

HAKKANI PULP & PAPER MILLS LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompanying Financial Statements of **Hakkani Pulp & Paper Mills Limited** which comprise the Statement of Financial Position as at 30 June, 2014 and Statement of Comprehensive Income, Statement of Receipts and Payments, Statement of Cash Flow and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory notes on that date.

Management responsibility for the financial statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as BFRS and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 presentation of the financial statements.

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

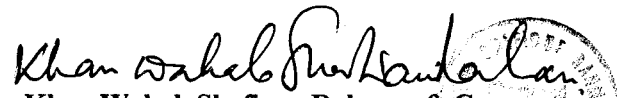
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the "**Hakkani Pulp & Paper Mills Ltd.**" as at 30 June, 2014 and its financial performance and cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS), the companies Act 1994; The Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- In our opinion, proper books of accounts as required by laws have been kept by the company so far as it appeared from our examination of those books and
- In our opinion, the statements of financial position and the statement of comprehensive income dealt with by the report are in agreement with the books of accounts.

Dated: October 25, 2014
Chittagong.


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

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Partners:
S.M. Shafique FCA
Mujibur Rahman FCA
Md. Abu Sina FCA
Md. Anisur Rahman FCA

HAKKANI PULP & PAPER MILLS LIMITED**Statement of Financial Position
As at 30th June, 2014****A. SOURCES OF FUNDS:**

	Notes	Amount in Taka	
		30-Jun-2014	30-Jun-2013
Share Holders Equity:			
Share Capital	04	190,000,000	190,000,000
Dividend Equalization Reserve	05	10,000,000	10,000,000
Revaluation Reserve	06	354,275,586	370,221,031
Retained Earnings	07	17,085,093	18,954,975
		571,360,679	589,176,006
Non Current Liabilities:			
Unsecured Loan	08	20,183,250	20,183,250
Deferred Tax Liability	09	112,761,104	113,134,165
		132,944,354	133,317,415
		704,305,033	722,493,421

B. APPLICATION OF FUNDS:

Property, Plant and Equipment	10	649,116,084	643,466,003
Investment in Shares	11	16,759,635	16,613,987
Current Assets:			
Inventories	12	117,891,203	114,912,296
Sundry Debtors	13	27,178,435	22,960,092
Advances, Deposits & Prepayments	14	65,552,181	28,392,177
Interest Receivable on FDR		16,667	-
Cash & Bank Balances	15	4,467,287	1,790,059
		215,105,773	168,054,624
Current Liabilities:			
Bank Loan & Overdraft	16	113,864,712	40,299,378
Accrued Expenses	17	3,458,972	4,909,995
Workers Profit Participation and Welfare Fund	18	1,797,621	-
Trade Creditors	19	39,394,312	46,537,042
Advance Against Sales	20	1,200,000	-
Liabilities for Other Finance	21	7,109,656	11,746,892
Directors Current Account	22	1,745,000	1,745,000
Provision for Income Tax	23	8,106,186	5,356,186
		176,676,459	110,594,493
Net Current Assets		38,429,314	57,460,131
Deferred Revenue Expenses	24	-	4,953,299
		704,305,033	722,493,421
Net Asset Value Per Share With Revaluation	35	30.07	31.01
Net Asset Value Per Share Without Revaluation	36	11.43	11.52

The annexed notes form an integral part of these financial statements.


MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Chittagong: October 25, 2014

Subject to our Separate report of even date


Khan Wahab Shafique Rahman & Co.
Chartered Accountants

HAKKANI PULP & PAPER MILLS LIMITED**Statement of Comprehensive Income
For the year ended 30th June, 2014**

	Notes	Amount in Taka	
		2013-2014	2012-2013
Sales	25	282,255,850	200,626,892
Less: Cost of Goods Sold	26	250,032,936	170,867,847
Gross Profit		32,222,914	29,759,045
Less: Operating Expenses			
Administrative Expenses	27	8,840,895	7,067,163
Financial Expenses	28	8,927,179	7,201,690
Selling & Distribution Expenses	29	995,100	1,277,084
		<u>18,763,175</u>	<u>15,545,937</u>
Operating Profit		13,459,740	14,213,109
Add: Non-Operating Income	30	696,512	3,213,221
		<u>14,156,252</u>	<u>17,426,330</u>
Less: Provision for Diminution of Investment in Shares	31	694,245	1,412,062
Net Profit Before WPPF		13,462,007	16,014,268
Less: Contribution to Workers Profit Participation and Welfare Fund	32	641,048	762,584
Net profit before Tax		12,820,959	15,251,684
Less: Income Tax Provision:			
Current Tax		2,750,000	5,150,000
Deferred Tax	33	2,440,841	511,090
		<u>5,190,841</u>	<u>5,661,090</u>
Net profit after Tax for the year		7,630,118	9,590,594
Other Comprehensive Income / Loss:			
Depreciation on Revalued amount of Fixed Assets		(18,759,347)	(20,058,297)
Deferred Tax on Revaluation		2,813,902	3,008,745
Total Comprehensive Income		(8,315,327)	(7,458,958)
Earning Per Share - Basic	34	0.40	0.51

The annexed notes form an integral part of these financial statements.

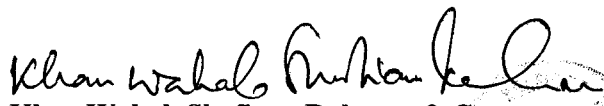

MANAGING DIRECTOR

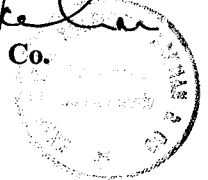

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HAKKANI PULP & PAPER MILLS LIMITED**Statement of Cash Flows**
For the period ended 30th June, 2014

	Notes	Amount in Taka	
		2013-2014	2012-2013
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		278,734,019	190,448,328
Payment for Materials Expenses		(285,518,100)	(146,259,518)
Interest Paid		(8,927,179)	(7,201,690)
Income Tax Paid		(8,259,928)	(11,393,991)
Net Cash flow from Operating Activities	40	(23,971,188)	25,593,130
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(37,770,691)	(15,483,640)
Capital Work in Progress		-	138,600
Investment in Shares		(839,892)	(927,891)
Net cash flow from Investing Activities		(38,610,583)	(16,272,931)
C. Cash flows from Financing Activities			
Bank Loan & Overdraft		73,565,334	(9,606,696)
Liabilities for other finance			4,768,424
Unsecured Loan		-	(224,750)
Dividend Paid		(8,306,336)	(9,500,000)
Net Cash flow from Financing Activities		65,258,998	(14,563,022)
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		2,677,228	(5,242,824)
E. Opening Cash and Bank Balances		1,790,059	7,032,883
Closing Cash and Bank Balances (D+E)		4,467,287	1,790,059
Net Operating Cash Flow Per Share		(1.26)	1.35

The annexed notes form an integral part of these financial statements.



