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শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

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Ref. No-SB/524/2015

Dated: October 31, 2015

AUDITOR'S REPORT TO THE SHAREHOLDERS

We have audited the accompanying Statement of Financial Position of HAKKANI PULP & PAPER MILLS LIMITED, as on June 30, 2015 and its Statement of Profit & loss and other Comprehensive Income, Statement of Cash Flow and Statement of Changes in Equity for the year ended as on that date together with the accompanying Notes thereto.

Respective Responsibilities of the Management and the Auditors:

The preparation of this Financial Statement is the responsibility of the company's management. Our responsibility is to express an independent opinion on this Financial Statement based on our audit.

Scope:

We conducted our audit in accordance with BSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the Financial Statements are prepared and maintained according to the Bangladesh Accounting Standard (BAS) and reported in accordance with the Bangladesh Financial Reporting Standard (BFRS), give a true and fair view of the state of the company's affairs as of June 30, 2015 and of the results of its operations and its cash flows for the year then ended and comply with the Companies Act, 1994.

We also report that:

- (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 Comprehensive Income, Statement of Changes in Equity are in agreement with the said books of account maintained by the Company and examined by us while the Cash Flow Statement conforms with the presentation laid out in the Bangladesh Financial Reporting Standard (BFRS); and
- (iv) The expenditure incurred and payments made were for the purpose of the Company's business for the year.


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Financial Position

As at 30th June, 2015

	<u>Notes</u>	<u>30-Jun-2015</u> Taka	<u>30-Jun-2014</u> Taka
A. SOURCES OF FUNDS:			
Shareholders Equity:			
Share Capital	04	190,000,000	190,000,000
Dividend Equalization Reserve	05	15,000,000	10,000,000
Revaluation Reserve	06	339,361,429	354,275,586
Retained Earnings	07	30,070,413	17,085,093
		574,431,842	571,360,679
Non Current Liabilities:			
Unsecured Loan	08	16,451,250	20,183,250
Secured Long Term Loan	09	27,500,000	-
Deferred Tax Liability	10	94,411,562	112,761,104
		138,362,812	132,944,354
		712,794,654	704,305,033
B. APPLICATION OF FUNDS:			
Property, Plant and Equipment	11	652,982,392	649,116,084
Capital Work In Progress	12	18,123,383	-
Investment in Shares	13	19,292,072	16,759,635
Current Assets:			
Inventories	14	103,740,121	117,891,203
Trade Receivables	15	47,738,984	27,178,435
Advances, Deposits & Prepayments	16	44,092,399	65,552,181
Interest Receivable on FDR		235,001	16,667
Cash & Cash Equivalents	17	5,384,149	4,467,287
		201,190,654	215,105,773
Current Liabilities:			
Short Term Loan & Overdraft	18	111,193,030	113,864,712
Accrued Expenses	19	5,810,312	3,458,972
Workers Profit Participation and Welfare Fund	20	1,685,819	1,797,621
Trade Payables	21	41,700,718	39,394,312
Advance Against Sales	22	-	1,200,000
Liabilities for Other Finance	23	3,797,782	2,509,656
Directors Current Account	24	4,600,000	6,345,000
Provision for Income Tax	25	10,006,186	8,106,186
		178,793,847	176,676,459
Net Current Assets		22,396,807	38,429,314
		712,794,654	704,305,033
Net Asset Value Per Share(with revaluation)	36	30.23	30.07
Net Asset Value Per Share(without revaluation)	37	12.37	11.43

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



MANAGING DIRECTOR



DIRECTOR



COMPANY SECRETARY

Chittagong: October 31, 2015




SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

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HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30th June, 2015

	<u>Notes</u>	2014-2015 <u>Taka</u>	2013-2014 <u>Taka</u>
Sales	26	300,223,218	282,255,850
Less: Cost of Goods Sold	27	266,022,158	250,032,936
Gross Profit		34,201,060	32,222,914
Less: Operating Expenses:			
Administrative Expenses	28	12,604,730	8,840,895
Financial Expenses	29	10,257,036	8,927,179
Selling & Distribution Expenses	30	2,385,742	995,100
		25,247,508	18,763,175
Operating Profit		8,953,552	13,459,740
Add: Non-Operating Income	31	1,313,296	696,512
		10,266,848	14,156,252
Add: Provision for diminution in value of Investment in shares written back	32	1,798,165	(694,245)
		12,065,013	13,462,007
Net Profit Before WPPF & WWF		12,065,013	13,462,007
Less: Contribution to Workers Profit Participation and Welfare Fund	33	574,525	641,048
Net profit before Tax		11,490,488	12,820,959
Less: Income Tax Provision:			
Current Tax		1,900,000	2,750,000
Deferred Tax	34	1,029,662	2,440,841
		2,929,662	5,190,841
Net profit after Tax for the year		8,560,826	7,630,118
Other Comprehensive Income / (Loss):			
Depreciation on Revalued amount of Fixed Assets		(17,546,067)	(18,759,347)
Deferred Tax on Revaluation Reserve		2,631,910	2,813,902
Total Comprehensive Income		(6,353,331)	(8,315,327)
Earning Per Share - Basic	35	0.45	0.40

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



MANAGING DIRECTOR



DIRECTOR



COMPANY SECRETARY

Chittagong: October 31, 2015


SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Cash Flows
For the year ended 30th June, 2015

	<u>Notes</u>	2014-2015 Taka	2013-2014 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		280,975,965	278,734,019
Payment for Material and Expenses		(236,585,054)	(285,518,100)
Interest Paid		(10,257,035)	(8,927,179)
Income Tax Paid		(9,460,149)	(8,259,928)
Net Cash flow from Operating Activities	44	<u>24,673,727</u>	<u>(23,971,188)</u>
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(36,339,235)	(37,770,691)
Investment in shares		-	(839,892)
Purchase of shares during the year		(2,778,996)	-
Sales of shares during the year		2,044,723	-
Net cash flow from Investing Activities		<u>(37,073,508)</u>	<u>(38,610,583)</u>
C. Cash flows from Financing Activities			
Short Term Loan & Overdraft		(2,671,682)	73,565,334
Long Term Loan Received		27,500,000	-
Unsecured Loan repaid		(3,732,000)	-
Director current account		(1,745,000)	-
Liabilities for other finance		953,302	-
Dividend Paid		(6,987,976)	(8,306,336)
Net Cash flow from Financing Activities		<u>13,316,644</u>	<u>65,258,998</u>
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		916,862	2,677,228
E. Opening Cash and Bank Balances		4,467,287	1,790,059
Closing Cash and Bank Balances (D+E)		<u>5,384,149</u>	<u>4,467,287</u>
F. Net Operating Cash Flow Per Share		1.30	(1.26)

