

# **HAKKANI PULP & PAPER MILLS LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)**

**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2021**



# HAKKANI PULP & PAPER MILLS LIMITED

## Statement of Financial Position (Un-Audited)

As at 31 December 2021

	Note(s)	31 Dec 2021 Taka	30 June 2021 Taka
<b>ASSETS</b>			
<b>Non Current Assets :</b>			
Property, Plant and Equipment	05	794,714,603	813,545,329
Capital Work-In-Progress	06	15,141,616	15,141,616
<b>Current Assets:</b>			
Investment in Shares	07	13,517,937	19,827,757
Inventories	08	212,677,245	215,186,758
Trade Receivables	09	195,540,422	170,159,452
Advances, Deposits & Prepayments	10	229,316,919	213,657,065
Cash & Cash equivalents	11	26,645,268	21,279,829
<b>TOTAL ASSETS</b>		<b>1,487,554,010</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	12,238,779	13,279,866
Revaluation Reserve	14	263,348,256	268,030,025
Fair Value Reserve	7.01	1,392,254	3,214,203
Retained Earnings	15	(11,168,203)	(241,327)
<b>Non Current Liabilities:</b>			
Unsecured Loan	16	58,299,990	45,999,990
Long Term Loan-non-current portions	17	391,105,061	378,680,044
Deferred Tax Liability	18	102,837,426	102,586,595
<b>Current Liabilities:</b>			
Short Term Loan & Overdraft	19	231,764,642	218,487,266
Accrued Expenses	20	21,955,363	25,450,373
Workers Profit Participation and Welfare Fund	21	1,126,585	1,126,585
Long Term Loan-current Portion	17.01	81,150,530	79,033,739
Trade Payables	22	31,892,620	45,352,473
Current Tax Liabilities	23	16,187,092	15,173,821
Liabilities for Other Finance	24	39,651,971	30,600,000
Dividend payable	25	877,491	-
Unclaimed Dividend	26	2,974,152	2,974,152
Directors Current Account	27	51,900,000	49,050,000
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,487,554,010</b>	<b>1,468,797,805</b>
Net Asset Value Per Share(with revaluation)	36	23.99	24.96
Net Asset Value Per Share(without revaluation)	37	10.13	10.86

The annexed notes from 1 to 44 an integral part of these financial statements.

  
CHAIRMAN

  
MANAGING DIRECTOR

  
DEPUTY MANAGING DIRECTOR

  
CFO

  
COMPANY SECRETARY

Place: Chattogram

Date: January 29, 2022



**HAKKANI PULP & PAPER MILLS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)**  
**For the Second Quarter ended 31 December 2021**

Note(s)	Half Year Ended		*Rearranged	
	Jul '21-Dec'21	Jul '20-Dec'20	Oct '21-Dec 21	Oct '20-Dec 20
28	163,994,764	239,149,335	91,723,033	112,857,464
29	(144,128,531)	(197,291,139)	(79,632,967)	(87,860,224)
	<b>19,866,233</b>	<b>41,858,196</b>	<b>12,090,066</b>	<b>24,997,240</b>
<b>Operating Expenses:</b>				
Administrative Expenses	(6,528,322)	(7,775,371)	(3,523,285)	(4,015,600)
Selling & Distribution Expenses	(13,146,352)	(11,348,815)	(11,000,522)	(8,963,661)
	(19,674,674)	(19,124,186)	(14,523,807)	(12,979,261)
<b>Profit from Operation</b>	<b>191,559</b>	<b>22,734,010</b>	<b>(2,433,741)</b>	<b>12,017,979</b>
Financial Expenses	(19,201,995)	(33,305,033)	(3,868,557)	(18,101,700)
Non-Operating Income	4,883,801	2,068,532	382,724	1,214,882
<b>Net Profit Before WPPF &amp; WWF</b>	<b>(14,126,635)</b>	<b>(8,502,491)</b>	<b>(5,919,574)</b>	<b>(4,868,839)</b>
Contribution to WPPF & Welfare Funds				
<b>Net profit before Tax</b>	<b>(14,126,635)</b>	<b>(8,502,491)</b>	<b>(5,919,574)</b>	<b>(4,868,839)</b>
Income Tax Provision:				
Current Tax	(1,013,271)	(1,447,307)	(552,634)	(684,434)
Deferred Tax	(1,294,934)	1,695,352	(657,246)	(3,144,445)
	(2,308,205)	248,045	(1,209,880)	(3,828,879)
<b>Net profit after Tax</b>	<b>(16,434,840)</b>	<b>(8,254,445)</b>	<b>(7,129,454)</b>	<b>(8,697,717)</b>
<b>Other Comprehensive Income:</b>				
Deferred Tax on Revaluation Reserve	826,194	882,757 <sup>h</sup>	413,097	441,379
Unrealized Gain/ (Loss) on Investment in Share	(1,821,949)	5,870,433	(1,031,083)	2,248,261
Deferred Tax on unrealised gain/(loss)	217,908	-	217,908	-
<b>Total Comprehensive Income</b>	<b>(17,212,687)</b>	<b>(1,501,255)</b>	<b>(7,529,532)</b>	<b>(9,398,782)</b>
<b>Earning Per Share - Basic</b>	(0.86)	(0.43)	(0.38)	(0.46)

The annexed note(s) from 1 to 44 an integral part of these financial statements.