MANAGING DIRECTOR



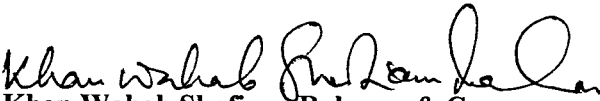
DIRECTOR



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Subject to our Separate report of even date

Chittagong: October 25, 2014


Khan Wahab Shafique Rahman & Co.
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HAKKANI PULP & PAPER MILLS LIMITEDStatement of Changes in Equity
As at 30th June, 2014

Particulars	Share Capital	Dividend Equalization Reserve	Revaluation reserve	Retained Earnings	(Amount in Taka)
					Total
Balance as at 1st July, 2013	190,000,000	10,000,000	370,221,031	18,954,975	589,176,006
Adjustment for Depreciation on Revalued amount of Fixed Assets	-	-	(18,759,347)	-	(18,759,347)
Adjustment for Deferred Tax on Revaluation Surplus	-	-	2,813,902	-	2,813,902
Dividend for the Year 2012-2013	-	-	-	(9,500,000)	(9,500,000)
Net Profit after Tax for the year	-	-	-	7,630,118	7,630,118
Balance as on 30th June, 2014	190,000,000	10,000,000	354,275,586	17,085,092	571,360,678
Balance as at 1st July, 2012	190,000,000	10,000,000	387,270,583	18,864,381	606,134,964
Adjustment for Depreciation on Revalued amount of Fixed Assets	-	-	(20,058,297)	-	(20,058,297)
Adjustment for Deferred Tax on Revaluation Surplus	-	-	3,008,745	-	3,008,745
Dividend for the Year 2011-2012	-	-	-	(9,500,000)	(9,500,000)
Net Profit after Tax for the year	-	-	-	9,590,594	9,590,594
Balance as on 30th June, 2013	190,000,000	10,000,000	370,221,031	18,954,975	589,176,006

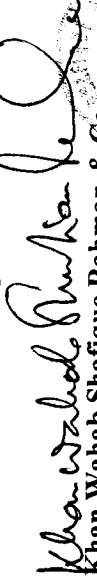

MANAGING DIRECTOR


DIRECTOR


COMPANY SECRETARY

Subject to our Separate report of even date

Chittagong: October 25, 2014


Khan Wahab Shafique Rahman & Co,
Chartered Accountants

HAKKANI PULP & PAPER MILLS LIMITED**Notes to the Financial Statements****As at and for the year ended 30th June, 2014****1.00 LEGAL STATUS AND NATURE OF THE COMPANY:****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 Authorised Capital of Tk. 500,000,000.00 comprising of 50,000,000 Ordinary Shares of Tk. 10 each. The Company issued shares to the general public in 2001 and got listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

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

1.02 Nature of Business:

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

1.03 Number of Employees:

The total employees of the company as on June 30, 2014 stood at 187 nos comprising Head office staff 21 nos, Factory office staff 11 nos, permanent worker 27 nos and temporary worker 128 nos.

2.00 BASIS OF PREPARATION:**2.01 Statement of compliance:**

These financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act. 1994, the Securities and Exchanges Rules 1987 and other relevant rules and regulations. The significant accounting policies as adopted are as follows:

2.02 Basis of measurement:

The financial statements have been prepared on the historical cost basis except revaluation of fixed assets.

2.03 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.

2.04 Use of estimates and judgments:

The preparation of financial statements 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 estimates. Estimates and assumptions are reviewed based on ongoing concern.



2.05 Reporting period

The financial period of the companies covers one year from 1st July to 30th June and it is followed consistently.

3.00 SIGNIFICANT ACCOUNTING POLICIES

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

3.01 Property, plant and equipment**3.01.01 Recognition and measurement**

Property, plant and equipment are stated at cost less accumulated depreciation.

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

3.01.02 Subsequent costs

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

3.01.03 Revaluation of Fixed Assets

A revaluation of Fixed Assets of the company (Land , Buildings and Plant and Machinery) had been carried out during the financial year 2010-2011 by M/S. G. K. Adjusters, a professional valuer and the surplus amount on revaluation of these assets were transferred to Revaluation Reserve Account as per paragraph 39 of BAS 16 Property, Plant and Equipment.

The revalued amount has been shown in Fixed Assets schedule separately and depreciation charged thereof seperately has been recognised in Comprehensive Income. Related deferred tax is also recognised in other comprehensive income.

The revaluation Surplus included in equity in respect of an Item of Property , Plant and Equipment is directly transferred to retained earnings when the assets is derecognised as per Paragraph 41 of BAS 16"Property , Plant and Equipment.

3.01.04 Depreciation

Depreciation is recognized in profit and loss account on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition to fixed assets from the date of acquisition and no depreciation is charged in the year of disposal. The annual rate of depreciation is as follows.

<u>Assets</u>	<u>Rate</u>
Building & Other Civil Constructio:	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%



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 and condition in accordance with BAS-2

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

3.03 Advances, deposits and prepayments

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

Deposits are measured at payment value.

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

3.04 Cash and cash equivalents

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

3.05 Impairment**Property, plant and equipment:**

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

Receivables

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

3.06 Employee benefit schemes

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

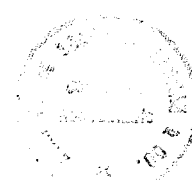
3.07 Provisions

Provisions are made against obligations arising from past events, for which company has obligations to pay in future and such probable expenditures of company are provided at Balance Sheet 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 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 periods 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 Statement of Comprehensive income account as per BAS-12.

