

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

## HAKKANI PULP & PAPER MILLS LIMITED Statement of Financial Position (Un Audited) As at 30th September 2013

### A. SOURCES OF FUNDS:

#### Share Holders Equity:

Share Capital  
Dividend Equalization Fund  
Revaluation Reserve  
Retained Earnings

#### Non Current Liabilities:

Unsecured Loan  
Deferred Tax

### B. APPLICATION OF FUNDS:

Property, Plant and Equipment  
Investment in Shares

#### Current Assets:

Inventories  
Sundry Debtors  
Advances, Deposits & Prepayments  
Cash & Bank Balances

#### Current Liabilities:

Bank Loan & Overdraft  
Accrued Expenses  
Trade Creditors  
Liabilities for Other Finance  
Directors Current Account  
Provision for Income Tax

#### Net Current Assets

Deferred Revenue Expenses

Net Asset Value Per Share

NOTES	30 Sep' 13	30 June' 13
	Taka	Taka
	190,000,000	190,000,000
	10,000,000	10,000,000
04.00	366,234,670	370,221,031
	21,088,471	18,954,975
	587,323,141	589,176,006
	20,183,250	20,183,250
05.00	111,524,045	113,134,165
	131,707,295	133,317,415
	<b>719,030,436</b>	<b>722,493,421</b>
	641,040,040	643,466,003
	16,498,647	16,613,987
	102,325,306	114,912,296
	51,427,428	22,152,706
	32,593,931	28,392,177
	3,631,390	1,790,059
	189,978,055	167,247,238
	35,755,596	40,299,378
	5,453,287	4,909,995
	77,939,203	45,729,656
	6,041,449	11,746,892
	1,745,000	1,745,000
	6,092,296	5,356,185
	133,026,831	109,787,106
	56,951,224	57,460,132
	4,540,525	4,953,299
	<b>719,030,436</b>	<b>722,493,421</b>
	30.91	31.01

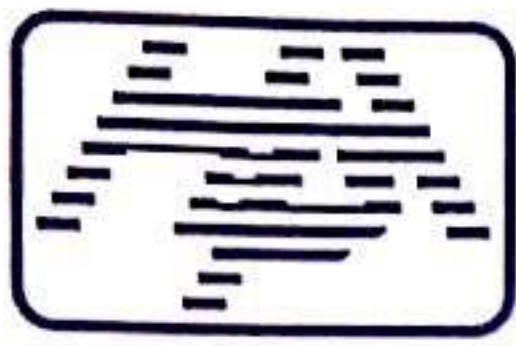
The annexed notes form an integral part of these financial statements.

MANAGING DIRECTOR

COMPANY SECRETARY

  
a member of  
HAKKANI GROUP





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## HAKKANI PULP & PAPER MILLS LIMITED Statement of Comprehensive Income(Un Audited) For the 1st quarter ended 30th September 2013

	30 Sep' 13 Taka	30 Sep' 12 Taka
Sales	112,605,498	40,169,166
Less: Cost of Goods Sold	106,636,695	38,520,230
<b>Gross Profit</b>	<b>5,968,803</b>	<b>1,648,936</b>
<b>Less: Operating Expenses</b>		
Administrative Expenses	2,043,595	1,855,454
Financial Expenses	1,708,958	1,976,120
Selling & Distribution Expenses	344,930	93,283
	4,097,483	3,924,857
<b>Operating Profit</b>	<b>1,871,320</b>	<b>(2,275,921)</b>
Add: Non-Operating Income	189,790	2,199,156
	2,061,110	(76,765)
<b>Net Profit Before WPPF</b>		
Less: Contribution to Workers Profit Participation Fund	98,148	-
<b>Net profit before Tax</b>	<b>1,962,962</b>	<b>(76,765)</b>
Less: Income Tax Provision		
Current Tax	736,111	-
Deferred Tax	(906,645)	-
	(170,534)	-
<b>Net profit/(Loss) after Tax</b>	<b>2,133,496</b>	<b>(76,765)</b>
<b>Earning Per Share - Basic</b>	<b>0.11</b>	<b>(0.00)</b>