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



 MANAGING DIRECTOR



 DIRECTOR



 COMPANY SECRETARY

Chittagong: October 31, 2015




 SHAFIQ BASAK & CO.
 CHARTERED ACCOUNTANTS

HAKKANI PULP & PAPER MILLS LIMITED

Statement of Changes in Equity

For the year ended 30th June, 2015

Particulars	(Amount in Taka)				
	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as at 1st July, 2014	190,000,000	10,000,000	354,275,586	17,085,093	571,360,679
Adjustment for Depreciation on Revalued amount of Fixed Assets	-	-	(17,546,067)	-	(17,546,067)
Transferred from Retained Earnings	-	5,000,000	-	5,000,000	5,000,000
Transferred to Dividend Equalization Reserve	-	-	-	(5,000,000)	(5,000,000)
Adjustment for Deferred Tax on Revaluation Surplus	-	-	2,631,910	-	2,631,910
Prior year Adjustment for Deferred Tax	-	-	-	16,747,294	16,747,294
Dividend for the Year 2013-2014	-	-	-	(7,322,800)	(7,322,800)
Net Profit after Tax for the year.	-	-	-	8,560,826	8,560,826
Balance as on 30th June, 2015	190,000,000	15,000,000	339,361,429	30,070,413	574,431,842
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	17,085,093	571,360,679


MANAGING DIRECTOR


DIRECTOR





COMPANY SECRETARY
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS

Chittagong: October 31, 2015

HAKKANI PULP & PAPER MILLS LIMITED
Notes to the Financial Statements
As at and for the year ended 30th June, 2015

1.00 **LEGAL STATUS AND NATURE OF THE BUSINESS:**

1.01 **Status and Legal Form of the Company**

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

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

1.02 **Nature of Business:**

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

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 Standards (BAS) and Bangladesh Financial Reporting Standard (BFRS).

2.02 **Application of Bangladesh Accounting Standards (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 Period
BAS - 12	Income Taxes, Deferred Taxes.
BAS - 16	Property, Plant and Equipment
BAS - 18	Revenue
BAS - 19	Employee Benefits
BAS - 23	Borrowing Costs
BAS - 24	Related Party Disclosures
BAS - 32	Financial Instruments: Presentation
BAS - 33	Earning per Share
BAS - 39	Financial Instruments: Recognition & Measurement
BFRS- 07	Financial Instruments: Disclosure



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 (BFRS).

- a. A Statement of Financial Position as at 30 June 2015
- b. A Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2015
- c. A Statement of changes in equity for the year ended 30 June 2015
- d. A Statement of Cash flows for the year ended 30 June 2015
- e. Notes , comprising a summary of significant accounting policies and explanatory information.

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 **Basis of Measurement :**

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

2.06 **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.

2.07 **Use of Estimates and Judgements:**

The preparation of the Financial Statements in conformity with BAS and BFRS requires management to make judgements , estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, Actual results may differ from these estimates.

Estimates and underlying assumption are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised in any future periods affected.

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

- Note: 10 Deferred Tax Liability
- Note: 11 Property, Plant and Equipment
- Note: 14 Inventories
- Note: 15 Trade Receivables
- Note : 16 Advances, Deposits & Prepayments
- Note : 21 Trade Payables



2.08 **Reporting period:**

The financial period of the companies covers one year from 1st July 2014 to 30th June 2015 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 profit and loss as incurred.

3.01.03 **Revaluation of Property, Plant and Equipment:**

A revaluation of 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 schedule of Property, Plant and Equipment separately and depreciation charged thereof separately has been recognized as Other Comprehensive Income. Related deferred tax has also been recognized in Statement of Profit or Loss and 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 derecognized as per Paragraph 41 of BAS 16"Property , Plant and Equipment.

3.01.04 **Depreciation:**

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

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

<u>Assets</u>	<u>Rate</u>
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%



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

<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 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 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 the Statement of Profit or Loss and Other Comprehensive Income as per BAS-12.

3.11 **Revenue:**

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

3.12 **Earning per share (EPS):**

Basic Earnings:

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

Diluted Earning per share:

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

3.13 **Foreign Currency Transaction Policy:**

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

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 <u>SHARE CAPITAL:</u>	30-Jun-2015 Taka	30-Jun-2014 Taka
4.01 <u>Authorized:</u>		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
4.02 <u>Issued, Subscribed and Paid-up:</u>		
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 2015 is as follows:-

Description	No of shares 2015	% of share holding 2015	No of shares 2014	% of share holding 2014
Sponsors	10,886,000	57.29	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	6,497,700	34.20	6,496,700	34.19
Total	19,000,000	100.00	19,000,000	100.00

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	2015	2014	2015	2014	2015	2014
Less than 500 shares	415	-	132,973	-	0.70	-
500 to 5000 Shares	328	754	578,197	912,100	3.04	4.80
5001 to 10000 Shares	51	34	357,504	255,000	1.88	1.34
10001 to 20000 Shares	22	13	309,993	183,000	1.63	0.96
20001 to 30000 Shares	9	6	215,590	145,500	1.13	0.77
30001 to 40000 Shares	9	5	304,985	179,100	1.61	0.94
40001 to 50000 Shares	2	1	97,582	50,000	0.51	0.26
50001 to 100,000 Shares	7	7	432,796	459,000	2.28	2.42
100001 to 1,000,000 Shares	18	20	7,635,080	8,710,300	40.18	45.84
Over 1,000,000 Shares	7	7	8,935,300	8,106,000	47.03	42.66
Total	868	847	19,000,000	19,000,000	100.00	100.00



5.00 <u>DIVIDEND EQUALIZATION RESERVE:</u>	30-Jun-2015	30-Jun-2014
	<u>Taka</u>	<u>Taka</u>
Dividend Equalization Reserve is made-up as follows		
Balance as on 1st July	10,000,000	10,000,000
Transferred from Retained Earnings	5,000,000	-
Balance as on 30th June	15,000,000	10,000,000

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.

