

Annual Report **16-17**



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



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

Annual Report
2016-2017

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TRANSMITTAL LETTER

Date: November 01, 2017

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),

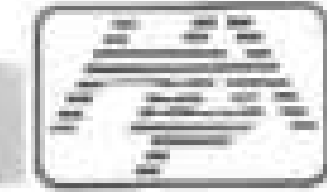
Annual Report for the year ended June 30, 2017

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, 2017 for your information and records.

Yours sincerely



Mohammad Musa
Company Secretary



NOTICE OF THE 21ST ANNUAL GENERAL MEETING

Notice is hereby given that the **21st ANNUAL GENERAL MEETING** of the shareholders of **Hakkani Pulp & Paper Mills Limited** will be held on Sunday the 24th December, 2017 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 receive, consider and adopt the Audited Financial Statements of the company for the year ended 30th June, 2017 together with the Reports of the Auditors' and the Directors' thereon.
- Agenda-2 : To elect Directors in terms of the relevant provision of Articles of Association of the company.
- Agenda-3 : To approve the appointment of Independent Director.
- Agenda-4 : To appoint Auditors for the year 2017-2018 and fix their remuneration.
- Agenda-5 : 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 28, 2017

Notes:

- (1) The Record Date will be Sunday, November 19, 2017.
- (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.
- (3) A member eligible to attend and vote at the Annual General Meeting may appoint proxy to attend and vote on his / her behalf. The Proxy Form must be affixed with requisite revenue stamp 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 of Articles of Association of the Company and relevant Rules / Circulars in force.
- (5) Shareholders are advised to update the 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.

২১তম বার্ষিক সাধারণ সভার নোটিশ

এই মর্মে হাক্কানী পাল্প এন্ড পেপার মিলস লিঃ এর সম্মানিত শেয়ারহোল্ডারদের অবহিত করা হচ্ছে যে, কোম্পানীর ২১তম বার্ষিক সাধারণ সভা আগামী ২৪ ডিসেম্বর, ২০১৭ রোজ রবিবার সকাল ১১.৩০ টায় নগরীর ইডেন গার্ডেন কমিউনিটি সেন্টার, ব্লক “এইচ” পোর্ট কানেকটিং রোড, হালিশহর, চট্টগ্রাম এ অনুষ্ঠিত হবে। উক্ত সভার আলোচ্য বিষয় নিম্নরূপ।

আলোচ্য বিষয়-০১ : কোম্পানীর ৩০শে জুন, ২০১৭ইং তারিখে সমাপ্ত বৎসরের নিরীক্ষিত আর্থিক বিবরণী, নিরীক্ষা প্রতিবেদন এবং পরিচালকমন্ডলীর প্রতিবেদন গ্রহণ, বিবেচনা ও অনুমোদন।

আলোচ্য বিষয়-০২ : কোম্পানীর সংঘ বিধির ধারা ৮২ অনুযায়ী পরিচালক নির্বাচন।

আলোচ্য বিষয়-০৩ : স্বাধীন পরিচালকের নিয়োগ অনুমোদন।

আলোচ্য বিষয়-০৪ : ২০১৭-২০১৮ অর্থ বৎসরের জন্য নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।

আলোচ্য বিষয়-০৫ : সভাপতির অনুমতি সাপেক্ষে কোম্পানীর অন্য কোন বিষয় আলোচনা।

পরিচালকমন্ডলীর আদেশক্রমে,



(মোহাম্মদ মুসা)

কোম্পানী সচিব

তারিখঃ চট্টগ্রাম।

অক্টোবর ২৮, ২০১৭

টীকাঃ

- (১) রেকর্ড ডেট / শেয়ার হস্তান্তর বই বন্ধের তারিখ নভেম্বর ১৯, ২০১৭।
- (২) যে সকল শেয়ারহোল্ডার এর নাম রেকর্ড ডেট / শেয়ার হস্তান্তর বই বন্ধের তারিখে কোম্পানীর শেয়ারহোল্ডার রেজিস্টার এবং ডিপোজিটর রেজিস্টারে উল্লেখ থাকবে কেবল সেই সব শেয়ারহোল্ডারই বার্ষিক সাধারণ সভায় উপস্থিত থাকার যোগ্য বলে বিবেচিত হবেন।
- (৩) বার্ষিক সাধারণ সভায় উপস্থিত থাকা এবং ভোটাধিকার প্রয়োগে যোগ্য শেয়ারহোল্ডার নিয়ম অনুযায়ী রাজস্ব স্ট্যাম্প প্রক্সি ফরমে সংযোজনপূর্বক মিটিং শুরু হওয়ার কমপক্ষে ৪৮ ঘন্টা পূর্বে প্রক্সি নিযুক্ত করিতে পারিবেন।
- (৪) পরিচালক নির্বাচনের ক্ষেত্রে কোম্পানীর সংঘ বিধিতে সন্নিবেশিত নীতি অনুসরণ করা হবে।
- (৫) সম্মানিত শেয়ারহোল্ডারদের তাদের ঠিকানা, যদি দরকার হয়, হালনাগাদের জন্য অনুরোধ করা হল।
- (৬) সভাকক্ষে প্রবেশের সময় প্রবেশপত্র প্রদর্শন করতে হবে।



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 firms 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, stack holders 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 Replacement 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, off-set 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. Mohammad Abdullah was born in a famous Muslim family of Chittagong, Bangladesh in 1947. He is one of the founders of Hakkani Group of Companies. He earns a treasure of experiences through doing business, setting different industrial units, and leading the whole activities from the front for the last 35 years in Hakkani Group of companies. He has been 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 shown his immeasurable capacity as a successful entrepreneur in different sectors of economy for more than three decades. He has exploited his considerable talents and expertise to operate Paper Industries, transport business, and other businesses most successfully. He has already affiliated him with many foremost businesses. He always intends to add new dimension to his business portfolio. He is man of commitment and prudent personality. He is involved in many social organizations and performing various social activities for the welfare of the societies.



MD. GOLAM MOSTOFA

Managing Director

Mr. Mohammad Golam Mostofa was born in famous muslim family of Chittagong, Bangladesh in 1977. He is the 1st son of Mr. Md. Abdullah. He was appointed as Managing Director of the company since the incorporation of Hakkani Pulp & Paper Mills Limited. 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. Mostofa looks after the overall production of industrial concerns of Hakkani Group from the very beginning. He has been leading business in different arena with his pragmatic and dynamic efforts. This is how, he has gathered immense experiences in paper manufacturing business, trading business, packing industry, international trade, logistic management, fuel station, etc. He has been playing major role in planning, executing and controlling operating, financing, and investing activities of Hakkani Pulp & Paper Mills Limited most productively.



MD. GOLAM KIBRIA

Deputy Managing Director

Mr. Mohammad Golam Kibria was born in famous Muslim family of Chittagong, Bangladesh in 1980. He is the 2nd son of Mr. Md. 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 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's satisfactions are his priority.

Directors
Profile 7

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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 Limited 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 responsibilities activities.



MD. GOLAM HAIDER
Director

Mr. Mohammad Golam Haider was born in a famous Muslim family of Chittagong, Bangladesh in 1984. He is the 3rd son of Mr. Md. 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 a number of industries and enterprise and holds the external ability to manage it in an up-to-date view.



MD. GOLAM MORSHED
Director

Mr. Mohammad Golam Morshed was born in a famous Muslim family of 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. Mohammad Golam Rasul Muktadir was born in famous Muslim family of Chittagong, Bangladesh in 1991. He is the 5th son of Mr. Md. 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. Mohammad 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 Honors' 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 of 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 Meraz Uddin 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. Mr. Qazi Meraz Uddin Arif, FCMA has resigned as an Independent Director from the Board.



DR. MOHAMMAD SALEH JAHUR
Independent Director

Dr. Mohammad Saleh Jahur was born on January 21, 1966 in Chittagong. He completed B.Com (Hons.) in Accounting in 1986 and Masters in Accounting in 1987 from University of Chittagong, Bangladesh. He did his Ph. D. in Finance and got awarded with Ph.D. on January 18, 2003 from University Business School, Panjab University, Chandigarh, India. Dr. Saleh Jahur has also completed Certificate Course in International Financial Reporting Standards (IFRSs) from Institute of Chartered Accountants in England and Wales (ICAEW), United Kingdom in 2008; and Course on Green Productivity for Bangladesh (BDGP), Conducted by HIDA-The Overseas Human Resources and Industry Development Association and AOTs, Japan in January-February 2014.

Mr. Saleh Jahur started his teaching career as a Lecturer in Finance, Department of Finance and Banking, University of Chittagong from September 30, 1993. Currently, He is Professor of Accounting and Finance of the same university, Bangladesh. He was also acted as a Chairman of Department of Finance and Banking and Director of Bureau of Business Research, Faculty of Business Administration, University of Chittagong, Bangladesh. Before starting career as teacher, he joined BPC as executive officer in 1992 and worked there for almost 30 months, and completed 14th BCS Cadre successfully. He also works as adjunct faculty of reputed private universities and professional bodies in Chittagong. Dr. Saleh Jahur being academic and researcher got published a good number of research based articles at home and abroad in different areas like management accounting, corporate finance, investment in money and stock market, risk management, etc.

Dr. Saleh Jahur has been working in the corporate sectors for many years in the capacities of advisor, consultant, and independent directors in different reputed corporate firms in Bangladesh. He has also exposure to the capital market as stock market analyst and editor of stock market issue. Board of Directors has appointed him as an independent director of the Company in 2017. He is also the member of Audit Committee of the Company. His excellent academic background, professional knowledge, and analytical ability are expected to contribute to the growth and development of Hakkani Pulp & Paper Mills Limited. Dr. Saleh Jahur is associated with many social organization and activities. He is a member of Chittagong Club Limited, Chittagong; Director of Khulshi Club Limited, Life Member of Ma O Shishu Hospital Limited, Chittagong, and Life Member of Chittagong Diabetics Association, Khulshi, Chittagong.



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. Amirul Islam FCA, FCS	Independent Director
05.	Mr. Qazi Meraz Uddin Arif, FCMA	Independent Director
06.	Mr. Md. Golam Haider	Director
07.	Mr. Md. Golam Morshed	Director
08.	Mr. Md. Golam Rasul Muktadir	Director
09.	Mrs. Hosne Ara Begum	Director

* Dr. Mohammad Saleh Jahur was appointed as Independent Director of the company in place of Mr. Qazi Meraz Uddin Arif on August 26, 2017.

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

* The Audit Committee has been reconstructed on October 28, 2017 as Mr. Qazi Meraz Uddin Arif, FCMA has resigned as Independent Director from the Board.

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

Bank and other financial institute :

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.
10.	National Credit and Commerce Bank Ltd.
11.	Mercantile Bank Ltd.
12.	Standard Bank Ltd.
13.	Union Bank Ltd.
14.	Dhaka Bank Ltd.
15.	Islami Bank Bangladesh Ltd.

Registered Office:

2/10, Dhaka Trunk Road ,
North Pahartali, Chittagong, Bangladesh
Telephone: 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

২১তম বার্ষিক সাধারণ সভা পরিচালকমন্ডলীর প্রতিবেদন ২০১৬-২০১৭

বিসমিল্লাহির রাহমানির রাহিম

সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম

হাক্কানী পাল্প এন্ড পেপার মিলস লিঃ এর একুশতম বার্ষিক সাধারণ সভায় কোম্পানীর পরিচালক পর্ষদ ও আমার পক্ষ থেকে উপস্থিত সকলকে স্বাগত জানাচ্ছি। সভার শুরুতেই আমি বোর্ডের পরিচালকবৃন্দ, কোম্পানীর সম্মানিত শেয়ারহোল্ডার এবং সংশ্লিষ্ট সকলকে আপনাদের একান্ত সহযোগীতা, প্রচেষ্টা এবং অনুপ্রেরণার জন্য জানাই আন্তরিক অভিনন্দন।

কোম্পানী আইন ১৯৯৪, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন রুলস্ ১৯৮৭, বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড (বিএএস) এবং বাংলাদেশ আর্থিক প্রতিবেদন মান (বিএফআরএস) অনুসারে প্রস্তুতকৃত কোম্পানীর ৩০শে জুন, ২০১৭ তারিখে সমাপ্ত আর্থিক বৎসরের নিরীক্ষিত আর্থিক বিবরণী, নিরীক্ষকের প্রতিবেদন এবং পরিচালকদের প্রতিবেদন আপনাদের সদয় বিবেচনা ও অনুমোদনের জন্য উপস্থাপন করছি।

১। কাগজ শিল্পের সার্বিক অবস্থা ও সম্ভাব্য ভবিষ্যৎ পরিস্থিতি :

২০১৬ সালের প্রথম দিকে বিভিন্ন প্রতিবন্ধকতা উপেক্ষা করে রাজনৈতিক এবং অর্থনৈতিক পরিস্থিতি স্থিতিশীল হয়ে আসে। ফলে ব্যবসায়িক পরিবেশ ধীরে ধীরে উন্নতি লাভ করে। তবে আলোচ্য বৎসরেও গ্যাস এবং বিদ্যুৎ সরবরাহে প্রচণ্ড ঘাটতি ছিল যা এই শিল্পের প্রবৃদ্ধির ক্ষেত্রে বড় অন্তরায় হিসেবে কাজ করেছিল।

আন্তর্জাতিক বাজারে এই শিল্পের প্রধান কাঁচামাল যেমন পাল্প, বিভিন্ন গ্রেডের রিসাইকেল্ড/রিকভার্ড পেপার এবং পেপার বোর্ড এর দাম অস্বাভাবিকভাবে বৃদ্ধি পায় অন্যদিকে দেশীয় বাজারেও এর প্রভাব পরিলক্ষিত হয়। পাশাপাশি বিভিন্ন পেপার যেমন নিউজপ্রিন্ট, রাইটিং প্রিন্টিং এবং মিডিয়াম পেপার উৎপাদনের কেমিক্যালের দামও অস্বাভাবিক হারে বৃদ্ধি পায়। ফলে বিক্রয় মূল্য এবং বিক্রিত দ্রব্যের ব্যয় এর মধ্যে সামঞ্জস্য রক্ষা করা সম্ভব হয়না যা এই শিল্পের উন্নয়নে বড় বাধা হয়ে দাড়িয়েছে।