3.11 Revenue

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

3.12 Earning per share (EPS)**Basic Earnings**

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

Diluted Earning per share

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

3.13 Comparative Information:

Comparative information has been disclosed in respect of all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

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



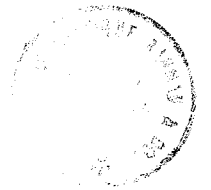
4.00 SHARE CAPITAL:	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
4.01 Authorised:		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
4.02 Issued, Subscribed and Paid-up:		
85,00,000 Ordinary shares of Tk. 10.00 each fully paid up in cash.	85,000,000	85,000,000
1,05,00,000 Ordinary shares of Tk. 10.00 each fully paid up other than cash.	105,000,000	105,000,000
	<u>190,000,000</u>	<u>190,000,000</u>

4.03 The break up of share holdings as on 30th June, 2014 is as follows:-

Description	No of shares 2014	% of share holding 2014	No of shares 2013	% of share holding 2013
Sponsors	10,887,000	57.30	10,886,000	57.30
Investment Corporation of Bangladesh.	35,500	0.19	36,500	0.19
Bangladesh Shilpa Rin Sangstha(Now BDBL)	1,580,800	8.32	1,580,800	8.32
Other Institution and General Public	6,496,700	34.19	6,496,700	34.19
Total	<u>19,000,000</u>	<u>100.00</u>	<u>19,000,000</u>	<u>100.00</u>

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	2014	2013	2014	2013	2014	2013
100 to 5000 Shares	754	725	912,100	888,600	4.80	4.68
5001 to 10000 Shares	34	33	255,000	281,000	1.34	1.48
10001 to 20000 Shares	13	9	183,000	130,000	0.96	0.68
20001 to 30000 Shares	6	4	145,500	105,000	0.77	0.55
30001 to 40000 Shares	5	6	179,100	220,600	0.94	1.16
40001 to 50000 Shares	1	1	50,000	50,000	0.26	0.26
50001 to 100,000 Shares	7	8	459,000	514,000	2.42	2.71
100001 to 1,000,000 Shares	20	9	8,710,300	6,136,000	45.84	32.29
Over 1,000,000 Shares	7	10	8,106,000	10,674,800	42.66	56.18
Total	<u>847</u>	<u>805</u>	<u>19,000,000</u>	<u>19,000,000</u>	<u>100.00</u>	<u>100.00</u>



5.00 DIVIDEND EQUALIZATION RESERVE:

Dividend equalisation reserve was created in the earlier year(s), while company earned profit with the concurrence of Board of Directors. The objective of this reserve was to pay dividend to shareholders during bad time of company. This was reportedly invested in shares of outside listed companies. Companywise investment position are shown at **Note-11.02**

6.00 REVALUATION RESERVE:

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

	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
Land and land development	139,028,020	139,028,020
Factory Building & Other Civil Cons.	110,663,849	110,663,849
Plant & Machinery	227,369,650	227,369,650
	<u>477,061,519</u>	<u>477,061,519</u>
Less: Depreciation on Revalued Assets till 30.06.2014 (Note-10.01)	60,266,712	41,507,365
	<u>416,794,807</u>	<u>435,554,154</u>
Less : Adjustments for Deferred Tax	62,519,221	65,333,123
Balance as on 30th June	<u>354,275,586</u>	<u>370,221,031</u>

7.00 RETAINED EARNINGS:

Retaining earning is made-up as follows:

Balance at beginning of year	18,954,975	18,864,381
Add: Net profit after tax for the year	7,630,118	9,590,594
	<u>26,585,093</u>	<u>28,454,975</u>
Less: Dividend for the year 2012-2013 as approved in last AGM	9,500,000	9,500,000
Balance at end of year	<u>17,085,093</u>	<u>18,954,975</u>

8.00 UNSECURED LOAN:

Mr. Mohammad Abdullah, Vice-Chairman	1,500,000	1,500,000.00
Mr. M. Golam Mostafa, Managing Director	2,354,000	2,354,000
Mr. M. Golam Kibria, Director	2,300,000	2,300,000
Mrs. Ferdous Ara Begum, Director	200,000	200,000
Mrs. Hosne Ara Begum, Director	3,800,000	3,800,000
Mr. M. Golam Hayder, Director	2,300,000	2,300,000
Ms. Farhana Tabassum Afifa	2,252,250	2,252,250
Mrs. Farhana Nusrat	5,477,000	5,477,000
	<u>20,183,250</u>	<u>20,183,250</u>

The above loans from Directors and Associates are interest free.



9.00 DEFERRED TAX LIABILITY:	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
Opening Balance as on 1st July	47,801,042	47,289,952
Deferred tax (Income)/ Expenses for the year (Note-33.00)	2,440,841	511,090
Balance as on 30th June (Note- 9.01)	<u>50,241,883</u>	<u>47,801,042</u>
Add: Deferred Tax for Revaluation	62,519,221	65,333,123
	<u>112,761,104</u>	<u>113,134,165</u>

This represents provision made for deferred income tax to pay future income tax liability for temporary differences of fixed assets value. Calculation of Deferred Tax Liability as on 30.06.2014 has been shown at Note-9.01.

9.01 Calculation of Deferred Tax Liability:

(a) Carrying Amount of Fixed Assets (less revaluation) and land value as on 30.06.2014	213,877,178	190,241,117
(b) Tax Based Fixed Assets	<u>79,898,822</u>	<u>62,771,670</u>
(c) Net Taxable Temporary Differences (a-b)	<u>133,978,357</u>	<u>127,469,447</u>
Deferred tax liability at effective tax rate @ 37.50% on above (c)	<u>50,241,883</u>	<u>47,801,042</u>

Carrying cost of fixed assets represents net written down value of assets as on 30.06.2014

10.00 PROPERTY, PLANT & EQUIPMENT:

The above represents written down value of assets. It is made-up as under:

Opening Balance (including revaluation)	830,008,387	814,524,747
Add: Addition during the year	37,770,691	15,598,790
Less: Adjustment during the year	-	(115,150)
Balance as on 30.06.2014	<u>867,779,078</u>	<u>830,008,387</u>
Less: Accumulated depreciation till the year	<u>218,662,994</u>	<u>186,542,384</u>
Written down value as on 30.06.2014	<u>649,116,084</u>	<u>643,466,003</u>

(a) Details of Groupwise fixed assets with cost, purchased/addition and adjustment during the year, depreciation and written down value are shown at Note-10.01.