6.00 <u>REVALUATION RESERVE:</u>		
A revaluation of Land , Buildings and Plant and Machinery has been made during the financial year 2010-2011 by M/S. G. K. Adjusters, a professional valuer and the surplus amount of these assets were transferred to Capital Reserve Account . Breakup of such surplus is as follows:		
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 30.06.2015 (Note-10.01)	77,812,779	60,266,712
	399,248,740	416,794,807
Less : Adjustments for Deferred Tax	59,887,311	62,519,221
Balance as on 30th June	339,361,429	354,275,586

7.00 <u>RETAINED EARNINGS:</u>		
Retained earning is made-up as follows:		
Balance at beginning of year	17,085,093	18,954,975
Less: Dividend for the year 2013-2014 as approved in the AGM	7,322,800	9,500,000
	9,762,293	9,454,975
Add: Net profit after tax for the year	8,560,826	7,630,118
	18,323,118	17,085,093
Less: Transferred to Dividend Equalization Reserve	5,000,000	-
	13,323,119	17,085,093
Add: Adjustment for deferred tax relating to prior year.	16,747,294	-
Balance at end of the year	30,070,413	17,085,093

8.00 <u>UNSECURED LOAN:</u>		
Mr. Mohammad Abdullah, Chairman	5,697,250	1,500,000
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
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
Mrs. Farhana Nusrat	-	5,477,000
	16,451,250	20,183,250

The above loans from Directors and others are interest free.

9.00 <u>Secured Long Term Loan :</u>		
Premier Leasing & Finance Ltd, Agrabad Branch.	27,500,000	-
Balance as on 30th June	27,500,000	-

(a) Total Loan Facilities : Tk.30,000,000 (Three Crore only)

(b) Rate of interest 15.5% per annum

© Security : Total 75.30 Decimal land has been placed as prime securites against the Loan.

(d) First disbursement 11th March , 2015

(e) Tenure of the Loan facilities 3 (Three) years



	30-Jun-2015	30-Jun-2014
	<u>Taka</u>	<u>Taka</u>
10.00 DEFERRED TAX LIABILITY:		
Balance as on 1st July	50,241,883	47,801,042
Deferred tax (Income)/ Expenses for the year-- (Note-34)	1,029,662	2,440,841
	51,271,545	50,241,883
Less: Prior year adjustment for deferred tax- (Note-10.02)	16,747,294	-
Balance as on 30th June	34,524,251	50,241,883
Add: Deferred tax for revaluation surplus	59,887,311	62,519,221
	94,411,562	112,761,104

This represents provision made for deferred income tax to pay future income tax liability for temporary differences of Property, Plant & Equipment value. Calculation of Deferred Tax Liability as on 30.06.2015 has been shown at Note-10.01.

10.01 Calculation of Deferred Tax Liability:

(a) Carrying amount of Property, Plant & Equipment less revaluation and land value as on 30.06.2015	215,436,849	213,877,178
(b) Tax based carrying amount of Property, Plant & Equipment	77,339,843	79,898,822
(c) Net taxable temporary differences (a-b)	138,097,006	133,978,356
(d) Deferred tax liability at effective tax Rate	34,524,251	50,241,883
(e) Increase of net taxable temporary differences (1380,97,006-13,39,78,357)	4,118,650	-
(f) Deferred tax expenses on net taxable temporary differences @25%	1,029,662	-

10.02 Prior year Adjustment for Deferred Tax:

Provision required for deferred tax liability as on 30th June 2015 @25%	33,494,589	-
Provision for deferred tax liability held as on 30th June 2014	50,241,883	-
Excess Provision to be adjusted	(16,747,294)	-

Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 30.06.2015

11.00 PROPERTY, PLANT & EQUIPMENT:

This is arrived as under:

Balance as on 1st July (including revaluation)	867,779,078	830,008,387
Add: Addition during the year	36,339,235	37,770,691
Less: Adjustment during the year	-	-
Balance as on 30 June	904,118,313	867,779,078
Less: Accumulated depreciation	251,135,921	218,662,994
Written down value as on 30 June	652,982,392	649,116,084

(a) Details of groupwise Property, Plant & Equipments with cost, addition and adjustment during the year, depreciation and written down value are shown at Note-11.01.



11.01 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, 2015																																																																																																																
	Balance as on 1st July 2014	Addition during the year	Deletion during the year	Balance as on 30th June, 2015	Rate of Dep.	Balance as on 1st July 2014	Charged during the year	Balance as on 30th June, 2015																																																																																																																					
At original cost																																																																																																																													
Land & Land Development	18,444,098	19,852,704	-	38,296,802	-	-	-	-	-	-	-	-	38,296,802																																																																																																																
Building & Other Construction.	66,933,769	3,085,524	-	70,019,293	5%	20,272,437	2,418,438	22,690,875					47,328,418																																																																																																																
Plant & Machinery	278,660,797	8,034,635	-	286,695,432	7%	124,931,773	10,828,576	135,760,349					150,935,083																																																																																																																
Furniture & Fixture	748,559	48,100	-	796,659	10%	289,123	48,063	337,186					459,473																																																																																																																
Office Equipment	2,190,773	475,590	-	2,666,363	10%	794,181	153,677	947,858					1,718,505																																																																																																																
Electric Installation	13,034,910	3,752,056	-	16,786,966	10%	6,467,332	878,026	7,345,358					9,441,608																																																																																																																
Gas Line Installation	3,776,363	888	-	3,777,251	10%	2,039,663	173,685	2,213,348					1,563,903																																																																																																																
Telephone Line Installation	112,263	16,000	-	128,263	10%	66,474	4,846	71,320					56,943																																																																																																																
Water Line Installation	4,687,485	1,045,438	-	5,732,923	10%	1,952,284	322,819	2,275,103					3,457,820																																																																																																																
Fire Extinguisher	83,570	28,300	-	111,870	20%	43,388	11,094	54,482					57,388																																																																																																																
Office Decoration	295,300	-	-	295,300	10%	160,965	13,434	174,399					120,901																																																																																																																
Vehicle Car	1,749,672	-	-	1,749,672	20%	1,378,662	74,202	1,452,864					296,808	"A"	390,717,559	36,339,235	-	427,056,794		158,396,282	14,926,860	173,323,143					253,733,651	At Revaluation														Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-					139,028,020	Building & Other Construction.	110,663,849	-	-	110,663,849	5%	15,783,431	4,744,021	20,527,452					90,136,397	Plant & Machinery	227,369,650	-	-	227,369,650	7%	44,483,280	12,802,046	57,285,326					170,084,324	"B"	477,061,519	-	-	477,061,519		60,266,712	17,546,067	77,812,779					399,248,740	Grand total (A+B) as on 30 June 2015	867,779,078	36,339,235	-	904,118,313		218,662,994	32,472,927	251,135,921					652,982,392	As on 30 June 2014	830,008,387	37,770,691	-	867,779,078		186,542,384	32,120,610	218,662,994					649,116,084
"A"	390,717,559	36,339,235	-	427,056,794		158,396,282	14,926,860	173,323,143					253,733,651																																																																																																																
At Revaluation																																																																																																																													
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-					139,028,020																																																																																																																
Building & Other Construction.	110,663,849	-	-	110,663,849	5%	15,783,431	4,744,021	20,527,452					90,136,397																																																																																																																
Plant & Machinery	227,369,650	-	-	227,369,650	7%	44,483,280	12,802,046	57,285,326					170,084,324																																																																																																																
"B"	477,061,519	-	-	477,061,519		60,266,712	17,546,067	77,812,779					399,248,740																																																																																																																
Grand total (A+B) as on 30 June 2015	867,779,078	36,339,235	-	904,118,313		218,662,994	32,472,927	251,135,921					652,982,392																																																																																																																
As on 30 June 2014	830,008,387	37,770,691	-	867,779,078		186,542,384	32,120,610	218,662,994					649,116,084																																																																																																																

