



শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

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Independent Auditors' Report To the Shareholders of Hakkani Pulp and Paper Mills Limited

Opinion

We have audited the accompanying financial statements of **Hakkani Pulp and Paper Mills Limited** (the Company), which comprise the Statement of Financial Position as at 30 June 2022, Statements of Profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory information.

In our opinion and to the best of our information and according to explanations given to us, the accompanying financial statements, prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the financial position of the company as at 30 June 2022 and of its financial performance and cash flows for the period from 1 July 2021 to 30 June 2022 and comply with the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Our responsibilities under those standards are further described in "Auditors responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that are relevant to our audit of the financial statements in Bangladesh and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Without qualifying our opinion, we draw attention to the following issues:

Matter of Emphasis

01. As disclosed in **Note No- 9.01** to the financial statements, the company's trade receivable of **Tk.191,863,413** includes a figure of **Tk. 41,415,949** receivable from Babul Store is being carry forward since long. Suits have been filed by the Company for recovering the amount from the Babul Store.
02. **Significant Deviation in Net Operating Cash Flow per Share (NOCFPS):**
Disclosed in **Note No- 4.06** to the financial statements, Net Operating Cash Flow per Share (NOCFPS) has decreased significantly and stood at **Tk. (0.08)** for the year ended on **30 June 2022**, whereas it was **Tk. 0.21** for the year ended on 30 June 2021.
03. **Significant Deviation in Earnings per Share (EPS):**
Disclosed in Note No-4.05 to the financial statements, Earnings per Share (EPS) has stood at **Tk. (1.30)** for the year ended on **30 June, 2022** whereas it was **Tk. (1.28)** for the year ended on 30 June 2021.



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

DHAKA OFFICE -(2): House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.

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Key Audit Matters

Key audit matters are those matters that, in the auditors' professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2022. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our Response to the key audit matters
<p>1. Impairment of property, plant and equipment.</p> <p>Property, plant and equipment (PPE) represents about total assets of the Company which is thus a material item to the financial statements. PPE includes plant and machinery being of total PPE which are sophisticated in nature and most of them are custom made assets. Being different in nature, there is a risk whether market value of those assets could materially fall because of non-marketability and arise risk of impairment.</p> <p>Management's review regarding determination of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.</p>	<ul style="list-style-type: none"> • Reviewed the management's assessment of impairment taking consideration of the future economic benefits of the assets. • Reviewed the internal control system implemented by management for safeguarding of those assets. • Tested the operating effectiveness of key controls over assets, including observing the process of management's year-end physical count. • Tested on sample basis the physical condition of the assets whether the assets become idle, obsolesces, damage and there is a plant to discontinue or restructure the operation to which the assets belongs. <p>Please refer to note 5.00 to the financial statements.</p>



<p>2. Trade Receivable. Trade receivable BDT 191,863,413 being about 12.99% of the total assets of the Company is a material item to the financial statements. There is a significant risk regarding recoverability of the amounts and misstatement of the items. As such, management is required to make judgments in determining whether accounts receivable are being appropriately valued and also need to make provision for aged accounts receivable, if required.</p>	<ul style="list-style-type: none"> • Tested the operating effectiveness of key controls over accounts receivable. • Being a part of auditor's responsibility as regarding external confirmation as per ISA 505, we requested for external confirmation. • Tested on a sample basis the value disclosed according to the reply obtained. • Assessed whether appropriate provisions have been recognized for aged accounts receivable, if required and evaluating management's basis for determining the recoverability. <p>Please refer to note 9.00 to the financial statements.</p>
<p>3. Revenue Recognition The company recognizes revenue from the sales of paper and tissue products when control over goods is transferred to a customer/dealers. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered into with customers/dealers. The company has a number of customers operating in various geographies and sales contracts with customers/dealers have a different terms relating to the recognition of revenue, the right of return and price adjustments. Sales arrangements in certain jurisdictions lead to material deductions to gross sales in arriving at revenue. We identified the recognition of revenue from sale of products as a key audit matter because; Revenue is a key performance indicator of the company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets.</p>	<ul style="list-style-type: none"> • Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards; • Evaluating the design, testing the implementation, and operating effectiveness of the company's internal controls over recognition of revenue and measurement of rebates, discounts, returns and chargebacks; • Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing; • Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments, and sensitivities.



4. Inventories

The Company has closing inventories BDT 266,581,269.

Inventories is carried in the financial statements at the lower of cost and net realizable value.

The exercise for the assessment of the net realizable value involves the use of judgment and assumptions that may vary depending on technological and socio-economic conditions and is therefore considered a significant key audit matter.

- Verified a sample of inventory items to ensure that costs have been appropriately recorded.
- Tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessing the reasonableness of any resulting write down of inventory items.
- Performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.
- Confirmed physical existence and completeness by performing annual physical inventory on a sample basis.
- Confirmed all necessary disclosures have been made and that the information is appropriately presented.

Please refer to note 3.05.02 and 8 to the financial statements.

Reporting on other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The draft annual report is expected to be made available to us after the date of this auditor's report but before finalization of the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements of the Company in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditors' responsibilities for the audit of the financial statements

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

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

- (a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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



We communicate with those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

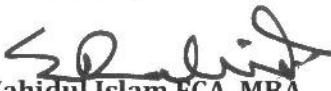
We determine those matters, from the matters communicated with those charged with governance, that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules, 2020, we also report the following;

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

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants


Sheikh Zahidul Islam FCA, MBA
Partner
DVC: 2211091394AS554112

Place: Chattogram
Dated: November 03, 2022



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Financial Position

As at 30 June 2022

	Note(s)	Amount in BDT	
		30.06.2022	30.06.2021
ASSETS			
Non Current Assets :			
Property, Plant and Equipment	05	867,751,848	828,686,944
Capital Work-In-Progress	06	795,495,275	813,545,328
		72,256,573	15,141,616
Current Assets:			
Investment in Shares	07	609,601,670	640,110,861
Inventories	08	12,583,410	19,827,757
Trade Receivables	09	266,581,269	215,186,758
Advances, Deposits & Prepayments	10	191,863,413	170,159,452
Cash & Cash equivalents	11	113,797,185	213,657,065
		24,776,393	21,279,829
TOTAL ASSETS		1,477,353,518	1,468,797,805
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:			
Share Capital	12	447,546,925	474,282,767
Dividend Equalization Reserve	13	190,000,000	190,000,000
Revaluation Reserve	14	12,258,779	13,279,866
Fair Value Reserve	7.01	258,666,486	268,030,025
Retained Earnings	15	457,727	3,214,203
		(13,836,066)	(241,327)
Non Current Liabilities:			
Unsecured Loan	16	564,274,171	527,266,628
Long Term Loan-non-current portions	17	58,299,990	45,999,990
Deferred Tax Liability	18	401,809,112	378,680,044
		104,165,069	102,586,595
Current Liabilities:			
Short Term Loan & Overdraft	19	465,532,422	467,248,409
Accrued Expenses	20	210,793,095	218,487,266
Workers Profit Participation and Welfare Fund	21	25,424,243	25,450,373
Long Term Loan-current Portion	17.01	1,126,585	1,126,585
Trade Payables	22	82,826,333	79,033,739
Current Tax Liabilities	23	23,089,882	45,352,473
Liabilities for Other Finance	24	18,440,000	15,173,822
Unclaimed Dividend	25	47,422,115	30,600,000
Directors Current Account	26	3,010,168	2,974,152
		53,400,000	49,050,000
Total Liabilities:		1,029,806,593	994,515,037
TOTAL EQUITY & LIABILITIES		1,477,353,518	1,468,797,805
Net Asset Value Per Share (with revaluation)	35	23.56	24.96
Net Asset Value Per Share (without revaluation)	36	9.94	10.86

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

MANAGING DIRECTOR-

DEPUTY MANAGING DIRECTOR

COMPANY SECRETARY

Signed as per our annexed report of even date.

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants

Place: Chattogram

Date: November 03, 2022



Sheikh Zahidul Islam FCA, MBA
Partner

DVC: 2211091394AS554112

HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note(s)	Amount in BDT	
		2021-2022	2020-2021
Revenue	27	538,238,090	389,968,195
Cost of Goods Sold	28	(483,239,879)	(316,985,562)
Gross Profit / (Loss)		54,998,211	72,982,633
Operating Expenses:			
Administrative Expenses	29	(15,577,537)	(15,299,525)
Selling & Distribution Expenses	30	(25,956,473)	(25,678,762)
		(41,534,010)	(40,978,287)
Profit from Operation		13,464,201	32,004,346
Financial Expenses	31	(37,391,494)	(59,816,687)
Non-Operating Income	32	6,125,027	4,778,325
Net Profit Before WPPF & WWF		(17,802,266)	(23,034,016)
Contribution to WPPF & Welfare Funds	21	-	-
Net profit before Tax		(17,802,266)	(23,034,016)
Income Tax Expenses:			
Current Tax	23.01.2	(3,266,179)	(2,368,479)
Deferred Tax	33	(3,542,224)	1,095,571
		(6,808,403)	(1,272,908)
Net profit after Tax		(24,610,668)	(24,306,924)
Other Comprehensive Income:			
Deferred Tax on Revaluation Reserve		1,652,389	1,765,513
Unrealized Gain/ (Loss) on Investment in Shares	7.02	(2,756,476)	8,375,172
Deferred tax on unrealized gain/(loss)	18.02	(311,361)	(357,134)
		(1,415,448)	9,783,551
Total Comprehensive Income		(26,026,116)	(14,523,373)
Earning Per Share - Basic	34	(1.30)	(1.28)

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

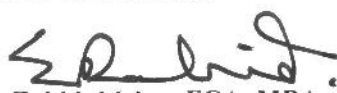

MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


COMPANY SECRETARY

Signed as per our annexed report of even date.

