

# **HAKKANI PULP & PAPER MILLS LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE PERIOD ENDED 30 SEPTEMBER, 2021**



# HAKKANI PULP & PAPER MILLS LIMITED

## Statement of Financial Position (Un-Audited)

As at 30 September 2021

	Note(s)	30 Sep 2021 Taka	30 June 2021 Taka
<b>ASSETS</b>			
<b>Non Current Assets :</b>			
Property, Plant and Equipment	05	804,076,017	813,545,329
Capital Work-In-Progress	06	15,941,616	15,141,616
		<b>820,017,633</b>	<b>828,686,945</b>
<b>Current Assets:</b>			
Investment in Shares	07	14,549,020	19,827,757
Inventories	08	203,686,758	215,186,758
Trade Receivables	09	167,995,101	170,159,452
Advances, Deposits & Prepayments	10	201,525,581	213,657,065
Cash & Cash equivalents	11	10,812,737	21,279,829
		<b>598,569,198</b>	<b>640,110,860</b>
<b>TOTAL ASSETS</b>		<b>1,418,586,831</b>	<b>1,468,797,805</b>
<b>SHARE HOLDERS EQUITY &amp; LIABILITIES</b>			
<b>Shareholders Equity:</b>			
Share Capital	12	190,000,000	190,000,000
Dividend Equalization Reserve	13	13,279,866	13,279,866
Revaluation Reserve	14	265,689,140	268,030,025
Fair Value Reserve	7.01	2,181,004	3,214,203
Retained Earnings	15	(6,792,730)	(241,327)
		<b>464,357,280</b>	<b>474,282,767</b>
<b>Non Current Liabilities:</b>			
Unsecured Loan	16	55,099,990	45,099,990
Long Term Loan-non-current portions	17	354,502,351	378,680,044
Deferred Tax Liability	18	103,053,520	102,586,595
		<b>512,655,861</b>	<b>527,266,629</b>
<b>Current Liabilities:</b>			
Short Term Loan & Overdraft	19	198,907,332	218,487,266
Accrued Expenses	20	29,441,770	25,450,373
Workers Profit Participation and Welfare Fund	21	1,126,585	1,126,585
Long Term Loan-current Portion	17.01	70,192,699	79,033,739
Trade Payables	22	40,796,693	45,352,473
Current Tax Liabilities	23	15,634,458	15,173,821
Liabilities for Other Finance	24	30,600,000	30,600,000
Unclaimed Dividend	25	2,974,152	2,974,152
Directors Current Account	26	51,900,000	49,050,000
		<b>441,573,689</b>	<b>467,248,409</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,418,586,831</b>	<b>1,468,797,805</b>
<b>Net Asset Value Per Share(with revaluation)</b>	35	<b>24.44</b>	<b>26.06</b>
<b>Net Asset Value Per Share(without revaluation)</b>	36	<b>10.46</b>	<b>11.56</b>

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

আসলে আব্বাস  
CHAIRMAN

MANAGING DIRECTOR

DEPUTY MANAGING DIRECTOR

CFO

COMPANY SECRETARY

Place: Chattogram

Date: November 13, 2021



**HAKKANI PULP & PAPER MILLS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)**  
**For the period ended 30 September 2021**

	Note(s)	30 Sep 2021 Taka	30 Sep 2020 Taka
<b>Revenue</b>	27	72,271,731	126,291,871
Cost of Goods Sold	28	(64,495,564)	(109,430,915)
<b>Gross Profit / (Loss)</b>		<b>7,776,167</b>	<b>16,860,956</b>
<b>Operating Expenses:</b>			
Administrative Expenses	29	(3,005,037)	(3,759,771)
Selling & Distribution Expenses	30	(2,145,830)	(2,385,154)
		(5,150,866)	(6,144,925)
<b>Profit from Operation</b>		<b>2,625,301</b>	<b>10,716,031</b>
Financial Expenses	31	(15,333,438)	(15,203,333)
Non-Operating Income	32	4,501,077	853,650
<b>Net Profit Before WPPF &amp; WWF</b>		<b>(8,207,060)</b>	<b>(3,633,652)</b>
Contribution to WPPF & Welfare Funds	21.01	-	(27,603)
<b>Net profit before Tax</b>		<b>(8,207,060)</b>	<b>(3,661,255)</b>
Income Tax Expenses:			
Current Tax	23.01.2	(460,637)	(762,873)
Deferred Tax	33	(637,688)	4,839,797
		(1,098,325)	4,076,924
<b>Net profit after Tax</b>		<b>(9,305,385)</b>	<b>415,669</b>
<b>Other Comprehensive Income:</b>			
Deferred Tax on Revaluation Reserve		413,097	441,378
Unrealized Gain/ (Loss) on Investment in Shares	7.02	(790,866)	8,375,172
Deferred tax on unrealized gain/(loss)	18.02	(242,334)	-
		(620,102)	8,816,550
<b>Total Comprehensive Income</b>		<b>(9,925,487)</b>	<b>9,232,219</b>
<b>Earning Per Share - Basic</b>	34	(0.49)	0.022

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

আসাদ জাহাঙ্গীর  
 CHAIRMAN  
 MANAGING DIRECTOR

  
 DEPUTY MANAGING DIRECTOR

  
 CFO

  
 COMPANY SECRETARY

Place: Chattogram  
 Date: November 13, 2021



**HAKKANI PULP & PAPER MILLS LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
**For the period ended 30 September 2021**

(Amount in Taka)

Particulars	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	-	-	(2,753,982)	-	2,753,982	-
Deferred Tax on Revaluation Surplus	-	-	413,097	-	-	413,097
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(790,866)	-	(790,866)
Deferred tax on unrealised gain/(loss)	-	-	-	(242,334)	-	(242,334)
Net Profit after Tax for the year	-	-	-	-	(9,305,385)	(9,305,385)
<b>Balance as on 30 September 2021</b>	<b>190,000,000</b>	<b>13,279,866</b>	<b>265,689,140</b>	<b>2,181,004</b>	<b>(6,792,730)</b>	<b>464,357,280</b>
<b>For period ended 30 September 2020</b>						
Balance as at 01 July 2020	190,000,000	13,279,866	278,034,601	(4,803,835)	14,135,642	490,646,275
Adjustment of depreciation on carrying amount of revalued assets	-	-	(2,942,522)	-	2,942,522	-
Deferred Tax on Revaluation Surplus	-	-	441,378	-	-	441,378
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	3,622,172	-	3,622,172
Net Profit after Tax for the year	-	-	-	-	415,669	415,669
<b>Balance as on 30 September 2020</b>	<b>190,000,000</b>	<b>13,279,866</b>	<b>275,533,457</b>	<b>(1,181,663)</b>	<b>17,493,833</b>	<b>495,125,494</b>