Allocation of Depreciation:

Administrative Expenses
Factory Expenses

	2014-2015	2013-2014
	294,222	255,819
	14,632,638	13,105,444
TAKA =	14,926,860	13,361,263



	30-Jun-2015 Taka	30-Jun-2014 Taka
12.00 CAPITAL WORK IN PROGRESS::		
ETP Extension	1,919,144	-
New Hi Speed Washer	62,820	-
Sheet Cutter Machine	15,334,659	-
Tissue Project Purpose Expenses	806,760	-
	<u>18,123,383</u>	<u>-</u>

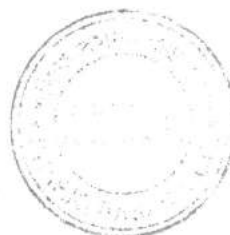
13.00 INVESTMENT IN SHARES:

13.01 Investment in shares

Investment at cost	20,248,229	19,513,957
Less: Provision made earlier due to fall in market price	2,754,322	2,060,077
	<u>17,493,907</u>	<u>17,453,880</u>
Add: Excess provision written back due to increase of market price at the year end	1,798,165	(694,245)
Investment at market price	<u>19,292,072</u>	<u>16,759,635</u>

13.02 Company wise investment position are shown below:

Name of company	No. of Shares	Cost	Market Value as on 30th June 2015	Unrealized gain/(loss)
Agni Systems Ltd.	33	1,234	917	(317)
Bank Asia Ltd	31,127	427,051	460,680	33,629
Beximco Ltd.	34,646	1,550,887	1,125,995	(424,892)
Beximco Pharma Ltd.	7,619	356,040	477,711	121,671
Brac Bank Ltd	117,720	2,996,934	4,638,168	1,641,234
DESCO Ltd.	12,348	528,536	837,194	308,658
Dhaka Bank Ltd.	32,958	386,205	570,173	183,968
Exim Bank Ltd.	39,573	1,009,366	356,157	(653,209)
Fuwang Foods Ltd.	7,200	164,067	154,080	(9,987)
Grameen Phone Limited	3,700	1,421,473	1,203,610	(217,863)
IBBL Mudaraba Bond	615	465,000	567,338	102,338
Islamic Finance and Investment Ltd.	50,078	1,779,803	630,983	(1,148,820)
Jamuna Oil Ltd	2,299	271,160	449,684	178,524
Lafarge Surma Cement Ltd.	2,000	275,096	232,200	(42,896)
Meghna Petroleum Ltd.	2,402	249,415	466,228	216,814
Mercantile Bank Ltd.	24,012	305,303	240,120	(65,183)
Mutual Trust Bank Ltd.	29,040	622,287	484,968	(137,319)
National Bank Ltd.	40,150	903,036	453,695	(449,341)
One Bank Ltd	38,025	508,332	498,128	(10,205)
Premier Bank Ltd.	29,040	335,128	252,648	(82,480)
Rupali Bank Ltd.	20,596	1,761,404	873,270	(888,134)
Shahjalal Bank Ltd	92,679	853,568	991,665	138,097
Southeast Bank Ltd	86,303	1,040,447	1,432,630	392,183
Summit Power Ltd.	2,216	22,954	89,748	66,794
Square Pharmaceuticals Ltd.	1,500	414,602	393,150	(21,452)
Titas Gas Ltd.	7,250	409,130	498,800	89,670
Trust Bank Ltd	41,087	1,189,771	912,131	(277,639)
Total:	756,216	20,248,229	19,292,072	(956,157)



14.00 INVENTORIES:

	Jun '2015		Jun'2014	
	Qty (in Kg)	Value (Taka)	Qty (in Kg)	Value (Taka)
a) Raw Materials				
Wastage Paper	6,392,384	38,946,481	5,642,896	41,910,190
Chemicals	251,693	3,726,086	75,239	2,838,145
		42,672,567		44,748,335
b) Finished Goods				
Bright Newsprint Paper	742,580	41,450,147	404,002	23,836,118
Medium Paper	-	-	29,162	39,063,172
Writing Printing Paper	18,906	1,277,642	535,572	1,225,623
Work In Process	158,357	7,216,731	26,095	1,212,916
c) Consumable Store	-	11,023,034	-	7,705,039
d) Packing Material	-	100,000	-	100,000
		103,740,121		117,891,203

(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.