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants


Sheikh Zahidul Islam FCA, MBA
Partner

Place: Chattogram
Date: November 03, 2022



DYC: 2211091394AS554112

HAKKANI PULP & PAPER MILLS LIMITED

**Statement of Changes in Equity
For the year ended 30 June 2022**

Particulars	(Amount in Taka)					
	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2021	190,000,000	13,279,866	268,030,025	3,214,203	(241,327)	474,282,767
Adjustment of depreciation on carrying amount of revalued assets	-	-	(11,015,928)	-	11,015,928	-
Deferred Tax on Revaluation Surplus	-	-	1,652,389	-	-	1,652,389
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(2,756,476)	-	(2,756,476)
Dividend for the year 2020-2021	-	(1,021,087)	-	-	-	(1,021,087)
Net Profit after Tax for the period	-	-	-	-	(24,610,668)	(24,610,668)
Balance as on 30 June 2022	190,000,000	12,258,779	258,666,486	457,727	(13,856,067)	447,546,925
For the year ended 30 June 2021						
Balance as at 01 July 2020	190,000,000	13,279,866	278,034,601	(4,803,835)	14,135,642	490,646,274
Adjustment of depreciation on carrying amount of revalued assets	-	-	(11,770,089)	-	11,770,089	-
Deferred Tax on Revaluation Surplus	-	-	1,765,513	-	-	1,765,513
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	8,375,172	-	8,375,172
Deferred Tax on unrealised gain/(loss)	-	-	-	(357,134)	-	(357,134)
Dividend for the year 2019-2020	-	-	-	-	(1,840,134)	(1,840,134)
Net Profit after Tax for the period	-	-	-	-	(24,306,924)	(24,306,924)
Balance as on 30 June 2021	190,000,000	13,279,866	268,030,025	3,214,203	(241,327)	474,282,767


MANAGING DIRECTOR

DEPUTY MANAGING DIRECTOR


COMPANY SECRETARY

The accounting policies and annexed notes from an integral part of these financial statements.

Place: Chattogram
Date: November 03, 2022



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Cash Flows

For the year ended 30 June 2022

	Note(s)	Amount in BDT	
		2021-2022	2020-2021
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		522,659,156	373,331,619
Payment for Material and Expenses		(522,482,637)	(368,932,719)
Income Tax Paid		(1,676,271)	(492,834)
Net Cash flows from Operating Activities	43	(1,499,752)	3,906,066
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(23,709,574)	(10,143,245)
Capital Work-In-Progress		(57,114,957)	(923,492)
Advance for Machinery		71,113,889	(2,779,065)
Sale of shares		4,032,915	3,834,811
Net cash flows from Investing Activities		(5,677,728)	(10,010,991)
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		(7,694,171)	(40,372,176)
Long Term Loan		23,129,069	48,828,257
Interest Paid		(37,391,494)	(59,816,687)
Unsecured Loan Received		12,300,000	1,000,000
Directors Current Account		4,350,000	37,550,000
Liabilities for Other Finance		16,822,115	30,121,937
Dividend Paid		(841,475)	(1,510,716)
Net Cash flows from Financing Activities		10,674,044	15,800,615
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		3,496,564	9,695,690
E. Opening Cash and Bank Balances		21,279,829	11,584,139
Closing Cash and Bank Balances (D+E)		24,776,393	21,279,829
F. Net Operating Cash Flows Per Share	37	(0.08)	0.21

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


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


COMPANY SECRETARY

Place: Chattogram
Date: November 03, 2022



HAKKANI PULP & PAPER MILLS LIMITED

Notes to the Financial Statements

For the year ended 30 June 2022

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. 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, Chattogram. The factory is located at Mouza: Halimkhar Char, P.S: Potiya, Dist: Chattogram on Chattogram -Cox's Bazar Highway.

1.02 Nature of Business:

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

2.00 BASIS OF PREPARATION, PRESENTATION AND DISCLOSURES OF FINANCIAL STATEMENTS:

2.01 Statement of compliance:

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under FRA has been formed in 2017. As per the provision of FRA (section-69), the Financial Statement have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies act the title and format of these financial statements follow the requirements of IFRSs which are to some different from requirement of the Companies Act 1994. However, such differences are not material and view of management, IFRSs format gives a better presentation to the Shareholders.

Moreover, these Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the International Accounting Standard (IASs) and International Financial Reporting Standard (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 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 and Supplementary Duty Act, 2012 (effective from 01 July 2019)

The Value Added Tax and Supplementary Duty Rules, 2016 (effective from 01 July 2019)

The Customs Act, 1969

Bangladesh Labor Act, 2006 as amended in 2013

The Securities and Exchange Ordinance, 1969

The Securities and Exchange Rules, 2020

The Corporate Governance code 2018



2.03 Applicable Accounting Standards:

The following IASs and IFRSs are applicable for the Financial Statements for the year under review:

IAS - 01	Presentation of Financial Statements
IAS - 02	Inventories
IAS - 07	Statement of Cash Flows
IAS - 08	Accounting Policies, Changes In Accounting Estimates and Errors
IAS - 10	Events after the Reporting period
IAS - 12	Income Taxes, Deferred Taxes.
IAS - 16	Property, Plant and Equipment
IAS - 19	Employee Benefits
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 32	Financial Instruments: Presentation
IAS - 33	Earning per Share
IAS - 36	Impairment of Assets
IFRS- 07	Financial Instruments: Disclosures
IFRS- 09	Financial Instruments
IFRS- 15	Revenue From Contract with Customers
IFRS- 16	Leases

2.04 Basis of Reporting :

The Financial Statements have been prepared and presented for general users by the company in accordance with identified Financial reporting framework, presentation has been made in compliance with the requirements of IAS-1 "Presentation of Financial Statements "

- a. A Statement of Financial Position as at 30 June 2022.
- b. A Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2022.
- c. A Statement of changes in equity for the year ended 30 June 2022.
- d. A Statement of Cash flows for the year ended 30 June 2022.
- e. Notes , comprising a summary of significant accounting policies and explanatory information.
- f. Comparative information prescribed by the Standard.

2.05 Authorization for Issue :

These financial statements have been authorized for issue by the Board of Directors on 03 November 2022.

2.06 Reporting Period:

The financial statements of the Company cover twelve months from 1 July 2021 to 30 June 2022.

2.07 Basis of Measurement :

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

2.08 Going Concern:

The Company have adequate resources to continue operation in foreseeable future (except otherwise stated). For this reason, Management continues to adopt going concern basis in preparing the financial statements. The current revenue generations and resources of the Company provide sufficient fund to meet the present requirements of existing business and operations.

2.09 Functional and presentation currency:

These financial statements are prepared in Bangladesh Taka (Taka/Tk/BDT), which is the functional currency of the Company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated.



2.10 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- (I). Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- (II). Held primarily for the purpose of trading,
- (III) Expected to be realized within twelve months after the reporting period and
- (IV) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as non-current.

A liability is current when

- (I) It is expected to be settled in the normal operating cycle
- (II) It is held primarily for the purpose of trading,
- (III). It is due to be settled within twelve months after the reporting period and
- (IV) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.11 Use of Estimates and Judgments:

In preparing financial statements, management has made judgments and estimates that affect the application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.11.01 Judgments, assumptions and estimation uncertainties:

Information about judgments made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note: 05 Property, Plant and Equipment
- Note: 08 Inventories
- Note: 09 Trade Receivables
- Note : 10 Advances, Deposits & Prepayments
- Note: 18 Deferred Tax Liability
- Note : 22 Trade Payables
- Note: 23 Current Tax Liabilities

3.00 SIGNIFICANT ACCOUNTING POLICIES:

The specific accounting policies selected and applied by the company management for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the period and were also consistent with those used in earlier periods, except otherwise stated.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating to the format of financial statements were also taken into full consideration for fair presentation.

Set out below is an index of the significant accounting policies, the details of which are available on the following:

- (a) Property, plant and equipment
- (b) Capital work-in-progress
- (c) Impairment of assets
- (d) Investment in shares:
- (e) Inventories
- (f) Advances, deposits and prepayments:
- (g) Cash and cash equivalents:



- (h) Employee benefits
- (i) Provisions, contingent liabilities and contingent assets
- (j) Financial income and Financial expenses:
- (k) Borrowing costs
- (l) Taxation
- (m) Revenue recognition
- (n) Earning per share (EPS):
- (o) Foreign Currency Transaction Policy:
- (p) Comparative Information:
- (q) Consistency
- (r) Cash flows statement
- (s) Other Operating income
- (t) Events after the reporting period.
- (u) Share Capital
- (v) Leases

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 labor 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, when parts of an item property plant and equipment have different useful lives, they are accounted separate items (major components) of property, plant and equipment.

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 or loss and other comprehensive income as incurred.

3.01.03 Depreciation:

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

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

<u>Name of Assets</u>	<u>Rate of Depreciation</u>
1. Building & Other Civil Construction	5%
2. Plant & Machinery	7%
3. Furniture & Fixtures	10%
4. Office Equipment	10%
5. Electric Installation	10%
6. Gas Line Installation	10%
7. Telephone Line Installation	10%
8. Water Line Installation	10%
9. Fire Extinguisher	20%
10. Office Decoration	10%
11. Vehicle	20%
12. Motor Vehicle	20%
13. Factory Equipment	20%

Upon retirement of assets, the cost and related accumulated depreciation are eliminated from the accounts and resulting gain or loss is charged or credited to statement of profit or loss.