*(Signature)*  
**CHAIRMAN**

*(Signature)*  
**MANAGING DIRECTOR**

*(Signature)*  
**DEPUTY MANAGING DIRECTOR**

*(Signature)*  
**COMPANY SECRETARY**

**CFO**



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

**Place: Chattogram**  
**Date: November 13, 2021**

# HAKKANI PULP & PAPER MILLS LIMITED

## Statement of Cash Flows (Un-Audited)

For the period ended 30 September 2021

	Note(s)	30 Sep 2021 Taka	*Rearranged 30 Sep 2020 Taka
<b>A. Cash flows from Operating Activities:</b>			
Cash Collection from Turnover & Others		78,937,159	103,276,541
Payment for Material and Expenses		(44,575,356)	(98,232,053)
Income Tax Paid		(433,442)	-
<b>Net Cash flows from Operating Activities</b>	43	<b>33,928,361</b>	<b>5,044,488</b>
<b>B. Cash flows from Investing Activities:</b>			
Acquisition of Property, Plant & Equipment		(942,260)	(216,000)
Capital Work-In-Progress		(800,000)	-
Sale of shares		4,487,872	922,456
<b>Net cash flows from Investing Activities</b>		<b>2,745,612</b>	<b>706,456</b>
<b>C. Cash flows from Financing Activities:</b>			
Short Term Loan & Overdraft		(19,579,934)	5,622,571
Long Term Loan		(24,177,692)	497,209
Interest Paid		(15,333,438)	(15,203,333)
Unsecured Loan Received		9,100,000	-
Directors Current Account		2,850,000	10,300,000
Liabilities for other finance		-	(184,932)
<b>Net Cash flows from Financing Activities</b>		<b>(47,141,064)</b>	<b>1,031,515</b>
<b>D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)</b>		<b>(10,467,091)</b>	<b>6,782,506</b>
<b>E. Opening Cash and Bank Balances</b>		<b>21,279,829</b>	<b>11,584,139</b>
<b>Closing Cash and Bank Balances (D+E)</b>		<b>10,812,738</b>	<b>18,366,645</b>
<b>F. Net Operating Cash Flows Per Share</b>	37	<b>1.79</b>	<b>0.27</b>

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

আসাদুল হক

CHAIRMAN

সুজন

MANAGING DIRECTOR

সুজন

DEPUTY MANAGING DIRECTOR

সুজন

CFO

সুজন

COMPANY SECRETARY

Place: Chattogram

Date: November 13, 2021



## HAKKANI PULP & PAPER MILLS LIMITED

### Notes to the Financial Statements

For the period ended 30 September 2021

#### 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, IFRS 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 (IAS) and International Financial Reporting Standard (IFRS) 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 Act and Supplementary Act, 2012 (effective from 01 July 2019)

The Value Added Tax Act and Supplementary 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, 1987

The Corporate Governance code 2018



**2.03 Application of International Accounting Standard (IAS):**

The following IAS are applicable for the Financial Statements for the period 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 external 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 September 2021.
- b. A Statement of Profit or Loss and other Comprehensive Income for the period ended 30 September 2021.
- c. A Statement of changes in equity for the period ended 30 September 2021.
- d. A Statement of Cash flows for the period ended 30 September 2021.
- 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 13 November 2021 Unless otherwise stated, the accounting policies and methods of computation used in preparation of the financial statements as at and for the period ended 30 Sep 2021 are consistent with those policies and methods adopted in preparing the financial statements as at and for the year ended 30 June 2021.

**2.06 Reporting Period:**

The financial statements of the Company cover three months from 1 July 2021 to 30 Sep 2021.

**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, 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 three 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 three 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 Judgment:

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 flow 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 comprehensive 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 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

#### Category

Finished Goods

Raw materials

Work in Process

Consumable stores

Packing materials

#### Basis of Valuation

Finished goods are valued at cost or NRV whichever is lower.

Raw materials are valued at weighted average method.

Work in process is valued at 100% cost of raw materials, 75% cost of labor and 50% cost of overhead.

Based on weighted average method.

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 News print, M.G news print, Medium Paper 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 shareholders



### 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 Rearrangement of Statement of Cash Flows:

Figures in relation to "Interest paid" has been moved from "Cash flows from Operating Activities" to "Cash flows from Financial Activities" upon complying with paragraph 33 of IAS-7 "Statement of Cash Flows" as it has been identified as cost of obtaining financial resources.

### 3.26 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 period:

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 period under review, the Company recorded a profit /(loss) after tax of Tk. (9,305,385) against previous period profit /(loss) of Tk. 415,669. The increase of loss is for less Sales Revenue. The basic Earnings Per Share for the period ended 30 September 2021 is Tk. (0.49) against Tk. 0.022 for the same previous period. The analysis of major items of the financial statements is given below:

#### 4.02 Revenue:

During the period under review total revenue was decreased as compared to previous period due to Covid-19 Pandemic. All dealer point, depot point, hotel and restaurant and corporate body was closed for lock down in the whole country during pandemic.

#### 4.03 Cost of Goods Sold:

During the period under review Cost of goods Sold was decreased as compared to the previous period due to closing of production during Covid-19 pandemic. Due to pandemic, the company could not continue its operational activities for lock down in whole country.

#### 4.04 Financial Expenses :

The Company's financial expenses was increased as compared to previous period for interest of Tk. 130,105 on Bai-Muazzal Loan, UPAS Laon, Biam Wes Bills, LATR from 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 significantly due to decreasing of Sale Revenue and increase of administrative expenses, selling expenses and financial expenses compared to previous period for Covid-19 pandemic. During the period under review, the Company recorded earnings per share (EPS) of Tk. (0.49) against previous period earnings per share (EPS) of Tk. 0.022

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

The Company's net operating cash flows per share (NOCFPS) was increased as compared to the previous period significantly due to rearranged of financial expenses from "Cash flows from Operating Activities" to "Cash flows from Financial Activities".

5.00 **PROPERTY, PLANT & EQUIPMENT:**

	<b>30-Sep-2021</b>	<b>30 June-2021</b>
	<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 period	942,260	10,143,245
Less: Adjustment during the period	-	-
<b>Balance as on 30 September</b>	<b>1,276,653,961</b>	<b>1,275,711,702</b>
Less: Accumulated depreciation	472,577,943	462,166,373
<b>Written down value as on 30 September</b>	<b>804,076,017</b>	<b>813,545,329</b>

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



(Amount in Taka)