পর্যাপ্ত উৎপাদন, অনুকূল আবহাওয়া, সহায়ক মুদ্রানীতির ফলে ২০১৭ সালের মুদ্রাস্ফীতি সহনীয় পর্যায়ে ছিল। উক্ত অর্থ বৎসরে মুদ্রাস্ফীতির পরিমাণ ছিল প্রায় ৬.৪%। আভ্যন্তরীণ বিনিয়োগ বাড়তে মুদ্রাস্ফীতি, সুদের হার এর মত সূচক সমূহ এখন অনুকূল। তবে বিনিয়োগের কাঙ্ক্ষিত লক্ষ্য মাত্রা অর্জন করতে আরো সময় লাগবে। ব্যাংকের অলস তহবিল, বার্ষিক উন্নয়ন প্রকল্পের বাস্তবায়নে ধীরগতি এবং লক্ষ্যমাত্রার তুলনায় কম রাজস্ব অর্জন সামগ্রিক অর্থনীতির মধ্যে ভারসাম্যহীনতার আভাস দেয়। ২০১৬-২০১৭ অর্থ বৎসরে জিডিপি প্রবৃদ্ধি ছিল ৭.১১% যা আগের বৎসরে ছিল ৬.৫৫%। ২০১৭-২০১৮ অর্থ বৎসরে বিগত বৎসরের মত জিডিপি প্রবৃদ্ধির হার আরো বৃদ্ধি হতে পারে। আমরা আশাবাদী যে অতীতের ন্যায় সকল বাধা বিদূরিত করে বাংলাদেশ অর্থনৈতিক প্রবৃদ্ধির ধারা বজায় রাখতে সক্ষম হবে।

২। ২০১৬-২০১৭ অর্থ বৎসরের সামগ্রিক কার্যক্রম পর্যালোচনা :

আপনারা অবগত আছেন যে, অত্র কারখানার মেশিন সমূহ প্রতিষ্ঠালগ্ন হতে আজ অবধি উৎপাদন কার্যে অবিরাম নিয়োজিত রয়েছে। ফলে মেশিন এর উৎপাদন ক্ষমতা দিন দিন কমে আসছে। ফলশ্রুতিতে মেশিন ঘন ঘন ব্রেক ডাউন হচ্ছে। ফলে উৎপাদনশীলতাও অনেকাংশে হ্রাস পেয়েছে। উৎপাদনশীলতা বৃদ্ধি করার জন্য অত্র প্রতিষ্ঠান ইতোমধ্যে একটি ক্যালেন্ডার মেশিন সংযোজন করে। উক্ত মেশিনারীসমূহ সংস্থাপন এবং গ্যাস জেনারেটর মেইনটেনেন্স এর দরুন প্রায় দুই মাস উৎপাদন কার্যক্রম বন্ধ রাখতে হয় ফলশ্রুতিতে ২০১৬-২০১৭ অর্থ বৎসরে বিগত বৎসরের তুলনায় উৎপাদন কিছুটা হ্রাস পেয়েছে। তথাপি চলতি বৎসরে অত্র প্রতিষ্ঠান উৎপাদন ক্ষমতার প্রায় ৮৩ শতাংশ ব্যবহার করতে সক্ষম হয়। সম্প্রতি এই শিল্পের অনেক প্রতিযোগী বাজারে প্রবেশ করায় প্রতিষ্ঠান পণ্যের মূল্য হ্রাস করতে বাধ্য হয়। ফলে একদিকে মুদ্রা স্ফীতির দরুন পণ্যের উৎপাদন ব্যয় বৃদ্ধি পেয়েছে অপরদিকে বিক্রয় মূল্য হ্রাস পেয়েছে।

আশার বিষয় এই যে, অত্র প্রতিষ্ঠান বিগত বৎসরের ন্যায় বাংলাদেশ টেক্সট বুক বোর্ড কর্তৃক আহবানকৃত টেন্ডারে অংশগ্রহণ করে সরাসরি কাগজ সরবরাহের ক্রয়াদেশ না পেলেও বাংলাদেশ টেক্সট বুক বোর্ড হতে ক্রয়াদেশপ্রাপ্ত অন্যান্য কিছু প্রতিষ্ঠান থেকেও পণ্য সরবরাহের ক্রয়াদেশ পেয়েছে। পাশাপাশি আপনাদের এই প্রতিষ্ঠান চলতি বৎসর থেকে বিদেশে নিউজপ্রিন্ট কাগজ রপ্তানি করে বৈদেশিক মুদ্রা অর্জন করছে এবং কয়েকটি দেশে



রাইটিং প্রিন্টিং এবং নিউজপ্রিন্ট কাগজ রপ্তানির ব্যাপারে আলাপ আলোচনা চলছে। বৈদেশিক বাজারে কাগজ রপ্তানির এই ধারা অব্যাহত রাখতে পারলে ভবিষ্যতে লাভজনকতা আরো বৃদ্ধি পাবে।

এই শিল্পের প্রচুর প্রতিযোগী বাজারে প্রবেশ করায় অত্র প্রতিষ্ঠানের অবস্থান ধরে রাখার স্বার্থে উন্নতমানের পণ্য উৎপাদনের জন্য প্রচুর পরিমাণ বৈদেশিক কাঁচামাল আমদানী করা হয়। প্রতিযোগীতামূলক বাজারে আমাদের উৎপাদিত পণ্যের অবস্থান শক্ত করার জন্য উৎপাদনে বর্ধিত মূল্যের আমদানীকৃত কাঁচামাল ব্যবহার করা হয় ফলে অত্র প্রতিষ্ঠান অত্যধিক ব্যাংক ঋণের উপর নির্ভরশীল হওয়ায় আর্থিক ব্যয় বৃদ্ধি পেয়েছে। পাশাপাশি শ্রমিক-কর্মচারীদের বেতন ও মজুরী, অতিরিক্ত সময়ের কাজের মজুরী, বিভিন্ন খুচরা যন্ত্রাংশ ক্রয়, মেরামত ও রক্ষণাবেক্ষণ ব্যয়, বহিঃপরিবহন বাবদ প্রচুর অর্থ ব্যয় করতে হয়।

অন্যদিকে পণ্যের মূল্য কমিয়ে এবং ক্রেতাকে বিভিন্ন সুযোগ সুবিধা প্রদান যেমন, বিক্রয় কমিশন ও বিজ্ঞাপন খরচ বাবদ অর্থ ব্যয় করতে হয়েছে। পাশাপাশি প্রতিষ্ঠানের বিভিন্ন স্থায়ী সম্পদ ক্রয় এবং সংযোজনের বিপরীতে প্রচুর অর্থ ব্যয় করতে হয়েছে। ফলে প্রতিষ্ঠানকে ঋণের উপর নির্ভরশীল হতে হয়েছে এবং ঋণের বিপরীতে ব্যাংক সুদ বাবদ প্রচুর খরচ বৃদ্ধি পায়। ফলে পূর্ণ প্রতিযোগীতামূলক বাজারে উৎপাদন ব্যয়ের সাথে সামঞ্জস্য রক্ষা করে বিক্রয় মূল্য নির্ধারণ করা সম্ভব হচ্ছে না। বিভিন্ন প্রতিকূল অবস্থা সত্ত্বেও আপনাদের এই প্রতিষ্ঠানের বিক্রয় এবং মোট মুনাফার হার বিগত বৎসরের তুলনায় বৃদ্ধি পেয়েছে।

আপনারা ইতোমধ্যে জেনেছেন যে, অত্র প্রতিষ্ঠানকে একটি লাভজনক ও বহুমুখী পণ্য উৎপাদনকারী প্রতিষ্ঠান হিসেবে প্রতিষ্ঠিত করার জন্য ব্যবস্থাপনা কর্তৃপক্ষ বর্তমান প্রকল্পের Balancing Modernization Replacement and Expansion (BMRE) এর পদক্ষেপ গ্রহণ করেছেন। প্রকল্পটি সফলভাবে সম্পন্ন হলে উৎপাদন ক্ষমতা বৃদ্ধির পাশাপাশি পণ্যের গুণগত মান আরো বৃদ্ধি পাবে। উক্ত প্রকল্প হতে বর্তমানে উৎপাদিত নিউজপ্রিন্ট এবং রাইটিং প্রিন্টিং কাগজ এর পাশাপাশি অফসেট, গ্লোসি এবং উন্নতমানের রাইটিং প্রিন্টিং এবং নিউজপ্রিন্ট কাগজ উৎপাদন করা সম্ভব হবে।

আপনারা আরো অবগত হয়েছেন যে, পণ্যের বহুমুখী করনের উদ্দেশ্যে আপনাদের এই প্রতিষ্ঠান ইতোমধ্যে দৈনিক ২৭ টন ক্ষমতা সম্পন্ন একটি টিস্যু পেপার উৎপাদন প্রকল্প হাতে নিয়েছে। উক্ত প্রকল্পের স্থাপন সংক্রান্ত কাজ প্রায় শেষ পর্যায়ে। উক্ত প্রকল্প সফলভাবে সম্পন্ন হলে বাজারের চাহিদা পূরণ, লাভজনকতা বৃদ্ধি, উৎপাদন ক্ষমতার যথাযথ 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 :

২০১৬-২০১৭ অর্থ বছরে বিপণন ব্যবস্থা ছিল সর্বোচ্চ চ্যালেঞ্জের সম্মুখীন কারণ একদিকে বাজারে ব্যাপক প্রতিযোগীর উপস্থিতি অন্যদিকে বিক্রয় মূল্য হ্রাস পাওয়া সত্ত্বেও অত্র প্রতিষ্ঠানের বিক্রয়ের পরিমাণ বিগত বৎসরের তুলনায় প্রায় ২৫ শতাংশ বৃদ্ধি পেয়েছে। পূর্বের ন্যায় দেশীয় শিল্প থেকে কাগজ ব্যবহারে কোন বাধ্যবাধকতা না থাকায় আন্তর্জাতিক বাজার হতে তুলনামূলক কম মূল্যে সমজাতীয় কাগজের ব্যাপক আমদানী ও ব্যবহার বৃদ্ধি পেয়েছে যার ফলে দেশীয় কাগজের বাজারে সারা বছর ব্যাপী স্থবিরতা বিরাজ করেছে। তাছাড়া জাতীয় শিক্ষাক্রম পাঠ্য পুস্তক বোর্ড বিদেশী প্রতিষ্ঠানকেও টেন্ডারের মাধ্যমে বই ছাপানোর কার্যাদেশ দেয়। এই সমস্ত প্রতিকূলতা উপেক্ষা করে অত্র প্রতিষ্ঠান চলতি বৎসরে বিক্রয় বৃদ্ধি করতে সক্ষম হয়েছে।

আপনাদের কোম্পানী একটি মাত্র প্রোডাক্ট লাইন থেকে বিভিন্ন গ্রেডের এবং বিভিন্ন মাপের পণ্য উৎপাদন করে থাকে। নিম্নে পণ্যভিত্তিক বিক্রয় অর্জন উল্লেখ করা হলঃ

নিম্নে পণ্যভিত্তিক উৎপাদন ও বিক্রয়ের অর্জন উল্লেখ করা হলঃ

টেবিল-১ : পণ্যভিত্তিক বিক্রয় কার্যক্রমের তথ্য

বিবরণ	২০১৬-২০১৭	২০১৫-২০১৬	২০১৪-২০১৫	২০১৩-২০১৪
রাইটিং প্রিন্টিং বিক্রয়	২২৮,৯৯৪,৪৩৮	৯১,৮১২,০৪২	৮৩,৩৭৯,৭৮৫	-
ব্রাইট নিউজপ্রিন্ট বিক্রয়	৯৮,৫০৬,২৮৭	১৮১,১৬৩,১৫৭	২১৫,৫০১,৯৮১	২৭৫,৫১৮,৬০০
মিডিয়াম পেপার বিক্রয়	১১,৩৬১,০৪৫	-	১,৩৪১,৪৫২	৬,৭৩৭,২৫০
বৈদেশিক বাজারে বিক্রয়	২,২৭৬,৪০৩	-	-	-
মোট বিক্রয়	৩৪১,১৩৮,১৭৩	২৭২,৯৭৫,১৯৯	৩০০,২২৩,২১৮	২৮২,২৫৫,৮৫০

আমাদের দৃঢ় বিশ্বাস ২০১৭-১৮ অর্থ বছরে বাজার আরোও শক্তিশালী হবে এবং বাজারে আমাদের পণ্যের চাহিদা বৃদ্ধি পাবে এবং বিক্রয়ের পরিমাণও বৃদ্ধি পাবে।

৪। ঝুঁকি সমূহ :

কোম্পানীর সাথে সংশ্লিষ্ট ঝুঁকি সমূহ 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) মুদ্রার বিনিময় হারের পরিবর্তন :

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

(iv) অন্যান্য আর্থিক ঝুঁকিঃ

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

হিসাব বিবরণীর নোট ৩৭.০০ এ এই ব্যাপারে বিস্তারিত আলোচনা রয়েছে।

(v) ঝুঁকি বিষয়ে ব্যবস্থাপনা কর্তৃপক্ষের মূল্যায়নঃ

যদি ও বেশির ভাগ ঝুঁকি কোম্পানী বিশেষের আয়ত্বের বাইরে, এইরূপ প্রত্যেক ঝুঁকির বিষয়ে হাক্কানী পাল্প এন্ড পেপার মিলস লিঃ সর্বদা সতর্ক 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 পাল্প এন্ড পেপার মিলস 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 স্থাপন করেছে। আগুন, বন্যা, ভূমিকম্প ইত্যাদির সাথে মোকাবেলা করার জন্য নিয়মিতভাবে শ্রমিক কর্মচারীদেরকে দুর্যোগ ব্যবস্থাপনা প্রশিক্ষণ দেওয়া হচ্ছে। এছাড়া নিয়মিত নিরাপত্তা পরীক্ষা ও যন্ত্রপাতির রক্ষণাবেক্ষণ করা হচ্ছে যা পরিচালনগত ঝুঁকি হ্রাস করতে সক্ষম হবে।

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

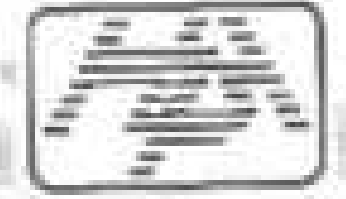
আপনাদের সদয় অবগতির জন্য হাক্কানী পাল্প এন্ড পেপার মিলস লিঃ এর বিক্রীত দ্রব্যের ব্যয়, মোট মুনাফা ও নীট মুনাফার উপর কিছু উল্লেখযোগ্য তথ্য ও উপাত্ত সন্নিবেশ করছি।

টেবিল-২ : বিক্রীত পণ্যের ব্যয়, মোট মুনাফা ও নীট মুনাফা

বিবরণ	২০১৬-২০১৭		২০১৫-২০১৬	
	টাকা	শতকরা হার	টাকা	শতকরা হার
বিক্রয়	৩৪১,১৩৮,১৭৩	-	২৭২,৯৭৫,১৯৯	-
বিক্রীত পণ্যের ব্যয়	৩১৫,৭২৪,১১৭	৯২.৫৩	২৫৪,৯৮৭,৯৯৮	৯৪.৪৫
মোট মুনাফা	২৫,৪১৪,০৫৫	৭.৪৫	১৭,৯৮৭,২০১	৫.৫৫
নীট মুনাফা	(১৮,১০১,৫২০)	(৫.৩১)	(১৩,৭৪৬,৮৫১)	(৩.৫৯)

৬। উৎপাদনঃ

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 কার্যক্রম সচল রেখে উৎপাদনের ধারাকে অব্যাহত রাখার জন্য