15.00 TRADE RECEIVABLES:

	30-Jun-2015	30-Jun-2014
	<u>Taka</u>	<u>Taka</u>
Abdul Quader Saheb	-	106,830
Abdur Rouf (C&F) Banapole	-	142,233
Abul Kalam	-	1,656,295
Advance to Jamal Uddin	45,000	-
Ali Marine auto Eng.	-	30,000
Atlantic Traders C & F	232,919	-
Babul Store	18,895,274	16,381,898
Bismillah Enterprise	5,552,188	-
Bismillah Traders-Ashiq	804,333	-
BSRM Ltd.	-	111,001
Dainik azadi (Shapon chy)	5,666,625	-
Dainik Purbokone (Swopon Chy)	3,537,696	3,751,395
Delwar - Wastage Party	-	70,000
E Tech Ltd.	-	101,518
F & V Traders	567,424	110,065
Fahim Enterprise	688,666	512,686
Garibe Newaz Traders	1,932,768	210,423
Grihayan Ltd	-	7,000
Hakkani Corporation	-	37,500
Jahangir Wastage Party	-	24,194
Jalalabad Steel Building Ltd.	-	8,000
Kaltimex Energy Bangladesh (Pvt.) Ltd	-	39,579
Karotoa Paper House	-	31,937
M Ahmed & Sons	131,816	131,816
M. T. Engineering Works	610,216	101,216
Metaphor Syster International	33,000	-
Md. Salim (Wastage Party)	-	53,598
MJL Bangladesh Limited	62,344	-
Modern Biponi	2,469,082	-
Modina Enterprise	-	10,000
Mohsin Enterprise	-	999,370
Mojdahlifa air Com. (Mullah)	-	30,000
Monir (Wastage paper)	-	173,847
Mostafa (Wastage paper)	-	20,917
Moulana Hafez Syed Ahmed Shah	136,550	-
Musa Sowdagor	703,100	-
Najam Paper House	-	366,111
Nezam Paper House	463,791	-
P.H.P Float Glass Ind. Ltd.	2,963,493	-
Sajib Plastic Ltd.	-	8,330
Samuda Chemical Complex Ltd	495,660	1,250,000
Say Automation & Engineering	100,000	150,000
Seamax Corporation	426,249	-
Shadat Engineering Works. (S.khan)	-	22,288
Shah Amanat Paper Enterprise	478,064	-
Shohag Wastage paper	198,690	198,690
Swopon Chodhury	-	-
Syed Ahmed Shah Store	69,138	49,138
Tasnim Chemical Complex Ltd.	-	280,560
Water System & Solution Ltd	474,900	-
	47,738,984	27,178,435



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

	30-Jun-2015	30-Jun-2014
	<u>Taka</u>	<u>Taka</u>
Below-30 Days	10,025,187	5,707,471
Within 31- 60 Days	14,799,085	8,425,315
Within 61 - 90 Days	12,412,136	7,066,393
Above 90 Days	10,502,576	5,979,256
	<u>47,738,984</u>	<u>27,178,435</u>

16.00 ADVANCES, DEPOSITS & PREPAYMENTS:

A) Advance Income Tax Paid	9,460,149	8,259,929
Advance Against Salary & Wages	53,932	90,732
Advance Against Purchase Saleh	350,600	-
Advance for Pick-up Purchase	676,707	796,707
Advance for Land Purchase	500,000	8,115,000
Advance office rent	18,000	54,000
Advance for Dhaka Office expenses	237,060	-
Advance Subscription (CDBL)	-	46,667
Advance against company Business Anima Development Limited	6,901,000	6,901,000
Adv. Income Tax Deducted at Source (Dividend Income)	266,154	90,852
Advance Income Tax - Import	215,125	21,896
Adv, Income Tax Deducted at Source	2,730,045	2,729,879
Advance to ctg Bricks & clay Works Ltd.	630,300	-
Advance to Elias-Documnet	145,000	-
Advance to B.L International	200,000	-
Advance to Debashish Benargrer	487,772	-
Advance to Dulal (KGDCL)	170,000	-
Shahjahan & Brothers	80,000	-
Advance to Total Trading	208,600	-
Advance to Photocopier Purchase	64,500	-
VAT Current Account	63,210	575,668
Other Advance	7,184,727	5,418,519
	<u>31,297,118</u>	<u>34,268,996</u>

B) ADVANCE AGAINST PURCHASE:

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>

C) ADVANCED AGAINST L/C:

	<u>7,910,851</u>	<u>13,345,156</u>
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D) DEPOSITS AND PREPAYMENTS:

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>44,092,399</u>	<u>65,552,181</u>



17.00 CASH & CASH EQUIVALENTS:

	30-Jun-2015 <u>Taka</u>	30-Jun-2014 <u>Taka</u>
Cash In Hand		
At Head Office	217,663	312,135
At Dhaka Office	5,000	5,000
At Factory	35,000	35,000
	257,663	352,135
Cash at Banks		
Bangladesh Krishi Bank, Agrabad Branch, CD A/C-200014804	37,793	720
First Security Islami Bank Ltd, Agrabad Branch. STD A/C - 010413100000463	54,188	53,479
Social Islami Bank Ltd, Agrabad Branch, STD Account-41360000458	283,572	562,510
Social Islami Bank Ltd, Agrabad Branch CD -A/C - 0041330027978	-	46,056
National Bank Ltd, Pahartali Branch- CD A/C-005533008427	88,129	769,972
AB Bank Ltd. PCR Branch, CD A/C-4127773938000	48,080	(262)
Exim Bank Ltd. Pahartali Branch, CD A/C-04411100002862	-	541
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949	11,261	11,872
Southeast Bank Ltd, Pahartali Branch, CD A/C-004111100004378	53,145	42,506
City Bank Ltd, Agrabad Branch CD A/C No 1101497955001	8,965	9,655
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243	2,041,352	118,104
	2,626,486	1,615,152
Fixed Deposit with Union Capital Ltd. # LF/CTG-140240-16/SME-214	2,500,000	2,500,000
	5,384,149	4,467,287

(a) Cash balance as on 30.06.2015 was certified by management.

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

18.00 SHORT TERM LOAN AND OVERDRAFTS:

Bangladesh Krishi Bank, Agrabad Branch, CC Hypo-2903-0134000832	-	76,927,949
Social Islami Bank Ltd, Agrabad Branch-CC A/C - 0041330027978	84,805,015	-
Term Loan-UNICAP	4,765,554	9,583,333
Lanka Bangla Securities Ltd	869,009	137,048
Loan Against Trust Receipt (LTR) -0708	-	15,204,686
Loan Against Trust Receipt (LTR)- 18499	59,716	3,457,376
Loan Against Trust Receipt (LTR) -18514	42,724	1,584,676.00
Loan Against Trust Receipt (LTR) -18515	118,471	3,582,905.00
Loan Against Trust Receipt (LTR) -8217	-	1,104,485.00
Loan Against Trust Receipt (LTR) -9667	14,034	2,282,254.00
UPAS -010 - 305 - 215 -0007	2,052,082	-
UPAS -010 - 305 - 215 -0010	1,056,502	-
UPAS -010 - 305 - 215 -0012	1,363,454	-
UPAS -010 - 305 - 215 -0016	735,632	-
UPAS -010 - 305 - 215 -0018	1,126,948	-
UPAS -010 - 305 - 215 -0019	2,603,444	-
UPAS -010 - 305 - 215 -0027	1,337,502	-
UPAS -010 - 305 - 215 -0028	1,252,107	-
UPAS -010 - 305 - 215 -0029	878,178	-
UPAS -010 - 305 - 215 -0030	1,108,501	-
UPAS -010 - 305 - 215 -0031	1,500,854	-
UPAS -010 - 305 - 215 -0034	2,890,680	-
UPAS -010 - 305 - 215 -0036	1,128,286	-
UPAS -010 - 305 - 215 -0047	1,484,340	-
	111,193,030	113,864,712

a) Cash Credit was sanctioned by the Social Islami Bank Limited, Agrabad Branch on the date of 5th May, 2015. It is renewable.