3.01.04 Non- Current asset held for Sales

Non-current assets that are highly probable to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale the assets are premeasured in accordance with the companies accounting policies. There after, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale are recognized to revaluation reserve to the extent of revaluation surplus, in excess of revaluation surplus and subsequent gains or losses on remeasurement are recognized in the Statement of profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

If criteria for an asset to be classified as held for sale are no longer met, then the asset or disposal company ceases to be held for sale

In this case, the asset or disposal company should be valued at the lower of the carrying amount before the asset or disposal company was classified as held for sale (as adjusted for any subsequent depreciation, amortization, or revaluation) and its recoverable amount at the date of the decision not to sell.

3.02 Capital Work In Progress :

Property, plant and equipment under construction/acquisition is accounted for and measured at cost as capital work-in-progress until construction/acquisition is completed and it is ready for use.

The cost of capital work in progress comprises:

- 1) Purchase price includes import duties.
- 2) Any cost directly attributable to bringing the assets to be capable of operating in the manner intended by the Management.

The cost of capital working progress shall be recognized as property plant and equipment when it is probable that the economic benefits associated with its intended use will follow to the entity as per paragraph 7 of IAS- 16 property plant and equipment.

3.03 Impairment of Assets:

An impairment test is carried out by the Management at the end of each reporting year to ascertain whether there is any indication that an assets is impaired if any such indication exists, the impairment losses for an individual assets is measured and recognized in the financial statements in accordance with IAS-36 Impairment of asset.

3.04 Investment in Shares:

This investment in shares is initially recognized and measured at transaction costs that are directly attributable to the acquisition of the said financial asset. The management considered investment in shares as available for sale financial assets to present its subsequent changes in fair value through other compressive income in accordance with paragraph 5.7.5 of IFRS-9.

The cumulative gain or loss that was recognized in fair value adjustment reserve will be recognized in profit or loss when this investment will be sold.

3.05 Inventories:

3.05.01 Nature of inventories

Inventories comprise Raw Materials, Packing Materials, Consumable spares & Stores, Work-in -Process and Finished Goods etc.

3.05.02 Valuation of the 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 IAS-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 weighted average method.
Work in Process	Work in process is valued at 100% cost of raw materials, 75% cost of labor and 50% cost of overhead.
Consumable stores	Based on weighted average method.
Packing materials	Based on weighted average method.



- 3.06 Trade and Other Receivables:**
Trade and other receivables are recognized at cost which is the fair value of the consideration given in return.
- 3.07 Advances, deposits and prepayments:**
Advances are measured at cost. After 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.
- 3.08 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.
- 3.09 Trade and other payable**
The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the group of resources embodying economic benefits.
- 3.10 Other liabilities:**
Other liabilities represents the amounts due to various parties for receiving services. These are initially recognize date cost which is the fair value.
- 3.11 Cash flows statement :**
Statement of cash flows is prepared in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities have been presented under direct method.
- 3.12 Employee benefit schemes:**
The company maintains Workers' Profit Participation Fund and Workers' Welfare Fund @ 5% profit before tax as per Labor Act, 2006 as amended in 2013 and accordingly provision is made in the financial statements.
- 3.13 Provisions, contingent liabilities and contingent assets:**
A provision is recognized in the Statement of financial position when the company has a legal or contractual obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Contingencies arising from claims, litigations, assessments, fine, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Contingent assets are not recognized in the financial statements.
- 3.14 Financial income and Financial expenses:**
- 3.14.01 Financial income**
Interest income from bank deposits companies is recognized in the statement of profit or loss on accrual basis following specific rate of interest in agreement with banks.
- 3.14.02 Financial expenses**
Interest expenses incurred during the period have been charged to statement of profit or loss and other comprehensive income.
- 3.15 Non- Operating income:**
Non- operating income includes interest income on delayed receipts from customers, gain/(loss) on sale of fixed assets and miscellaneous receipts. Other operating income is recognized as revenue income as and when realized.
- 3.16 Borrowing Cost:**
Interest and other costs incurred by the company in connection with the borrowing of funds are recognized as expense in the period in which they are incurred, unless such borrowing cost progress that are capitalized as per IAS-23:
Other borrowing costs are recognized as an expenses in the year in which its incurred as per paragraph 8 of IAS-23 Borrowing Cost.



3.17 Taxation:

3.17.01 Current Tax:

The Company are maintaining provision for taxation using rates enacted at the reporting date. The Company complies with the applicable tax laws in Bangladesh.

3.17.02 Deferred tax:

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

3.18 Revenue recognition:

Revenue is measured based on the consideration specified in a contract with a customer. The companies recognizes revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Types of Sales	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Local Sales	Customers obtain control of products when goods are shipped out at factory gate. Invoices raised as per management approves price list are generated at that point in time.	Revenue is recognized when the entity satisfies a performance obligation by transferring the promised good or service to a customer.

The Company is in the business of providing Newsprint, M.G Newsprint, Medium Paper, Khata and Tissues. 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 (IFRS-15). The Company has generally concluded that it is the principal in it is revenue arrangements, because it typically controls the goods before transferring them to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of News print, M.G news print, Medium Paper and various Tissues, and includes VAT paid to the Government of Bangladesh. Major portion of the sales revenue has been realized through banking channel except in a few cases.

3.19 Earning per share (EPS):

The company calculates its earnings per share in accordance with IAS-33: Earnings per Share which has been reported on the face of statement of profit or loss and other comprehensive income.

3.19.01 Basis of earning:

This represents Profit/(Loss) for the period attributable to ordinary shareholders. As there is no preference dividend or extra ordinary items, the net profit/(Loss) after tax for the period has been considered fully attributable to the ordinary share holders.

3.19.02 Basic earning Per share:

This represents profit for the period attributable to ordinary shareholder. As there were no preference shares requiring returns or dividends, the net fully attributable to the ordinary sharcholders.



3.20 Foreign Currency Transaction Policy:

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

3.21 Comparative Information:

Comparative information has been disclosed in respect of 2021 in accordance with IAS-1: Presentation of Financial Statements, for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods financial statements. Prior year's figures have been rearranged wherever considered necessary to ensure comparability with the current year.

3.22 Consistency:

Unless otherwise stated, the accounting policies and methods of computation used in preparation of Financial Statements for the period are consistent with those policies and methods adopted in preparing the Financial Statements for the previous period.

3.23 Events after the reporting period:

Events after the reporting period that provide additional information about the company's position at the date of Statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.24 Share Capital:

Paid-up capital represents total amount contributed by the shareholders. Holders of ordinary shares are entitled to receive dividends as declared to time and are entitled to vote at shareholders meetings.

3.25 Leases:

The Company treated office rent as cancelable short-term leases of low-value assets. Currently the Company has short-term lease of low value assets. The company will not recognize right of use (ROU) assets and lease liabilities for short-term leases.

4.00 Comparative Analysis on Financial performance and position of the Company and reason of significant deviation with previous year:

4.01 The operating and financial review is intended to provide the Management's perspective on the financial and operating performance of the Company. During the year under review, the Company recorded a profit /(loss) after tax of Tk. (24,610,668) against previous year profit /(loss) of Tk. (24,306,924). The basic Earnings Per Share for the year ended 30 June 2022 is Tk. (1.30) against Tk. (1.28) for the same previous year. The analysis of major items of the financial statements is given below:

4.02 Revenue:

During the year under review total revenue was increased as compared to previous year due to increase of sales. Sales revenue is increased by the amount of Taka 148,269,895 as compared to previous year.

4.03 Cost of Goods Sold:

During the year under review Cost of goods Sold was increased as compared to the previous year due to increase of unit price raw materials.

4.04 Financial Expenses :

The Company's financial expenses was decreased as compared to previous year for decrease of expenses interest of Tk. (22,425,193) on Bai-Muazzal Loan, UPAS Loan, Biam Wes Bills, LATR of Social Islami Bank Limited and CC Hypo Loan of Mercantile Bank Limited



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

The Company's Earnings Per Shares (EPS) has decreased due to increase of cost of goods sold compared to previous year. During the year under review, the Company recorded earnings per share (EPS) of Tk. (1.30) against previous year earnings per share (EPS) of Tk. (1.28)

4.06 **Cash Flows from operating Activities (NOCFPS):**

The Company's net operating cash flows per share (NOCFPS) of the company is recorded Tk. (0.08) against Tk. 0.21 of previous year. The company's net operating cash flows per share (NOCFPS) was decreased due to increase in Trade Receivables and Inventories.

