mostofa	Managing Director	Loan Repayment	2,354,000	-	2,354,000
Mr. Md. Golam Kibria	Deputy Managing Director	Loan Repayment	2,300,000	-	2,300,000
Mrs. Hosne Ara Begum	Director	Loan Repayment	3,800,000	-	3,800,000
Mr. Md. Golam Haider	Director	Loan Repayment	2,300,000	-	2,300,000

DIRECTORS CURRENT ACCOUNT:

Mr. Md. Golam Morshed	Director	Short term Loan repayment	2,300,000	-	2,300,000
Mr. Md. Golam Rasul Muktadir	Director	Short term Loan repayment	2,300,000	-	2,300,000

**41.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND:**

This represents 5% (five percent) of net profit before tax after charging the contribution as per provision of the Labour Act, 2006 as amended in 2013 and is payable to workers as defined in the said Act.

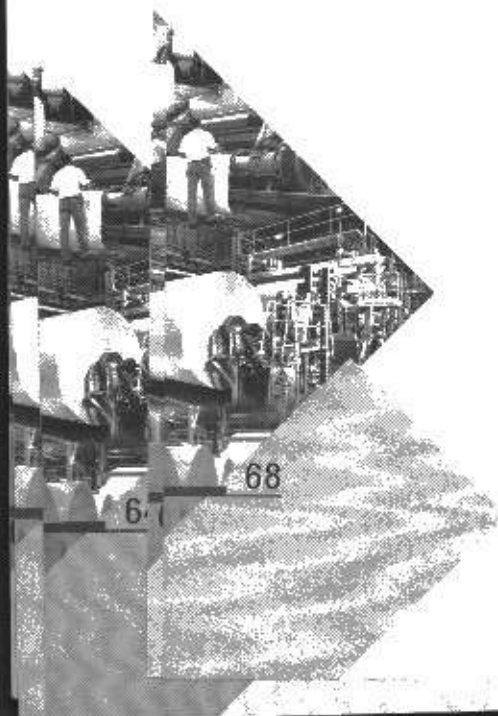
42.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