## 5.01 PROPERTY, PLANT &amp; EQUIPMENT:

Particulars	C O S T			Rate of Dep.	D E P R E C I A T I O N			Written Down Value as on June 2021
	Balance as on 01 July 2021	Addition during the period	Disposal/Adjustment during the period		Balance as on 30 September 2021	Charged during the period	Disposal/Adjustment during the period	
<b>At Cost</b>								
Land & Land Development	43,583,242	-	-	-	43,583,242	-	-	43,583,242
Building & Other Construction	158,710,842	12,260	-	5%	158,723,102	1,405,345	47,698,447	111,024,655
Plant & Machinery	548,606,314	-	-	7%	548,606,314	5,656,416	231,038,931	317,567,383
Furniture & Fixture	1,216,169	-	-	10%	1,216,169	13,304	697,301	518,868
Office Equipment	3,611,543	-	-	10%	3,611,543	39,990	2,051,914	1,559,629
Electric Installation	21,328,322	930,000	-	10%	22,258,322	223,288	13,340,333	8,917,989
Gas Line Installation	3,932,191	-	-	10%	3,932,191	23,542	3,014,056	918,135
Telephone Line Installation	132,263	-	-	10%	132,263	818	100,369	31,894
Water Line Installation	7,039,214	-	-	10%	7,039,214	66,574	4,442,831	2,596,383
Fire Extinguisher	111,870	-	-	20%	111,870	752	97,578	14,292
Office Decoration	1,913,087	-	-	10%	1,913,087	33,525	605,592	1,307,495
Vehicle Car	3,011,672	-	-	20%	3,011,672	32,445	2,395,225	616,447
Motor Vehicle	4,437,057	-	-	20%	4,437,057	112,988	2,290,295	2,146,762
Factory Equipment	1,016,395	-	-	20%	1,016,395	48,600	319,011	697,384
<b>"A"</b>	<b>798,650,182</b>	<b>942,260</b>	<b>-</b>		<b>799,592,441</b>	<b>7,657,588</b>	<b>308,091,884</b>	<b>491,500,557</b>
<b>At Evaluation</b>								
Land & Land Development	139,028,020	-	-	-	139,028,020	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	5%	110,663,849	828,232	45,233,547	65,430,302
Plant & Machinery	227,369,650	-	-	7%	227,369,650	1,925,751	119,252,513	108,117,137
<b>"B"</b>	<b>477,061,519</b>	<b>-</b>	<b>-</b>		<b>477,061,519</b>	<b>2,753,982</b>	<b>164,486,060</b>	<b>312,575,459</b>
<b>Grand total as on 30 September, 2021 (A+B)</b>	<b>1,275,711,701</b>	<b>942,260</b>	<b>-</b>		<b>1,276,653,961</b>	<b>10,411,570</b>	<b>472,577,943</b>	<b>804,076,017</b>
<b>As at 30 June 2021</b>	<b>1,265,568,456</b>	<b>10,143,245</b>	<b>-</b>		<b>1,275,711,701</b>	<b>43,917,634</b>	<b>462,166,373</b>	<b>813,545,329</b>

30 Sep-2020

Taka

30 Sep-2021

Taka

Allocation of Depreciation :

Administrative Expenses 551,726  
 Factory Overhead 34,298,276  
**TAKA = 34,850,002**

30 Sep 2021

30 June 2021

Taka

Taka

**6.00 CAPITAL WORK-IN-PROGRESS:**

Capital Work-In-Progress

15,941,616

15,141,616

Balance as on 30 September

15,941,616

15,141,616

**6.01 Capital Work-In-Progress:**

Particulars	Opening Balance	Addition during the Period	Capitalized during the Period	Closing Balance
Building & Other Construction	12,485,677	-	-	12,485,677
Plant & Machinery	1,566,820	150,000	-	1,716,820
Motor Vehicle	147,439	-	-	147,439
Electric Installation	941,680	650,000	-	1,591,680
<b>Total</b>	<b>15,141,616</b>	<b>800,000</b>	<b>-</b>	<b>15,941,616</b>

**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 Sep 2021	Market Value as on 30 Sep 2021	Unrealized gain/ (loss)
Beximco Pharma Ltd.	3,500	138,855	841,050	702,195
Brac Bank Ltd.	12,109	158,299	575,178	416,879
DESCO Ltd.	5,000	238,287	200,500	(37,787)
Dhaka Bank Ltd.	27,240	210,234	384,084	173,850
Exim Bank Ltd.	53,401	1,080,863	678,193	(402,670)
Grameen Phone Ltd.	10,700	3,995,855	4,072,420	76,565
Islami Bank Bangladesh Ltd.	10,570	376,381	317,100	(59,281)
Jamuna Oil Ltd.	2,299	271,136	420,947	149,811
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	883,000	77,591
Meghna Petroleum Ltd.	2,402	249,369	482,802	233,433
Mercantile Bank Ltd.	13,062	118,778	207,686	88,908
Mutual Trust Bank Ltd.	19,299	207,749	399,489	191,740
National Bank Ltd.	78,838	902,974	703,622	(199,352)
One Bank Ltd.	35,084	296,251	470,126	173,875
Premier Bank Ltd.	4,675	32,062	68,723	36,660
Shahjalal Islami Bank Ltd.	38,036	249,341	821,578	572,237
Square Pharma Ltd.	9,200	1,826,477	2,240,200	413,723
Standard Bank Ltd.	20,920	200,804	209,200	8,396
Titas Gas Ltd.	13,250	766,559	573,125	(193,434)
<b>Total</b>	<b>369,585</b>	<b>12,125,683</b>	<b>14,549,020</b>	<b>2,423,337</b>

30 Sep 2021

30 June 2021

Taka

Taka

**7.02 Gain/ (Loss) on Investment in Shares:**

Unrealized Gain/ (Loss) Closing

2,423,337

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 period****(790,866)****8,375,172**

	30 Sep 2021 <u>Taka</u>	30 June 2021 <u>Taka</u>
<b>8.00 INVENTORIES:</b>		
<b>a) <u>Raw Materials</u></b>		
Wastage Paper	30,376,882	58,376,882
Chemicals	25,165,359	27,165,359
	<b>55,542,241</b>	<b>85,542,241</b>
<b>b) <u>Finished Goods</u></b>		
Newsprint Paper	43,883,005	41,333,005
Medium Paper	13,956,797	6,956,797
Khata	3,058,978	4,108,978
Various Tissue Paper	42,700,049	30,200,049
	<b>103,598,829</b>	<b>82,598,829</b>
<b>c) Work-In-Process</b>	36,841,560	29,341,560
<b>d) Consumable Spare &amp; Store</b>	4,707,097	9,707,097
<b>e) Packing Material</b>	2,997,031	7,997,031
<b>Total (a+b+c+d+e)</b>	<b>203,686,758</b>	<b>215,186,758</b>

- (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.H. Packaging & Accessories	2,090,472	2,090,472
Alomgir Traders	408,985	408,985
Chittagong Club Limited	547,711	547,711
Entimate Apparels Ltd	-	421,639
F K Packaging Mirshari	166,803	166,803
Handi Restaurant	187,249	189,874
Health Point Hospital	113,509	118,991
Hotel Zaman	117,799	117,799
M/S. Islam & Sons	200,000	200,000
Nuha Enterprise	-	220,229
Rana Enterprise	581,375	581,375
Royal Packaging	112,182	112,182
Shohid Enterprise-Tissue	102,655	102,655
Tuba Enterprise (Tissue)	476,844	476,844
Transcom Food Ltd	127,222	127,222
Yousuf Enterprise	2,616,042	2,616,042
Babul Store	41,815,949	41,815,949
Dainik Azadi (Shapon chy)	846,202	846,202
Elite Paper House	278,309	278,309
Interna Plastic (Pvt.) Ltd.	780,000	780,000
Modern Biponi	918,493	918,493
Sonargaon Paper House	428,031	428,031
Resimax Industries Ltd.	1,467,480	731,480
S.K Traders	1,129,259	995,759
A B Trading	722,256	642,120
Amina Enterprise	120,212	120,212
Arif Enterprise	617,254	617,254
Barcode Restaurant Group	306,570	306,570
Chandour Paper House	1,539,283	1,539,283