5.00 **PROPERTY, PLANT & EQUIPMENT:**

	2022	2021
	<u>Taka</u>	<u>Taka</u>
Balance as on 01 July (including revaluation)	1,275,711,701	1,265,568,456
Add: Addition during the year	23,709,574	10,143,245
Less: Adjustment during the year	-	-
Balance as on 30 June	1,299,421,275	1,275,711,701
Less: Accumulated depreciation	503,926,000	462,166,373
Written down value as on 30 June	795,495,275	813,545,328

(a) Details of Group Wise Property, Plant & Equipment with cost, addition and adjustment during the year, depreciation and written down value are shown at Note-5.01



5.01 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 30 June 2022
	Balance as on 01 July 2021	Addition during the year	Disposal/ Adjustment during the year	Balance as on 30 June 2022	Rate of Dep.	Charged during the year	Disposal/ Adjustment during the year	Balance as on 30 June 2022	Balance as on 01 July 2021	Charged during the year	Disposal/ Adjustment during the year	Balance as on 30 June 2022	Balance as on 01 July 2021	Charged during the year	Disposal/ Adjustment during the year	
At Cost																
Land & Land Development	43,583,242	-	-	43,583,242	-	-	-	-	-	-	-	-	-	-	-	43,583,242
Building & Other Construction	158,710,842	15,094,918	-	173,805,760	5%	5,638,953	-	173,805,760	5%	5,638,953	-	173,805,760	46,293,102	5,638,953	-	121,873,705
Plant & Machinery	548,606,314	5,361,670	-	553,967,984	7%	22,690,037	-	553,967,984	7%	22,690,037	-	553,967,984	225,382,515	22,690,037	-	305,895,432
Furniture & Fixture	1,216,169	58,439	-	1,274,608	10%	683,997	-	1,274,608	10%	683,997	-	1,274,608	683,997	55,492	-	535,119
Office Equipment	3,611,543	245,200	-	3,856,743	10%	166,022	-	3,856,743	10%	166,022	-	3,856,743	2,011,924	166,022	-	1,678,797
Electric Installation	21,328,322	2,543,680	-	23,872,002	10%	942,136	-	23,872,002	10%	942,136	-	23,872,002	13,117,045	942,136	-	9,812,820
Gas Line Installation	3,932,191	-	-	3,932,191	10%	94,168	-	3,932,191	10%	94,168	-	3,932,191	2,990,515	94,168	-	847,508
Telephone Line Installation	132,263	-	-	132,263	10%	3,271	-	132,263	10%	3,271	-	132,263	99,551	3,271	-	29,441
Water Line Installation	7,039,214	-	-	7,039,214	10%	266,296	-	7,039,214	10%	266,296	-	7,039,214	4,376,257	266,296	-	2,396,661
Fire Extinguisher	111,870	-	-	111,870	20%	3,009	-	111,870	20%	3,009	-	111,870	96,826	3,009	-	12,035
Office Decoration	1,913,087	32,178	-	1,945,265	10%	572,067	-	1,945,265	10%	572,067	-	1,945,265	572,067	135,893	-	1,237,304
Vehicle Car	3,011,672	-	-	3,011,672	20%	129,778	-	3,011,672	20%	129,778	-	3,011,672	2,362,780	129,778	-	519,114
Motor Vehicle	4,437,057	147,439	-	4,584,496	20%	451,950	-	4,584,496	20%	451,950	-	4,584,496	2,177,306	451,950	-	1,955,239
Factory Equipment	1,016,395	226,050	-	1,242,445	20%	166,692	-	1,242,445	20%	166,692	-	1,242,445	270,411	166,692	-	805,342
"A"	798,650,182	23,709,574	-	822,359,755	-	30,743,698	-	822,359,755	-	30,743,698	-	822,359,755	300,434,295	30,743,698	-	491,181,762
At Revaluation																
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	139,028,020	-	-	-	139,028,020	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	5%	3,312,927	-	110,663,849	5%	3,312,927	-	110,663,849	44,405,315	3,312,927	-	62,945,607
Plant & Machinery	227,369,650	-	-	227,369,650	7%	7,703,002	-	227,369,650	7%	7,703,002	-	227,369,650	117,326,762	7,703,002	-	102,339,886
"B"	477,061,519	-	-	477,061,519	-	11,015,929	-	477,061,519	-	11,015,929	-	477,061,519	161,732,078	11,015,929	-	304,313,513
Grand total as on 30 June 2022 (A+B)	1,275,711,701	23,709,574	-	1,299,421,275	-	41,759,627	-	1,299,421,275	-	41,759,627	-	1,299,421,275	462,166,373	41,759,627	-	795,495,275
As on 30 June 2021	1,265,568,456	10,143,245	-	1,275,711,701	-	43,917,634	-	1,275,711,701	-	43,917,634	-	1,275,711,701	418,248,739	43,917,634	-	813,545,328

30 June 2021

30 June 2022

Taka

Allocation of Depreciation :

Administrative Expenses	551,726
Factory Overhead	43,365,908
Taka =	43,917,634

* Capital work in progress to be added as assets. No depreciation will be charged.



	2022 Taka	2021 Taka
6.00 CAPITAL WORK-IN-PROGRESS:		
Capital Work-In-Progress	72,256,573	15,141,616
Balance as on 30 June	<u>72,256,573</u>	<u>15,141,616</u>

6.01 Capital Work-In-Progress:

Particulars	Opening Balance	Addition/Transferred during the year	Capitalized during the year	Closing Balance
Building & Other Construction	12,485,677	-	12,485,677	-
Plant & Machinery	1,566,820	72,256,573	1,566,820	72,256,573
Motor Vehicle	147,439	-	147,439	-
Electric Installation	941,680	-	941,680	-
Total	15,141,616	72,256,573	15,141,616	72,256,573

7.00 INVESTMENT IN SHARES:

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

Name of company	No. of Shares	Cost Value as on 30 June 2022	Market Value as on 30 June 2022	Unrealized gain/ (loss)
Beximco Pharma Ltd.	3,500	138,855	546,000	407,145
Brac Bank Ltd.	13,017	158,299	541,507	383,208
DESCO Ltd.	5,000	238,287	188,500	(49,787)
Dhaka Bank Ltd.	27,240	210,234	362,292	152,058
Exim Bank Ltd.	53,401	1,080,863	587,411	(493,452)
Grameen Phone Ltd.	10,700	3,995,855	3,211,070	(784,785)
Islami Bank Bangladesh Ltd.	10,570	376,381	347,753	(28,628)
Jamuna Oil Company Ltd.	2,299	271,136	403,704	132,569
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	680,000	(125,409)
Meghna Petroleum Ltd.	2,402	249,369	489,528	240,158
Mercantile Bank Ltd.	13,715	118,778	194,753	75,975
Mutual Trust Bank Ltd.	21,228	207,749	371,490	163,741
National Bank Ltd.	82,779	902,974	662,232	(240,742)
One Bank Ltd.	35,084	296,251	394,167	97,916
Premier Bank Ltd.	5,142	32,062	67,360	35,298
Shahjalal Islami Bank Ltd.	39,937	249,341	782,765	533,424
Square Pharma Ltd.	9,200	1,826,477	2,005,600	179,123
Standard Bank Ltd.	20,920	200,804	196,078	(4,726)
Titas Gas Ltd.	13,250	766,559	551,200	(215,359)
Total	379,384	12,125,683	12,583,410	457,727

	2022 Taka	2021 Taka
7.02 Gain/ (Loss) on Investment in Shares:		
Unrealized Gain/ (Loss) Closing	457,727	3,571,337
Less: Unrealized Gain/ (Loss) Opening	3,571,337	(4,803,835)
Add: Deferred tax Opening	357,134	-
Gain/ (Loss) on Investment in Shares during the year	<u>(2,756,476)</u>	<u>8,375,172</u>



	2022 <u>Taka</u>	2021 <u>Taka</u>
8.00 INVENTORIES:		
a) Raw Materials		
Wastage Paper	34,988,159	58,376,882
Chemicals	25,051,059	27,165,359
	60,039,218	85,542,241
b) Finished Goods		
Newsprint Paper	49,710,740	41,333,005
Medium Paper	3,360,543	6,956,797
Khata	4,823,700	4,108,978
Various Tissue Paper	89,324,160	30,200,049
	147,219,143	82,598,829
c) Work-In-Process	51,618,780	29,341,560
d) Consumable Spare & Store	3,198,922	9,707,097
e) Packing Material	4,505,206	7,997,031
Total (a+b+c+d+e)	266,581,269	215,186,758

- (a) Value of raw materials, consumables spares parts and packing materials was made at weighted average method.
(b) Work in process is valued at 100% cost of raw materials, 75% cost of labor and 50% cost of overhead.
(c) Finished goods are valued at cost or NRV whichever is lower.
(d) Consumable store bases on weighted average method.
(e) Packing materials based on weighted average method.
(f) Physical inventory was taken jointly by the representative of management and auditors at the year end.
(g) Inventory consists of a huge number of items for which the quantity could not be disclosed.

9.00 TRADE RECEIVABLES:

A B Trading	722,256	642,120
Al- Madina Paper House	1,975,186	1,953,235
Anupam Traders	111,097	-
Apex Pharma	253,585	-
AR Trading	1,133,917	-
Arif Enterprise	617,254	617,254
Avoy Enterprise	1,333,453	-
Babul Store	41,815,949	41,815,949
Barcode Restaurant Group	325,505	306,570
Bio Pharmaceutical Ltd.	1,299,333	-
Bismillah Paper House	1,350,164	-
Chandpur Paper House	569,940	1,539,283
Chittagong Club Limited	517,711	547,711
Compac Trading Ltd.	-	884,242
CGT Tissue	583,695	-
Elite Paper House	238,309	278,309
Garibe Newaj Traders	631,495	666,495
General Pharma	2,180,104	4,961
Habib Enterprise	87,669	366,612
Handi Restaurant	160,264	189,874
Health Point Hospital	45,208	118,991
Hotel Zaman	102,799	117,799
Interna Plastic (Pvt.) Ltd.	765,000	780,000
Intimate Apparels Ltd	363,117	421,639
Jayson Pharmaceuticals	6,140	-
J M I Group	107,848	7,005
Korotoa Paper Depot.	916,131	956,131
Mahbub & Brothers	5,929,407	4,204,560
M J Paper House	4,957,514	5,187,490
Modern Biponi	893,493	918,493
Modhumoti Traders	197,649	237,649
M/s Oishi Enterprise	311,350	336,350