(b) Limit of Cash Credit loan was Tk. 12 (Twelve) crore.

(b) Rate of interest 14% per annum.

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



19.00 ACCRUED EXPENSES:

	30-Jun-2015	30-Jun-2014
	<u>Taka</u>	<u>Taka</u>
Agency commission Sale	2,059,422	516,786
Audit Fee	40,000	35,000
Directors Remuneration	50,000	26,000
Electricity Bill-(Factory)	660,492	400,000
Electricity Bill-(HO)	15,059	10,000
Gas Bill	1,644,826	1,500,000
Gas Bill	2,656	-
Incentive Bonus	-	12,358
Mobile Bill	-	14,136
Office rent	15,000	15,000
Overtime	194,429	282,075
Salary & Allowances	26,500	13,000
Salaries, Wages and Allowances	460,950	82,000
Staff Salary & Allowances	333,311	200,000
Telephone Bill	2,617	2,617
Wages & Allowances	305,050	350,000
	<u>5,810,312</u>	<u>3,458,972</u>

20.00 WORKERS PROFIT PARTICIPATION & WELFARE FUND:

Balance on 1st July	1,797,621	2,041,717
Add: Provision made during the year (Note-33.00)	574,525	641,048
	<u>2,372,146</u>	<u>2,682,765</u>
Less: Payment made during the year	686,327	885,144
Balance on 30th June	<u>1,685,819</u>	<u>1,797,621</u>



21.00 <u>TRADE PAYABLES:</u>	30-Jun-2015	30-Jun-2014
	Taka	Taka
A.K. Corporation	23,200.00	23,200
A.M Poly Packaging	999,989.00	778,759
Abdur Rouf (C&F) Banapole	16,362.00	-
Astral Associates	-	69,675
Azad Engineering Workshop	34,500.00	-
Bismillah Electric and Cables	38,800.00	-
Bismillah Enterprise- Jalil	-	2,220
Broad Band Telecom Services Ltd.	12,500.00	-
City Lub oil Industries Ltd.	56,120.00	-
Confedence Cement Ltd.	228,250.00	-
Desire Media Plus	14,080.00	-
General Motors	-	5,570
GEP Holdings Ltd.	5,804.00	-
Golden Robber Industries	55,000.00	-
Hakkani Motors Ltd.	-	3,055
Hakkani Refueling Station	66,723.00	27,882
International Bearing	100,345.00	17,885
I.H Trading	109,715.00	-
Islam & Brothers	163,200.00	36,010
Jahangir and Brothers	82,760.00	-
Jishan Enterprise	91,167.00	-
Kaltimax Energy Bangladesh (Pvt) Ltd.	90,421.00	-
Keya Enterprise	-	1,184
Lucidity (BD)	-	1,082
Mamun Hardware Store	118,431.00	105,795
Mohsin Enterprise	396,230.00	-
Mojammel Hossen	140,585.00	140,585
Molla Traders	535,671.00	566,671
Mozumder Enterprise	46,600.00	-
Munna Enterprise	180,486.00	-
Nasim Paper House	241,180.00	207,231
Nano Computer	64,500.00	-
National Cement Mills Ltd	103,750.00	-
North West Securities Ltd.	1,004.00	-
Ocean Container Limited	-	3,200
Ocean Oil Company	45,658.00	23,748
Orchid Packers Ltd.	-	40,832
Raj Bearing	111,155.00	56,000
Resimax Industries Ltd.	118,650.00	8,650
Rowshon Enterprise	-	60,052
Sakib Enterprise	36,438,664.00	36,716,061
Sea max Corporation	-	341,617
Shadman Enterprise	393,800.00	-
Shadat Engineering (S.Khan)	168,768.51	-
Shah Amanat Enterprise	-	91,775
Shah Amanat Paper Enterprise (Chemical)	151,776.51	-
Sonia Paper Cutting	74,012.00	48,027
Sonali Trading Corporation	180,861.00	-
Yasin Awlia Enterprise	-	17,546
	41,700,718	39,394,312

22.00 ADVANCE AGAINST SALES:

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



	30-Jun-2015 <u>Taka</u>	30-Jun-2014 <u>Taka</u>
23.00 LIABILITY FOR OTHERS FINANCES:		
I.T Deducted at Source (Salary)	-	650
I.T Deducted at Source(packing material)	-	1,338
I.T. Deducted at Source	68,959	-
I.T. Deducted at Source-Director Remuneration	-	975
VAT Deducted at Source	9,645	1,406
Vat Deducted at Source- Purchase Chemical	-	20,664
E Securities Limited	(269)	-
Loan from Mr. Md. Abdullah	900,000	-
Security Deposit From Bluechip Computer & Technology	16,000	16,000
Unclaimed Dividend	2,803,447	2,468,623
	<u>3,797,782</u>	<u>2,509,656</u>

24.00 DIRECTORS CURRENT ACCOUNT:

Mrs. Ferdous Ara Begum	-	570,000
Mr. Golam Sarwar	-	1,175,000
Mr. Md. Golam Murshed	2,300,000	2,300,000
Mr. Md. Golam R. Muktedir	2,300,000	2,300,000
	<u>4,600,000</u>	<u>6,345,000</u>

25.00 PROVISION FOR INCOME TAX:

This is made up as follows:

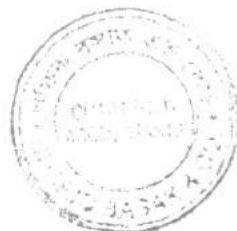
Balance as on 1st July	8,106,186	5,356,186
Add: Provision for the year	1,900,000	2,750,000
Balance as on 30th June	<u>10,006,186</u>	<u>8,106,186</u>

26.00 SALES:

	Gross Sales- Amount	VAT Amount	Net Sales Amount	
			2014-2015	2013-2014
Bright News print Paper	218,453,049	2,951,068	215,501,981	275,518,600
Writing printing paper	87,197,429	3,817,644	83,379,785	-
Medium paper	1,411,440	69,988	1,341,452	6,737,250
	<u>307,061,918</u>	<u>6,838,700</u>	<u>300,223,218</u>	<u>282,255,850</u>