	30 Sep 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
Conpac Trading Ltd.	884,242	884,242
Faisal & Brothers	630,700	630,700
G. N. Enterprise	1,829,332	1,829,332
Garibe Newaj Traders (Sales)	666,495	666,495
Glory Tapes & Labels Ltd.	871,745	871,745
Habib Enterprise (Chokaria)	302,790	366,612
Korotoa Paper Depot.	956,131	956,131
M/s Oishi Enterprise	336,350	336,350
Mahbub & Brothers	4,113,728	4,204,560
Mizan Store (Tissue)	2,137,368	2,137,368
Modhumoti Traders	237,649	237,649
Mustafa Paper House	5,998,260	5,998,260
Nuha Enterprise / Three Star	220,229	220,229
Paperaj Traders	279,096	279,096
Personal Tissue	630,135	630,135
Pran RFL	250,021	250,021
RFM Paper Mills Ltd.	482,373	482,373
RM Trade International	3,805,107	3,805,107
S Rahaman Trading/Enterprise	4,348,228	4,423,428
S.K Enterprise	360,633	360,633
S.R.Paper House	125,655	125,655
S.S.G Paper Ltd.	320,169	320,169
Sagorika Printers	1,405,074	1,405,074
Sajib Enterprise	2,667,276	2,667,276
Sha Jobbariya Enterprise	91,191	-
Shanto Enterprise	190,903	190,903
Sifa/ Shefa Packages	885,000	885,000
Unique Accessories	826,936	826,936
Walton Hi-Tech Industry Ltd.	124,369	124,369
Watson Paper Mills Ltd.	129,510	129,510
Other Receivables	73,070,261	75,395,610
	<b><u>167,995,101</u></b>	<b><u>170,159,452</u></b>

- a) Trade Receivables are occurred in the ordinary course of business.  
b) Trade Receivables are unsecured but considered good by the management.

**Ageing of Trade Receivables:**

Below-30 Days	28,559,167	28,927,107
Within 31- 60 Days	45,358,677	45,943,052
Within 61 - 90 Days	28,559,167	28,927,107
Within 90 - 180 Days	26,879,216	27,225,512
Above 180 Days	38,638,873	39,136,674
	<b><u>167,995,101</u></b>	<b><u>170,159,452</u></b>

	30 Sep 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>10.00 <u>ADVANCES, DEPOSITS &amp; PREPAYMENTS:</u></b>		
Advance Against Income Tax (Note: 10.01)	31,545,735	31,112,292
Advance Against Salary & Wages (Note: 10.02)	252,248	291,248
Advance Against Expenditure (Note: 10.03)	73,484,188	72,295,257
Advance Against L/C (Note: 10.04)	33,994,886	49,645,840
Advance Against Purchase (Note: 10.05)	52,114,360	50,178,263
Deposits and Prepayments (Note: 10.06)	10,134,165	10,134,165
	<b>201,525,581</b>	<b>213,657,065</b>
<b>10.01 <u>Advance Against Income Tax</u></b>		
Advance Income Tax Paid	6,169,990	5,869,990
Advance Income Tax - Import	1,504,754	1,371,311
Advance Income Tax - Export	288,537	288,537
Advance Income Tax Deducted at Source	22,558,651	22,558,651
Advance Income Tax Deducted at Source (Dividend Income)	1,018,989	1,018,989
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	<b>31,545,735</b>	<b>31,112,292</b>
	<b>252,248</b>	<b>291,248</b>
<b>10.02 <u>Advance Against Salary &amp; Wages</u></b>		
<b>10.03 <u>Advance Against Expenditure</u></b>		
Advance for Dhaka Office	259,700	259,700
Anima Development Limited	7,525,849	7,525,849
Advance for Machinery Purchase	59,825,815	59,825,815
VAT Current Account	978,185	443,029
Lanka Bangla Securities Ltd.	649	265,181
VAT Deducted at Source	537,959	534,584
I. T. Deducted at Source	341,870	33,655
City Brokerage Ltd.	127,710	1,073
Advances for spares parts and other materials	3,886,452	3,406,372
	<b>73,484,188</b>	<b>72,295,257</b>
	<b>33,994,886</b>	<b>49,645,840</b>
<b>10.04 <u>Advance Against L/C</u></b>		
<b>10.05 <u>Advance Against Purchase</u></b>		
Arif Traders	6,207,857	5,554,130
Bismillah Enterprise	8,476,959	8,376,959
Akram & Brothers	5,128,945	5,128,945
M/S Recycle and Waste Paper Suppliers	11,740,964	11,740,964
Munna Enterprise	16,238,705	15,307,325
Shah Godi Enterprise	4,320,930	4,069,940
	<b>52,114,360</b>	<b>50,178,263</b>
<b>10.06 <u>Deposits</u></b>		
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
	<b>10,134,165</b>	<b>10,134,165</b>

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  
At Dhaka Office  
At Factory

30 Sep 2021

Taka

30 June 2021

Taka

3,289,178	13,278,921
50,000	505,685
12,000	1,215,394
<b>3,351,178</b>	<b>15,000,000</b>

**Cash at Banks**

Bangladesh Krishi Bank, Agrabad Branch, CD A/C-2903-0210014807  
First Security Islami Bank Ltd, Agrabad Branch. STD A/C - 010413100000463  
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458  
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949 /5816  
Southeast Bank Ltd, Pahartali Branch, CD A/C-New # 005111100000671  
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243  
Premier Bank Ltd, CEPZ Branch CD A/C No-016711100000103  
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315  
Mercantile Bank Ltd, A.K Khan Branch CD A/C No-117511121143947  
Dhaka Bank Ltd, G.E.C (C.D.A) Branch CD A/C No-201009777  
Standard Bank Ltd, Jubilee Road Branch CD A/C No-01233005212  
United Commercial Bank Ltd, Pahartali Branch CD A/C-No 01000000078  
Eastern Bank Ltd, Agrabad Branch CD A/C No-11071082755  
Pubali Bank Ltd, Pahartali Branch CD A/C No-825901027548  
Dutch Bangla Bank CD A/C No- 1021100040340

29,788	29,788
57,509	57,624
627,355	283,000
238,327	147,431
-	17,389
4,294	74,294
140,001	140,001
90,842	-
2,675	4,794
-	5,735
-	11,446
256,398	278,198
339,528	149,451
859,484	428,949
177,012	112,212
<b>2,823,214</b>	<b>1,740,312</b>
375,966	356,704
449,176	449,176
758,957	720,073
560,847	553,376
2,278,196	2,247,850
215,204	212,338
<b>10,812,737</b>	<b>21,279,829</b>

Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882  
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432  
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666  
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265  
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274  
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646

(a) Cash balance as on 30.09.2021 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	30 Sep 2021	30 June 2021
				TK	TK
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	One Year	Guarantee	6%	375,966	356,704
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	One Year	Guarantee	6%	449,176	449,176
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	One Year	Guarantee	5%	758,957	720,073
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	One Year	Guarantee	6%	560,847	553,376
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	One Year	Guarantee	6%	2,278,196	2,247,850
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	One Year	Guarantee	6%	215,204	212,338
<b>Total</b>				<b>4,638,346</b>	<b>4,539,517</b>



	30 Sep 2021 Taka	30 June 2021 Taka
<b>12.00 SHARE CAPITAL:</b>		
<b>12.01 Authorized:</b>		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
<b>12.02 Issued, Subscribed and Paid-up:</b>		
85,00,000 Ordinary shares of Tk. 10.00 each fully paid up in cash.	85,000,000	85,000,000
1,05,00,000 Ordinary shares of Tk. 10.00 each fully paid up other than cash.	105,000,000	105,000,000
	<u>190,000,000</u>	<u>190,000,000</u>