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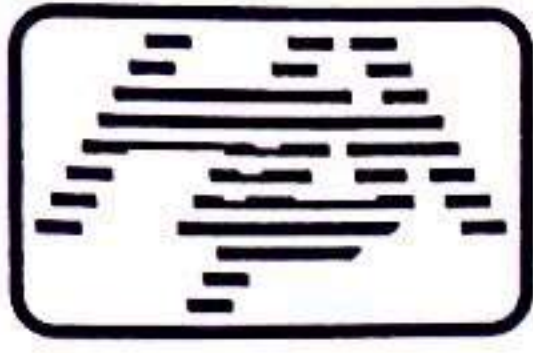
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## HAKKANI PULP & PAPER MILLS LIMITED Statement of Changes in Equity (Un Audited) For the 1st quarter ended 30th September 2013

Particulars	Amount In Taka				
	Share Capital	Dividend Equalization Fund	Revaluation reserve	Retained Earnings	Total
Balance as at 1st July, 2012	190,000,000	10,000,000	387,270,583	18,864,381	606,134,964
Adjustment for Depreciation	-	-	(20,058,297)	-	(20,058,297)
Adjustment for Deferred Tax on Revaluation Gain	-	-	3,008,745	-	3,008,745
Dividend (FY-2011-2012)	-	-	-	(9,500,000)	(9,500,000)
Net Profit after Tax	-	-	-	9,590,594	9,590,594
<b>Balance as on 30th June, 2013</b>	<b>190,000,000</b>	<b>10,000,000</b>	<b>370,221,031</b>	<b>18,954,975</b>	<b>589,176,006</b>
Balance as at 1st July, 2013	190,000,000	10,000,000	370,221,031	18,954,975	589,176,006
Adjustment for Depreciation	-	-	(4,689,837)	-	(4,689,837)
Adjustment for Deferred Tax on Revaluation Gain	-	-	703,475	-	703,475
Net Profit after Tax	-	-	-	2,133,496	2,133,496
<b>Balance as on 30th September, 2013</b>	<b>190,000,000</b>	<b>10,000,000</b>	<b>366,234,670</b>	<b>21,088,471</b>	<b>587,323,141</b>

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

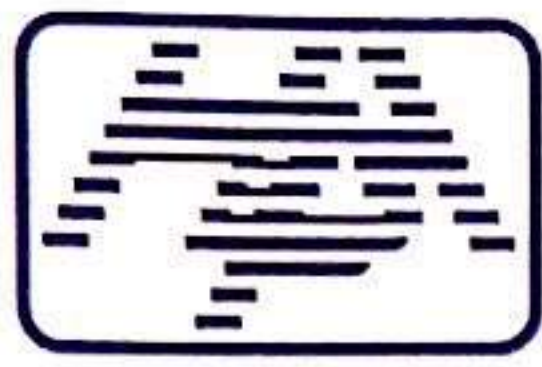
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## HAKKANI PULP & PAPER MILLS LIMITED Statement of Cash Flows(Un Audited) For the 1st quarter ended 30th September 2013