Note: 9.01



	2022	2021
	Taka	Taka
Nuha Enterprise / Three Star	205,229	220,229
Rapid Pack Limited	3,459,312	4,609,312
Robin Enterprise	497,249	-
Rubel & sons	1,718,613	-
Resimax Industries Ltd.	1,585,730	731,480
RM Trade International	3,740,107	3,805,107
Royal Packaging	127,856	112,182
Sajib Enterprise	3,316,899	2,667,276
Shanto Enterprise	175,903	190,903
Shohid Enterprise	87,655	102,655
S.K Traders	-	995,759
Sonargaon Paper House	403,031	428,031
S Rahaman Trading/Enterprise	4,349,453	4,423,428
S.R.Paper House	103,655	125,655
S.S.G Paper Ltd.	320,169	320,169
Tanvir Enterprise	2,816,850	1,592,734
Transcom Food Ltd	86,172	127,222
Tuba Enterprise	441,844	476,844
Walton Hi-Tech Industries Ltd.	244,385	124,369
Watson Paper Mills Ltd.	105,010	129,510
Yousuf Enterprise	2,491,042	2,616,042
Nuha Enterprise	-	220,229
Other Receivables	95,084,708	83,041,597
	191,863,413	170,159,452
9.01	Suits were filed against Babul Store to realise the outstanding balance amounting to Tk. 41,415,949 vide CR case No 172/22 to 182/22, dated on 10 January 2022 at the court of Chief Metropolitan Magistrate, Chattogram. Now, the suits are under process for framing charge against party at the Metropolitan Session Judge Court. Chattogram.	
9.02	Ageing of Trade Receivables:	
	32,616,780	28,927,107
Below-30 Days		
Within 31- 60 Days	51,803,122	45,943,052
Within 61 - 90 Days	32,616,780	28,927,107
Within 90 - 180 Days	30,698,146	27,225,512
Above 180 Days	44,128,585	39,136,674
	191,863,413	170,159,452
9.03	Trade Receivables are occurred in the ordinary course of business.	
9.04	Trade Receivables are unsecured but considered good by the management.	
9.05	The amount of Tk. 60,074,166 has been collected subsequently from trade receivables till 26 October 2022.	
10.00	<u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>	
Advance Against Income Tax (Note: 10.01)	32,788,564	31,112,292
Advance Against Salary & Wages (Note: 10.02)	47,248	291,248
Advance Against Expenditure (Note: 10.03)	13,723,290	72,295,257
Advance Against L/C (Note: 10.04)	37,103,918	49,645,840
Advance Against Purchase (Note: 10.05)	20,000,000	50,178,263
Deposits and Prepayments (Note: 10.06)	10,134,165	10,134,165
	113,797,185	213,657,065
10.01	<u>Advance Against Income Tax</u>	
Advance Income Tax Paid	6,296,490	5,869,990
Advance Income Tax - Import	1,531,643	1,371,311
Advance Income Tax - Export	398,386	288,537
Advance Income Tax Deducted at Source	23,373,201	22,558,651
Advance Income Tax Deducted at Source (Dividend Income)	1,184,029	1,018,989
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	32,788,564	31,112,292



		2022 Taka	2021 Taka
10.02	<u>Advance Against Salary & Wages</u>	47,248	291,248
10.03	<u>Advance Against Expenditure</u>		
	Advance for Dhaka Office	-	259,700
	Anima Development Limited	7,785,549	7,525,849
	Advance for Machinery Purchase	-	59,825,815
	VAT Current Account	982,000	443,029
	Lanka Bangla Securities Ltd.	649	265,181
	VAT Deducted at Source	-	534,584
	L. T. Deducted at Source	-	33,655
	City Brokerage Ltd.	127,710	1,073
	Bank Gaurantee Margin	628,923	-
	Advances for spares parts and other materials	4,198,459	3,406,372
		13,723,290	72,295,257

10.03.01 This represents advance to Anima Development Limited against purchase of Flat for Dhaka Office which is yet to be registered.

10.03.02 Balance of Advance for Machinery Purchase was transferred to Capital Work In Progress under the Head of Plant and Machinery.

	37,103,918	49,645,840
10.04	<u>Advance Against L/C</u>	
10.05	<u>Advance Against Purchase</u>	
	Arif Traders	3,500,000
	Bismillah Enterprise	3,500,000
	Akram & Brothers	-
	M/S Recycle and Waste Paper Suppliers	-
	Munna Enterprise	10,000,000
	Shah Godi Enterprise	3,000,000
		20,000,000

10.06 **Deposits**

Security Deposit (PBS-1)	3,321,100	3,321,100
Security Deposit (BGSL) Boiler	2,601,439	2,601,439
Security Deposit (BGSL) Generator	1,441,672	1,441,672
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
Security Deposit- Bank Guarantee Against Gas Generator	257,040	257,040
Security Deposit- Bank Guarantee Against Boiler	1,043,250	1,043,250
Security Deposit Container Purpose	1,110,464	1,110,464
	10,134,165	10,134,165

The directors consider that all the above advances, deposits and prepayments are either adjustable or recoverable in cash or in kind and that no provision against these are required at this stage.

11.00 **CASH & CASH EQUIVALENTS:**

Cash In Hand

At Head Office	7,235,013	13,278,921
At Dhaka Office	5,000	505,685
At Factory	30,000	1,215,394
	7,270,013	15,000,000



	2022 Taka	2021 Taka
Cash at Banks		
Bangladesh Krishi Bank Ltd., Agrabad Branch, CD A/C-2903-0210014807	318,136	29,788
First Security Islami Bank Ltd, Agrabad Branch. STD A/C - 010413100000463	57,574	57,624
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458	87,399	283,000
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978	7,211,742	-
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949 /5816	731,700	147,431
Southeast Bank Ltd, Pahartali Branch, CD A/C-New # 005111100000671	-	17,389
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243	73,282	74,294
Premier Bank Ltd, CEPZ Branch CD A/C No-016711100000103	140,001	140,001
Mercantile Bank Ltd, A.K Khan Branch CD A/C No-117511121143947	463,041	4,794
Dhaka Bank Ltd, G.E.C (C.D.A) Branch CD A/C No-201009777	-	5,735
Standard Bank Ltd, Jubilee Road Branch CD A/C No-01233005212-	1,315,916	11,446
United Commercial Bank Ltd, Pahartali Branch CD A/C-No 01000000078	311,739	278,198
Eastern Bank Ltd, Agrabad Branch CD A/C No-11071082755	1,109,189	149,451
Pubali Bank Ltd, Pahartali Branch CD A/C No-825901027548	441,066	428,949
Dutch Bangla Bank Ltd. CD A/C No- 1021100040340	74,697	112,212
	12,335,481	1,740,312
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	375,816	356,704
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	473,281	449,176
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	758,457	720,073
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	582,716	553,376
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	2,366,043	2,247,850
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	223,637	212,338
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138	390,949	-
	24,776,393	21,279,829

(a) Cash balance as on 30.06.2022 was certified by the management.

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

11.01 INVESTMENT IN FIXED DEPOSIT:

Particulars	Tenure	Purpose	Rate of Interest	2022	2021
				Taka	Taka
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	One Year	Guarantee	6%	375,816	356,704
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	One Year	Guarantee	6%	473,281	449,176
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	One Year	Guarantee	5%	758,457	720,073
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	One Year	Guarantee	6%	582,716	553,376
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	One Year	Guarantee	6%	2,366,043	2,247,850
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	One Year	Guarantee	6%	223,637	212,338
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138	One Year	Guarantee	9.5%	390,949	-
Total				5,170,892	4,539,517



	2022 Taka	2021 Taka
12.00 SHARE CAPITAL:		
12.01 Authorized:		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
12.02 Issued, Subscribed and Paid-up:		
85,000,000 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>

12.03 **The break up of share holdings as on 30 June 2022 is as follows:-**

Description	No of shares 30 June 2022	% of shares holding 30 June 2022	No of shares 30 June 2021	% of shares holding 30 June 2021
Sponsors & Directors	8,789,330	46.25	8,789,330	46.25
Investment Corporation of Bangladesh.	4,500	0.02	4,500	0.02
Bangladesh Development Bank Ltd.	1,000	0.01	1,580,800	8.32
Other Institution and General Public	10,205,170	53.71	8,625,370	45.39
Total	19,000,000	100	19,000,000	100

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	2022	2021	2022	2021	2022	2021
Less than 500 shares	2,022	2,037	405,191	385,695	2.13	2.03
501 to 5,000 Shares	1,738	1,531	3,165,783	2,723,355	16.66	14.33
5,001 to 10,000 Shares	203	185	1,461,646	1,339,800	7.69	7.05
10,001 to 20,000 Shares	102	77	1,423,930	1,092,576	7.49	5.75
20,001 to 30,000 Shares	45	21	1,108,780	504,008	5.84	2.65
30,001 to 40,000 Shares	12	10	427,320	358,051	2.25	1.88
40,001 to 50,000 Shares	6	5	273,728	221,345	1.44	1.16
50,001 to 100,000 Shares	19	10	1,316,486	643,396	6.93	3.39
100,001 to 1,000,000 Shares	12	13	5,183,804	5,918,142	27.28	31.15
Over 1,000,000 Shares	3	4	4,233,332	5,813,632	22.28	30.60
Total	4,162	3,893	19,000,000	19,000,000	100	100

12.05 **Market price of Shares:**

The shares are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and quoted at Tk. 61.04 on 30 June 2022 (Face value Tk. 10.00) and Tk. 67.60 on 30 June 2021 (Face value Tk. 10.00)