অত্র প্রতিষ্ঠান কাজ করে যাচ্ছে।

সঠিক পদ্ধতিতে ও প্রানোদনার মাধ্যমে জনশক্তি, জ্বালানীশক্তি ও কাঁচামালের সঠিক ব্যবহার এবং সর্বোপরি নিবিড় তদারকির মাধ্যমে পণ্যের মান সংরক্ষণ করে উৎপাদন ব্যয় যৌক্তিক 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 :

টেবিল-৩ : উৎপাদন

বিবরণ	২০১৬-২০১৭	২০১৫-২০১৬	২০১৪-২০১৫	২০১৩-২০১৪
উৎপাদন ক্ষমতা (মেট্রিক টন)	৬০০০	৬০০০	৬০০০	৬০০০
প্রকৃত উৎপাদন (মেট্রিক টন)	৩৫৮৬	৫১৭২	৪৩৬০	৩৯০৫
উৎপাদন ক্ষমতার ব্যবহার (%)	৬০.০০	৮৬.২০	৭২.৬৭	৬৫.০৯
বিক্রয় (মেট্রিক টন)	৪৯৬৫	৩৭৪৩.২৮	৪৫৬৬.৮৪	৪১৪৫.১৯

বিভিন্ন প্রতিকূল পরিস্থিতি যেমন, বিদ্যুৎ বিভ্রাট, গ্যাস সরবরাহে অপ্রতুলতা, ঘন ঘন মেশিনারী ব্রেকডাউন এবং মেশিন পুরাতন হওয়ায় উৎপাদনশীলতা হ্রাস পাওয়ায় চলতি বৎসরের উৎপাদন বিগত বৎসরের তুলনায় হ্রাস পেয়েছে। উৎপাদনশীলতা বৃদ্ধির লক্ষ্যে চলতি বৎসরে অত্র প্রতিষ্ঠান একটি ক্যালেন্ডার মেশিন সংযোজন করে ফলশ্রুতিতে উৎপাদন ক্ষমতা প্রায় ২৫% বৃদ্ধি করা হয়েছে।

৭। অস্বাভাবিক মুনাফা / (ক্ষতি) :

২০১৬-২০১৭ অর্থ বছরে কোম্পানীর কোনরূপ অস্বাভাবিক মুনাফা / ক্ষতি (Extra ordinary gain or loss) ছিল না।

৮। সংশ্লিষ্ট অন্যান্য কোম্পানীর সাথে আর্থিক লেনদেন :

চলতি বছরের সংযুক্ত 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 পরিলক্ষিত হয়নি। উল্লেখ্য যে, ২০১০-২০১১ অর্থ বৎসরে স্থায়ী সম্পদের পুনঃ মূল্যায়ন করা হয় এবং তখন পুনঃ মূল্যায়িত সম্পদের অবচয় পুনঃ মূল্যায়ন সঞ্চিতি তহবিলের সাথে সমন্বয় করা হয়। তবে পরবর্তীতে IAS -16 পরিপালনের নিমিত্তে পুনঃ মূল্যায়িত সম্পদের অবচয় আয়-ব্যয় বিবরণীতে হিসাবভুক্ত করে বিগত বৎসর 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 :

২০১৬-২০১৭ অর্থ বৎসরের বিক্রয় ও অর্জিত মুনাফার চিত্র নিম্নে প্রদর্শিত হল :

টেবিল-৪ : আর্থিক ফলাফল

বিবরণ	২০১৬-২০১৭ (টাকায়)	২০১৫-২০১৬ (টাকায়)
মোট বিক্রয়	৩৪১,১৩৮,১৭৩	২৭২,৯৭৫,১৯৯
মোট ব্যয়	৩৫৯,৮২৮,৮০২	২৮৭,৩৫১,৭৮৭
পরিচালন মুনাফা / (ক্ষতি)	(১৮,৬৯০,৬৩০)	(১৪,৩৭৬,৫৮৮)
অন্যান্য আয়	২,৭৯৪,৮৫৯	২,৭৮৪,২৩০
নীট মুনাফা / (ক্ষতি)	(১৮,১০১,৫২০)	(১৩,৯৮৬,৮৫১)

১১। Independent Director সহ পরিচালকদের পারিশ্রমিক :

পরিচালক পর্যদের সিদ্ধান্ত মোতাবেক ব্যবস্থাপনা পরিচালক ব্যতীত অন্যান্য পরিচালককে সভায় উপস্থিতি ফি ছাড়া আর কোন পারিশ্রমিক প্রদান করা হয় না যা হিসাব বিবরণীর নোট নং-২৭ এ বর্ণিত রয়েছে।

১২। লভ্যাংশ ঘোষণা :

আপনারা নিশ্চয় অবগত আছেন যে, পন্য বহুমুখীকরণের উদ্দেশ্যে আপনাদের এই প্রতিষ্ঠান ইতোমধ্যে একটি টিস্যু পেপার উৎপাদন প্রকল্প হাতে নিয়েছে যার সংস্থাপনের কাজ প্রায় শেষ পর্যায়ে। যার পরিপ্রেক্ষিতে উক্ত প্রকল্প বাবদ প্রতিষ্ঠানকে প্রচুর নগদ অর্থ ব্যয় করতে হয়েছে। নতুন এই প্রকল্পকে উৎপাদন উপযোগী করার জন্য আরো বিপুল পরিমাণ অর্থ ব্যয় করতে হবে। অন্যদিকে ২০১৬-২০১৭ অর্থ বৎসরে সামগ্রিকভাবে কাগজের বাজারে স্থবিরতা বিরাজমান থাকায় বিক্রয়ের পরিমাণ হ্রাস পায়। ফলে কাঙ্ক্ষিত মুনাফা অর্জন সম্ভব হয়নি। অতএব পরিচালকমন্ডলী ৩০শে জুন, ২০১৭ সমাপ্ত বৎসরের জন্য কোন লভ্যাংশ ঘোষণা করতে পারেনি। তবে আশার বিষয় এই যে টিস্যু পেপার প্রকল্পটি সফলভাবে সম্পন্ন হলে কোম্পানীর লাভজনকতা আরো বৃদ্ধি পাবে এবং অধিক পরিমাণে লভ্যাংশ প্রদান করা সম্ভব হবে।

১৩। ক্রেডিট রেটিং :

২০১৬-১৭ অর্থ বৎসরে কোম্পানীর ক্রেডিট রেটিং সম্পন্ন করা হয়। ক্রেডিট রেটিং ইনফরমেশন এন্ড সার্ভিসেস লিঃ নিম্নোক্ত প্রতিবেদন প্রদান করে।

Date of Declaration	Valid till	Long Term Rating	Short term Rating	Out look
March 15, 2017	March 14, 2018	BBB+	ST-3	Stable

১৪। পরিচালকবৃন্দের নিয়োগ ও পুনঃ নিয়োগ :

কোম্পানীর আর্টিকেলস্ অব এসোসিয়েশন এর ৮২ ধারা অনুযায়ী পরিচালক জনাব মোঃ গোলাম মোর্শেদ এবং জনাব মোঃ গোলাম রসুল মুক্তাদির পরিচালকপর্যদ থেকে অবসর গ্রহণ করেছেন এবং তাঁরা যোগ্য বিধায় পুনঃ নির্বাচনের আবেদন জানিয়েছেন।

এখানে আরো উল্লেখ্য যে, অত্র প্রতিষ্ঠানের স্বাধীন পরিচালক জনাব কাজী মেরাজ উদ্দিন আরিফ তার ব্যক্তিগত অসুবিধার কারণে স্বাধীন পরিচালক এর দায়িত্ব ও কর্তব্য থেকে অব্যাহতি চেয়েছেন যা ২৮/১০/২০১৭ তারিখে পরিচালক পর্যদ কর্তৃক গৃহীত 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 ২৬/০৮/২০১৭ তারিখে কোম্পানীর রেজিস্টার্ড কার্যালয় ২/১০ ডি.টি. রোড, উত্তর পাহাড়তলী, চট্টগ্রামে অনুষ্ঠিত পরিচালক পর্যদের সভায় জনাব কাজী মেরাজ উদ্দিন আরিফ এর স্থলে চট্টগ্রাম বিশ্ববিদ্যালয়ের ফাইন্যান্স এন্ড ব্যাংকিং বিভাগের প্রাক্তন চেয়ারম্যান এবং ব্যুরো অব বিজনেজ রিসার্চ ফ্যাকাল্টি অব বিজনেজ এডমিনিস্ট্রেশন এর ডিরেক্টর জনাব ড. মোহাম্মদ সালাহ জহুরকে ২৬/০৮/২০১৭ তারিখ থেকে পরবর্তী ৩ (তিন) বৎসরের জন্য স্বাধীন পরিচালক হিসেবে নিয়োগ করা হয় যা ২১তম বার্ষিক সাধারণ সভায় অনুমোদনের জন্য উপস্থাপন করা হল।

১৫। নিরীক্ষক :

২১তম বার্ষিক সাধারণ সভায় কোম্পানীর বর্তমান বিধিবদ্ধ নিরীক্ষক মেসার্স শফিক বসাক এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস পরপর তিনবার নিয়োগ প্রাপ্ত হয়ে তাদের দায়িত্ব ও কর্তব্য সম্পন্ন করার পর অবসর গ্রহণ করবে। কোম্পানীর নিরীক্ষক হিসেবে পরপর তিন বৎসর পূর্ণ হওয়ায় অত্র প্রতিষ্ঠানের পুনঃ নিয়োগ আইনসিদ্ধ নয়। অপর দিকে মেসার্স খান ওহাব শফিক রহমান এন্ড কোং, চার্টার্ড একাউন্ট্যান্টস ২০১৭-২০১৮ অর্থ বৎসরের নিরীক্ষাকার্য সম্পাদনের জন্য নিয়োগ প্রাপ্ত হওয়ার জন্য ইচ্ছা প্রকাশ করে যা পরিচালক পর্যদের সভায় অনুমোদিত হয়েছে।

১৬। অডিট কমিটি :

হাক্কানী পাল্প এন্ড পেপার মিলস্ লিমিটেড এর অডিট কমিটি পরিচালনা পর্যদ কর্তৃক মনোনীত ৪ জন পরিচালক এর সন্মুখে গঠিত এবং বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের নির্দেশনাবলীর আলোকে পরিচালনা পর্যদ অনুমোদিত নীতিমালার ভিত্তিতে কার্যাবলী পরিচালনা করে থাকে। অডিট কমিটির উদ্দেশ্য হল আভ্যন্তরীণ আর্থিক নিয়ন্ত্রণ ব্যবস্থার উন্নয়ন, মজবুত এবং কোম্পানীর ত্রৈমাসিক, ষাণ্মাসিক এবং বার্ষিক আর্থিক প্রতিবেদন সমূহ পর্যালোচনা ও সুপারিশ প্রদান করা।



১৭। কর্পোরেট সূশাসন :

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নির্দেশিত কর্পোরেট সূশাসনের শর্তগুলো কোম্পানী যথাযথভাবে পরিপালন করছে। বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ইস্যুকৃত প্রজ্ঞাপন নং- বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ তারিখ ০৭ আগস্ট, ২০১২ ইং 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 করছে। জাতীয় কোষাগারে অর্থ প্রদানের ক্ষেত্রে কোম্পানী সচেতন ও যত্নবান। ২০১৬-২০১৭ অর্থ বছরে সরকারী কোষাগারে আর্থিক অবদানের পরিসংখ্যান নিম্নে দেয়া হলো :

টেবিল ৫ : সরকারী কোষাগারে অনুদান

বিবরণ	২০১৬-২০১৭ (টাকায়)	২০১৫-২০১৬ (টাকায়)	২০১৪-২০১৫ (টাকায়)	২০১৩-২০১৪ (টাকায়)
কর্পোরেট আয়কর বাবদ প্রদান	১২,১৮২,৩৫০	৯,২৩২,৬৭৫	৯,৪৬০,১৪৯	৮,২৫৯,৯২৮.০০
আমদানী শুল্ক ও মুসক পরিশোধ	১৬,৪৭৫,০০০	৭,৯০৭,৫১৫	৬,৮৩৮,৭০২	৪,২০০,০০০.০০
লভ্যাংশের বিপরীতে কর কর্তন বাবদ	৬৪১,১৮৮	১,০৯৬,৫৮৫	৮৫৫,৭৮৫	১,০৩৮,৮৬৫.০০
উৎস কর ও মুসক পরিশোধ	১,৪২০,২৭৩	১,৫৮৫,১৮২	১,১৪৮,১৪৮	১,০৫০,১৫৫.০০
মোট	৩০,৭১৮,৮১১	১৯,৮২১,৯৫৭	১৮,৩০২,৭৮৪	১৪,৫৪৮,৯৪৮.০০

১৯। মানব সম্পদ উন্নয়ন :

কোম্পানীর কর্মকর্তা কর্মচারীদের সর্বোচ্চ মেধা ও কর্মক্ষমতার উন্নয়নে সঠিক পরিচর্যা ও ব্যবহারের উদ্দেশ্যে কর্মকর্তা কর্মচারীদের কাজের ক্ষেত্র, পরিধি, দায়-দায়িত্ব, কর্তব্য ও ক্ষমতা নির্ধারণপূর্বক সময়ে সময়ে পুনঃ বিন্যাস করার ব্যবস্থা নিয়মিতভাবে পরিচালিত হচ্ছে। উপরন্তু প্রণোদনার জন্য বিশেষ প্রণোদনা কার্যক্রম ও ব্যবস্থা গ্রহণ করা হয়েছে। ফলশ্রুতিতে সকলের কর্মপ্রেরণা ও দক্ষতা উত্তরোত্তর বৃদ্ধি পাচ্ছে। কোম্পানীর সামগ্রিক ব্যবস্থাপনায় তথ্যপ্রযুক্তির ব্যবহার সম্প্রসারণ করে কার্যক্ষেত্রে আনয়ন করা হচ্ছে অধিকতর স্বচ্ছতা, দ্রুততা এবং নিশ্চিত করা হচ্ছে শ্রমশক্তির কাম্য ব্যবহার। কর্মরত সকল কর্মকর্তা কর্মচারীদের আর্থিক প্রণোদনাসহ 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 নিয়মিতভাবে পদোন্নতি, বেতন বৃদ্ধি সহ বিশেষ প্রণোদনা বোনাস এর 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 মানব সম্পদ প্রস্তুতের যাবতীয় কার্যক্রমও চলমান রাখা হয়েছে।

২০। পরিবেশ ও নিরাপত্তা :