(b) Depreciation on fixed assets has been charged following reducing balance method.



10.01 PROPERTY, PLANT & EQUIPMENT:

(Amount in taka)

Particulars	C			O		S		T			D E P R E C I A T I O N			Written Down Value as on 30th June, 2014
	Balance as on 1st July 2013	Addition during the year	Deletion during the year	Balance as on 30th June, 2014	Balance as on 1st July 2013	Charged during the year	Balance as on 30th June, 2014	Charged during the year	Balance as on 30th June, 2014	Charged during the year	Balance as on 30th June, 2014	Charged during the year	Balance as on 30th June, 2014	
At original cost														
Land & Land Development	17,670,732	773,366	-	18,444,098	-	-	-	18,444,098	-	-	-	-	-	18,444,098
Building & Other Construction.	56,882,705	10,051,064	-	66,933,769	-	-	-	66,933,769	18,119,969	2,152,468	20,272,437	20,272,437	2,152,468	46,661,332
Plant & Machinery	255,201,153	23,459,644	-	278,660,797	-	-	-	278,660,797	115,007,672	9,924,101	124,931,773	124,931,773	9,924,101	153,729,024
Furniture & Fixture	542,371	206,188	-	748,559	-	-	-	748,559	254,111	35,012	289,123	289,123	35,012	459,436
Office Equipment	1,704,748	436,025	-	2,140,773	-	-	-	2,140,773	686,141	108,040	794,181	794,181	108,040	1,346,592
Electric Installation	11,585,411	1,449,499	-	13,034,910	-	-	-	13,034,910	5,833,864	633,468	6,467,332	6,467,332	633,468	6,567,578
Gas Line Installation	3,570,018	206,345	-	3,776,363	-	-	-	3,776,363	1,861,376	178,287	2,039,663	2,039,663	178,287	1,736,700
Telephone Line Installation	112,263	-	-	112,263	-	-	-	112,263	61,386	5,088	66,474	66,474	5,088	45,789
Water Line Installation	3,583,375	1,104,110	-	4,687,485	-	-	-	4,687,485	1,740,093	212,191	1,952,284	1,952,284	212,191	2,735,201
Fire Extinguisher	49,120	34,450	-	83,570	-	-	-	83,570	38,459	4,929	43,388	43,388	4,929	40,182
Office Decoration	295,300	-	-	295,300	-	-	-	295,300	146,039	14,926	160,965	160,965	14,926	134,335
Vehicle Car	1,749,672	-	-	1,749,672	-	-	-	1,749,672	1,285,909	92,753	1,378,662	1,378,662	92,753	371,010
Tally Software	-	50,000	-	50,000	-	-	-	50,000	-	-	-	-	-	50,000
"A"	352,946,868	37,770,691	-	390,717,559	-	-	-	390,717,559	145,035,019	13,361,263	158,396,282	158,396,282	13,361,263	232,321,276
At Revaluation														
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	139,028,020	-	-	-	-	-	139,028,020
Building & Other Construction.	110,663,849	-	-	110,663,849	-	-	-	110,663,849	10,789,725	4,993,706	15,783,431	15,783,431	4,993,706	94,880,418
Plant & Machinery	227,369,650	-	-	227,369,650	-	-	-	227,369,650	30,717,640	13,765,641	44,483,280	44,483,280	13,765,641	182,886,370
"B"	477,061,519	-	-	477,061,519	-	-	-	477,061,519	41,507,365	18,759,347	60,266,712	60,266,712	18,759,347	416,794,807
Grand total (A+B) as on 30 June'14	830,008,387	37,770,691	-	867,779,078	-	-	-	867,779,078	186,542,384	32,120,610	218,662,994	218,662,994	32,120,610	649,116,084
As on 30 June'13	814,524,747	15,598,790	115,150	830,008,387	115,150	115,150	115,150	830,008,387	152,571,976	33,970,408	186,542,384	186,542,384	33,970,408	643,466,003
Allocation of Depreciation :														
Administrative Expenses					255,819			255,819	283,386					283,386
Factory Expenses					13,105,444			13,105,444	13,628,726					13,628,726
					13,361,263			13,361,263	13,912,111					13,912,111
					TAKA =			TAKA =						



11.00 INVESTMENT IN SHARES:

	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
11.01 Investment in shares		
Investment at cost	19,513,957	18,674,064
Less: Provision made earlier due to fall in market price	2,060,077	648,015
	<u>17,453,880</u>	<u>18,026,049</u>
Less: Provision for loss in investment in shares due to fall in Market price for the year (Note-31)		
	694,245	1,412,062
	<u><u>16,759,635</u></u>	<u><u>16,613,987</u></u>

11.02 Company wise investment position at market value and loss due to decrease in market value are shown below:

Name of company	No. of Shares	Cost	Market Value as on 30th June 2014	Unrealized gain/ (loss)
Agni Systems Ltd.	24,530	923,404	505,318	(418,086)
Bank Asia Ltd	28,298	427,038	517,853	90,816
Beximco Ltd.	25,127	1,362,578	811,602	(550,976)
Beximco Pharma Ltd.	7,257	356,040	301,891	(54,149)
Brac Bank Ltd	152,720	3,887,788	4,016,536	128,748
DESCO Ltd.	11,226	528,526	636,514	107,988
Dhaka Bank Ltd.	29,962	386,186	599,240	213,054
Exim Bank Ltd.	35,976	1,009,356	363,358	(645,999)
IBBL Mudaraba Bond	615	465,000	606,236	141,236
Islamic Finance and Invest Ltd	48,152	1,779,785	616,346	(1,163,439)
Jamuna Oil Ltd	2,090	271,145	444,543	173,398
Meghna Petroleum Ltd.	2,184	249,400	597,542	348,143
Merchantile Bank Ltd.	24,012	305,303	360,180	54,877
MTBL	24,200	622,264	433,180	(189,084)
National Bank Ltd.	40,150	903,036	437,635	(465,401)
Navana CNG Ltd.	1,200	75,310	72,600	(2,710)
One Bank Ltd	33,801	508,316	436,033	(72,283)
Premier Bank Ltd.	26,400	335,128	256,080	(79,048)
Prime Bank Ltd	409	11,798	10,021	(1,778)
Rupali Bank Ltd.	17,911	1,761,383	1,083,616	(677,768)
Shahjalal Bank Ltd	84,254	853,568	943,645	90,077
Southeast Bank Ltd	86,303	1,040,447	1,682,909	642,462
Summit Power Ltd.	2,216	22,954	71,798	48,844
Titas Gas Ltd.	5,250	238,450	402,150	163,700
Trust Bank Ltd	37,352	1,189,753	552,810	(636,944)
Total:		19,513,957	16,759,635	(2,754,322)