27.00 COST OF GOODS SOLD:	2014-2015	2013-2014
	<u>Taka</u>	<u>Taka</u>
Opening Stock of Raw Material	44,748,335	42,712,099
Add: Purchase during the period	160,460,637	169,660,654
	205,208,972	212,372,753
Less: Closing Stock of Raw Materials	42,672,567	44,748,335
Raw Materials Consumed	162,536,405	167,624,419
Add: Factory overhead:		
Salaries, Wages and Allowances	14,324,281	12,023,954
Overtime -Factory Worker	2,378,388	1,930,707
Incentiue Bonus Factory Staff	149,075	
Labour Charge	1,979,746	1,974,346
Carriage Inward	347,915	437,132
Gas Bill (Boiler & Gas Generator)	21,398,196	20,256,138
Electric Bill	11,376,411	5,558,280
Consumable Spare & Store	3,015,941	595,282
Factory Maintenance	7,007,683	6,931,233
Loading Unloading Charge	1,196,976	1,214,325
Paper Cutting Expenses	1,558,190	893,213
Fuel (Generator)	456,128	463,337
Fuel (Machine)	641,860	458,252
Fuel (vehicle)	190,031	143,367
Medical & Medicine	21,315	21,439
Gas Generator Upkeep	641,330	2,058,511
Insurance Premium -Factory	877,220	897,968
Annual Maintenance	33,063	96,314
Boiler Upkeep	181,170	190,022
Packing Material	48,200	3,307,165
Gas Generator Overhaluing Exp	620,000	566,325
Canteen Expenses-Factory	50,450	174,633
Carrying outward	4,939,500	4,457,500
Deferred Revenue expenditure written off	-	4,953,299
Gas Bill- Factory canteen	26,737	-
Depreciation	14,632,638	13,105,444
	250,628,849	250,332,604
Add: Opening Work-in Process	1,212,916	608,275
	251,841,765	250,940,879
Less: Closing Work-in Process	7,216,731	1,212,916
Cost of Production	244,625,034	249,727,963
Add: Opening Stock of Finished Goods	64,124,913	64,429,886
	308,749,947	314,157,849
Less: Closing Sock of Finished Goods	42,727,789	64,124,913
Cost of Goods Sold	266,022,158	250,032,936



28.00 <u>ADMINISTRATIVE EXPENSES:</u>	2014-2015	2013-2014
	Taka	Taka
Directors Remuneration	489,200	286,000
Staff Salary & Allowances-(Note-28.01)	4,966,692	3,164,905
Office Rent	330,726	328,038
Telephone Bill	344,423	276,714
Entertainment	142,000	457,160
Staff Tea, Tiffin	376,248	-
Travelling Expenses	814,920	613,972
Dhaka Office Expenses	40,000	14,500
Canteen Expenses	25,246	23,690
Postage & Courier	24,928	45,826
Forms, Stamp & Legal Documents	329,290	53,896
Fees, Fine, Renewal & Subscription	1,102,852	677,151
Printing & Stationary	133,491	129,999
Board Meeting Attendance Fees	298,250	262,750
Audit Committee Meeting Attendance Fees	70,250	51,750
Board Meeting Expenses	93,265	98,033
B.O Maintenance Fees	2,500	500
Office Maintenance	470,900	312,142
Telephone, Fax, E-mail	5,050	2,444
Annual Subscription-CDBL	56,000	9,333
Intranet Bill (BBTSL)	76,600	77,000
Internet Bill (BBTSL)	49,000	27,500
Conveyance	383,134	253,017
Audit Fees	40,000	36,575
Miscellaneous Expenses	522,215	530,829
Legal & Professional Fee	282,774	-
A .G. M. Expenses	95,910	167,040
Annual Fee of stock exchanges	110,000	110,000
Electric Bill Head Office	157,454	144,525
Website Expenses	14,080	17,020
Fuel (vehicle)	283,828	157,566
Insurance Premium	32,432	45,865
Vehicle Upkeep	146,850	209,336
Depreciation	294,222	255,819
	12,604,730	8,840,895

(a) Directors remuneration has been paid to Mr. Md. Golam Mostofa (Managing Director)

(b) No remuneration was made to other directors except Managing Director.

(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. 40,000 represents fees including VAT for the audit of the financial statements of the company for the year 2014-2015

28.01 PAYMENTS / PERQUISITES TO DIRECTORS AND OFFICERS:

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

Directors Remuneration- Mr. Golam Mostofa (Managing Director)	489,200
Managerial Remuneration	3,050,016
Managerial Benefits:	
Bonus	289,800
House Rent	-
Conveyance	150,545
Total	3,979,561



	2014-2015	2013-2014
	<u>Taka</u>	<u>Taka</u>
29.00 FINANCIAL EXPENSES:		
Bank Interest	-	8,568,699
Interest Expenses	-	5,323
Interest Expenses on UNICAP Loan	-	87,423
Loan Processing Fee	-	120,750
Interest on Lanka Bangla Loan	-	27,119
Bank Charges	270,800	117,865
Interest on Short Term Loan	103,505	-
Interest on Long Term Loan	2,674,082	-
Interest on Cash Credit	7,105,830	-
Interest on Loan from Sister Concern	102,819	-
	<u>10,257,036</u>	<u>8,927,179</u>
30.00 SELLING & DISTRIBUTION EXPENSES:		
Commission on Sales	1,886,370	641,782
Advertisement	225,217	116,236
Sale Promotion Expenses	274,155	237,082
	<u>2,385,742</u>	<u>995,100</u>
31.00 NON-OPERATING INCOME:		
Dividend Income	823,584	493,686
Interest Income on FDR	221,637	22,727
Miscellaneous Income	161,251	159,428
Profit on Sale of Shares	106,824	20,672
	<u>1,313,296</u>	<u>696,512</u>
32.00 PROVISION FOR DIMINUTION IN VALUE OF INVESTMENT IN SHARES:		
This represents provision for investment in shares due to changes in market value during the year as shown below:		
Investment at cost as on 1st July (Note-13.01)	20,248,229	19,513,957
Less: Investment at market value as on 30th June (Note-13.02)	19,292,072	16,759,635
Provision required as on 30th June	956,157.00	2,754,322
Less: Provision held as on 30th June	2,754,322	2,060,077
Provision excess / (shortage)	<u>1,798,165</u>	<u>(694,245)</u>
33.00 CONTRIBUTION TO WORKERS PROFIT PARTICAPATION AND WELFARE FUND:		
The computation of workers profit participation fund for the year has been made as per workers profit participation Act, 2006 as amended in 2013 as shown below:		
Net Profit	12,065,013	13,462,007
Contribution for WPPF at 5% (before charging) on net operating profit	<u>12,065,013 X 5</u> 105	<u>13,462,007 X 5</u> 105
	574,525	641,048
34.00 DEFERRED TAX EXPENSES:		
This is arrived as under:		
(a) Deferred tax liability on 30th June, 2015	51,271,545	50,241,883
(b) Deferred Tax Liability on 1st July, 2014	50,241,883	47,801,042
Deferred Tax Expenses for the year (a-b)	<u>1,029,662</u>	<u>2,440,841</u>
35.00 EARNING PER SHARE:		
Calculation is shown below:		
EPS	0.45	0.40
Formula:		
<u>Net Profit after tax</u>	8,560,826	7,630,118
Number of shares	<u>19,000,000</u>	<u>19,000,000</u>