কোম্পানীর কারখানার চতুর্দিকে পর্যাপ্ত সুপরিষ্কৃত 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 বৎসর প্রয়োজনীয় সকল ক্ষেত্রে প্রাক্ প্রস্তুতি গ্রহণ, তদারকি ও উন্নয়ন কার্যক্রম ধারাবাহিকভাবে পরিচালিত হচ্ছে। বিগত বৎসরের ন্যায় ২০১৬-২০১৭ অর্থ বৎসরেও সম্ভাব্য ঝুঁকি বিবেচনায় কোম্পানীর কাঁচামাল গোডাউন, গ্যাস জেনারেটরের বীমা করা হয়েছে এবং যথারীতি এসিড, অগ্নিনির্বাপক ব্যবস্থা সংক্রান্ত পরিদর্শন ও তদন্ত প্রতিবেদন গ্রহণপূর্বক লাইসেন্স নবায়ন করা হয়েছে। কারখানার কাঁচামাল ও তৈরী পণ্যর মজুদাগার, মেশিনারিজসহ স্থাপনাসমূহে 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 ব্যবহারপূর্বক ড্রেইনেজ 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 বিপদজনক স্থাপনাসমূহ ও কেমিক্যাল মজুদাগারে যথোপযুক্ত উপায়ে সংরক্ষণ ও সতর্কতা অবলম্বন করা হয়। কোম্পানীর কর্মরত সকল শ্রমিক কর্মচারীদের স্বাস্থ্য সুরক্ষা ও নিরাপত্তার জন্য প্রয়োজনীয় চিকিৎসার ব্যবস্থা গ্রহণ করা হয়েছে। কোম্পানীর আভ্যন্তরীণ ও বাহ্যিক সর্বোপরি পরিবেশগত ক্ষতি এড়ানোর বিষয়ে এই সংক্রান্ত বিধিমালাও যথাযথ অনুসরণ করা হচ্ছে এবং সকল সরকারী নির্দেশনা যথাযথ 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, ২০১২ ইং অনুযায়ী পরিচালকমন্ডলী নিশ্চিত করেছে যে :

- (ক) কোম্পানীর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত আর্থিক বিবরণীতে এর কর্মকাণ্ড, কার্যক্রমের ফলাফল, নগদ প্রবাহ ও ইকুইটি পরিবর্তন সম্পর্কে যথার্থ চিত্র উপস্থাপিত হয়েছে;
- (খ) কোম্পানীর হিসাবের বহিসমূহ যথাযথভাবে 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 পর্যাপ্তভাবে প্রকাশ করা হয়েছে;
- (ঙ) আভ্যন্তরীণ নিয়ন্ত্রণ পদ্ধতি ছিল বলিষ্ঠ এবং তা কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা হয়েছে;
- (চ) চালু প্রতিষ্ঠান হিসেবে কার্যক্রম অব্যাহত রাখায় কোম্পানীর সামর্থ্যের ব্যাপারে তেমন কোন দ্বিধা নেই;
- (ছ) কোম্পানীর কার্যক্রমের ফলাফলের ক্ষেত্রে বিগত বছরের তুলনায় উল্লেখযোগ্য যে সব ব্যত্যয় রয়েছে সেগুলো বর্ণনা করা হয়েছে এবং তার কারণ ব্যাখ্যা করা হয়েছে; এবং
- (জ) কার্যক্রম ও আর্থিক বিষয়ে পাঁচ বৎসরের উপাত্ত সংযোজন করা হয়েছে।

২২। স্বীকৃতি :

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আর্থিক প্রতিষ্ঠান, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, চট্টগ্রাম স্টক একচেঞ্জ লিঃ, ঢাকা স্টক একচেঞ্জ 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। ২০১৬-১৭ অর্থ বৎসরে 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।

পরিচালকমন্ডলীর পক্ষে,


মোঃ আবদুল্লাহ
চেয়ারম্যান

চট্টগ্রাম

তারিখ : ২৮ অক্টোবর, ২০১৭ ইং



Annexure-(i)

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

Particulars		2016-2017	2015-2016	2014-2015 (Restated)	2013-2014 (Restated)	2012-2013 (Restated)
Operation and Market:						
Production Capacity	MT	6000	6000	6000	6000	6000
Actual Production	MT	3586.31	5171.63	4359.591	3905.100	3067.837
Sales Quantity	MT	4965.185	3743.277	4566.841	4145.192	2955.278
Financial Results:						
Turnover	TK	34,11,38,173	27,29,75,199	30,02,23,218	28,22,55,850	20,06,26,892
Gross Profit	TK	25,414,055	17,987,201	16,654,993	13,463,567	9,700,748
	%	7.45%	6.59%	5.55%	4.77%	4.84%
Operating Profit	TK	(18,690,630)	(14,376,588)	(8,592,515)	(5,299,608)	(5,845,189)
	%	(5.48%)	(5.27%)	(2.86%)	(1.88%)	(2.91%)
Net Profit before Tax	TK	(15,895,771)	(11,592,358)	(7,853,744)	(5,244,144)	(3,394,552)
	%	(4.66%)	(4.25%)	(2.62%)	(2.10%)	(2.40%)
Net Profit after Tax	TK	(18,101,520)	(1,37,46,851)	(10,783,406)	(10,434,984)	(9,055,641)
	%	(5.31%)	(5.04%)	(3.59%)	(3.70%)	(4.51%)
Earnings Per Share (EPS)	TK	(0.95)	(0.72)	(0.57)	(0.55)	(0.48)
Dividend (Cash)		No Dividend	Sponsors- 0% Public- 5%	5%	Sponsors- 3% Public- 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		0.95:1	0.77:1	1.12:1	1.22:1	1.52:1
Non-Current Assets with Revaluation	TK	61,42,65,985	63,16,51,793	65,29,82,392	64,91,16,084	64,34,66,003
Current Assets	TK	32,56,52,056	26,44,56,451	20,11,90,654	21,51,05,773	16,80,54,624
Current Liability	TK	34,12,96,443	34,19,43,875	17,87,93,847	17,66,76,459	11,05,94,493
Net Current Assets	TK	(1,56,44,387)	(7,74,87,424)	2,23,96,807	3,84,29,314	5,74,60,131
Net Assets Value with Revaluation	TK	53,66,62,814	55,14,34,934	57,44,31,842	57,13,60,679	58,91,76,006
Net Assets Value without Revaluation	TK	22,43,03,072	22,60,24,320	23,50,70,413	21,70,85,093	21,89,54,975
Net Assets Value Per Share with Revaluation	TK	28.25	29.02	30.23	30.07	31.01
Net Assets Value Per Share without Revaluation	TK	11.81	11.90	12.37	11.43	11.52
Net Operating Cash Flow Per Share	TK	(3.43)	(2.65)	1.30	(1.26)	1.35

THE PATTERN OF SHAREHOLDING AS ON 30 JUNE 2017

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	5,41,666	2.85%	-
Mr. Md. Golam Mostofa	Managing Director	16,66,666	8.77%	-
Mr. Md. Golam Kibria	Deputy Managing Director	15,05,000	7.92%	-
Mr. Md. Golam Haider	Director	16,66,666	8.77%	-
Mr. Md. Golam Morshed	Director	16,66,666	8.77%	-
Mr. Golam Rasul Muktadir	Director	16,66,666	8.77%	-
Mrs. Hosne Ara Begum	Director	5,50,000	2.89%	-

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

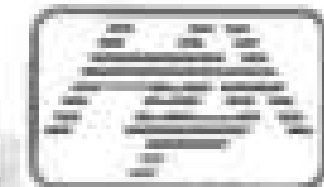
Name	Position in the company	Number of Shares Held	Percentage of Share	Remarks
Mr. Md. Golam Mostofa	Chief Executive Officer	16,66,666	8.77%	Managing Director
Mr. Mohammad Musa	Company Secretary & Manager	Nil	Nil	-
Mr. Mohammad Moinul Abedin	Chief Financial Officer	Nil	Nil	-
Mr. Md. Saleh Ahmed Polash	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
Mr. Mohiuddin Ahmed	Head of Sales & Marketing	Nil	Nil	-
Mr. Mohammad Younuis 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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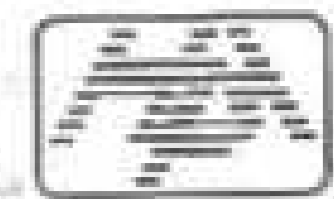


Compliance Status of BSEC Guidelines for Corporate Governance

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:

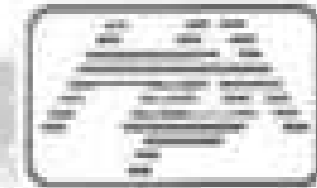
Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	2	3	4	5
1	Board of Directors:			
1.1	Board's Size: The number of the board members of company shall not be less than 5 (five) and more than 20 (twenty); Provided, however, that in case 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 20th 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 2016-2017
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(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		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(xx)(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(xx)(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 2017 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 2017.
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.	✓		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)	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. 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.29 of 2010)	✓		Proper certification has been obtained from M/s. Khan Wahab Shafique Rahman & Co., Chartered Accountants for the period from 1st July, 2016 to 30 th June, 2017 which is published as Annexure -3 to the Directors' Report.
7(ii)	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.	✓		State of Compliance is published with the Director's Report as required.



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 transparency. 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 an 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 meetings 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, National Board of Revenue and 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.

Member of
mgi worldwide

Partners:
E. M. Shafique FCA
Md. Anisur Rahman FCA
Md. Anwarul Karim FCA
Faruk Ahmed ACA
Shahin Zamanul Islam FCA

KHAN WAHAB SHAFIQUE RAHMAN & CO.
CHARTERED ACCOUNTANTS



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7, Panna Avenue
Mohkur, Dhaka-1000
Tel : 88001-36196980, 3681829
Fax : 88-02-3681821
E-mail : kwsr@kwsr.com
Web : www.kwsr.com

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, 2017 with conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) vide its notification no. SEC/CMRCD/2006-158/TM/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: 5th November, 2017
Chittagong

Md. Anisur Rahman FCA
Senior Partner
ICAB Enrolment No. 350
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Branch Office:
Sabbir Chamber (3rd Floor)
69, Agatwal C/A, Chittagong
Telephone: 2620058
E-mail : kwsr@kwsr.com

In Practice since 1968

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES



Ref. No: CM-2017/012

Date of issue: 5th February 2017

Renewed Certificate

This is to certify that

HAKKANI PULP & PAPER MILLS LIMITED

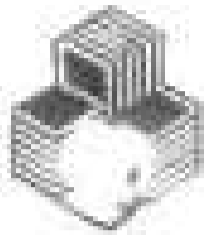
is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2017.



A handwritten signature in black ink, appearing to be "A. Hossain".

Secretary-General
(Acting)



BANGLADESH
PAPER MILLS ASSOCIATION (BPMA)

Ref: BPMA/Certificate/2017/001

February 05, 2017

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, 2017.

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, 2017

Constitution of the Audit Committee:

The audit committee of Hakkari 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. Oazi Meraz Uddin ARI, FCMA	Independent Director	Member
Mr. Md. Golam Kibria	Director	Member
Mr. Md. Golam Morshed	Director	Member

Meeting of the Committee:

The audit committee held 4 (four) meetings during the year 2016-2017 on the following dates:

Number of Meetings	Date of Meetings
1st Meeting	24th August, 2016
2nd Meeting	27th October, 2016
3rd Meeting	26th January, 2017
4th Meeting	27th April, 2017

The Committee discharged its role as follows:

Internal Control:

- The Committee reviewed the procedure and task of the internal audit and financial report preparation.
- The Committee reviewed and considered the report of internal auditors and statutory auditors' observations on 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 28, 2017

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 2017, 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 laws and rules applicable in Bangladesh.

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 conducts 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: 28 October, 2017


Chief Financial Officer



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

CHITTAGONG OFFICE :

National House (11th Floor)
185, Agrabad Commercial Area,
Chittagong - 4101, Bangladesh.
Phone : 88-461-711551
Fax : 88-461-712400
E-mail: basak_shafiq@shafiq.com

Partners :

Md. Shafiqul Islam, FCA
Bangsal Kumar Bask, FCA
Md. Enayur Ullah, FCA
Farwar Mahmud, FCA

DHAKA OFFICE :

Interpol Centre (6th Floor)
252, Inner Circular Road,
Dhaka Road, Mot/Soal, Dhaka.
Phone : 88-02-7192698
Fax : 88-02-7194870
E-mail: shafiq_basak@shafiq.com

**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 2017, 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.

Extended Office :

Dhaka - Sharga Mat. Flat 2C, 31 & 32 Biry Nagar, Dhaka. Phone: 02-9344662, 01813-488812, 01732-872941. E-mail: ami.dhakad@gmail.com
Chittagong - Hutan Gwari (2nd Floor), TS Agrabad CA, Chittagong. Phone: 031-2511892, 01711-152457, 01716-882372. E-mail: ami.chittagong@gmail.com

Opinion:

In our opinion, the financial statements of the company give a true and fair view, in all material respect of the financial position of the company as of 30 June 2017 and of the results of its operations and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act, 1994 and other applicable laws & regulations.

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.

Chittagong : October 26, 2017


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS


HAKKANI PULP & PAPER MILLS LIMITED
Statement of Financial Position
As at 30th June, 2017

	Note(s)	2017 Taka	2016 Taka
ASSETS			
Non Current Assets:			
Property Plant and Equipment	04	614,265,985	631,851,791
Capital Work-in Progress	05	183,358,615	103,586,125
		346,704,237	281,732,944
Current Assets:			
Investment in Shares	06	21,052,181	17,216,431
Inventories	07	69,843,495	142,167,234
Trade Receivables	08	98,632,005	34,865,463
Advances, Deposits & Prepayments	09	150,130,980	71,247,069
Interest Receivable on FDR		402,704	402,704
Cash & Cash equivalents	10	7,045,636	15,773,279
		1,144,328,836	1,018,970,862
TOTAL ASSETS			
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:			
Share Capital	11	190,000,000	190,000,000
Dividend Equalization Reserve	12	15,000,000	15,000,000
Revaluation Reserve	13	312,399,742	325,410,615
Fair Value Reserve	13.02	3,915,279	(3,168,122)
Retained Earnings	14	17,780,793	24,192,462
		265,369,579	128,582,053
Non Current Liabilities:			
Unsecured Loan	15	41,293,290	21,978,250
Long Term Loan	16.01	132,954,169	17,197,507
Deferred Tax Liability	17	99,322,120	92,486,295
		341,296,443	341,943,875
Current Liabilities:			
Short Term Loan & Overdraft	18	298,162,429	291,282,385
Accrued Expenses	19	5,277,093	7,909,471
Workers Profit Participation and Welfare Fund	20	589,329	1,108,876
Current Portion of Long Term Loan	16.01	10,632,000	10,632,000
Trade Payables	21	14,199,538	20,447,070
Current Tax Liabilities	22	5,293,914	3,346,485
Liabilities for Other Finance	23	2,601,945	2,657,438
Directors Current Account	24	4,600,000	4,600,000
		1,144,328,836	1,018,970,862
TOTAL EQUITY & LIABILITIES			
Net Asset Value Per Share (with revaluation)	34	28.23	29.62
Net Asset Value Per Share (without revaluation)	35	11.81	11.98

The annexed notes from 1 to 41 form an integral part of these financial statements.


MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY


SHAFIQ KABIR & CO.
CHARTERED ACCOUNTANTS

Chittagong, October 28, 2017.

হাক্কানী পাল্প এন্ড পেপার মিলস লিমিটেড
আর্থিক অবস্থার বিবরণী
০০শে জুন, ২০১৭সি. তারিখে

	শেডি	২০১৭ টাকা	২০১৬ টাকা
সম্পত্তি			
বীজ ভেদনী সম্পত্তি :		৭৪৭,৩৪৪,৪০০	৭৪৭,৩৪৭,৩০০
স্থায়ী সম্পত্তি	০৪	১১৪,৩১৪,৩৪৪	১১১,৩১১,৭০৪
অভিভাবনীয় সম্পত্তি মোট	০৪	১১৪,৩১৪,৩৪৪	১১১,৩১১,৭০৪
চলতি সম্পত্তি :		৪৪১,৭১৪,৩৪৭	৪৪১,৭১৪,৩৪৭
সেয়ারে বিনিয়োগ	০১	৪১,৭১৪,৩৪১	১৭,৭১৪,৩৪১
সম্পদ অর্জনের	০৭	৪৪,৭১৪,৩৪৭	১৪৪,৭১৪,৩৪৭
বিবিধ সেব্যসমূহ	০৪	১৪,৭১৪,৩৪৭	৪৪,৭১৪,৩৪৭
অধিনে, অধীনে ও অধিনে পরিচালিত	০৪	১৪৪,৩১৪,৩৪৭	১৪১,৩১৪,৩৪৭
এক ডিভিশন এর উপর অধীনে স্থল		-	৪১১,৩১৪
সকল মোট: চলতি সম্পত্তি	১০	৪৪১,৭১৪,৩৪৭	৪৪১,৭১৪,৩৪৭
মোট সম্পত্তি		১,১৪১,০৫৮,৭৪৭	১,১৮৯,০৬১,৬৪৭
সেয়ারহোল্ডারদের মালিকানাধীন ও দায়			
সেয়ারহোল্ডারদের মালিকানাধীন অর্থ :		৪৪১,০৫৮,৭৪৭	৪৪১,০৫৮,৭৪৭
সেয়ার প্রিমিয়াম	১১	১৪৪,৩১৪,৩৪৭	১৪৪,৩১৪,৩৪৭
সম্পদ অর্জনের অধিনে	১৪	১৪,৩১৪,৩৪৭	১৪,৩১৪,৩৪৭
বীজ ভেদনী অধিনে	১৪	৪৪১,৩১৪,৩৪৭	৪৪১,৩১৪,৩৪৭
সেয়ারে বিনিয়োগের উপর -একটি পূর্ণাঙ্গ অধিনে		১,৩১৪,৩৪৭	(১,৩১৪,৩৪৭)
অধিনে স্থল অধিনে	১৪	১৭,৩১৪,৩৪৭	১৪,৩১৪,৩৪৭
বীজ ভেদনী অর্থ :		৪৪১,০৫৮,৭৪৭	৪৪১,০৫৮,৭৪৭
অধিনে স্থায়ী অর্থ	১৪	১৪,৩১৪,৩৪৭	১৪,৩১৪,৩৪৭
বীজ ভেদনী অর্থ	১৪,৭১	১৪৭,৭১৪,৩৪৭	১৪৭,৭১৪,৩৪৭
বিবিধ অর্থ মোট	১৭	১৪৭,৭১৪,৩৪৭	১৪৭,৭১৪,৩৪৭
চলতি অর্থ :		৪৪১,০৫৮,৭৪৭	৪৪১,০৫৮,৭৪৭
অর্থ ভেদনী অর্থ ও অর্থভিত্তিক	১৪	১৪৭,৭১৪,৩৪৭	১৪৭,৭১৪,৩৪৭
বীজ ভেদনী	১৪	৪,৭১৪,৩৪৭	৪,৭১৪,৩৪৭
সেয়ারহোল্ডারদের অধিনে অধিনে	১৪	৪৪১,৩১৪,৩৪৭	৪৪১,৩১৪,৩৪৭
বীজ ভেদনী অর্থ মোট	১৪,৭১	১৪৭,৭১৪,৩৪৭	১৪৭,৭১৪,৩৪৭
বিবিধ অর্থসমূহ	০১	১৪,৩১৪,৩৪৭	১৪,৩১৪,৩৪৭
সেডি অর্থ মোট	০১	৪,৭১৪,৩৪৭	৪,৭১৪,৩৪৭
অধিনে অর্থ অধিনে-অধিনে অর্থ	১৪	৪,৩১৪,৩৪৭	৪,৩১৪,৩৪৭
অধিনে অর্থসমূহ মোট	১৪	৪,৩১৪,৩৪৭	৪,৩১৪,৩৪৭
মোট মালিকানাধীন ও দায়		১,১৪১,০৫৮,৭৪৭	১,১৮৯,০৬১,৬৪৭
পূর্ণাঙ্গাধীন সেয়ার অর্থ বীজ ভেদনী অর্থ	১৪	৪৪,৩১৪	৪৪,৩১৪
পূর্ণাঙ্গাধীন অর্থ সেয়ার অর্থ বীজ ভেদনী অর্থ	১৪	৪৪,৩১৪	৪৪,৩১৪

* সংশ্লিষ্ট মোট অর্থ আর্থিক বিবরণীতে একটি অধিনে অর্থ







১৫শে জুন, ২০১৭সি.



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June, 2017

	Notes(a)	2017 Taka	2016 Taka
Revenue	25	341,138,173	272,975,199
Less: Cost of Sales	26	315,724,197	254,987,995
Gross Profit		25,414,055	17,987,201
Less: Operating Expenses:			
Administrative Expenses	27	12,213,473	11,848,563
Financial Expenses	28	31,507,223	18,674,833
Selling & Distribution Expenses	29	385,990	1,440,791
		44,104,685	32,964,187
Operating Profit		(18,690,630)	(14,376,588)
Add: Non-Operating Income	30	2,794,854	2,784,230
Net Profit Before WPPF & WWF		(15,895,771)	(11,592,358)
Less: Contribution to Workers' Profit Participation and Welfare Fund	31	—	—
Net profit before Tax		(15,895,771)	(11,592,358)
Less: Income Tax Provision:			
Current Tax	32	1,046,829	1,037,851
Deferred Tax		158,919	516,643
		2,205,748	2,154,493
Net profit after Tax for the period		(18,101,520)	(13,746,851)
Other Comprehensive Income / Loss:			
Deferred Tax on Revaluation Reserve		2,301,095	2,461,958
Gain/ (Loss) on investment in Shares	6.02	5,083,401	(2,211,965)
Total Comprehensive Income		(10,717,024)	(13,496,908)
Earning Per Share - Basic	33	(0.95)	(0.72)

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


MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY


SHAFIQ BASAR & CO.
(CHARTERED ACCOUNTANTS)

Chittagong, October 28, 2017

হাজীগানী পাল্প এন্ড পেপার মিলস লিমিটেড

আয়-ব্যয় বিবরণী

২০১৭ সাল, ১-১-২০১৭ তারিখে সমাপ্ত অর্থবছর (৯ম)

	২০১৭ টাকা	২০১৬ টাকা	
বিক্রয়	১৫	৫৪১,১৫৭,১৭০	৫৭৪,৯৭৪,১৫৬
বন্দ: বিভিন্ন পণ্যের ব্যয়	১৬	(৫১৪,৭১৪,১১৭)	(৫০৪,৯৬৭,৯৫৭)
নেট বিক্রয়		২৬,৪৪৩,০৫৩	৬৯,৯০৬,২০১
বন্দ: পরিচালন খরচসহ প্রশাসনিক ব্যয়	১৭	(১২,১১০,৪৭৬)	(১১,৭৪৬,৪৭৬)
অর্থ সংগ্রহসহমুক্ত ব্যয়	১৮	(৫১,৫৭৭,১১১)	(৫০,৯৭৪,৪০০)
বিক্রয় ও পরিচালন খরচসহ	১৯	(৬৩,৬৮৭,৬৪৭)	(৬২,৭২০,৮৭৬)
পরিচালন সুবিধা		৪৪,১০৪,১০৪	৫১,৫০০,৭৫৬
যোগ: & অন্যান্য আয়		(১৯,৫৮৩,৫৪৩)	(১৪,৫৭৬,৪৭৬)
→ অতিরিক্ত শিল্পী, ৫৯৭ এর পূর্বে বিক্রি ব্যয়	২০	৪,৭৯৪,৯০৯	৪,৭৯৪,৯০৯
বন্দ: উৎসাহক ব্যয়সহ অতিরিক্ত শিল্পী অতিরিক্ত ব্যয়	২১	(১০,৭৯০,৭৭১)	(১০,৭৯০,৭৭১)
অর্থ পূর্ণ বিক্রি ব্যয়		(১৫,৭৯৫,৮৬২)	(১৫,৭৯৫,৮৬২)
বন্দ: অসমর্থ পরিস্থিতি সংশ্লিষ্ট ক্রিয়াকর্ম	২২	১,০০৬,৭০৬	১,০০৭,১০১
		১৫৭,৯০৬	৪১৬,৬৪১
		৪,৭৯৪,৯০৯	৪,৭৯৪,৯০৯
অর্থ ব্যয় বিক্রি সহ-পরিচালন ব্যয় পরিচালন খরচসহ প্রকল্পসহ		(১৪,৯৯১,৪৫৬)	(১৫,৭৯৫,৮৬২)
অন্যান্য বিক্রয় আয়সহ সুবিধা বিক্রি প্রকল্পসহ বিক্রি সহ অন্যান্য বিক্রি প্রকল্পসহ বিক্রি সহ	২৩	১,০০৬,৭০৬	১,০০৭,১০১
		৪,৭৯৫,৯০৬	(১,১১১,৯০৬)
		৭,০০০,৯০৬	৫০০,৯০৬
নেট বিক্রয় ব্যয়		(১০,৭৯৫,৯০৬)	(১০,৭৯৫,৯০৬)
শেয়ার এরি আয়	২৪	(০,৯০)	(০,৭৯)


* পরোক্ষভাবে নেট পয়সা আয় হিসেবে বিবেচিত একটি অতিরিক্ত আয়


ব্যবস্থাপনা পরিচালক


পরিচালক


জ্যেষ্ঠ অফিসার

তারিখ: ১৫/০১/২০১৭


হাজীগানী পাল্প এন্ড পেপার
মিলস লিমিটেড



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Cash Flows For the year ended 30 June, 2017

	Note(s)	2017 Taka	2016 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		280,166,559	289,632,948
Payment for Material and Expenses		(301,411,806)	(311,025,887)
Interest Paid		(31,507,222)	(18,674,433)
Income Tax Paid		(12,323,918)	(8,212,675)
Net Cash flows from Operating Activities	42	(65,080,388)	(50,300,047)
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(12,812,332)	(10,274,845)
Capital Work-in-Progress		(77,772,490)	(87,462,742)
Purchase of shares during the year		(8,029)	(2,373,583)
Sales of shares during the year		1,315,740	2,176,730
Net Cash flows from Investing Activities		(89,277,011)	(97,934,040)
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		6,820,241	180,089,559
Secured Long Term Loan		121,550,062	(16,302,493)
Unsecured Loan Received		21,365,040	3,477,000
Liabilities for other finance		(55,593)	(913,292)
Dividend Paid		(4,867,097)	(9,727,092)
Net Cash flows from Financing Activities		145,429,253	158,623,717
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		10,728,145	10,389,630
E. Opening Cash and Bank Balances		15,773,779	5,384,149
Closing Cash and Bank Balances (D+E)		7,045,636	15,773,779
F. Net Operating Cash Flows Per Share		(9.43)	(2.65)

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


MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY


SHAFIQ BAKAR & CO.
CHARTERED ACCOUNTANTS

Chittagong, October 28, 2017

ହାକାନୀ ପାଲ୍ ଏଣ୍ଡ ପେପାର ମିଲ୍ସ ଲିମିଟେଡ୍
ନୀଳ ଅର୍ବ ଶ୍ରବଣ ବିଭାଗୀ
୧୦୦୧ ଡିଏ, ୧୦୧୨ ଡିଏ, ଚାରିଶେ ମହଲ ବାଲିଆପୁର ଗ୍ରାମ

	୨୦୧୯	୨୦୧୮	୨୦୧୭
କ ପରିଚାଳନା କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନୀଳ ଅର୍ବ ଶ୍ରବଣ			
ନିଜସ୍ୱ ଓ ସମ୍ପତ୍ତି ଖାତେ ନୀଳ ଅର୍ବ	289,389,809	289,652,389	
ବିଭିନ୍ନ ଶ୍ରମ ଶ୍ରମୀକ ଉପାଦାନ ବିଭାଗୀ ନୀଳ ଅର୍ବ	(20,888,200)	(20,032,999)	
କୃତ୍ରିମ ଶ୍ରମ	(3,819,300)	(3,819,300)	
ସାମଗ୍ରୀ ଶ୍ରମ	(12,020,239)	(12,020,239)	
ପରିଚାଳନା କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନିଟ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	252,662,170	253,780,051	
ଖ ବିନିଯୋଗ କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନୀଳ ଅର୍ବ ଶ୍ରବଣ			
ନିର୍ମାଣ, ପ୍ରାପ୍ତି ଓ ସଂଗ୍ରହ ଖାତେ	24,210,000	(20,298,999)	
ଫିନାନ୍ସିଆଲ୍ ସୁବଳୀ ଖାତେ	(29,792,800)	(29,802,999)	
କେତେକ ଉପ-କ୍ରମ ନୀଳ ଅର୍ବ	— (0,000)	(2,075,200)	
କେତେକ ବିଭାଗ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	2,020,999	2,242,999	
ବିନିଯୋଗ କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନିଟ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	(3,561,801)	(69,853,000)	
ଗ ଆବିକ କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନୀଳ ଅର୍ବ ଶ୍ରବଣ			
କର୍ତ୍ତୃତ୍ୱ ନୀଳ ଅର୍ବ ଶ୍ରବଣ କର୍ତ୍ତୃତ୍ୱ	8,030,000	209,103,000	
ନିର୍ମାଣ କର୍ତ୍ତୃତ୍ୱ ଶ୍ରମ ଶ୍ରବଣ	20,000,000	(20,000,000)	
ଉପାଦାନ ବିଭାଗୀ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	23,000,000	0,000,000	
କର୍ତ୍ତୃତ୍ୱ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	(30,000)	(300,000)	
ନିର୍ମାଣ ଶ୍ରମ	(8,000,000)	(8,000,000)	
ଆବିକ କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନିଟ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	19,030,000	180,803,000	
ଘ ନିଟ ନୀଳ ଅର୍ବ ଓ ସାଂଖ୍ୟି ଖାତେ ବୃଦ୍ଧି(ଋଣ)- (କ-ଖ-ଗ)	(8,720,200)	21,000,000	
ଙ ଉପାଦାନ ବିଭାଗୀ ନୀଳ ଅର୍ବ ଓ ସାଂଖ୍ୟି ଶ୍ରମ	20,790,999	0,000,000	
ଞ ଉପାଦାନ ବିଭାଗୀ ନୀଳ ଅର୍ବ ଓ ସାଂଖ୍ୟି ଶ୍ରମ (ଘ-ଙ)	1,070,799	10,790,999	
ଝ କେତେକ ବିଭାଗୀ ପରିଚାଳନା କର୍ତ୍ତୃତ୍ୱ ଖାତେ ନୀଳ ଅର୍ବ ଶ୍ରବଣ	(0,000)	(0,000)	
ଞ କର୍ତ୍ତୃତ୍ୱ ଶ୍ରମ ଶ୍ରବଣ ଆବିକ ବିଭାଗୀ ଶ୍ରମୀକ ଉପାଦାନ ଶ୍ରମ			