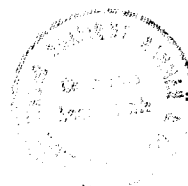
12.00 INVENTORIES:

	30.06.2014		30.06.2013	
	Qty (in Kg)	Value (Taka)	Qty (in Kg)	Value (Taka)
a) Raw Materials				
Wastage Paper	2,027,424	41,910,190	1,559,113	41,808,454
Chemicals	37,296	2,838,145	24,377	903,645
		44,748,335		42,712,099
b) Finished Goods				
Newsprint	1,359,101	64,124,913	1,557,957	64,429,886
Work In Process	26,095	1,212,916	14,700	608,275
c) Consumable Store	-	7,705,039	-	7,038,281
d) Packing Material	-	100,000	-	123,755
		<u>117,891,203</u>		<u>114,912,296</u>

13.00 SUNDRY DEBTORS:

	30.06.2014	30.06.2013
	Taka	Taka
Abdur Rouf (C&F) Banapole	142,233	(149)
Abdul Quader Saheb	106,830	-
Abul Kalam	1,656,295	1,610,925
AH Packaging & Accessories	-	196,872
Ali Marine auto Eng.	30,000	30,000
Babul Store	16,381,898	14,763,054
BSRM Ltd.	111,001	-
Dainik Aaj O Agamikal	-	142,181
Dainik Azadi (shapon chy)	-	70,707
Dainik Purbokone (Swopon Chy)	3,751,395	-
Delwar - Wastage Party	70,000	-
E Tech Ltd.	101,518	-
F & V Traders	110,065	799,858
Fahim Enterprise	512,686	-
Garibe Newaz Traders	210,423	-
Grihayan Ltd	7,000	7,000
Hakkani Corporation	37,500	37,500
Jahangir Wastage Party	24,194	-
Jalalabad Steel Building Ltd.	8,000	8,000
Kaltimex Energy Bangladesh (Pvt.) Ltd	39,579	-
Karotoa Paper House	31,937	-
M Ahmed & Sons	131,816	-
Md. Salim (Wastage Party)	53,598	-
Modina Enterprise	10,000	10,000
Mohsin awlia Traders	-	15,000
Mohsin Enterprise	999,370	499,540
Mojdahlifa air Com. (Mullah)	30,000	30,000
M. T. Engineering Works	101,216	-
Mostafa (Wastage Party)	20,917	-
Monir (Wastage Paper)	173,847	-
Najam Paper House	366,111	337,353
North west Securities	-	90
Orchid Packers Ltd.	-	99,988
Sajib Plastic Ltd.	8,330	-
P.H.P Float Glass Ind. Ltd.	-	3,661,909
Shadat Engineering Works.	22,288	-
Say Automation & Engineering	150,000	-
Samuda Chemical Complex Ltd	1,250,000	-
Shahdat Engineering(s.khan)	-	22,288
Shohag Wastage paper	198,690	198,690
Sumaiya Packaging	-	419,286
Tasnim Chemical Complex Ltd.	280,560	-
Syed Ahmed Shah Store	49,138	-
	<u>27,178,435</u>	<u>22,960,092</u>

The above debts are considered good.



	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
14.00 <u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>		
A) Advance Income Tax	8,259,929	4,001,000
Advance Against Salary & Wages	90,732	56,432
Anima Development Limited	6,901,000	6,001,000
Advance against Pick-up	796,707	796,707
Advance for Land Purchase	8,115,000	4,000,000
Advance office rent	54,000	114,000
Advance Subscription (CDBL)	46,667	-
Advance against company Business	1,168,147	451,354
Other Advance	5,418,519	2,380,751
VAT Current Account	575,668	117,570
Adv. Income Tax Deducted at Source (Dividend Income)	90,852	-
Advance Income Tax - Import	21,896	-
Adv, Income Tax Deducted at Source	2,729,879	2,729,879
	<u>34,268,996</u>	<u>20,648,693</u>
B) <u>ADVANCE AGAINST PURCHASE</u>		
Ashraf Traders	375,975	-
Atlantic Traders C & F	774,627	-
Bismillah Enterprise	9,999,814	-
Bismillah Traders-Ashiq	66,128	-
Emerging Credit Rating Ltd.	42,187	-
Garibe Newaj Traders	1,048,805	-
Musa Sowdagor	3,100	-
Pintu Refrigerator & Technology	10,000	-
S. B. Aluminium	135,000	-
S.K Traders	597,963	-
	<u>13,053,599</u>	<u>-</u>
C) <u>Advance against L/C</u>	<u>13,345,156</u>	<u>2,859,054</u>
D) <u>Deposit & Prepayments:</u>		
Security Deposit (PBS-1)	821,100	821,100
Security Deposit (BGSL) Boiler	1,811,601	1,811,601
Security Deposit (BGSL) Gen	592,239	592,239
Security Deposit (PDB)	25,200	25,200
Security Deposit (Gep Holdings Ltd)	8,000	8,000
Security Deposit (Grameen phone)	20,000	20,000
Security Deposit (BTCL)	6,000	6,000
Security Deposit (CDBL)	300,000	300,000
L.C Margin (Gas Gen) BKB	257,040	257,040
L.C Margin (Boiler) BKB	1,043,250	1,043,250
	<u>4,884,430</u>	<u>4,884,430</u>
Total (A+B+C+D)	<u>65,552,181</u>	<u>28,392,177</u>