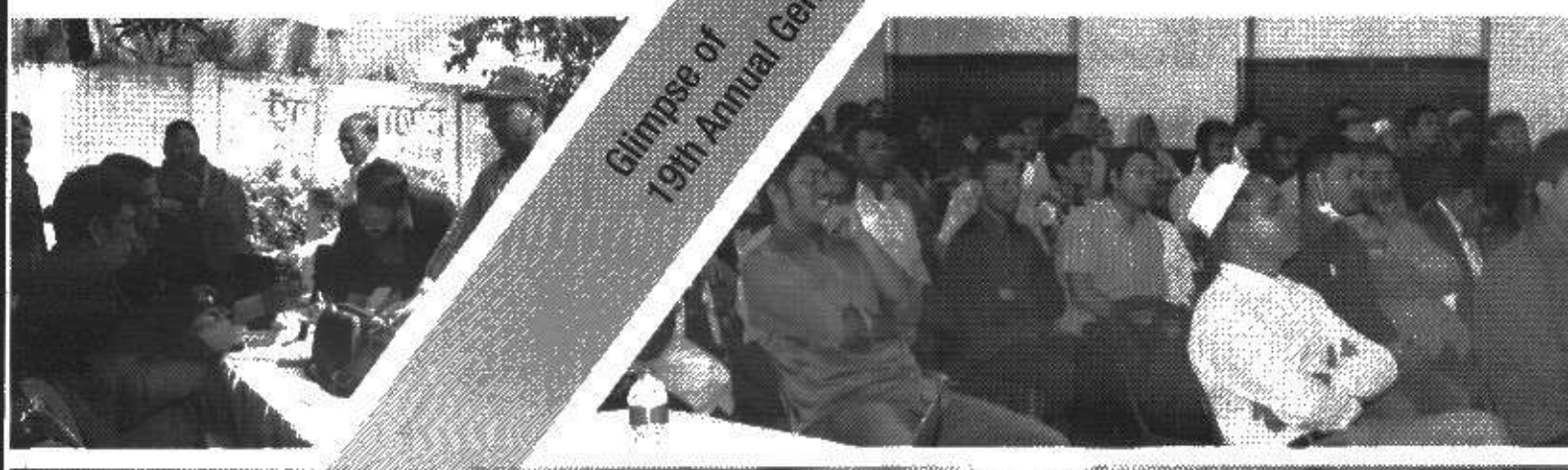
	2016 Taka	2015 *Restated Taka
Profit after Provision for Income Tax	(13,746,851)	(10,783,406)
Add: Non Cash Changes		
Depreciation	31,605,444	32,472,927
Provision for diminution in value of Investment in shares written back		
Provision for Deferred Tax Expenses	516,642	1,029,662
A	<u>18,375,234</u>	<u>22,719,183</u>
Changes in Working Capital		
(Increase)/Decrease in Stock	(38,427,113)	14,151,082
(Increase)/Decrease in Trade Receivables	12,873,519	(20,560,549)
(Increase)/Decrease in Workers Profit Participation and Welfare Fund	(576,943)	(111,802)
(Increase)/Decrease in Advance, Deposits & Prepayments	(27,154,670)	21,459,782
(Increase) Decrease in Capital Work In Progress	-	(18,123,383)
(Increase)/Decrease in Interest Receivable	(167,903)	(218,334)
Increase/(Decrease) in Accrued Expenses	2,159,159	2,351,340
Increase/(Decrease) in Current portion of Long Term Loan	10,632,000	
Increase/(Decrease) in Trade Paybles	(21,253,697)	2,306,405
Increase/(Decrease) in Advance Against Sales	-	(1,200,000)
Increase/(Decrease) in Current Tax Liabilities	(6,759,701)	1,900,000
B	<u>(68,675,282)</u>	<u>1,954,543</u>
Net cash inflows/(out flows) from operating activities	<u>(50,300,047)</u>	<u>24,673,727</u>

43.00 EVENTS AFTER REPORTING YEAR:

43.01 The Board of Directors in its meeting held on 29th October 2016 approved the Audited Financial Statements and recommended cash dividend @5% (Five percent) on public shareholders for the year 2015-2016 which is subject to approval of the shareholders in the next AGM.

43.02 Except above, no other significant event had occurred till date of signing The Financial Statements.





Glimpse of
19th Annual General Meeting 2015



Glimpse of
19th Annual General Meeting 2015





HAKKANI PULP & PAPER MILLS LTD.

2/10 D. T. Road, North Pahartoli, Chittagong.

PROXY FORM

I/We _____ of _____ being a member of **Hakkani Pulp & Paper Mills Ltd.** hereby appoint Mr./Mrs. _____ of _____ as my proxy to attend and vote for me/us on my/our behalf at the 20th Annual General Meeting of the Company to be held on Sunday the 4th December 2016 at 11.30 a.m. at the Eden Garden Community Center, near 'H' Block, Port Connecting Road, Hali Shahar, Chittagong and at any adjournment thereof. As witness my/our hand _____ this day of _____ 2016 signed by the said in presence of _____

Revenue Stamp

(Signature of the Proxy)

Signature of the Shareholder (s)

Register Folio No.

Dated

Signature of Witness

Note :

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

Authorised Signatory

HAKKANI PULP & PAPER MILLS LTD.

SHAREHOLDER'S ATTENDANCE SLIP

I/We hereby record my attendance at the 20th Annual General Meeting of the Company to be held on Sunday the 4th December 2016 at 11.30 a.m. at the Eden Garden Community Center, near 'H' Block, Port Connecting Road, Hali Shahar, Chittagong.

Name of Member (s) _____ Register Folio No. _____

_____ holding of _____ Ordinary Shares of **Hakkani Pulp & Paper Mills Limited.**

Signature of the Shareholder(s)

N.B.

- Please note that AGM can only be attended by the honourable shareholder or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
- Please present this slip at the reception Desk.

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Chittagong, Bangladesh

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