ସାମଗ୍ରୀକ ପରିଚାଳକ


ପରିଚାଳକ


କର୍ତ୍ତୃତ୍ୱ ଶ୍ରମ


ନିର୍ଦ୍ଦେଶକ ଶ୍ରମ ଶ୍ରବଣ
ନିର୍ଦ୍ଦେଶକ ବିଭାଗୀ

HAIKANI PULP & PAPER MILLS LIMITED


Statement of Changes in Equity

For the year ended 30 June, 2017

Particulars	(Amount in Taka)					
	Share Capital	Dividend Equitization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July, 2016	190,000,000	15,000,000	375,410,615	(7,168,122)	24,192,442	551,434,935
Adjustment of depreciation on carrying amount of realized assets	-	-	(15,353,968)	-	35,353,968	-
Deferred Tax on Revaluation Surplus	-	-	2,303,093	-	-	2,303,093
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	5,083,401	-	5,083,401
Dividend for the year 2015-2016	-	-	-	-	(4,057,097)	(4,057,097)
Net Profit after Tax for the year	-	-	-	-	(18,191,520)	(18,191,520)
Balance as on 30 June, 2017	190,000,000	15,000,000	312,359,742	1,915,279	17,387,793	536,662,814
Balance as at 01 July, 2015	190,000,000	15,000,000	339,361,429	(956,157)	31,026,570	574,431,842
Adjustment of depreciation on carrying amount of realized assets	-	-	(18,413,722)	-	16,413,722	-
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(2,311,965)	-	(2,311,965)
Deferred Tax on Revaluation Surplus	-	-	2,461,308	-	-	2,461,308
Dividend for the year 2014-2015	-	-	-	-	(8,500,000)	(8,500,000)
Net Profit after Tax for the year	-	-	-	-	(11,746,851)	(11,746,851)
Balance as on 30 June, 2016	190,000,000	15,000,000	325,410,615	(3,168,122)	24,192,442	551,434,935


MANAGING DIRECTOR


COMPANY SECRETARY


SHAFIQ HAKAS & CO.
CHARTERED ACCOUNTANTS

Chittagong, October 28, 2017

Page No. 100

[Signature]
 Director

For and on behalf of the Company

[Signature]
 Director

[Signature]
 Director

[Signature]
 Director

Statement of Profit and Loss
 for the year ended 31st March 2014

Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Revenue	100,00,000	95,00,000	90,00,000	85,00,000	80,00,000
Cost of Sales	(60,00,000)	(58,00,000)	(56,00,000)	(54,00,000)	(52,00,000)
Profit before Depreciation	40,00,000	37,00,000	34,00,000	31,00,000	28,00,000
Depreciation	(10,00,000)	(9,00,000)	(8,00,000)	(7,00,000)	(6,00,000)
Profit after Depreciation	30,00,000	28,00,000	26,00,000	24,00,000	22,00,000
Income Tax	(5,00,000)	(4,00,000)	(3,00,000)	(2,00,000)	(1,00,000)
Profit after Income Tax	25,00,000	24,00,000	23,00,000	22,00,000	21,00,000
Dividend	(5,00,000)	(4,00,000)	(3,00,000)	(2,00,000)	(1,00,000)
Profit after Dividend	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000
Reserve	20,00,000	20,00,000	20,00,000	20,00,000	20,00,000
Profit after Reserve	0	0	0	0	0





HAKKANI PULP & PAPER MILLS LIMITED

Notes to the Financial Statements

For the year ended 30 June, 2017

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 Pihartal, Chittagong. The factory is located at Mouza: Halimkhar Char, PS: Panya, 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 flow 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 - 21	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 Statements 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 2017
- b. A Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2017
- c. A Statement of changes in equity for the year ended 30 June 2017
- d. A Statement of Cash flows for the year ended 30 June 2017
- e. Notes, comprising a summary of significant accounting policies and explanatory information.
- f. Comparative 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 Financial Statement have been authorized for issue by the Board of Directors of the company on October 28, 2017.

2.06 Basis of Measurement :

The Financial Statement 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 those 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 Statement 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 2016 to 30 June 2017 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 conform 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 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:

No provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund due to incurring loss during the year.

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 SAS-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 non controlling 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 statement and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

Previous year's figures have been rearranged, wherever considered necessary, to ensure comparability with current year.

3.15 Significant Deviation:

(a) Significant deviation in EPS:

Net profit has been reduced due to fall in market price of the product though sales has been increased.

(b) Significant deviation in cash flows per share:

Net operating cash flow per share has been reduced significantly due to fall in collection from sales, increase payment for financial expenses and payment for raw materials & other expenses significantly.

4.00 PROPERTY, PLANT & EQUIPMENT:

Balance as on 1st July 2016 (including revaluation)
Add: Addition during the year
Less: Adjustment during the year
Balance as on 30 June 2017
Less: Accumulated depreciation
Written down value as on 30 June 2017

	2017 Taka	2016 Taka
	914,393,158	904,118,113
	(2,812,232)	10,274,840
	-	-
	927,205,390	914,393,158
	312,939,405	382,741,365
	614,265,985	531,651,793

(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	Balance as on 01 July, 2016	DEPRECIATION			Balance as on 30 June, 2017	Written Down Value as on 30 June, 2017
		C	O	T		

Particulars	Balance as on 01 July, 2016	Addition during the period	Depreciation during the period	Balance as on 30 June, 2017	Rate of Dep.	Balance as on 01 July 2016	Charged during the period	Balance as on 30 June, 2017	Estimated
Buildings	1000000	500000	(100000)	1400000	10%	1000000	(100000)	900000	1000000
Plant & Machinery	2000000	1000000	(400000)	2600000	15%	2000000	(300000)	1700000	2000000
Other Equipment	500000	200000	(50000)	650000	10%	500000	(50000)	450000	500000
Total	3500000	1700000	(550000)	4650000		3500000	(450000)	3050000	3500000

Particulars	Balance as on 01 July, 2016	Addition during the period	Depreciation during the period	Balance as on 30 June, 2017	Rate of Dep.	Balance as on 01 July 2016	Charged during the period	Balance as on 30 June, 2017	Estimated
Land & Building Development	1000000	500000	(100000)	1400000	10%	1000000	(100000)	900000	1000000
Plant & Machinery	2000000	1000000	(400000)	2600000	15%	2000000	(300000)	1700000	2000000
Other Equipment	500000	200000	(50000)	650000	10%	500000	(50000)	450000	500000
Total	3500000	1700000	(550000)	4650000		3500000	(450000)	3050000	3500000

Approved by the Board of Directors on 30 June 2017

Signature: _____
 Date: 30/06/2017

Signature: _____
 Date: 30/06/2017

**5.00 CAPITAL WORK-IN-PROGRESS:**

Balance as on 01 July 2016
Addition during the year

	2017 Taka	2016 Taka
Balance as on 01 July 2016	105,586,125	10,123,381
Addition during the year	77,772,490	87,462,742
	183,358,615	105,586,125
Capitalized during the year	-	-
Balance as on 30 June 2017	183,358,615	105,586,125

5.01 Details of Capital Work-in-Progress:

Particulars	Opening Balance	Addition during the year	Capitalized during the year	Closing Balance
For Tissue Unit				
Tissue Project Purpose Expenses	50,079,470	35,248,648	-	85,328,118
Tissue Project Exp. Pulper Section	-	9,926,879	-	9,926,879
Tissue Project Exp. Electric Line	-	397,800	-	397,800
Tissue Project Exp. Converting Section	-	20,843,850	-	20,843,850
For Existing Unit				
Construction of ETP Extension	10,491,723	1,356,200	-	11,847,923
New High Speed Washer	62,820	-	-	62,820
Sheet Cutter Machine	16,035,538	4,290,691	-	20,326,229
Building & Other Construction	7,950,814	2,121,800	-	10,072,614
Hot Dispenser Chest	72,826	88,100	-	160,926
High Speed Washer	226,700	-	-	226,700
Expansion of Existing Project	20,666,242	535,470	-	21,201,712
Construction of Godown No-7A	-	1,799,616	-	1,799,616
Consistency Transmeter	-	304,250	-	304,250
Formation of New Trolley	-	104,723	-	104,723
Deep Pump	-	49,800	-	49,800
Construction Finishing Godown-7B	-	380,707	-	380,707
Calendar for Machine	-	471,960	-	471,960
Total	105,586,125	77,772,490	-	183,358,615

These costs include costs incurred initially to construct /install Property, Plant and Equipment (PPE). Construction / installation costs are transferred to PPE when the installation / construction work is completed and ready for intended use.

No assets has been capitalized during the year as the installation / construction works of tissue project and the works in various point of existing project yet to be completed. The above assets will be capitalized after completion of installation / construction work and ready for intended use.

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, 2017	Unrealized gain/(loss)
Bank Asia Ltd.	6,839	81,387	117,507	35,919
Bourco Ltd.	39,842	1,550,974	1,342,675	(208,299)
Business Pharma Ltd.	7,999	356,040	303,387	(52,653)
Brac Bank Ltd.	7,464	158,404	602,343	443,939
DESCO Ltd.	12,884	528,536	646,904	118,368
Dhaka Bank Ltd.	32,815	132,955	613,641	480,686
Exim Bank Ltd.	39,571	1,009,366	482,741	(526,625)
Fuwang Foods Ltd.	9,108	154,067	144,817	(9,250)
Green Pharma Ltd.	8,700	3,102,644	2,096,280	(1,006,364)
IBL Mudiraba Bond	613	485,000	601,178	116,178
Islamic Finance and Invest. Ltd.	55,566	7,779,803	1,361,357	(6,418,446)
Jamuna Oil Ltd.	2,299	271,160	476,123	204,963
Laarge Suma Cement Ltd.	2,000	275,096	123,000	(149,296)
Meghna Petroleum Ltd.	2,402	249,473	481,361	231,888
Merchante Bank Ltd.	25,212	305,301	471,464	166,163
MTBL	40,075	622,287	385,845	(236,442)
National Bank Ltd.	60,946	603,036	706,974	103,938
One Bank Ltd.	38,055	389,537	757,153	367,616
Premier Bank Ltd.	20,400	209,835	234,600	24,765
Prime Bank Ltd.	409	5,039	9,407	4,368
Rupost Bank Ltd.	26,053	1,761,404	774,273	(987,131)
Shahjalal Bank Ltd.	97,312	853,568	1,568,723	715,155
Southeast Bank Ltd.	86,303	1,040,447	1,336,663	296,216
Summit Power Ltd.	2,463	22,956	100,079	77,123
Square Pharma Ltd.	4,330	954,784	1,256,133	301,349
Titas Gas Ltd.	9,230	560,934	468,050	(92,884)
Trust Bank Ltd.	48,400	1,179,770	1,277,760	97,990
Total	685,416	19,156,902	21,052,181	1,915,279

6.02 Gain/ (Loss) on Investment in Shares:

	2017 Taka	2016 Taka
Unrealized Gain/ (Loss) Closing	1,915,279	(3,168,122)
Unrealized Gain/ (Loss) Opening	(3,168,122)	(956,187)
Gain/ (Loss) on Investment in Shares during the year	5,083,401	(2,211,965)

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 BAS-29.



7.00 INVENTORIES:

	2017		2016	
	Qty (in Kg)	Value (Taka)	Qty (in Kg)	Value (Taka)
a) Raw Materials				
Waste Paper	3,058,305	17,401,914	3,197,107	20,082,600
Chemicals	51,911	775,483	380,900	2,490,047
		18,177,317		22,488,653
b) Finished Goods				
Bright Newsprint Paper	632,297	21,346,256	1,772,441	68,561,311
Medium Paper	167,871	3,958,420	-	-
Writing Printing Paper	10,687	634,650	417,398	27,130,070
		24,940,526		96,495,183
c) Work-in-Process	389,711	13,629,859	127,727	6,079,581
d) Consumable Store	-	10,995,797	-	11,003,816
e) Packing Material	-	100,000	-	100,000
Total (a+b+c+d+e)		69,843,495		142,167,334

- (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:

	2017 Taka	2016 Taka
Akhter Paper House	-	208,000
Atlantic Traders C & F	-	709,706
Ashraf Traders	35,000	493,135
Babul Store	64,088,661	13,968,334
Bangladesh Marine Forest & House	56,000	46,000
Bismillah Enterprise	-	1,652,075
Dainik azadi (Shapon City)	1,000,177	717,358
Dainik Purbotokone (Shapon City)	837,696	1,057,696
Enshad Electric Workshop	-	17,000
E Tec Ltd.	-	200,000
F & V Traders	-	367,424
Fatima Enterprise	-	688,606
Garbo News Traders	-	278,343
Grey Tapes & Labels Ltd.	-	176,803
Hakkar Motors Ltd.	-	287,000
Islam & Brothers	-	28,800
M Ahmad & Sons	-	131,816
M. B. Paper Cutting House	29,896	366,392
Metaphor System international	-	33,000
MIL Bangladesh Limited	-	124,974
Maxim Biron	2,036,252	2,236,252
Moulana Hafiz Syed Ahmed Shah	-	223,838
Musa Sowdagar	-	2,203,100
Nazam Paper House	553,791	563,791
P.H.P Fine Glass Ind. Ltd.	666,266	684,161
Pintu Refrigerator & Technology	-	15,000