	2022 <u>Taka</u>	2021 <u>Taka</u>
13.00	<u>DIVIDEND EQUALIZATION RESERVE:</u>	
	Dividend Equalization Reserve is made-up as follows:	
	13,279,866	13,279,866
	1,021,087	-
	<u>12,258,779</u>	<u>13,279,866</u>
	Dividend equalization reserve was created in the earlier year(s) with the concurrence of Board of Directors. The objective of this reserve is to pay dividend to shareholders during bad time of company.	
14.00	<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 Revaluation Reserve Account. Breakup of such surplus is as follows:	
	139,028,020	139,028,020
	110,663,849	110,663,849
	227,369,650	227,369,650
	477,061,519	477,061,519
	172,748,006	161,732,078
	304,313,513	315,329,441
	45,647,026.90	47,299,416
	<u>258,666,486</u>	<u>268,030,025</u>
	Revaluation Reserve relates to the revaluation of Property, Plant & Equipment.	
	i) Effective date of valuation 18th April, 2011	
	ii) Initial reserve of revaluation amount of Tk. 477,061,519	
15.00	<u>RETAINED EARNINGS:</u>	
	(241,327)	14,135,642
	-	1,840,134
	(241,327)	12,295,508
	<u>(24,610,668)</u>	<u>(24,306,924)</u>
	(24,851,995)	(12,011,416)
	11,015,929	11,770,089
	<u>(13,836,066)</u>	<u>(241,327)</u>
16.00	<u>UNSECURED LOAN:</u>	
	19,448,060	19,448,060
	3,800,000	3,800,000
	7,457,975	5,957,975
	13,714,175	5,914,175
	4,707,475	3,207,475
	4,464,830	4,464,830
	4,707,475	3,207,475
	<u>58,299,990</u>	<u>45,999,990</u>
	The above loans from directors are interest free.	
17.00	<u>LONG TERM LOAN:</u>	
	194,077,840	181,607,082
	242,877,139	227,492,477
	36,227,000	36,227,000
	11,453,467	12,387,224
	<u>484,635,445</u>	<u>457,713,783</u>



	2022	2021
	<u>Taka</u>	<u>Taka</u>
17.01 <u>LONG TERM LOAN- MATURITY ANALYSIS:</u>		
Due within the period- Current Portion	82,826,333	79,033,739
Due after more than the period- Non-Current Portion	401,809,112	378,680,044
	<u>484,635,445</u>	<u>457,713,783</u>
17.02 <u>TERMS OF LONG TERM LOAN:</u>		
Lenders:		
The company entered into a secured long term loan agreement with Social Islami Bank Limited, Agrabad Branch, Chattogram.		
Total Long Term Loan Facilities:		
Total disbursement amount is Tk. 311,622,321 against sanction amount of total long term loan Tk. 4,810,000,000.		
Rate of Interest:		
Interest rate is 9% per annum subject to change as per decision of the management of the Bank and variable depending on the situation of money market. The company currently enjoying the loan @ 9% interest.		
Disbursement:		
The disbursement of Hire Purchase under Shirkatul Melk (HPSM) Commercial Loan was made on November 24, 2015 for Balancing, Modernization, Replacement and Expansion (BMRE) of existing unit and Tissue Unit on January 01, 2017 and May 17, 2017 respectively.		
Repayments:		
This secured long term loan is repayable in 84 (eighty four) months.		
Securities:		
i. Hypothecation of machineries and stock.		
ii. Total 642.30 decimal land has been placed as prime securities against the loan.		
iii. Creation of charge with RJSC.		
iv. Personal Guarantee of Directors		
Purpose:		
The loan has been taken for business expansion of existing project and establishment of Tissue Project.		
18.00 <u>DEFERRED TAX LIABILITY:</u>		
Balance as on 01 July	55,287,179	56,025,616
Deferred Tax (Income)/ Expenses for the year -(Note-18.01)	3,542,224	(1,095,571)
Investment in shares (Note-18.02)	(311,361)	357,134
	<u>58,518,042</u>	<u>55,287,179</u>
Add: Deferred Tax for Revaluation Surplus (Note-14.00)	45,647,027	47,299,416
Balance as on 30 June	<u>104,165,069</u>	<u>102,586,595</u>
This represents provision made for deferred income tax to pay future income tax liability for temporary differences of Property, plant and equipment value. Calculation of Deferred Tax Liability as on 30.06.2022 has been shown at Note-18.01 & 18.02.		
18.01 <u>Calculation of Deferred Tax Liability</u>		
(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 30 June	447,598,520	454,632,644
(b) Tax Based Property, Plant and Equipment	<u>187,721,769</u>	<u>210,499,112</u>
(c) Net Taxable Temporary Differences (a-b)	<u>259,876,751</u>	<u>244,133,532</u>
(d) Deferred Tax liability at effective Tax Rate 22.5%	<u>58,472,269</u>	<u>54,930,045</u>
(e) Deferred Tax expenses on Net Taxable Temporary differences	<u>3,542,224</u>	<u>(1,095,571)</u>
Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 30.06.2022		
18.02 <u>Investment in Shares</u>		
(a) Carrying Amount of Investment in Shares (Market value) as on 30 June	12,583,410	19,827,757
(b) Tax Based Investment in Shares (Cost Value) as 30 June	<u>12,125,683</u>	<u>16,256,420</u>
(c) Net Taxable Temporary Differences (a-b)	<u>457,727</u>	<u>3,571,337</u>
(d) Deferred Tax liability at effective Tax Rate 10%	<u>45,773</u>	<u>357,134</u>
(e) Deferred Tax expenses on Net Taxable Temporary differences	<u>(311,361)</u>	<u>-</u>



	2022 Taka	2021 Taka
19.00 SHORT TERM LOAN AND OVERDRAFT:		
Social Islami Bank Ltd, Agrabad Branch- Bai Muazzal Commercial-(CC)	147,400,383	133,438,201
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978	-	630,624
UPAS Loan from Social Islami Bank Ltd.	6,417,478	17,504,170
Mercantile Bank Ltd. A.K Khan Branch-Cash Credit (CC) Hypo	40,786,185	41,735,265
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank Ltd.	13,259,936	3,367,576
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	650,461	1,406,853
Islami Bank (BD.) Ltd. Agrabad Branch CD A/C No-20501030100588315	896,857	165,677
LATR , Sight LC Loan From Mercantile Bank Ltd.	-	8,166,351
Other Short Term Loan	1,381,795	12,072,550
	210,793,095	218,487,266

19.01 Short Term Browing:

Particulars	Note	30 June 2022	30 June 2021
		Taka	Taka
Short term loan and overdraft	19.00	210,793,095	218,487,266
Long term loan-current portion	17.01	82,826,333	79,033,739
Total		293,619,428	297,521,005

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

(b) Cash Credit (Hypo) was sanctioned by the Mercantile Bank Limited, A.K Khan Moor Branch on the date of 28th May 2017. It is renewable.

(c) Limit of Bai-Muazzal (Commercial Trading)-CC A/C: 0041330027978 Loan was Tk. 13 (Thirteen) crore.

(d) Limit of Cash Credit (CC) Hypo A/C:117577521729167 was Tk. 04 (Four) crore.

(e) SIBL Loan bears interest @ 9% and Mercantile Bank Ltd. Loan bears interest @ 9% p.a. respectively

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

(g) Personal Guarantee of Directors

20.00 ACCRUED EXPENSES:

Audit Fee	410,750	398,250
Directors Remuneration	300,000	400,000
Directors Remuneration (Executive Director)	483,000	-
Electricity Bill-(Factory)	1,375,659	1,422,615
Electricity Bill-(Tissue Unit)	1,539,253	1,256,794
Gas Bill Factory	7,373,848	8,936,985
Gas Bill Factory Canteen	23,346	12,762
Gas Bill (H/O)	1,145	739
Food Allowance (Head Office)	155,329	155,329
Office Rent	725,000	425,000
Overtime	3,405,944	3,137,260
Salary & Allowances (Dhaka Office)	66,250	64,000
Salaries, Wages and Allowances (II/O)	758,002	806,462
Staff Salary & Allowances Factory	815,745	1,584,677
Wages & Allowances	5,135,075	3,951,813
Staff Salary (Sales & Marketing)	2,826,097	2,869,097
Food Allowance (Factory)	29,800	28,590
	25,424,243	25,450,373



	2022 <u>Taka</u>	2021 <u>Taka</u>
21.00 <u>WORKERS PROFIT PARTICIPATION & WELFARE FUND:</u>		
Balance as on 01 July	1,126,585	1,126,585
Add: Provision made during the year	-	-
	<u>1,126,585</u>	<u>1,126,585</u>
Less: Payment made during the year	-	-
Balance as on 30 June	<u>1,126,585</u>	<u>1,126,585</u>

The above amount lies as the 10% payable to Bangladesh Workers' Welfare Foundation Fund. As specific directive as to on which account it should be deposited is not available. This amount has been kept as provision. Upon clear guidance from Labor Welfare Foundation, the amount shall be transferred.