**12.03 The break up of share holdings as on 30 Sep. 2021 is as follows:-**

Description	No of shares 30 Sep 2021	% of shares holding 30 Sep 2021	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.	1,580,800	8.32	1,580,800	8.32
Other Institution and General Public	8,625,370	45.39	8,625,370	45.39
<b>Total</b>	<b>19,000,000</b>	<b>100.0</b>	<b>19,000,000</b>	<b>100.0</b>

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	30 Sep 2021	30 June 2021	30 Sep 2021	30 June 2021	30 Sep 2021	30 June 2021
Less than 500 shares	2,037	2,037	385,695	385,695	2.03	2.03
501 to 5000 Shares	1,531	1,531	2,723,355	2,723,355	14.33	14.33
5001 to 10000 Shares	185	185	1,339,800	1,339,800	7.05	7.05
10001 to 20000 Shares	77	77	1,092,576	1,092,576	5.75	5.75
20001 to 30000 Shares	21	21	504,008	504,008	2.65	2.65
30001 to 40000 Shares	10	10	358,051	358,051	1.88	1.88
40001 to 50000 Shares	5	5	221,345	221,345	1.16	1.16
50001 to 100,000 Shares	10	10	643,396	643,396	3.39	3.39
100001 to 1,000,000 Shares	13	13	5,918,142	5,918,142	31.15	31.15
Over 1,000,000 Shares	4	4	5,813,632	5,813,632	30.60	30.60
<b>Total</b>	<b>3,893</b>	<b>3,893</b>	<b>19,000,000</b>	<b>19,000,000</b>	<b>100.00</b>	<b>100.00</b>

**12.05 Market price of Shares:**

The shares are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and quoted at Tk. 80.10 on 30 September, 2021 (Face value Tk. 10.00)

	30 Sep 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>13.00</b>		
<b><u>DIVIDEND EQUALIZATION RESERVE:</u></b>		
Dividend Equalization Reserve is made-up as follows:		
Balance as on 01 July	13,279,866	13,279,866
Less: Dividend for the year 2018-2019 approved in the AGM	-	-
Balance as on 30 September	<u>13,279,866</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.		
<b>14.00</b>		
<b><u>REVALUATION RESERVE:</u></b>		
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:		
Land and land development	139,028,020	139,028,020
Factory Building & Other Civil Constructions	110,663,849	110,663,849
Plant & Machinery	227,369,650	227,369,650
	<u>477,061,519</u>	<u>477,061,519</u>
Less: Depreciation on Revalued Assets till 30.09.2021 (Note-5.01)	164,486,060	161,732,078
	<u>312,575,459</u>	<u>315,329,441</u>
Less : Adjustments for Deferred Tax	46,886,319	47,299,416
Balance as on 30 September	<u>265,689,140</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) Intial reserve of revaluation amount of Tk. 477,061,519		
<b>15.00</b>		
<b><u>RETAINED EARNINGS:</u></b>		
Balance as on 01 July	(241,327)	14,135,642
Less: Proposed dividend for the period 2019-2020 as approved in the AGM	-	1,840,134
	<u>(241,327)</u>	<u>12,295,508</u>
Add: Net profit/(loss) after tax	(9,305,385)	(24,306,924)
	<u>(9,546,712)</u>	<u>(12,011,416)</u>
Add: Revaluation Surplus Realized	2,753,982	11,770,089
Balance as on 30 September	<u>(6,792,730)</u>	<u>(241,327)</u>
<b>16.00</b>		
<b><u>UNSECURED LOAN:</u></b>		
Mr. Mohammad Abdullah, Chairman	19,448,060	19,448,060
Mr. Md. Golam Kibria, Managing Director	11,514,175	5,914,175
Mr. Md. Golam Mostafa, Director	4,464,830	4,464,830
Mrs. Hosne Ara Begum, Director	3,800,000	3,800,000
Mr. Md. Golam Haider, Director	6,957,975	5,957,975
Mr. Md. Golam Morshed, Director	4,707,475	3,207,475
Mr. Md. Golam Rasul Muktadir, Director	4,207,475	3,207,475
	<u>55,099,990</u>	<u>45,999,990</u>
The above loans from directors are interest free.		
<b>17.00</b>		
<b><u>LONG TERM LOAN:</u></b>		
HPSM Commercial Loan	184,740,314	181,607,082
Loan Under BMRE of Existing Projects	-	-
Loan Under Tissue Projects	211,011,875	227,492,477
Bai Muazzal Term loan	26,227,000	36,227,000
Term Loan	2,715,862	12,387,224
	<u>424,695,051</u>	<u>457,713,783</u>

	30 Sep 2021 Taka	30 June 2021 Taka
<b>17.01 LONG TERM LOAN- MATURITY ANALYSIS:</b>		
Due within the period- Current Portion	70,192,699	79,033,739
Due after more than the period- Non-Current Portion	354,502,351	378,680,044
	<u>424,695,051</u>	<u>457,713,783</u>

**17.02 TERMS OF LONG TERM LOAN:**

**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. 481,000,000.

**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 DEFERRED TAX LIABILITY:**

Balance as on 01 July	55,287,179	56,025,616
Deferred Tax (Income)/ Expenses for the period -(Note-18.01)	637,688	(1,095,571)
Investment in shares (Note-18.02)	242,334	357,134
	<u>56,167,201</u>	<u>55,287,179</u>
Add: Deferred Tax for Revaluation Surplus	46,886,319	47,299,416
Balance as 30 September	<u>103,053,520</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 30.09.2021 has been shown at **Note-18.01 & 18.02**.

**18.01 Calculation of Deferred Tax Liability**

(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 30 Sep	447,917,315	454,632,644
(b) Tax Based Property, Plant and Equipment	200,949,613	210,499,112
(c) Net Taxable Temporary Differences (a-b)	246,967,702	244,133,532
(d) Deferred Tax liability at effective Tax Rate 22.5%	55,567,733	54,930,045
(f) Deferred Tax expenses on Net Taxable Temporary differences	<u>637,688</u>	<u>(1,095,571)</u>

Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 30.09.2021

**18.02 Investment in Shares**

(a) Carrying Amount of Investment in Shares (Market value) as on 30 Sep	14,549,020	19,827,757
(b) Tax Based Investment in Shares (Cost Value) as 30 Sep	12,125,683	16,256,420
(c) Net Taxable Temporary Differences (a-b)	2,423,337	3,571,337
(d) Deferred Tax liability at effective Tax Rate 10%	<u>242,334</u>	<u>357,134</u>

30 Sep 2021

30 June 2021

Taka

Taka

**19.00 SHORT TERM LOAN AND OVERDRAFT:**

Social Islami Bank Ltd, Agrabad Branch- Bai Muazzal Commercial-(CC)	124,195,977	133,438,201
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978	419,999	630,624
UPAS Loan from Social Islami Bank Ltd.	17,504,170	17,504,170
Mercantile Bank Ltd. A.K Khan Branch-Cash Credit (CC) Hypo	40,896,566	41,735,265
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank Ltd.	3,854,633	3,367,576
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	1,508,747	1,406,853
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315	-	165,677
Standard Bank Ltd, Jubilee Road Branch CD A/C No-01233005212	103,077	-
LTR , Sight LC Loan From Mercantile Bank Ltd.	8,331,614	8,166,351
Other Short Term Loan	2,092,550	12,072,550
	<b>198,907,332</b>	<b>218,487,266</b>