15.00 CASH & BANK BALANCES:

	30.06.2014 <u>Taka</u>	30.06.2013 <u>Taka</u>
<u>Cash In Hand</u>		
At Head Office	312,135	65,797
At Dhaka Office	5,000	5,000
At Factory	35,000	35,000
	352,135	105,797
<u>Cash at Banks</u>		
Bangladesh Krishi Bank STD A/C-49,Agrabad Branch.	-	516
Bangladesh Krishi Bank CD A/c-1480,Agrabad Branch.	720	1,241
First Security Bank Ltd. STD A/C 463,Agrabad Branch.	53,479	52,211
Social Islami Bank Ltd. STD A/c 458, Agrabad Branch.	562,510	226,788
Social Islami Bank Ltd. STD A/c27978	46,056	29,851
National Bank CD A/C-8427	769,972	1,270,523
AB Bank Ltd. A/C-41277739380000	(262)	57,200
Exim Bank CD A/C-2862	541	2,692
Prime Bank-25949 Laldighi East	11,872	3,312
SEBL-CD A/C-4378	42,506	39,928
City Bank Ltd. CD # 5001	9,655	-
Premier Bank Ltd. CD # 5243	118,104	-
	1,615,152	1,684,262
Fixed Deposit with Union Capital Ltd. # LF/CTG-140240-16/SME-214	2,500,000	-
	4,467,287	1,790,059

(a) Cash balance as on 30.06.2014 was certified by management.

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

16.00 BANK LOAN & OVERDRAFTS:

BKB CC Loan A/C no - 83	76,927,949	40,299,378
Loan From Union Capital Ltd.	9,583,333	-
Loan Against Trust Receipt (LTR) # 9667	2,282,254	-
Loan Against Trust Receipt (LTR) # 8217	1,104,485	-
Loan Against Trust Receipt (LTR) # 0708	15,204,686	-
Loan Against Trust Receipt (LTR) # 18499	3,457,376	-
Loan Against Trust Receipt (LTR) # 18514	1,584,676	-
Loan Against Trust Receipt (LTR) # 18515	3,582,905	-
Lanka Bangla Securities Ltd	137,048	-
	113,864,712	40,299,378

(a) Limit of cash credit loan was Tk. 08 (Eight) crore. It would expire as on 02.02.2015. It is renewable.

(b) Loan bears interest @ 15.50% p.a.

(c) Building and machinery has been placed as collateral against loan.



17.00 ACCRUED EXPENSES:	30.06.2014	30.06.2013
	<u>Taka</u>	<u>Taka</u>
Directors Remuneration	26,000	26,000
Salary & Allowances(Factory)	82,000	51,750
Salary & Allowances(H/O)	200,000	212,750
Salary & Allowances (D/o)	13,000	12,000
Wages & Allowances	350,000	399,419
Incentive Bonus	12,358	10,000
Office rent	15,000	15,000
Audit Fee	35,000	35,000
Internet Bill	-	5,000
Intranet Bill	-	14,000
Agency commission Sale	516,786	204,069
Telephone Bill	2,617	6,621
Mobile Bill	14,136*	11,042
Overtime	282,075	100,000
Electricity Bill(Factory)	400,000	196,404
Electricity Bill(HO)	10,000	10,000
Gas Bill	1,500,000	1,553,555
Labour Charges	-	5,668
Workers Profit Participation Fund (Note 18)		2,041,717
	<u>3,458,972</u>	<u>4,909,995</u>
18.00 Workers Profit Participation Fund:		
Balance on 1st July	2,041,717	1,279,133
<u>Add: Provision made during the year (Note-32.00)</u>	<u>641,048</u>	<u>762,584</u>
	<u>2,682,765</u>	<u>2,041,717</u>
<u>Less: Payment made during the year</u>	<u>885,144</u>	<u>-</u>
Balance on 30th June	<u>1,797,621</u>	<u>2,041,717</u>
19.00 TRADE CREDITORS:		
A.M Poly Packaging	778,759	636,042
A.K. Corporation	23,200	-
Akhi Traders	-	22,162
Alfa Trade Syndicate	-	472,231
Ali Rubber Industries	-	60,000
Artisan Craft Ltd.	-	130,000
Ashraf Traders	-	274,524
Astral Associates	69,675	175
Atlantic Traders C & F	-	77,183
Azad Engineering Works	-	26,000
Azmir Paper House	-	348,821
B.B.S Cables	-	105
Bismillah Electric & Cables	-	95
Bismillah Enterprise	-	11,909,677
Bismillah Enterprise- Jalil	2,220	2,170
Bismillah Traders Alamgir	-	3,844,948
Bismillah Traders-Ashiq	-	2,085
Complete Kitchen	-	38,810
Confedence Cement Ltd.	-	84,000
Emerging Credit Rating Ltd.	-	107,813
Eva Enterprise	-	165,438
Garibe Newaj Traders	-	264,438

	30.06.2014 <u>Taka</u>	30.06.2013 <u>Taka</u>
General Motors	5,570	-
Hakkani Refuelling Station	27,882	-
Hakkani Motors Ltd.	3,055	62,500
I H Trading		83,166
International Bearing	17,885	55,220
Islam & Brothers	36,010	36,010
Kaltimax Energy	-	60,611
Keya Enterprise	1,184	1,184
Korotoa Paper House	-	666,658
Lucidity Bd	1,082	991
Mamun Hardware Store	105,795	-
Mahbub & Brothers	-	7,480,229
Molla Traders	566,671	73,240
Monjur Brothers	-	84,190
Mr. Mojammel Hosain	140,585	-
Nasim Paper House	207,231	3,565,071
Ocean Container Limited	3,200	3,200
Ocean Oil Company	23,748	-
Orchid Packers Ltd	40,832	-
Patan Shah paper House	-	34,645
Raj Bearing	56,000	39,000
Rowshon Enterprise	60,052	291,677
S.K Traders	-	32,272
Sakib Enterprise	36,716,061	12,690,758
Sea max Corporation	341,617	73,016
Shah amanat Ent.	91,775	259,525
Shopon Chy	-	1,372,057
Sonia Paper Cutting	48,027	72,285
Syed Ahmed Shah Store	-	10,792
Synthetic Adhesive Co. Ltd	-	414,000
T.M Enterprise	-	20,409
Touch Pack	-	323,970
Yasin Awlia Enterprise	17,546	-
United Leasing Co. Ltd		60
Resimax Industries Ltd	8,650	-
Water System & Solution Ltd	-	263,589
	39,394,312	46,537,042

20.00 ADVANCE AGAINST SALES:

Bismillah Traders	300,000	-
Mahbub & Brothers	600,000	-
Swopon Chy	300,000	-
	1,200,000	-