22.00 <u>TRADE PAYABLES:</u>		
Abul Khair Steel Melting Ltd.	1,119,802	1,519,802
Azad Engineering Workshop	376,150	527,150
Cartoon Nirman Ltd.	2,109,353	4,038,633
City Lub Oil Industries Ltd.	111,757	131,757
Gentech Energy	139,986	-
Instrumentation Co-operative	-	35,000
International Bearing Center	445,053	198,083
Islam & Brothers	115,264	406,286
Khaja Garibe Newaj Five Star Enterprise	2,164	2,149
M/s. Dohar Chemicals	2,490,815	3,472,765
Mamun Hardware Store	1,231,885	1,100,176
Noor Hardware Mart	59,091	59,781
Organic Bangladesh Corporation	134,096	149,000
Raj Bearing	2,650	44,130
S.R Packaging	7,493,974	8,528,720
Sakib Enterprise	145,670	175,670
Say Automation & Engineering	110,000	130,000
Hossain Box Industries	1,113,631	1,248,631
Arman & Brothers	-	80,000
Baizid Newsprint Mills Ltd/ Chittagong Packages Ltd	292,978	371,153
Boiler Techno Crafts Engineering	-	25,000
Khaja Polythene Mart	45,275	36,556
Emu Enterprise	284,370	273,523
Ispahani Marshall Ltd.	-	81,380
RFI. Plastic Ltd.	88,985	188,500
Shah Amanat Enterprise	753,435	753,435
Sheto Enterprise	-	3,026,963
Sion Enterprise	26,520	26,450
Taslima Enterprise	154,853	163,345
Unimax Chemicals	855,200	823,950
United Trading Agency	951,812	593,054
Other Payables	2,435,113	17,141,432
	<u>23,089,882</u>	<u>45,352,473</u>



	2022	2021
	<u>Taka</u>	<u>Taka</u>
23.00		
<u>CURRENT TAX LIABILITIES:</u>		
Balance as on 01 July	15,173,822	12,805,342
Provided during the year:		
Against current year	3,266,179	2,368,479
Against previous year	-	-
	<u>3,266,179</u>	<u>2,368,479</u>
	18,440,000	15,173,821
Adjusted with advance income tax paid	-	-
Balance as on 30 June	<u>18,440,000</u>	<u>15,173,822</u>
23.01		
<u>Computation of Provision for Income Tax:</u>		
23.01.1		
Net profit before tax	(17,802,266)	(23,034,016)
Less: Other income to be considered separately		
Dividend Income	825,254	740,196
Profit on Sale of Shares	4,029,920	2,507,544
Interest on FDR	399,248	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	870,605	1,151,105
	<u>(23,927,293)</u>	<u>(27,812,341)</u>
Add: Accounting depreciation	41,759,627	43,917,634
	<u>17,832,334</u>	<u>16,105,293</u>
Add: Inadmissible expenses		
Entertainment expenses	352,720	528,498
Miscellaneous expenses	4,750.00	64,280
	<u>18,189,804</u>	<u>16,698,071</u>
Less: Tax depreciation u/s 29	46,486,917	52,178,614
Business Income/(loss)	<u>(28,297,113)</u>	<u>(35,480,542)</u>
Add: Other income to be considered separately		
Dividend Income	825,254	740,196
Profit on Sale of Shares	4,029,920	2,507,544
Interest on FDR	399,248	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	870,605	1,151,105
Total Business Income/(loss)	<u>(22,172,086)</u>	<u>(30,702,218)</u>
23.01.2		
<u>Minimum Tax:</u>		
Total receipt against sales	538,238,090	389,968,195
Total receipt against other income	6,125,027	4,778,325.00
Total	<u>544,363,117</u>	<u>394,746,520</u>
Minimum Tax @ 0.60% on gross receipt of Tk. 544,363,117.	<u>3,266,179</u>	<u>2,368,479</u>

Compared with tax on business income and minimum tax higher one has been made provision for income tax.



	2022 <u>Taka</u>	2021 <u>Taka</u>
24.00	<u>LIABILITIES FOR OTHER FINANCE:</u>	
I.T. Deducted at Source	308,880	-
VAT Deducted at Source	113,235	-
Loan From Farhana Ferdous	25,200,000	16,000,000
Loan From Farhana Tarannum	21,800,000	14,600,000
	<u>47,422,115</u>	<u>30,600,000</u>
25.00	<u>UNCLAIMED DIVIDEND:</u>	
Balance as on 1st July	2,974,152	2,917,528
Add: Dividend declared for the year 2020-2021 approved in the AGM	877,491	1,567,340
	<u>3,851,643</u>	<u>4,484,868</u>
Less: Dividend Paid during the year	841,475	1,510,716
Balance as on 30 June	<u>3,010,168</u>	<u>2,974,152</u>
25.01	<u>Dividend Unclaimed for the years:</u>	
The details of unclaimed dividend as 30 June 2022 are as follows:		
2004-2005 to 2016-2017	2,490,152	2,490,152
2017-2018	305,650	305,650
2018-2019	95,700	95,700
2019-2020	82,650	82,650
2020-2021	36,016	-
	<u>3,010,168</u>	<u>2,974,152</u>
26.00	<u>DIRECTORS CURRENT ACCOUNT:</u>	
Mr. Mohammed Abdullah, Ex-Chairman	20,800,000	20,800,000
Mr. Md. Golam Kibria	10,050,000	6,200,000
Mr. Md. Golam Mostofa	3,500,000	3,000,000
Mr. Md Golam Haider	4,500,000	4,500,000
Mr. Md. Golam Morshed	7,300,000	7,300,000
Mr. Md. Golam Rasul Muktadir	7,250,000	7,250,000
	<u>53,400,000</u>	<u>49,050,000</u>

These balances represent short term financial arrangement availed from directors as and when required to meet working capital. All transactions were made through account payee cheques.



	2022 Taka	2021 Taka
27.00 REVENUE:		
News Print Paper	272,428,155	170,986,800
M.G. Newsprint	123,811,165	79,700,956
Medium Paper	1,131,379	14,676,803
Tissues Paper	147,553,458	134,126,157
Khata	5,550,398	842,860
Gross Revenue	550,474,555	400,333,576
Less: Value Added Tax (VAT)	12,236,465	10,365,381
Net Revenue	538,238,090	389,968,195
28.00 COST OF GOODS SOLD:		
Opening Stock of Raw Materials	85,542,241	53,659,078
Add: Purchase during the year	363,052,523	170,143,633
	448,594,764	223,802,711
Less: Closing Stock of Raw Materials	60,039,218	85,542,241
Raw Materials Consumed	388,555,546	138,260,470
Add: Factory overhead:		
Salaries, Wages and Allowances	33,028,057	30,288,705
Overtime -Factory Worker	3,056,609	2,496,741
Food Allowance	336,691	386,109
Labour Charge	9,642	32,000
Carriage Inward	400,515	876,205
Gas Bill (Boiler & Gas Generator)	42,016,598	42,056,394
Electric Bill	35,304,787	29,834,319
Consumable Spare & Store	5,116,765	3,327,808
Packing Material Consumed	6,887,953	2,268,960
Factory Maintenance	7,675,147	9,529,631
Loading Unloading Charge	229,495	83,470
Paper/Tissue/Khata Cutting Exp.	4,389,549	3,546,397
Fuel (Vehicle)	458,317	492,194
Medical & Medicine	243,025	61,583
Gas Generator Upkeep	653,000	76,655
Boiler Upkeep	-	30,000
Insurance Premium (Factory)	-	710,045
Laboratory Expenses	-	9,000
Canteen Expenses-Factory	201,786	142,589
Gas Bill (Factory Canteen)	93,857	103,517
Staff Tea, Tiffin (Factory)	210,905	72,060
Depreciation	41,269,169	43,365,908
	570,137,413	308,050,760
Add: Opening Work-in-Process	29,341,560	29,225,078
	599,478,973	337,275,838
Less: Closing Work-in-Process	51,618,780	29,341,560
Cost of Production	547,860,193	307,934,278
Add: Opening Stock of Finished Goods	82,598,829	91,650,113
	630,459,022	399,584,391
Less: Closing Stock of Finished Goods	147,219,143	82,598,829
Cost of Goods Sold	483,239,879	316,985,562



		2022	2021
		Taka	Taka
29.00	ADMINISTRATIVE EXPENSES:		
	Managing Director Remuneration	670,400	258,500
	Executive Director Remuneration	1,190,000	-
	Staff Salary & Allowances & Bonus	7,184,397	7,435,504
	Office Rent	360,000	375,000
	Telephone Bill	668,765	694,392
	Entertainment	352,720	528,498
	Staff Tea, Tiffin	6,220	12,452
	Travelling Expenses	526,525	209,638
	Dhaka Office Expenses	101,474	128,268
	Canteen-Expenses	14,340	7,690
	Postage & Courier	31,969	28,878
	Forms, Stamp & Legal Documents	2,130	3,645
	Fees, Renewal & Subscription	430,148	827,294
	Printing & Stationery	92,075	101,734
	Gas Bill H/O	8,442	86,150
	A. G. M Expenses	225,830	307,838
	Board Meeting Attendance Fees	377,500	440,000
	B. D. M. Expenses	19,406	2,546
	Audit Committee Meeting Attendance Fees	111,000	169,000
	NRC Meeting Attendance Fees	-	12,500
	B.O Maintenance Fees	900	952
	Office Maintenance	647,570	328,925
	Intranet Bill (BBTSL)	51,500	58,150
	Internet Bill (BBTSL)	62,900	77,650
	BRAC Net Limited	2,100	2,100
	Audit Fee	477,750	427,050
	Conveyance	268,472	342,007
	Miscellaneous Expenses	4,750	64,280
	Legal & Professional Fee	171,610	66,000
	Annual Subscription Fee of CDBI	56,000	112,000
	Annual Subscription Fee of CSE, DSE	190,000	190,000
	Electric Bill- Head Office	205,000	210,000
	Electric Bill- Dhaka Office	30,479	26,190
	Fuel (Vehicle)	263,484	524,201
	Vehicle Upkeep	267,748	570,829
	Water Bill- Dhaka Office	-	5,340
	Website Expenses	5,836	27,728
	Rent, Rates & Taxes	7,640	84,869
	Depreciation	490,457	551,726
		15,577,537	15,299,525

29.01 Key Management Personal Compansation:

Short term employee benefits	670,400	258,500
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	670,400	258,500

(a) The above short term employee benefits includes only remuneration amounting Tk. 670,400 paid to The Managing Director

(b) No remuneration is paid to any other director of the board other than meeting attendance fees which has been separately reported.

(c) No amount was spent by the company for compensating any other member of the Board of Directors for special services rendered.

(d) In addition to remuneration, Managing Directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

29.02 (e) Audit fees include VAT for the audit of financial statements of the company for the year 2021-2022.