**19.01 Short Term Browing:**

Particulars	Note	30-Sep-2021	30-Jun-21
		TK	TK.
Short term loan and overdraft	19.00	198,907,332	218,487,266
Long term loan-current portion	17.01	70,192,699	79,033,739
<b>Total</b>		<b>269,100,031</b>	<b>297,521,005</b>

(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	398,250	398,250
Directors Remuneration	550,000	400,000
Electricity Bill-(Factory)	1,422,615	1,422,615
Electricity Bill-(H/O)	-	-
Electricity Bill-(Dhaka Office)	-	-
Electricity Bill-(Tissue Unit)	3,160,382	1,256,794
Gas Bill Factory	10,153,547	8,936,985
Gas Bill Factory Canteen	10,610	12,762
Gas Bill (H/O)	1,031	739
Food Allowance	155,329	155,329
Mobile Bill	-	-
Office Rent	500,000	425,000
Overtime	3,703,833	3,137,260
Salary & Allowances (D/O)	44,875	64,000
Salaries, Wages and Allowances (H/O)	495,241	806,462
Staff Salary & Allowances Factory	1,759,577	1,584,677
Telephone Bill	-	-
Wages & Allowances	4,558,804	3,951,813
Staff Salary (Sales & Marketing)	2,527,676	2,869,097
Incentive Bonus (Factory)	-	28,590
	<b>29,441,770</b>	<b>25,450,373</b>

	30 Sep 2021 <u>Taka</u>	30 June 2021 <u>Taka</u>
<b>21.00</b>		
<b><u>WORKERS PROFIT PARTICIPATION &amp; WELFARE FUND:</u></b>		
Balance as on 01 July	1,126,585	1,126,585
Add: Provision made during the period	-	-
	<u>1,126,585</u>	<u>1,126,585</u>
Less: Payment made during the period	-	-
Balance as on 30 September	<u><u>1,126,585</u></u>	<u><u>1,126,585</u></u>
<b>21.01</b>		
<b><u>Provision made during the period for WPPF and Welfare Fund:</u></b>		
Profit before tax and WPPF and Welfare Fund	-	579,662
Cash dividend received from investment	-	-
Profit applicable for WPPF and Welfare Fund	-	<u>579,662</u>
Contribution to WPPF and Welfare fund at 5%	-	<u><u>27,603</u></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.

<b>22.00</b>			
	<b><u>TRADE PAYABLES:</u></b>		
	Abul Khair Steel Melting Ltd.	1,519,802	1,519,802
	Azad Engineering Workshop	527,150	527,150
	Cartoon Nirman Ltd.	4,266,043	4,038,633
	City Lub Oil Industries Ltd.	131,757	131,757
	Gentech Energy	134,986	-
	Instrumentation Co-operative	35,000	35,000
	International Bearing	187,143	198,083
	Islam & Brothers	576,105	406,286
	Khaja Garibe Newaj Five Star Enterprise	2,149	2,149
	M/s. Dohar Chemicals	2,972,765	3,472,765
	Mamun Hardware Store	1,118,183	1,100,176
	Noor Hardware Mart	63,281.00	59,781
	Organic Bangladesh Corporation	149,000	149,000
	Raj Bearing	44,130	44,130
	S.R Packaging	8,273,698	8,528,720
	Sakib Enterprise	175,670	175,670
	Say Automation & Engineering	130,000	130,000
	Hossain Box Industries	1,188,631	1,248,631
	Indowater Solution	10	10
	Arman & Brothers	-	80,000
	Baizid Newsprint Mills Ltd/ Chittagong Packages Ltd	371,153	371,153
	Boiler Techno Crafts Engineering	10,000	25,000
	Khaja Polythene Mart	28,438	36,556
	Emu Enterprise	216,478	273,523
	Ispahani Marshall Ltd.	81,380	81,380
	RFL Plastic Ltd.	188,500	188,500
	Shah Amanat Enterprise (Chemical)	753,435	753,435
	Sheto Enterprise	3,026,963	3,026,963
	Sion Enterprise (Chemical)	26,450	26,450
	Taslina Enterprise	205,365	163,345
	Unimax Chemicals	350,550	823,950
	United Trading Agency	593,054	593,054
	Other Payables	11,149,425	17,111,422
		<u><u>41,796,693</u></u>	<u><u>45,352,473</u></u>

	30 Sep 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>23.00 CURRENT TAX LIABILITIES:</b>		
Balance as on 01 July	15,173,821	12,805,342
<b>Provided during the period:</b>		
Against current period	460,637	2,368,479
Against previous period	-	-
	460,637	2,368,479
	15,634,458	15,173,821
Adjusted with advance income tax paid	-	-
Balance as on 30 September	<u>15,634,458</u>	<u>15,173,821</u>
<b>23.01 Computation of Provision for Income Tax:</b>		
<b>23.01.1 Net profit before tax</b>	(8,207,060)	(23,034,016)
<b>Less: Other income to be considered separately</b>		
Dividend Income	344,355	740,196
Profit on Sale of Shares	4,000,931	2,507,544
Interest on FDR	109,811	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	45,980	1,151,105
	(12,708,137)	(27,812,341)
Add: Accounting depreciation	10,411,570	43,917,634
	(2,296,566)	16,105,293
<b>Add: Inadmissible expenses</b>		
Entertainment expenses	64,750	528,498
Miscellaneous expenses	-	64,280
	64,750	64,280
	(2,231,816)	16,698,071
Less: Tax depreciation u/s 29	10,491,759	52,178,614
<b>Business Income/(loss)</b>	<u>(12,723,575)</u>	<u>(35,480,542)</u>
<b>Add: Other income to be considered separately</b>		
Dividend Income	344,355	740,196
Profit on Sale of Shares	4,000,931	2,507,544
Interest on FDR	109,811	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	45,980	1,151,105
<b>Total Income/(loss)</b>	<u>(8,222,499)</u>	<u>(30,702,217)</u>
<b>23.01.2 Minimum Tax:</b>		
Total receipt against sales	72,271,731	389,968,195
Total receipt against other income	4,501,077	4,778,325.00
<b>Total</b>	<u>76,772,808</u>	<u>394,746,520</u>
Minimum Tax @ 0.60% on gross receipt of Tk. 76,772,808	<u>460,637</u>	<u>2,368,479</u>

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



	30 Sep 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>24.00</b>	<b><u>LIABILITIES FOR OTHER FINANCE:</u></b>	
I.T. Deducted at Source	-	-
VAT Deducted at Source	-	-
Loan From Farhana Ferdous	16,000,000	16,000,000
Loan From Farhana Tarannum	14,600,000	14,600,000
	<u>30,600,000</u>	<u>30,600,000</u>
<b>25.00</b>	<b><u>UNCLAIMED DIVIDEND:</u></b>	
Balance as on 1st July	2,974,152	2,917,528
Add: Proposed dividend for the period 2020-2021 approved in the AGM	-	1,567,340
	<u>2,974,152</u>	<u>4,484,868</u>
Less: Dividend Paid	-	1,510,716
Balance as on 30 September	<u>2,974,152</u>	<u>2,974,152</u>
<b>25.01</b>	<b><u>Dividend Unclaimed for the years:</u></b>	
The details of unclaimed dividend as 30 September 2021 are as follows:		
2004-2005 to 2016-2017	2,490,152	
2017-2018	305,650	
2018-2019	95,700	
2019-2020	82,650	
	<u>2,974,152</u>	
<b>26.00</b>	<b><u>DIRECTORS CURRENT ACCOUNT:</u></b>	
Mr. Mohammad Abdullah, Chairman	20,800,000	20,800,000
Mr. Md. Golam Kibria	9,050,000	6,200,000
Mr. Md. Golam Mostafa	3,000,000	3,000,000
Mr. Md. Golam Haider	4,500,000	4,500,000
Mr. Md. Golam Murshed	7,300,000	7,300,000
Mr. Md. Golam Rasul Muktadir	7,250,000	7,250,000
	<u>51,900,000</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.