	2017 Taka	2016 Taka
Rahib Trading	-	500
Samuda Chemical Complex Ltd	-	2,138,940
Say Automation & Engineering	-	100,000
Seamax Corporation	-	2,326,585
Shah Amanat Enterprise Chemical	-	39,375
Shah Amanat Paper Enterprise	474,154	399,164
Shohag Wasteage paper	-	186,690
Syed Ahmed Shah Store	-	69,158
Water System & Solution Ltd	-	481,700
Well Paper Tube	15,080	-
Segorika Printers	146,315	-
Shipon Chy Furbadosh	401,908	-
Mizan Paper House	82,500	-
M/S Soliman Store	1,523,250	-
Abdul Mojib & Sons	516,907	-
A. H Packaging & Accessories	1,034,112	-
A. N. J Paper Industries	393,600	-
Art Enterprise	1,760,861	-
Mahbub & Brothers	648,542	-
Safe Goods Package	204,960	-
Shah Gooli Board House	14,720	-
M/s Signet Box Ltd.	820,032	-
Interna Plastic (Pvt) Ltd.	1,298,160	-
Progressive Enterprise	205,440	-
R R Package	546,720	-
Arora Packaging	204,000	-
S. A Printing & Packaging	191,808	-
Sayon Packaging Industry	178,580	-
Sifa Package	176,180	-
Patenga Pack & Accessories industry Ltd.	204,960	-
Intta Packages Ltd.	185,760	-
Other Receivables	15,380,257	1,100,020
	98,632,005	34,865,465

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

	2017	2016
Below-30 Days	20,712,721	7,221,748
Within 31-60 Days	30,575,922	10,808,294
Within 61 - 90 Days	25,644,321	9,066,021
Above 90 Days	21,699,041	7,670,402
	98,632,005	34,865,465

9.00 ADVANCES, DEPOSITS & PREPAYMENTS:

9.1	Advance Against Income Tax	25,861,293	13,537,378
9.2	Advance Against Salary & Wages	97,981	91,432
9.3	Advance Against Expenditure	23,456,117	17,953,915
9.4	Advance Against L/C	94,171,049	33,136,066
9.5	Deposits and Prepayments	6,504,479	6,508,379
		150,130,920	71,247,069



	2017 Taka	2016 Taka
9.1 Advance Against Income Tax		
Advance Income Tax Paid	10,146,357	10,146,357
Advance Income Tax - Import	419,688	363,818
Advance Income Tax - Export	15,006	-
Advance Income Tax Deducted at Source	14,967,016	2,730,266
Advance Income Tax Deducted at Source (Dividend Income)	311,333	296,937
	25,861,295	13,537,378
9.2 Advance Against Salary & Wages	97,981	91,432
9.3 Advance Against Expenditure		
Advance Against Purchase	253,600	700,722
Advance to Jamal Uddin	163,500	208,300
Advance for Land Purchase	281,000	600,000
Advance for Dhaka Office expenses	239,700	259,700
Arma Development Limited	7,502,749	7,502,749
Advance to Ctg.Bricks & Clay Works Ltd.	-	66,500
Advance to BL International	180,000	200,000
Advance to Dulal (RGDCL)	-	170,000
Shahjahan & Brothers	100,000	80,000
Advance to Total Trading	-	88,600
Advance to Khondhed Alam	-	190,000
Advance against Travelling expenses	2,605,983	2,238,835
Advance to BD Link	220,000	155,000
Advance against purchase print order	3,597	1,637
VAT Current Account	14,318	220,310
Lanka Bangla Securities Ltd.	3,546,553	249,533
Advances for spares parts and other materials	8,364,116	5,123,829
	23,496,117	17,951,913
9.4 Advance Against L/C	94,171,049	33,156,066
9.5 Deposits and Prepayments:		
Security Deposit (FBS-7)	821,100	821,100
Security Deposit (BGL) Boiler	1,811,601	1,811,601
Security Deposit (BGL) Generator	1,099,524	1,099,524
Security Deposit (FDB)	25,200	25,200
Security Deposit (ICEP Holdings Ltd)	8,000	8,000
Security Deposit (Kaameen Phone)	20,000	20,000
Security Deposit (BTCL)	6,000	6,000
Security Deposit (CDBL)	300,000	300,000
Security Deposit- Bank Guarantee Against Gas Generator	257,040	257,040
Security Deposit- Bank Guarantee Against Boiler	1,043,250	1,043,250
Security Deposit Container Purpose	990,464	1,114,204
Security Deposit to RankEd	2,300	2,300
Security Deposit to Tender Submission Purpose	120,000	-
	6,504,479	6,508,279

	2017 Taka	2016 Taka
10.00 CASH & CASH EQUIVALENTS:		
Cash in Hand		
At Head Office	792,208	304,481
At Dhaka Office	5,000	5,000
At Factory	35,000	35,000
	792,208	344,481
Cash at Banks:		
Bangladesh Krishi Bank, Agrabad Branch, CD A/C-2903-0310014807	15,191	35,497
Social Islami Bank Ltd, Agrabad Branch-CC A/C - 0041100027978	216,346	8,881,069
First Security Islami Bank Ltd, Agrabad Branch, STD A/C - 010413100000463	35,588	54,879
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458	415,298	1,053,729
National Bank Ltd, Pahartal Branch- CD A/C 005333008427	461,026	46,488
AB Bank Ltd, PCR Branch, CD A/C-4127773934000	10,299	11,708
Prime Bank Ltd, Lalbagh East Branch, CD A/C 14513090025949	4,599,551	508,149
Southeast Bank Ltd, Pahartal Branch, CD A/C-004111100004378	21,607	213,607
City Bank Ltd, Agrabad Branch CD A/C No 1101497855001	7,030	8,275
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243	81,531	5,196,201
Premier Bank Ltd, CEPZ Branch CD A/C No-016711100000108	209,697	-
MCC Bank Ltd, Panthapath Branch, CD A/C No-0087-0210003867	1,308	-
Standard Bank Ltd, Sadarghat Branch CD A/C No-04981000571	9,225	-
Dhaka Bank Ltd, Jubilee Road Branch CD A/C No-181000000012482	9,425	-
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588313	9,856	-
Mercantile Bank Ltd, A.K.Khan Branch CD A/C No-117511131143947	8,620	-
Union Bank Ltd, Lalbagh Branch CD A/C No-0611010000054	59,832	-
	6,753,477	13,025,298
Fixed Deposit with Union Capital Ltd. # LF/CTG-140240-16/SME-214	-	2,500,000
	7,045,656	15,773,779

(a) Cash balance as on 30/06/2017 was certified by management.

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

11.00 SHARE CAPITAL:

11.01 Authorized:

50,000,000 Ordinary shares of Tk. 10.00 each **500,000,000** **500,000,000**

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**

190,000,000 **190,000,000**



11.03 The break up of share holdings as on 30 June, 2017 is as follows:

Description	No of shares 30 June 2017	% of share holding 30 June 2017	No of shares 30 June 2016	% of share holding 30 June 2016
Sponsor	10,549,330	55.52	10,886,000	57.29
Investment Corporation of Bangladesh	33,500	0.18	15,500	0.19
Bangladesh Development Bank Ltd.	1,588,800	8.32	1,588,800	8.32
Other Institution and General Public	6,836,370	35.98	6,497,700	34.20
Total	19,008,000	100.00	19,008,000	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 %	
	2017	2016	2017	2016	2017	2016
Less than 500 shares	756	413	119,051	132,973	0.58	0.70
500 to 5000 Shares	654	328	1,464,872	378,197	7.71	3.04
5001 to 10000 Shares	119	51	358,924	357,504	4.78	3.88
10001 to 20000 Shares	42	22	598,618	304,953	3.15	3.63
20001 to 30000 Shares	11	8	283,377	215,500	1.49	1.13
30001 to 40000 Shares	6	8	209,625	304,985	1.10	3.61
40001 to 50000 Shares	3	2	144,610	97,582	0.76	0.51
50001 to 100,000 Shares	4	7	264,170	432,796	1.39	2.28
100001 to 1,000,000 Shares	18	18	7,430,184	7,639,080	39.11	40.18
Over 1,000,000 Shares	6	7	7,504,466	8,955,300	39.92	47.03
Total	1,918	866	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 2016	15,000,000	15,000,000
Add: Transferred from Retained Earnings		
Balance as on 30 June 2017	15,000,000	15,000,000

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.

13.09 **REVALUATION RESERVE:**

A revaluation of Land, Buildings and Plant & 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:

	2017 Taka	2016 Taka
Land and land development	139,028,020	139,028,020
Factory building & Other Civil Constructions	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 30.06.2017 (Note-4.01)	109,379,460	94,225,501
	367,682,059	382,836,018
Less: Adjustments for Deferred Tax	55,132,307	57,425,408
Balance as on 30 June 2017	<u>312,549,752</u>	<u>325,410,610</u>
Revaluation Reserve relates to the revaluation of Property, Plant & Equipment.		
14.00 RETAINED EARNING:		
Balance as on 01 July 2016	24,192,442	31,026,570
Less: Dividend for the year 2015-2016 as approved in the AGM	4,057,097	0,500,000
	20,135,345	21,526,570
Add: Net profit after tax for the year	(18,101,520)	(13,746,851)
	2,033,825	7,779,719
Add: Revaluation Surplus Retained	15,353,968	16,413,723
Balance as on 30 June 2017	<u>17,387,793</u>	<u>24,192,442</u>
15.00 UNSECURED LOAN:		
Mr. Mohammad Abdullah, Chairman	18,048,000	11,174,250
Mr. Md. Gulam Mostafa, Managing Director	4,014,800	2,334,000
Mr. Md. Gulam Kibria, Director	5,507,475	2,300,000
Mrs. Hasne Ara Begum, Director	3,600,000	3,600,000
Mr. Md. Golam Haider, Director	5,507,975	2,300,000
Mr. Md. Golam Monirul, Director	3,207,475	-
Mr. Md. Golam Raul Muktadin, Director	3,207,475	-
	<u>43,293,200</u>	<u>21,928,250</u>
The above loans from Directors are interest free.		
16.00 LONG TERM LOAN:		
HPSM Commercial Loan	12,481,717	21,829,507
Loan Under BARE of Existing Projects	39,862,409	-
Loan Under Tissue Projects	91,031,983	-
Balance as on 30 June 2017	<u>143,386,109</u>	<u>21,829,507</u>
16.01 LONG TERM LOAN - MATURITY ANALYSIS:		
Due within the year- Current Portion	10,632,000	10,632,000
Due after more than the year- Non-Current Portion	132,754,109	11,197,507
	<u>143,386,109</u>	<u>21,829,507</u>

**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, Chittagong.

Total Loan Facilities: Tk. 143,386,169

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 disbursement of HTSM Commercial was made on November 24, 2015; BMRE on January 01, 2017 & Tissue Unit on November 10, 2018.

Repayments:

This secured long term loan is repayable in 84 (eighty four) months.

Securities:

- i. Hypothecation of machineries and stock.
- ii. Total 642.31 decimal land has been placed as prime securities against the loan.
- iii. Creation of charge with RSC.

Purpose:

The loan has been taken for business expansion of existing project and establishment of new project (Tissue Project).

17.00 DEFERRED TAX LIABILITY:

	<u>2017</u> Taka	<u>2016</u> Taka
Balance as on 01 July 2016	35,040,895	34,524,251
Deferred Tax (Income)/ Expenses for the year - (Note-32)	158,919	516,643
Balance as on 30 June 2017	35,199,812	35,040,895
Add: Deferred Tax for Revaluation Surplus	55,123,307	57,425,403
	<u>90,323,120</u>	<u>92,466,298</u>

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 30.06.2017 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 30.06.2017	203,796,695	210,350,386
(b) Tax Based Property, Plant and Equipment	62,997,446	70,306,816
(c) Net Taxable Temporary Differences (a-b)	140,799,247	140,043,570
(d) Deferred Tax liability at effective Tax Rate	35,199,812	35,040,895
(e) Deferred Tax expenses on Net Taxable Temporary differences	158,919	516,643

	2017 Taka	2016 Taka
18.00 SHORT TERM LOAN AND OVERDRAFT:		
Social Islami Bank Ltd, Agstabad Branch-CC A/C: 06413/0027978	137,650,710	134,907,604
UPAS Loan from Social Islami Bank Ltd.	55,381,722	128,892,457
MRE & LATH Loan from Social Islami Bank Ltd.	55,043,669	36,482,324
Short Term Loan (Demand Loan-General) from Premier Bank Ltd.	49,972,054	
Mercantile Bank Ltd, A.K.Khan Branch-CC A/C: 17577521729167	54,341	
	298,102,826	291,282,585
(a) Bai-Muazzal (Commercial Trading)-CC Loan was sanctioned by the Social Islami Bank Limited, Agstabad Branch on the date of 5th May, 2015. It is renewable.		
(b) Short Term Loan (Demand Loan-General) was sanctioned by the Premier Bank Limited, DPT Branch on the date of 1st February 2017.		
(c) Limit of Cash Credit Loan was Tk. 13 (Thirteen) crore.		
(d) Limit of Short Term Loan (Demand Loan-General) was Tk. 05 (Five) crore.		
(e) SIBL Loan bears interest @ 11.5% & Premier Bank Ltd. Loan bears interest @ 11.00% p.a.		
(f) Land, Building and Machinery has been placed as prime securities against the Loan.		
19.00 ACCRUED EXPENSES:		
Agency commission on Sale	1,250,691	1,310,113
Audit Fee	100,000	100,000
Directors Remuneration	50,000	50,000
Electricity Bill-Factory	631,325	1,311,436
Electricity Bill-(H/O)	6,472	16,000
Electricity Bill-Dhaka Office	12,589	
Gas Bill Factory	1,672,911	1,817,980
Gas Bill Factory canteen	7,841	3,926
Gas Bill (H/O)	1,294	295
Incentive Bonus	13,480	13,000
Mobile Bill	14,172	14,592
Office Rent	15,000	15,000
Overtime	383,850	216,342
Salary & Allowances	31,500	15,500
Salaries, Wages and Allowances	163,400	223,710
Staff Salary & Allowances	281,647	248,550
Telephone Bill	2,617	2,617
Wages & Allowances	658,798	470,050
	3,277,091	7,969,471
20.00 WORKERS PROFIT PARTICIPATION & WELFARE FUND:		
Balance as on 01 July 2016	1,108,876	1,685,819
Add: Provision made during the year (Note-31.00)	-	-
	1,108,876	1,685,819
Less: Payment made during the year	519,047	576,943
Balance as on 30 June 2017	589,829	1,108,876