	2022 <u>Taka</u>	2021 <u>Taka</u>
30.00 <u>SELLING & DISTRIBUTION EXPENSES:</u>		
Sales Promotion Expenses	715,939	268,218
Staff Salary	9,478,117	10,357,038
Festival Bonus	235,688	288,473
Conveyance-Tissue	1,584,925	1,191,766
Carriage Outward	13,392,220	13,364,483
C&F Bill-Export	26,992	2,804
Entertainment-Tissue	247,760	-
Advertisement	274,832	205,980
	<u>25,956,473</u>	<u>25,678,762</u>
31.00 <u>FINANCIAL EXPENSES:</u>		
Bank Charges	303,089	562,474
Bank Guarantee Commission	463,290	-
Interest Expenses on Cash Credit	17,753,900	8,569,623
Interest on Short Term Loan	1,396,083	657,260
Interest on Long Term Loan	17,351,684	49,550,071
Loan Processing Fee	101,200	434,198
Foreign currency exchange gain/(loss)	22,248	43,061
	<u>37,391,494</u>	<u>59,816,687</u>
31.01 <u>Foreign currency exchange (gain)/loss:</u>		
Realized foreign currency transaction (gain)/loss	1,815,325	16,119,218
Unrealized foreign currency transaction (gain)/loss	1,793,077	16,076,156
Realized foreign currency exchange loss made during the year	<u>22,248</u>	<u>43,061</u>
32.00 <u>NON-OPERATING INCOME:</u>		
Dividend Income	825,254	740,196
Profit on Sale of Shares	4,029,920	2,507,544
Interest Income	399,248	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	870,605	1,151,105
	<u>6,125,027</u>	<u>4,778,325</u>
33.00 <u>DEFERRED TAX EXPENSES:</u>		
(a) Deferred Tax Liability on 30 June	58,829,403	54,930,045
(b) Deferred Tax Liability on 01 July	55,287,179	56,025,616
Deferred Tax Expenses for the year (a-b)	<u>3,542,224</u>	<u>(1,095,571)</u>
34.00 <u>EARNING PER SHARE:</u>		
Calculation is shown below:		
<u>Net Profit after tax</u>	(24,610,668)	(24,306,924)
Number of shares outstanding	19,000,000	19,000,000
EPS	(1.30)	(1.28)
35.00 <u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u>		
Calculation is shown below:		
<u>Net Asset with Revaluation</u>	447,546,925	474,282,767
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	23.56	24.96
36.00 <u>NET ASSET VALUE PER SHARE WITHOUT REVALUATION:</u>		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	188,880,440	206,252,742
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	9.94	10.86



	2022	2021
	<u>Taka</u>	<u>Taka</u>
37.00 NET OPERATING CASH FLOW:		
Calculation is shown below:		
Net cash flow from operation	(1,499,752)	3,906,066
Number of shares outstanding	19,000,000	19,000,000
Net operating cash generated by per share	(0.08)	0.21

38.00 Number of Employees:

The total employees of the company as on June 30, 2022 stood at 376 nos comprising Head office staff 45 nos, Factory office staff 15 nos, Security 05 nos, Driver And helper 02 nos, Permanent worker 87 nos and Temporary worker 222 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	376	295

39.00 RISK MANAGERMENTS

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

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

- 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 News Print Paper, M.G News print, Medium Paper and Tissues paper.

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

a) Exposure of Credit risk:

Trade receivables	191,863,413	170,159,452
Advance, Deposit and Prepayments excluding Deposit & Prepayments.	103,663,020	72,295,257
Bank Balances	24,776,393	6,279,829
	320,302,826	248,734,538

b) Ageing of Trade Receivables are as follows:

Below-30 Days	32,616,780	28,927,107
Within 31-60 Days	51,803,122	45,943,052
Within 61-90 Days	32,616,780	28,927,107
Within 90 - 180 Days	30,698,146	27,225,512
Above 180 Days	44,128,585	39,136,674
	191,863,413	170,159,452

39.02 b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.



39.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Within 12 month	More than 12 month	Total
Unsecured Loan	58,299,990	-	-	58,299,990
Long Term Loan-non-current portions	401,809,112	82,826,333	-	484,635,445
Short Term Loan & Overdraft	210,793,095	210,793,095	-	210,793,095
Accrued Expenses	25,424,243	25,424,243	-	25,424,243
Workers Profit Participation and Welfare Fund	1,126,585	1,126,585	-	1,126,585
Trade Payables	23,089,882	23,089,882	-	23,089,882
Current Tax Liabilities	18,440,000	18,440,000	-	18,440,000
Liabilities for Other Finance	47,422,115	47,422,115	-	47,422,115
Directors Current Account	53,400,000	53,400,000	-	53,400,000
Total	839,805,022	462,522,253	-	922,631,356

39.03 c) Market Risk:

Market risk is the risk that changes in market prices such as foreign exchange rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

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	2022	2021
Installed Capacity (in M.T)	13,500	13,500
Actual Production (in M.T)	4,914	3,918
% of Capacity Utilization	36%	29%

Installed capacity could not be utilized due to following reason(s):

- (i) Break down of boiler as well as generator
- (ii) Break down of Production Machinery
- (iii) Load shading and deficiency of electricity supply
- (iv) Schedule maintenance of running plant etc.
- (v) Utilization of production capacity was increased compared to previous year due to reducing covid virus pandemic, increased market demand etc.



41.00 **RELATED PARTY TRANSACTION:**

41.01	Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2021	Transaction during the year	Balance as on 30 June 2022
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UNSECURED LOAN:

Mr. Mohammed Abdullah	Ex-Chairman	Loan Received	19,448,060	-	19,448,060
Mrs. Hosne Ara Begum	Chairman	Loan Received	3,800,000	-	3,800,000
Mr. Md. Golam Haider	Vice Chairman	Loan Received	5,957,975	1,500,000	7,457,975
Mr. Md. Golam Kibria	Managing Director	Loan Received	5,914,175	7,800,000	13,714,175
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	3,207,475	1,500,000	4,707,475
Mr. Md. Golam Mostofa	Director	Loan Received	4,464,830	-	4,464,830
Mr. Md. Golam Rasul Muktadir	Director	Loan Received	3,207,475	1,500,000	4,707,475

DIRECTORS CURRENT ACCOUNT:

Mr. Mohammed Abdullah	Ex-Chairman	Loan Received	20,800,000	-	20,800,000
Mr. Md Golam Haider	Vice Chairman	Loan Received	4,500,000	-	4,500,000
Mr. Md. Golam Kibria	Managing Director	Loan Received	6,200,000	3,850,000	10,050,000
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	7,300,000	-	7,300,000
Mr. Md. Golam Mostofa	Director	Loan Received	3,000,000	500,000	3,500,000
Mr. Md. Golam Rasul Muktadir	Director	Loan Received	7,250,000	-	7,250,000

42.00 **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 Labor Act, 2006 as amended in 2013 and is payable to workers as defined in the said Act. Workers profit participation fund has been calculated before charging of depreciation on revalued amount of non current assets.

No Provision for workers profit participation fund has been made in the Financial Statements, Since the Company made loss during the year.

43.00 **CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:**

	2022 Taka	2021 Taka
Profit after Provision for Income Tax	(24,610,668)	(24,306,924)
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add : Depreciation	41,759,627	43,917,634
Add: Provision for Deferred Tax Expenses	3,542,224	(1,095,571)
Add: Financial Expenses	37,391,494	59,816,687
	A 58,082,676	78,331,825
Changes in Working Capital		
(Increase)/Decrease in Stock	(51,394,511)	(22,865,815)
(Increase)/Decrease in Trade Receivables	(21,703,961)	(21,414,901)
(Increase)/Decrease in Advance, Deposits & Prepayments	28,745,992	(50,824,247)
Increase/(Decrease) in Accrued Expenses	(26,130)	(613,099)
Increase/(Decrease) in Current portion of Long Term Loan	3,792,594	24,058,441
Increase/(Decrease) in Trade Payables	(22,262,591)	(5,134,617)
Increase/(Decrease) in Current Tax Liabilities	3,266,179	2,368,479
	B (59,582,428)	(74,425,759)
Net cash inflows/(out flows) from operating activities (A+B)	(1,499,752)	3,906,066



44.00 OTHER RELEVANT INFORMATION:

- 44.01 During the year 5 (Five) Board Meetings were held.
44.02 During the year 4 (Four) Audit Committee Meetings were held.
44.03 During the year 1 (One) Nomination and Remuneration Committee (NRC) Meetings was held.
44.04 The audit fee of BDT 402,500 along with imposed VAT has been provided in the accounts as per decision taken in the 25th Annual General Meeting of the Company held on 27 December 2021.
44.05 The compliance audit fee of Tk. 40,250 along with imposed VAT has been provided in the accounts as per decision taken in the 25th Annual General Meeting of the company held on 27 December 2021.
44.06 There was no claim against the company not acknowledged as debt at the reporting date.
44.07 No amount of money was spent by the company for compensation to member of the board for special service rendered.

45.00 CONTINGENT LIABILITIES:

A contingent liability is a possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or;

A person obligation that arise from past event but is not recognized because:

- 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- 2) the amount of the obligation can not be measured with sufficient reliability .

46.00 EVENTS AFTER REPORTING PERIOD:

- 46.01 The Board of Directors in its meeting held on November 03, 2022 and approved the Audited Financial Statements and recommended cash dividend @ 1% only on general shareholders for the year 2021-2022 which is subject to approval of the shareholders in the next AGM. Thus total involvement comes to Taka 1,021,067 which is subject to approval of the shareholders in the next AGM
- 46.02 Total Number of Sponsor Shares is 87,89,330 out of total 1,90,00,000 shares of the company. The company declared cash dividend only to the general shareholders from Dividend Equalization Reserve.
- 46.03 Except above, no other significant event had occurred till date of signing the Financial Statements.