	<u>30-Sep-21</u>	<u>30-Sep-20</u>
	<u>Taka</u>	<u>Taka</u>
<b>27.00 REVENUE:</b>		
News Print Paper	20,638,487	72,520,355
M.G.Newsprint	17,583,242	21,021,298
Medium Paper	263,844	7,124,427
Tissues Paper	34,180,174	28,174,425
Khata*	1,659,239	-
Gross Revenue	74,324,986	128,840,505
Less: Value Added Tax (VAT)	2,053,255	2,548,634
<b>Net Revenue</b>	<b>72,271,731</b>	<b>126,291,871</b>
<b>28.00 COST OF SALES:</b>		
Opening Stock of Raw Materials	49,900,143	53,659,078
Add: Purchase during the period	60,723,651	32,568,445
	<b>110,623,794</b>	<b>86,227,523</b>
Less: Closing Stock of Raw Materials	55,542,241	49,900,143
Raw Materials Consumed	<b>55,081,553</b>	<b>36,327,380</b>
<b>Add: Factory overhead:</b>		
Salaries, Wages and Allowances	5,124,836	5,795,297
Overtime -Factory Worker	1,120,117	657,613
Food Allowance- Factory Staff	49,706	64,690
Labour Charge	6,392	3,000
Carriage Inward	1,517,655	3,503,705
Gas Bill (Boiler & Gas Generator)	9,074,243	9,933,746
Electric Bill	5,269,029	8,795,992
Consumable Spare & Store	479,554	-
Packing Material Consumed	326,969	-
Factory Maintenance	1,373,270	2,628,080
Loading Unloading Charge	52,770	4,200
Paper/Tissue/Khata Cutting Exp.	574,839	799,376
Fuel (Vehicle)	27,705	99,758
Medical & Medicine	40,911	14,627
Gas Generator Upkeep	-	15,490
Laboratory Expenses	-	9,000
Canteen Expenses-Factory	35,293	33,551
Gas Bill (Factory Canteen)	10,159	21,877
Staff Tea, Tiffin (Factory)	23,480	-
Export Related Expenses	6,050	-
Depreciation	10,291,488	34,298,276
	<b>90,486,019</b>	<b>103,005,655</b>
Add: Opening Work-in-Process	28,417,479	29,225,078
	<b>118,903,498</b>	<b>132,230,736</b>
Less: Closing Work-in-Process	36,841,560	28,417,479
Cost of Production	<b>82,061,938</b>	<b>103,813,257</b>
Add: Opening Stock of Finished Goods	86,032,455	91,650,113
	<b>168,094,393</b>	<b>195,463,370</b>
Less: Closing Stock of Finished Goods	103,598,829	86,032,455
<b>Cost of Goods Sold</b>	<b>64,495,564</b>	<b>109,430,915</b>

		<u>30-Sep-21</u>	<u>30-Sep-20</u>
		<u>Taka</u>	<u>Taka</u>
<b>29.00</b>	<b><u>ADMINISTRATIVE EXPENSES:</u></b>		
	Managing Director Remuneration	255,100	-
	Staff Salary & Allowances & Bonus	1,764,101	1,486,808
	Office Rent	90,000	105,000
	Telephone Bill	153,900	113,696
	Entertainment	64,750	88,607
	Staff Tea, Tiffin	210	7,540
	Travelling Expenses	-	154,464
	Dhaka Office Expenses	25,000	30,633
	Canteen Expenses	-	1,850
	Postage & Courier	4,674	4,040
	Forms, Stamp & Legal Documents	-	330
	Fees, Renewal & Subscription	140,144	105,350
	Printing & Stationery	5,447	24,444
	Gas Bill H/O	1,099	75
	Board Meeting Attendance Fees	-	95,000
	Audit Committee Meeting Attendance Fees	-	32,500
	B.O Maintenance Fees	900	-
	Office Maintenance	103,792	94,350
	Telephone, Fax, E-mail	-	-
	Intranet Bill (BBTSL)	16,800	18,450
	Internet Bill (BBTSL)	15,500	17,000
	BRAC Net Limited	-	-
	Audit Fee	-	36,800
	Conveyance	40,357	149,424
	Miscellaneous Expenses	-	16,000
	Legal & Professional Fee	-	16,000
	Annual Subscription Fee of CSE, DSE	-	190,000
	Electric Bill- Head Office	-	55,000
	Electric Bill- Dhaka Office	64,424	-
	Fuel (Vehicle)	36,816	187,241
	Vehicle Upkeep	99,391	172,681
	Insurance Premium	-	-
	Water Bill- Dhaka Office	-	4,762
	Website Expenses	2,550	-
	Rent, Rates , Taxes	-	-
	Depreciation	120,083	551,726
		<b>3,005,037</b>	<b>3,759,771</b>

**29.01** **Key Management Personal Compensation:**

Short term employee benefits	255,100	-
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
<b>Total</b>	<b>255,100</b>	<b>-</b>

(a) The above short term employee benefits includes only remuneration amounting Tk. 258,500 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** Audit fees include VAT for the audit of financial statements of the company for the year 2020-2021.

	<u>30-Sep-21</u>	<u>30-Sep-20</u>
	<u>Taka</u>	<u>Taka</u>
<b>30.00</b>		
<b><u>SELLING &amp; DISTRIBUTION EXPENSES:</u></b>		
Sales Promotion Expenses	12,740	
Staff Salary (Sales & Marketing)	1,681,417	1,944,260
Festival Bonus (Sales & Marketing)	184,500	-
Conveyance-Tissue	243,953	397,290
Advertisement	23,220	43,604
	<u>2,145,830</u>	<u>2,385,154</u>
<b>31.00</b>		
<b><u>FINANCIAL EXPENSES:</u></b>		
Bank Charges	169,783	46,384
Interest Expenses on Cash Credit	3,944,509	1,032,657
Interest on Short Term Loan	2,101,587	5,644,216
Interest on Long Term Loan	9,016,358	8,480,076
Loan Processing Fee	101,200	-
	<u>15,333,438</u>	<u>15,203,333</u>
<b>32.00</b>		
<b><u>NON-OPERATING INCOME:</u></b>		
Dividend Income	344,355	165,749
Profit on Sale of Shares	4,000,931	579,265
Interest Income	109,811	80,356
Miscellaneous Income	45,980	28,280
	<u>4,501,077</u>	<u>853,650</u>
<b>33.00</b>		
<b><u>DEFERRED TAX EXPENSES:</u></b>		
(a) Deferred Tax Liability on 30 Sep	55,924,867	51,185,819
(b) Deferred Tax Liability on 01 July	55,287,179	56,025,616
Deferred Tax Expenses for the period (a-b)	<u>637,688</u>	<u>(4,839,797)</u>
<b>34.00</b>		
<b><u>EARNING PER SHARE:</u></b>		
Calculation is shown below:		
<u>Net Profit after tax</u>	(9,305,325)	115,660
Number of shares outstanding	19,000,000	19,000,000
<b>EPS</b>	(0.49)	0.022
<b>35.00</b>		
<b><u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u></b>		
Calculation is shown below:		
<u>Net Asset with Revaluation</u>	464,357,281	495,125,494
Number of shares outstanding	19,000,000	19,000,000
<b>Net asset value per share</b>	24.44	26.06
<b>36.00</b>		
<b><u>NET ASSET VALUE PER SHARE WITHOUT REVALUATION:</u></b>		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	198,668,140	219,592,037
Number of shares outstanding	19,000,000	19,000,000
<b>Net asset value per share</b>	10.46	11.56