	Notes	30 Sep' 13	30 Sep' 12
		Taka	Taka
<b>A. Cash flows from Operating Activities:</b>			
Cash Collection from Turnover & Others		83,520,566	44,522,498
Payment for Cost and Expenses		(58,767,559)	(29,856,333)
Interest Paid		(1,708,958)	(1,976,120)
Income Tax Paid		(5,503,000)	(1,002,500)
<b>Net Cash flow from Operating Activities</b>		<b>17,541,049</b>	<b>11,687,545</b>
<b>B. Cash flows from Investing Activities:</b>			
Acquisition of Fixed Assets		(5,565,834)	(3,676,086)
Investment in Shares		115,340	740,310
<b>Net cash flow from Investing Activities</b>		<b>(5,450,494)</b>	<b>(2,935,776)</b>
<b>C. Cash flows from Financing Activities</b>			
Bank Loan & Overdraft		(4,543,782)	(5,872,972)
Liabilities for other finance		(5,705,443)	(2,369,138)
<b>Net Cash flow from Financing Activities</b>		<b>(10,249,225)</b>	<b>(8,242,110)</b>
<b>Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)</b>		<b>1,841,330</b>	<b>509,659</b>
Add: Opening Cash and Bank Balances		1,790,059	7,032,883
<b>Closing Cash and Bank Balances</b>		<b>3,631,389</b>	<b>7,542,542</b>
Net operating cash flow per share		0.92	0.62

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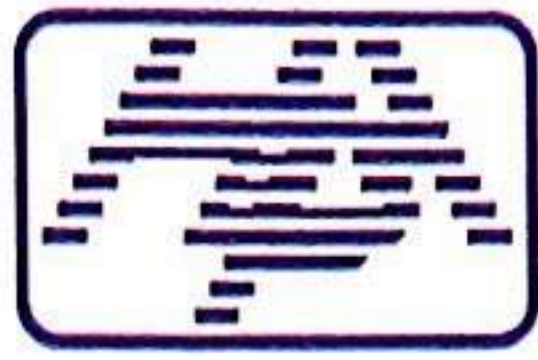
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## HAKKANI PULP & PAPER MILLS LIMITED

### SELECTED NOTES TO THE ACCOUNTS

For the 1st quarter ended 30th September 2013

#### 01.00 Nature of Business:

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

#### 02.00 Basis of measurement

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

#### 03.01 Depreciation

Depreciation is recognised in profit and loss account on diminishing balance method over the estimated useful lives of fixed assets. Depreciation is charged on addition from date of acquisition and no depreciation is charged in the year of disposal.

#### 03.02 Inventories

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

##### Category

##### Valuation

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

#### 03.03 Employee benefit schemes

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

#### 03.04 Income tax expenses

##### Current tax

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

##### Deferred Tax

Deferred Tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets and liabilities are recognised 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

#### 03.05 Revenue Recognition

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 recognised 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.

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30 Sep' 13	30 June' 13
Taka	Taka

## 04.00 REVALUATION RESERVE

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

Land and land development	139,028,020	139,028,020
Factory Building & Other Civil Cons.	110,663,849	110,663,849
Plant & Machinery	227,369,650	227,369,650
	<u>477,061,519</u>	<u>477,061,519</u>
Less: Depreciation on Revalued Assets	46,197,201	41,507,365
	<u>430,864,318</u>	<u>435,554,154</u>
Less: Adjustment for Deferred Tax @ 15%	64,629,648	65,333,123
	<u><u>366,234,670</u></u>	<u><u>370,221,031</u></u>

## 05.00 DEFERRED TAX LIABILITY

Opening Balance as on 1st July 2012	47,801,042	47,289,952
Deferred tax (Income)/ Expenses for the year	(906,645)	511,090
	<u>46,894,397</u>	<u>47,801,042</u>
Add: Deferred Tax for Revaluation	64,629,648	65,333,123
Balance as on 30th June 2013	<u><u>111,524,045</u></u>	<u><u>113,134,165</u></u>

This represents provision made for deferred income tax to pay future income tax liability for temporary differences.

## 05.01 Carrying Amount of Fixed Assets (less revaluation)

Tax Based Fixed Assets	191,815,638	190,241,117
Net Taxable Temporary Differences	66,763,912	62,771,670
	<u>125,051,726</u>	<u>127,469,447</u>
Deferred Tax Liability at effective tax rate	<u><u>46,894,397</u></u>	<u><u>47,801,043</u></u>

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