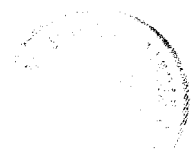
	30.06.2014	30.06.2013
21.00 <u>LIABILITY FOR OTHERS FINANCES:</u>	<u>Taka</u>	<u>Taka</u>
Mr. Md. Golam Murshed	2,300,000	2,300,000
Mr. Md. Golam R. Muktadir	2,300,000	2,300,000
Unclaimed Dividend	2,468,623	1,274,958
I.T. Deducted at Source-Director Remuneration	975	-
I T Deducted at Source (Salary)	650	1,650
I T Deducted at Source(packing material)	1,338	1,499
Vat Deducted at Source (Printing Bill)	-	176
VAT Deducted at Source(Transport Bill)	-	12,494
VAT Deducted at Source(universal)	1,406	1,406
Vat Deducted at Source- Purchase Chemical	20,664	-
Security Deposit From Bluechip Computer & Technology	16,000	-
	<u>7,109,656</u>	<u>11,746,892</u>
22.00 <u>DIRECTORS CURRENT ACCOUNT:</u>		
Mrs. Ferdous Ara Begum	570,000	570,000
Mr. Golam Sarwar	1,175,000	1,175,000
	<u>1,745,000</u>	<u>1,745,000</u>
23.00 <u>PROVISION FOR INCOME TAX:</u>		
This is made up as follows:		
Balance as on 1st July	5,356,186	7,599,177
Add: Provision for the year	2,750,000	5,150,000
	<u>8,106,186</u>	<u>12,749,177</u>
Less: Payment / adjustment		6,691,262
	<u>8,106,186</u>	<u>6,057,915</u>
Less: Payment adjustment for earlier Asstt. years		701,729
2003-2004	-	8,852
2004-2005	-	37,195
2005-2006	-	118,490
2006-2007	-	237,192
2010-2011	-	300,000
Balance as on 30th June	<u>8,106,186</u>	<u>5,356,186</u>
24.00 <u>DEFERRED REVENUE EXPENDITURE:</u>		
Gas generator overhauling expenses-balance	4,953,299	6,604,398
Less: Written off during the year	4,953,299	1,651,099
Balance as on 30th June	<u>-</u>	<u>4,953,299</u>



	2013-2014 <u>Taka</u>	2012-2013 <u>Taka</u>
25.00 SALES:		
The above comprises as under:		
Newsprint	275,518,600	188,709,081
Medium Paper	6,737,250	11,917,811
	282,255,850	200,626,892
26.00 COST OF GOODS SOLD:		
Opening Stock of Raw Material	42,712,099	57,824,645
Add: Purchase during the year	169,660,654	113,370,881
	212,372,753	171,195,526
Less: Closing Stock of Raw Materials	44,748,335	42,712,099
Raw Materials Consumed	167,624,419	128,483,427
Add: Factory overhead:		
Wages & Allowance	12,023,954	9,522,867
Overtime (Fac. Worker)	1,930,707	1,217,526
Labour Charge	1,974,346	1,246,756
Carriage Inward	437,132	822,351
Gas Bill (Boiler & Gas Generator)	20,256,138	18,098,470
Electric Bill (PBS-1)	5,558,280	4,200,009
Consumable Spare & Store	595,282	2,448,122
Factory Maintenance	6,931,233	2,044,732
Loading Unloading Charge	1,214,325	1,037,191
Paper Cutting Exp.	893,213	651,480
Fuel (Generator)	463,337	217,272
Fuel (Machine)	458,252	843,763
Fuel(vehicle)	143,367	23,824
Medical & Medicine	21,439	28,868
Gas Generator Upkeep	2,058,511	300,840
Insurance Premium (Factory)	897,968	908,240
Annual Maintenance	96,314	120,752
Boiler Upkeep	190,022	189,320
Packing Material	3,307,165	1,918,313
Gas Generator Overhauling Exp	566,325	1,727,617
Canteen Exp (Factory)	174,633	185,356
Carrying outward	4,457,500	264,700
Water Treatment exp.	-	1,210
Deferred revenue expenditure written off	4,953,299	1,651,099
Depreciation	13,105,443	13,628,726
	250,332,604	191,782,831
Add: Opening Work-in Progress	608,275	238,568
	250,940,879	192,021,399
Less: Closing Work-in Progress	1,212,916	608,275
Cost of manufacture	249,727,963	191,413,124
Add: Opening Stock of Finished Goods	64,429,886	43,884,609
	314,157,849	235,297,733
Less: Closing Sock of Finished Goods	64,124,913	64,429,886
Cost of Goods Sold	250,032,936	170,867,847



27.00 <u>ADMINISTRATIVE EXPENSES:</u>	<u>2013-2014</u> <u>Taka</u>	<u>2012-2013</u> <u>Taka</u>
Director Remuneration	286,000	312,000
Staff Salary & Bonus	3,164,905	2,188,688
Office Rent	328,038	312,000
Telephone Bill	276,714	205,983
Entertainment	457,160	349,652
Travelling Expenses	613,972	253,773
Dhaka Office Expenses	14,500	-
Canteen Exp. (Head Office)	23,690	-
Postage & Courier	45,826	14,902
Forms, Stamp & Legal doc	53,896	8,320
Fees, Fine, Renewal & Subscription	677,151	523,812
Printing & Stationary	129,999	90,218
Board Meeting Attendance Allowance	262,750	336,500
Audit Committee Meeting Attendance Allowance	51,750	-
B D M Expenses	98,033	39,000
B.O Maintenance fee	500	1,500
Office Maintenance	312,142	165,112
Tel, Fax, E-mail	2,444	1,640
Annual Subscription CDBL	9,333	106,910
Computer Accessories	-	2,300
Intranet Bill (BBTSL)	77,000	29,500
Internet Bill (BBTSL)	27,500	84,000
Conveyance	207,175	180,815
Audit Fee	36,575	35,000
Miscellaneous Expenses	61,730	171,973
Legal & Professional Fee	-	385,224
A .G. M. Expenses	167,040	207,011
Rates & Taxes	-	8,033
Recreation Expenses	294,349	138,935
Annual Fee of stock exchanges	110,000	110,000
Paper & periodicals	10,400	12,267
Electric Bill Head Office	144,525	115,380
Website Expenses	17,020	23,700
Fuel (vehicle)	157,566	105,189
Brokerage Fees	-	32,331
Gift & Presentation	101,150	5,000
Insurance Premium	45,865	529
Gate Renovation Exp.	-	1,500
Vehicle Upkeep	209,336	128,600
Extra Working Allowance	9,886	5,500
Photocopy Expenses	4,056	7,480
Donation	21,500	-
Eid Tips	73,600	83,500
Depreciation	255,819	283,386
	<u>8,840,895</u>	<u>7,067,163</u>