**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	55,099,990	-	-	55,099,990
Long Term Loan-non-current portions	354,502,351	70,192,699	-	424,695,051
Short Term Loan & Overdraft	198,907,332	198,907,332	-	198,907,332
Accrued Expenses	29,441,770	29,441,770	-	29,441,770
Workers Profit Participation and Welfare Fund	1,126,585	1,126,585	-	1,126,585
Trade Payables	41,796,693	41,796,693	-	41,796,693
Current Tax Liabilities	15,634,458	15,634,458	-	15,634,458
Liabilities for Other Finance	30,600,000	30,600,000	-	30,600,000
Directors Current Account	51,900,000	51,900,000	-	51,900,000
<b>Total</b>	<b>779,009,179</b>	<b>439,599,537</b>	<b>-</b>	<b>849,201,879</b>

**40.03 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.

**39.04 Pandemic Risk:**

After being hit by 2nd wave of COVID-19 pandemic, all the schools, colleges and universities have stopped and offices work slowed down. With schools, colleges and universities shut, and government and private offices running on a limited scale in the midst of the deadly corona virus pandemic, people are mostly working from home online. The demand for paper and tissues has gone down. So both production, as well as sales, are facing fall. Besides, raw materials of paper are imported from abroad and because of this pandemic situation all the imports are hampered and most of the companies could not release the raw materials that reached in the port during lockdown. Thus, not only the company but also the industry as a whole is exposed to all the risks created by this pandemic.

**40.00 CAPACITY UTILIZATION:**

Particulars	30 Sep 2021	30 June 2021
Installed Capacity (in M.T) p.q	3,375	13,500
Actual Production (in M.T) p.q	620	3,918
% of Capacity Utilization p.q	18.37%	29.03%

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

- (i) Covid-19 Pandemic
- (ii) Shut down of boiler as well as generator for annual maintenance
- (iii) Shut down of generator for maintenance of turbo charger
- (iv) Schedule maintenance of running plant etc.

**37.00 NET OPERATING CASH FLOW:**

Calculation is shown below:

Net cash flow from operation

Number of shares outstanding

Net operating cash generated by per share

	<u>30-Sep-21</u>	<u>30-Sep-20</u>
	<u>Taka</u>	<u>Taka</u>
	33,928,361	(10,158,797)
	19,000,000	19,000,000
	1.79	(0.53)

**38.00 Number of Employees:**

The total employees of the company as on Sep 30, 2021 stood at 315 nos comprising Head office staff 48 nos, Factory office staff 10 nos, Security 04 nos, Driver And helper 04 nos, Permanent worker 47 nos and Temporary worker 202 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	315	158

**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	167,995,101	172,613,532
Advance, Deposit and Prepayments excluding Deposit & Prepayments.	191,391,417	169,283,438
Bank Balances	10,812,737	18,366,645
	<b>370,199,255</b>	<b>360,263,615</b>

b) Ageing of Trade Receivables are as follows:

Below-30 Days	28,559,167	36,248,842
Within 31-60 Days	45,358,677	53,510,195
Within 61-90 Days	28,559,167	34,522,706
Within 90 - 180 Days	26,879,216	31,070,436
Above 180 Days	38,638,873	17,261,353
	<b>167,995,101</b>	<b>172,613,532</b>

**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.



**41.00 RELATED PARTY TRANSACTION:**

41.01

Name of the Parties	Relationship	Nature of Transactions	Balance as on 30 June 2021	Transaction during the year	Balance as on Sep 30 2021
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**UNSECURED LOAN:**

Mr. Mohammad Abdullah	Chairman	Loan Received	19,448,060	-	19,448,060
Mr. Md. Golam Kibria	Managing Director	Loan Received	5,914,175	(5,600,000)	11,514,175
Mr. Md. Golam Mostofa	Director	Loan Received	4,464,830	-	4,464,830
Mrs. Hosne Ara Begum	Director	Loan Received	3,800,000	-	3,800,000
Mr. Md. Golam Haider	Director	Loan Received	5,957,975	(1,000,000)	6,957,975
Mr. Md. Golam Morshed	Director	Loan Received	3,207,475	(1,500,000)	4,707,475
Mr. Md. Golam Rasul Muktadir	Director	Loan Received	3,207,475	(1,000,000)	4,207,475

**DIRECTORS CURRENT ACCOUNT:**

Mr. Mohammad Abdullah	Chairman	Loan Received	20,800,000	-	20,800,000
Mr. Md. Golam Kibria	Managing Director	Loan Received	6,200,000	(2,850,000)	9,050,000
Mr. Md. Golam Mostafa	Director	Loan Received	3,000,000	-	3,000,000
Mr. Md Golam Haider	Director	Loan Received	4,500,000	-	4,500,000
Mr. Md. Golam Murshed	Director	Loan Received	7,300,000	-	7,300,000
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 period.

43.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

	<u>30-Sep-21</u>	<u>30-Sep-20</u>
	<u>Taka</u>	<u>Taka</u>
Profit after Provision for Income Tax	(9,305,385)	415,669
<b>Adjustment to Reconcile Profit before Tax provided by operating activities:</b>		
Add : Depreciation	10,411,570	34,850,002
Add: Provision for Deferred Tax Expenses	637,688	(4,839,797)
Add: Financial Expenses	15,333,438	-
	<b>A</b> <u>17,077,311</u>	<u>30,425,874</u>
<b>Changes in Working Capital</b>		
(Increase)/Decrease in Stock	11,500,000	11,784,820
(Increase)/Decrease in Trade Receivables	2,164,351	(23,868,980)
(Increase)/Decrease in Advance, Deposits & Prepayments	12,131,484	(9,229,685)
Increase/(Decrease) in Accrued Expenses	3,991,397	(8,376,327)
Increase/(Decrease) in Current portion of Long Term Loan	(8,841,040)	82,868
Increase/(Decrease) in Trade Payables	(4,555,780)	(11,767,890)
Increase/(Decrease) in Current Tax Liabilities	460,637	762,873
Increase/(Decrease) in Work Profit Participation Fund	-	27,603
	<b>B</b> <u>16,851,050</u>	<u>(40,584,718)</u>
<b>Net cash inflows/(out flows) from operating activities (A+B)</b>	<u><b>33,928,361</b></u>	<u><b>(10,158,797)</b></u>