36.00 NET ASSETS VALUE PER SHARE WITH REVALUATION:	<u>Taka</u>	<u>Taka</u>
Calculation is shown below:		
Net assets value per share	30.23	30.07
Formula:		
<u>Net Assets with Revaluation</u>	574,431,842	571,360,679
Number of shares	19,000,000	19,000,000

37.00 NET ASSETS VALUE PER SHARE WITHOUT REVALUATION:		
Calculation is shown below:		
Net assets value per share	12.37	11.43
Formula:		
<u>Net Assets without revaluation</u>	235,070,413	217,085,093
Number of shares	19,000,000	19,000,000

38.00 NUMBER OF EMPLOYEE:
 The total employees of the company as on June 30, 2015 stood at 174 nos comprising Head office staff 18 nos, Factory office staff 09 nos, Security 10 nos, Driver 2 nos , permanent worker 27 nos and temporary worker 108 nos.

Salary Range :		
Number of employee whose monthly salary was below Tk. 3,000	Nil	Nil
Number of employee whose monthly salary was above Tk. 3,000	174	196

39.00 FINANCIAL RISK MANagements

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

39.01 a) Credit Risk:

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

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

a. Exposure of Credit risk

	<u>30-Jun-2015</u>	<u>30-Jun-2014</u>
	<u>Taka</u>	<u>Taka</u>
Trade receivable	47,738,984	27,178,435
Advance, deposit and prepayments excluding deposit & prepayments.	31,297,118	34,268,996
Bank balances	5,126,486	4,115,152
	84,162,588	65,562,583

b) Ageing of Trade Receivables are as follows:

Below-30 Days	10,025,187	5,707,471
Within 31- 60 Days	14,799,085	8,425,315
Within 61 - 90 Days	12,412,136	7,066,393
Above 90 Days	10,502,576	5,979,256
	47,738,984	27,178,435



39.02 **b) Liquidity Risk**

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

39.03 **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.

40.00 **CAPACITY UTILIZATION:**

Particulars	30-Jun-2015	30-Jun-2014
Installed Capacity	6,000	6,000
Actual Production	4,360	3,905
% of Capacity Utilization	72.67%	65.09%

The production capacity could not be utilized due to mainly shortage of gas supply, machinery breakdown and political unrest during December to March-2015

41.00 **OTHER RELEVANT INFORMATION:**

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

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

41.03 The audit fee of Tk. 40,000.00 along with imposed VAT has been provided in the accounts as per decision taken in the 18th Annual General Meeting of the Company held on 7th December 2014.

41.04 There was no sum for contingent liabilities on 30th June, 2015

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

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



42.00 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.

42.01	Name of the Parties	Relationship	Nature of Transaction	Transaction value during the year	Outstanding as on 30.06.2015
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UNSECURED LOAN:

Mr. Mohammad Abdullah	Chairman	Loan Received	(4,197,250)	5,697,250
Mrs. Ferdous Ara Begum	Director	Loan Repayment	200,000	-
Ms. Farhana Tabassum Afifa	Shareholder	Loan Repayment	2,252,250	-
Mrs. Farhana Nusrat	Shareholder	Loan Repayment	5,477,000	-

DIRECTORS CURRENT ACCOUNT:

Mrs. Ferdous Ara Begum	Sponsor Shareholder	Short term Loan repayment	570,000	-
Mr. Golam Sarwar	Sponsor Shareholder	Short term Loan repayment	1,175,000	-

LIABILITIES FOR OTHER FINANCE:

Hakkani Corporation	Sister Concern	Short term Loan	8,371,119	-
Mr. Mohammad Abdullah	Chairman	Loan Received	900,000	900,000

43.00 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.

44.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

Profit after Provision for Income Tax	8,560,826	7,630,118
<u>Add: Non Cash Changes:</u>		
Depreciation	14,926,860	13,361,263
Provision for diminution in value of Investment in shares written back	(1,798,165)	694,245
Provision for Deferred Tax Expenses	1,029,662	2,440,841
A	22,719,183	24,126,467
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Deferred Revenue Expenditure	-	4,953,299
(Increase)/Decrease in Stock	14,151,082	(2,978,907)
(Increase)/Decrease in Trade Receivables	(20,560,549)	(4,218,343)
(Increase)/Decrease in Workers Profit Participation and Welfare Fund	(111,802)	1,797,621
(Increase)/Decrease in Advance, Deposits & Prepayments	21,459,782	(37,160,004)
Increase/(Decrease) in Liabilities for other finance	-	(5,830,901)
(Increase)/Decrease in Interest Receivable	(218,334)	(16,667)
Increase/(Decrease) in Accrued Expenses	2,351,340	(1,451,023)
Increase/(Decrease) in Trade Payables	2,306,405	(7,142,730)
Increase/(Decrease) in Advance Against Sales	(1,200,000)	1,200,000
Increase/(Decrease) in Provision for Income Tax	1,900,000	2,750,000
(Increase) Decrease in Capital Work In Progress	(18,123,383)	-
B	1,954,543	(48,097,655)
Net cash inflow/(out flows) from operating activities	24,673,727	(23,971,188)

45.00 EVENTS AFTER REPORTING PERIOD:

45.01 The Board of Directors in its meeting held on 31st October 2015 approved the Audited Financial Statements and recommended cash dividend @ 5% (Five Percent) on all shareholders for the year 2014-2015. Thus total involvement comes to Tk. 95,00,000.00 (Ninety Five Lac) Only which is subject to approval of the shareholders in the next AGM.

45.02 The Board also authorized the Financial Statements for public issue.

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