	2013-2014	2012-2013
	<u>Taka</u>	<u>Taka</u>
28.00 <u>FINANCIAL EXPENSES:</u>		
Bank Charges	117,865	92,471
Bank Interest	8,568,699	6,665,984
Interest Expenses	5,323	-
Interest Expenses - UCL Loan	87,423	-
Loan Processing Fee - Union Capital Ltd.	120,750	-
Interest on Lanka Bangla Loan	27,119	74,505
Interest on LTR	-	368,730
	<u>8,927,179</u>	<u>7,201,690</u>
29.00 <u>SELLING & DISTRIBUTION EXPENSES:</u>		
Commission on Sales	641,782	934,317
Advertisement	116,236	59,390
Sale Promotion Expenses	237,082	283,377
	<u>995,100</u>	<u>1,277,084</u>
30.00 <u>NON-OPERATING INCOME:</u>		
Dividend Income	493,686	137,228
Interest Income	22,727	671,341
Miscellaneous Income	159,428	-
Sales- Scrap & Spare Parts	-	144,990
Insurance claim receipt	-	306,652
Profit on Sale of Shares	20,672	1,953,010
	<u>696,512</u>	<u>3,213,221</u>
31.00 <u>PROVISION FOR DIMINUTION OF INVESTMENT IN SHARES:</u>		
The above represents provision for loss in investment in shares due to fall in market value during the year under audit. Computation of loss is shown below:		
Investment value at cost (Note-11.02)		19,513,957
Less: Provision for decrease in market value up to 30.06.2013		<u>2,060,077</u>
Investment value at market price on 01.07.2013		17,453,880
Less: Investment value at market price (Note-11.02)		<u>16,759,635</u>
Decrease in market price during 2013-2014		<u>694,245</u>
32.00 <u>CONTRIBUTION FOR WORKERS PROFIT PARTICAPATION FUND:</u>		
The computation of workers profit participation fund for the year 2013-2014 has been companies workers profit participation Act and shwon below:		
Net Profit	13,462,007	16,014,268
Contribution for WPPF at 5% (before charging)	<u>13,462,007 X 5</u>	<u>16,014,268 X 5</u>
on net operating profit	105	105
	641,048	762,584

33.00 DEFERRED TAX EXPENSES:

The above is arrived as under:

(a) Deferred tax liability on 30.06.2014 (Note-9.01)	50,241,883
(b) Less: Deferred Tax Liability on 01.07.2013	47,801,042
Deferred Tax Expenses (a-b)	2,440,841

34.00 EARNING PER SHARE:

Calculation is shown below:

EPS	0.40	0.51
Formula:		
Net Profit after tax	7,630,118	9,590,594
Number of shares	19,000,000	19,000,000

35.00 NET ASSETS VALUE PER SHARE WITH REVALUATION:

Calculation is shown below:

Net assets value per share	30.07	31.01
Formula:		
Net Assets	571,360,679	589,176,006
Number of shares	19,000,000	19,000,000

36.00 NET ASSETS VALUE PER SHARE WITHOUT REVALUATION:

Calculation is shown below:

Net assets value per share	11.43	11.52
Formula:		
Net Assets	217,085,093	218,954,975
Number of shares	19,000,000	19,000,000

37.00 OTHER RELEVANT INFORMATION:

37.01 During the year 6 (Six) Board Meetings were held.

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

37.03 The audit fee of Tk. 35,000.00 along with imposed VAT has been provided in the accounts as per decision taken in the 17th Annual General Meeting of the Company held on 30th December 2013.

37.04 There was no sum for contingent liabilities on 30th June, 2014

37.05 There was no claim against the company not acknowledged as debt at the date of Balance Sheet.

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



38.00 RELATED PARTY TRANSACTION:

During the year there has been no related party transaction except Director's current account. Details are shown at Note-22.00.

39.00 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 Workers' Profit Participation Act, 1968 and is payable to workers as defined in the said Act.

40.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

Profit after Provision for Income Tax	7,630,118	9,590,594
Depreciation	13,361,263	13,912,111
Provision for Diminution of Investment in Shares	694,245	1,412,062
Provision for Deferred Tax Expenses	2,440,841	511,090
	A	
	24,126,467	25,425,857
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Deferred Revenue Expenditure	4,953,299	1,651,099
(Increase)/Decrease in Stock	(2,978,907)	(8,922,504)
(Increase)/Decrease in Debtors	(4,218,343)	(16,280,862)
(Increase)/Decrease in Workers Profit Participation and Welfare Fund	1,797,621	-
(Increase)/Decrease in Advance, Deposits & Prepayments	(37,160,004)	(6,891,573)
(Increase)/Decrease in Liabilities for other finances	(5,830,901)	
(Increase)/Decrease in Interest Receivable	(16,667)	2,889,077
Increase/(Decrease) in Accrued Expenses	(1,451,023)	797,962
Increase/(Decrease) in Creditors	(7,142,730)	29,167,065
Increase/(Decrease) in Advance Against Sales	1,200,000	-
Increase/(Decrease) in Provision for Income Tax	2,750,000	(2,242,991)
	B	
	(48,097,655)	167,273
Net cash inflow/(out flows) from operating activities(B-A)	(23,971,188)	25,593,130

41.00 EVENTS AFTER BALANCE SHEET DATE:

The board of directors in its meeting held on 25th October 2014 at 10 AM approved The Financial Statements and recommended cash dividend @5% (Five Percent) on other than Sponsors Shares (Public Shares) and 3% on Sponsors Shares for the year 2013-2014. Thus total involvement comes to Tk. 7,322,800.00 which would be finalized and deducted for the retained earnings in the next year subject to concurrence in the next AGM. Except above, no other significant event had occurred till date of signing The Financial Statements.