**21.00 TRADE PAYABLES:**

	2017 Taka	2016 Taka
A.K. Corporation	-	23,200
A.M Poly Packaging	217,736	732,012
Abdur Rauf (L&P) Danapore	56,162	18,367
Acad Engineering Workshop	227,800	88,800
Arab Electric Printing Press	-	5,900
Arank Cement Ltd	1,015,200	908,500
Bambish Fibres and Cables	180,965	11,085
City Luboil Industries Ltd.	155,100	137,800
Financial Express	36,000	56,000
Gaidon Robber Industries	15,000	15,000
Hakani Refueling Station	-	159,167
International Bearing	185,085	188,725
Maman Hardware Store	222,411	84,818
Manna Enterprise	-	3,950,000
Modena Manufacturing Complex	-	188,103
Mir Asbi Faraj Store	132,028	700,000
M/S Solomon Store	-	1,000,000
M.T Engineering Works	643,370	253,950
Naim Paper House	-	246,180
Fairo Computer	64,500	64,500
North West Securities Ltd.	-	1,377
Ocean Oil Company	1,908	1,908
Prime Rubber Industries Ltd.	-139,000	71,000
Raj Bearing	254,260	145,165
Resman Industries Ltd.	-	956,130
R.S Marker Paper House	-	693,080
RM-Corporation	708,762	1,566,000
Sakib Enterprise	258,553	3,903,812
Shadat Engineering (S.Rhano)	-	168,768
Teem Nar Asia	801	347,760
Al Raj Chemical	54,825	823,750
Shuyan Chemical	706,080	176,000
Genotech Energy	48,000	108,000
Global Trade Corporation	480,000	450,000
Tamir Paper Mills Ltd.	822,054	852,054
Shahman Enterprise	380,354	-
Abul Khair Steel Molding Ltd.	1,518,807	-
Diqqa Farida Nazim Five Star Enterprise	81,514	-
Yasin Awla Enterprise	88,811	-
Ashraf Enterprise	241,463	-
Atlantic Traders C & F	421,217	-
Broad Band Telecom Services Ltd.	12,500	-
Cathayon Ltd	7,000	-
K.B Traders	580	-
Shahjal Enterprise	150	-
Shah Amanat Enterprise Chemical	35,175	-
Anekat Enterprise	940	-
Bismilla Traders Ashraf	227,227	-
Salim Enterprise	117,500	-
Say Automation & Engineering	80,000	-
Shaim Paper Mart	337,586	-
Tech Art Automation & Engineering	160,000	-
Munir Traders	1,342,500	-
Servida Chemical Complex Ltd	955,937	-
Scanax Corporation	222,832	-
Other Payables	1,910,200	1,846,795
	14,199,338	30,447,030

	2017 Taka	2016 Taka
22.00 CURRENT TAX LIABILITIES:		
Balance as on 01 July 2016	1,296,495	10,006,186
Provided during the year:		
Against current year	<u>1,046,829</u>	<u>1,637,831</u>
	2,046,829	1,637,831
Adjusted with advance income tax paid	-	18,397,552
Balance as on 30 June 2017	<u>5,293,314</u>	<u>3,246,488</u>

23.00 LIABILITIES FOR OTHER FINANCE:		
CT. Deducted at Source	2,450	68,812
VAT Deducted at Source	12,900	12,000
E Securities Limited	731	231
North West Securities Ltd.	2,078	-
Unclaimed Dividend	<u>2,583,685</u>	<u>2,576,354</u>
	<u>2,601,845</u>	<u>2,657,438</u>

24.00 DIRECTORS CURRENT ACCOUNT:		
Mr. Md. Golam Murchad	2,300,000	2,300,000
Mr. Md. Golam Rasul Muktadir	<u>2,300,000</u>	<u>2,300,000</u>
	<u>4,600,000</u>	<u>4,600,000</u>

25.00 REVENUE:	Gross Sales Amount	VAT Amount	Net Sales Amount	
			2017	2016
			Taka	Taka
Bright News Print Paper	100,805,058	2,339,371	98,506,287	101,163,157
Writing Printing Paper	242,552,911	13,558,473	228,994,438	91,812,042
Medium Paper	12,124,182	793,137	11,361,045	-
News Print Paper - Export	2,276,403	-	2,276,403	-
	<u>357,819,154</u>	<u>16,680,981</u>	<u>341,138,173</u>	<u>272,975,199</u>

26.00 COST OF SALES:		
Opening Stock of Raw Materials	29,498,653	42,672,567
Add Purchase during the year	<u>117,766,878</u>	<u>134,218,954</u>
	146,255,531	216,889,521
Less: Closing Stock of Raw Materials	<u>18,177,317</u>	<u>28,400,653</u>
Raw Materials Consumed	<u>128,078,214</u>	<u>188,488,868</u>



	2017 Taka	2016 Taka
Add: Factory overhead:		
Salaries, Wages and Allowances	18,721,788	15,119,566
Overtime - Factory Worker	1,174,138	2,531,415
Labour Charge	8,530,512	2,573,884
Carnage Inward	232,850	209,845
Gas Bill (Boiler & Gas Generator)	23,810,685	24,828,974
Electric Bill	14,814,046	16,634,390
Consumable Spare & Stone	8,000,678	4,334,535
Factory Maintenance	10,811,358	8,118,193
Loading Unloading Charge	348,038	637,152
Paper Cutting Expenses	1,373,391	1,595,744
Fuel (Generator)	969,579	652,980
Fuel (Machine)	712,848	741,626
Fuel (vehicle)	344,568	273,170
Medical & Medicine	38,169	42,227
Gas Generator Upkeep	964,654	1,062,363
Annual Maintenance (Gas Generator)	138,032	60,728
Boiler Upkeep	108,324	225,900
Insurance Premium (Factory)	1,290,651	1,342,813
Laboratory Expenses	67,000	-
Gas Generator Overhauling Exp	1,587	1,462,837
Cartrion Expenses-Factory	101,173	113,824
Carrying outward	5,822,150	5,214,500
Gas Bill (Factory Cartoon)	59,947	40,823
Water Treatment Expenses	-	15,328
Export related Expenses	105,575	-
Depreciation	29,912,616	31,247,991
	253,719,753	307,618,243
Add: Opening Work-in-Process	6,079,582	7,216,731
	259,799,335	314,834,974
Less: Closing Work-in-Process	15,629,855	6,079,582
Cost of Production	244,169,480	308,755,392
Add: Opening Stock of Finished Goods	96,495,183	42,727,789
	340,664,663	351,483,181
Less: Closing Stock of Finished Goods	24,940,526	96,495,183
Cost of Sales	315,724,137	254,987,998

27.00 ADMINISTRATIVE EXPENSES:

Managing Director Remuneration	620,400	627,400
Staff Salary & Allowances (Note-27.01)	4,777,343	4,410,142
Office Rent	292,350	372,338
Telephone Bill	215,701	251,325
Entertainment	419,965	151,882

	2017 Taka	2016 Taka
Staff Tea, Tiffin	82,336	315,750
Travelling Expenses	640,730	1,258,638
Dhaka Office Expenses	21,714	54,134
Canteen Expenses	23,171	7,100
Postage & Courier	42,116	16,651
Forms, Stamp & Legal Documents	2,450	16,795
Fees, Renewal & Subscription	1,768,245	328,140
Printing & Stationery	97,482	176,130
Gas Bill H/O	6,894	5,914
Board Meeting Attendance Fees	452,500	349,000
Audit Committee Meeting Attendance Fees	157,500	85,000
Board Meeting Expenses	54,115	57,995
B.O Maintenance Fees	1,150	1,601
Office Maintenance	387,785	588,406
Telephone, Fax, E-mail	1,685	4,530
Annual Subscription-CRM	56,000	92,697
Intranet Bill (BOTS)	84,000	84,000
Internet Bill (BOTS)	66,000	66,000
Conveyance	381,201	919,723
Audit Fee	113,000	100,000
Miscellaneous Expenses	22,175	422,014
Legal & Professional Fee	95,250	438,763
A.G.M Expenses	256,564	43,617
Annual Fee of Stock Exchange	190,000	190,000
Electric Bill Head Office	175,308	227,632
Electric Bill Dhaka Office	18,231	
Fuel (vehicle)	172,894	309,427
Vehicle Upkeep	299,587	67,359
Insurance Premium	73,940	27,927
Website Expenses	14,080	14,080
Depreciation	285,425	307,462
	12,213,473	11,848,565

- (a) Managing Director remuneration has been paid to Mr. Md. Golam Mostafa.
 (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. 113,000 represents fees including VAT for the audit of the financial statements of the company for the year 2016-2017.

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:



Managing Director Remuneration- Mr. Golam Mustafa	620,400
Managerial Remuneration	2,817,523
Managerial Benefits:	
Bonus	125,140
House Rent	-
Conveyance	153,740
Total	3,918,808

	2017 Taka	2016 Taka
28.00 FINANCIAL EXPENSES:		
Bank Charges	874,148	157,385
Interest Expenses on Cash Credit	11,053,755	8,447,428
Interest on Short Term Loan	8,591,040	1,502,292
Interest on Long Term Loan	7,540,030	4,701,791
Loan Processing Fee	248,210	65,337
	31,507,222	16,674,433
29.00 SELLING & DISTRIBUTION EXPENSES:		
Commission on Sales	-	1,210,691
Advertisement	318,590	345,910
Sale Promotion Expenses	65,400	344,190
	383,990	1,840,791
30.00 NON-OPERATING INCOME:		
Dividend Income	478,360	850,730
Interest Income on FDR	-	214,880
Profit on Sale of Shares	1,881,427	1,326,474
Interest Income	15,540	-
	3,195,225	3,090,085
Miscellaneous Income	3,794,859	2,784,230
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		
Contribution for WPP at 5% (before charging)		
on net operating profit		
32.00 DEFERRED TAX EXPENSES:		
(a) Deferred Tax Liability on 30 June, 2017	35,199,912	35,040,893
(b) Deferred Tax Liability on 01 July 2016	35,040,893	34,524,211
Deferred Tax Expenses for the year (a-b)	158,919	516,642

	2017 Taka	2016 Taka
33.00 EARNING PER SHARE:		
Calculation is shown below:		
EPS	(0.95)	(0.72)
Formula:		
$\frac{\text{Net Profit after tax}}{\text{Number of shares}}$	$\frac{(15,701,520)}{19,000,000}$	$\frac{(13,746,851)}{19,000,000}$

34.00 NET ASSET VALUE PER SHARE WITH REVALUATION:		
Calculation is shown below:		
Net asset value per share	28.25	29.02
Formula:		
$\frac{\text{Net Asset with Revaluation}}{\text{Number of shares}}$	$\frac{536,662,814}{19,000,000}$	$\frac{551,414,835}{19,000,000}$

35.00 NET ASSET VALUE PER SHARE WITHOUT REVALUATION:		
Calculation is shown below:		
Net asset value per share	11.81	11.90
Formula:		
$\frac{\text{Net Asset without revaluation}}{\text{Number of shares}}$	$\frac{224,309,073}{19,000,000}$	$\frac{226,024,320}{19,000,000}$

36.00 Number of Employees:		
The total employees of the company as on June 30, 2017 stood at 167 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 employees whose monthly salary was below Tk. 3,000	Nil	Nil
Number of employees whose monthly salary was above Tk. 3,000	167	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:

	2017 Taka	2016 Taka
a. Exposure of Credit risk:		
Trade receivables	98,632,805	34,865,465
Advance, Deposit and Prepayments excluding Deposit & Prepayments	23,490,117	17,953,915
Bank Balances	6,251,427	15,525,200
	128,381,549	68,344,678
b) Ageing of Trade Receivables are as follows:		
Below 30 Days	30,712,721	7,321,748
Within 31-60 Days	30,575,922	10,808,294
Within 61-90 Days	25,644,321	9,065,021
Above 90 Days	21,699,041	7,670,402
	98,632,005	34,865,465

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 maintain 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	2017	2016
Installed Capacity (in M.T)	6,000	6,000
Actual Production (in M.T)	3,586	5,172
% of Capacity Utilization	59.77%	86.20%

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 Tn. 100,000 along with imposed VAT has been provided in the accounts as per decision taken in the 20th Annual General Meeting of the Company held on 4th December 2016.
- 39.04 There was no sum for contingent liabilities on 30th June, 2017.
- 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 30.06.2017
UNSECURED LOAN:						
	Mr. Mohammad Abdullah	Chairman	Loan Received	11,174,250	(6,871,812)	18,046,062
	Mr. Mr. Solan Husein	Managing Director	Loan Repayment	2,134,000	(1,660,816)	473,184
	Mr. Mr. Solan Khatib	Deputy Managing Director	Loan Repayment	2,100,000	(1,207,475)	892,525
	Mrs. Husein Ara Begum	Director	Loan Repayment	1,800,000	-	1,800,000
	Mr. Mr. Solan Husein	Director	Loan Repayment	2,100,000	(1,207,975)	892,025
	Mr. Mr. Solan Mordhed	Director	Loan Repayment	-	(1,207,475)	1,207,475
	Mr. Mr. Solan Ruzul Mukadar	Director	Loan Repayment	-	(1,207,475)	1,207,475
DIRECTORS CURRENT ACCOUNT:						
	Mr. Mr. Solan Mordhed	Director	Short term Loan repayment	2,100,000	-	2,100,000
	Mr. Mr. Solan Ruzul Mukadar	Director	Short term Loan repayment	2,100,000	-	2,100,000

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. Workers profit participation fund has been calculated before charging of depreciation on revalued amount of non current assets.



42.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

	2017 Taka	2016 Taka
Profit after Provision for Income Tax	(18,101,520)	(13,746,851)
Add: Non Cash Changes		
Depreciation	30,198,041	31,605,444
Provision for Deferred Tax Expenses	158,919	516,642
	A	
	12,255,441	18,375,235
Changes in Working Capital		
Increase/(Decrease) in Stock	72,323,739	(38,427,113)
Increase/(Decrease) in Trade Receivables	(63,766,519)	12,873,318
Increase/(Decrease) in Workers Profit Participation and Welfare Fund	(519,047)	(576,043)
Increase/(Decrease) in Advance, Deposits & Prepayments	(78,883,852)	(27,154,670)
Increase/(Decrease) in Capital Work-in-Progress	-	-
Increase/(Decrease) in Interest Receivable	402,304	1167,903
Increase/(Decrease) in Accrued Expenses	(2,692,380)	2,159,159
Increase/(Decrease) in Current portion of Long Term Loan	-	10,632,000
Increase/(Decrease) in Trade Payables	(6,347,482)	(21,253,697)
Increase/(Decrease) in Advance Against Sales	-	-
Increase/(Decrease) in Current Tax Liabilities	2,046,829	(6,759,701)
	B	
	(77,335,829)	(68,675,282)
Net cash inflows/(out flows) from operating activities	(65,080,388)	(50,300,047)

43.00 EVENTS AFTER REPORTING YEAR:

- 43.01 The Board of Directors in its meeting held on October 28, 2017 approved the Audited Financial Statements and recommended no dividend on shareholders for the year 2016-2017 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 20th Annual General Meeting 2016



☺ Glimpse of 20th
Annual General Meeting 2016





HAKKANI PULP & PAPER MILLS LTD.

2/19 D.T. Road, North Pahartola, 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 21st Annual General Meeting of the Company to be held on Sunday the 24th December 2017 at 11.30 a.m. at the Eden Garden Community Center, near 'H' Block, Port Connecting Road, Halishahar, Chittagong and at any adjournment thereof.

As witness my/our hand _____ this day of _____ 2017 signed by the said in presence of _____

(Signature of the Proxy)

Revenue Stamp

Signature of Witness

Signature of the Shareholder(s)

Register Folio No. _____

Dated _____

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 21st Annual General Meeting of the Company to be held on Sunday the 24th December 2017 at 11.30 a.m. at the Eden Garden Community Center, near 'H' Block, Port Connecting Road, Halishahar, 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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