**CHAIRMAN**  


**DIRECTOR**  


**CFO**  


**COMPANY SECRETARY**  


Place: Chattogram  
 Date: January 29, 2022



**HAKKANIPULP & PAPER MILLS LIMITED**  
**Statement of Changes in Equity (Un-Audited)**  
**For the Second Quarter ended 31 December 2021**

Particulars	(Amount in Taka)					
	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2021	190,000,000	13,279,866	268,030,025	3,214,203	(241,327)	474,282,767
Adjustment of depreciation on carrying amount of revalued assets	-	-	(5,507,964)	-	5,507,964	-
Deferred Tax on Revaluation Surplus	-	-	826,194	-	-	826,194
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(1,821,949)	-	(1,821,949)
Dividend for the year 2020-2021	-	(1,021,087)	-	-	-	(1,021,087)
Net Profit after Tax for the period	-	-	-	-	(16,434,840)	(16,434,840)
<b>Balance as on 31 December 2021</b>	<b>190,000,000</b>	<b>12,258,779</b>	<b>263,348,255</b>	<b>1,392,254</b>	<b>(11,168,203)</b>	<b>455,831,085</b>
<b>For period ended 31 December 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	-	-	(5,885,045)	-	5,885,045	-
Deferred Tax on Revaluation Surplus	-	-	882,757	-	-	882,757
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	5,870,433	-	5,870,433
Dividend for the year 2018-2019	-	-	-	-	(1,840,172)	(1,840,172)
Net Profit after Tax for the period	-	-	-	-	(8,254,445)	(8,254,445)
<b>Balance as on 31 December 2020</b>	<b>190,000,000</b>	<b>13,279,866</b>	<b>273,032,313</b>	<b>1,066,598</b>	<b>9,926,070</b>	<b>487,304,847</b>

  
**CHAIRMAN**

  
**DEPUTY MANAGING DIRECTOR**

  
**CFO**

  
**COMPANY SECRETARY**

The annexed notes from 1 to 44 an integral part of these financial statements.

**Place: Chattogram**  
**Date: January 29, 2022**



**HAKKANI PULP & PAPER MILLS LIMITED**  
**Statement of Cash Flows (Un-Audited)**  
**For the Second Quarter ended 31 December 2021**

	Note(s)	31 Dec 2021 Taka	*Rearranged 31 Dec 2020 Taka
<b>A. Cash flows from Operating Activities:</b>			
Cash Collection from Turnover & Others		143,497,595	212,107,192
Payment for Material and Expenses		(169,650,897)	(172,348,451)
Income Tax Paid		(1,302,959)	(99,997)
<b>Net Cash flows from Operating Activities</b>	44	<b>(27,456,260)</b>	<b>39,658,744</b>
<b>B. Cash flows from Investing Activities:</b>			
Acquisition of Property, Plant & Equipment		(2,007,038)	(645,739)
Sale of shares		4,126,367	1,246,902
<b>Net cash flows from Investing Activities</b>		<b>2,119,329</b>	<b>601,163</b>
<b>C. Cash flows from Financing Activities:</b>			
Short Term Loan & Overdraft		13,277,377	(184,099,503)
Long Term Loan		12,425,018	168,288,978
Interest Paid		(19,201,995)	(33,305,033)
Unsecured Loan Received		12,300,000	-
Directors Current Account		2,850,000	16,800,000
Liabilities for Other Finance		9,051,971	(206,970)
<b>Net Cash flows from Financing Activities</b>		<b>30,702,370</b>	<b>(32,522,528)</b>
<b>D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)</b>			
		5,365,439	7,742,305
<b>E. Opening Cash and Bank Balances</b>			
		21,279,829	11,584,139
<b>Closing Cash and Bank Balances (D+E)</b>			
		<b>26,645,268</b>	<b>19,326,444</b>
<b>F. Net Operating Cash Flows Per Share</b>			
	38	(1.45)	2.09

The annexed notes from 1 to 44 an integral part of these financial statements.

আব্দুল হক  
 CHAIRMAN  
 MANAGING DIRECTOR

  
 DEPUTY MANAGING DIRECTOR

  
 CFO

  
 COMPANY SECRETARY

Place: Chattogram  
 Date: January 29, 2022



**HAKKANI PULP & PAPER MILLS LIMITED**  
**Notes to the Financial Statements**  
**For the Second Quarter ended 31 December 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 differer. from requirement of the Companies Act 1994. However, such differences are not material and view of management, IFRSs format gives a better presentation to the Shareholders.

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

**2.02 Other Regulatory Compliances:**

The entities are also required to comply with the following major laws and regulation along with the Companies Act, 1994.

The Income Tax Ordinance, 1984

The Income Tax Rules , 1984

The Value Added Tax 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 Applicable Accounting Standards:**

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

- A Statement of Financial Position as at 31 December 2021.
- A Statement of Profit or Loss and other Comprehensive Income for the period ended 31 December 2021.
- A Statement of changes in equity for the period ended 31 December 2021.
- A Statement of Cash flows for the period ended 31 December 2021.
- Notes , comprising a summary of significant accounting policies and explanatory information.
- 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 29 January 2022.

**2.06 Reporting Period:**

The financial statements of the Company cover Six months from 1 July 2021 to 31 December 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 (Taka/Tk/BDT), which is the functional currency of the Company. All financial information presented in Taka has been rounded off to the nearest integer except when otherwise indicated. Bracket figure denotes negative.





## 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 Judgments:**

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

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

### 2.11.01 **Judgments, assumptions and estimation uncertainties:**

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

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

## 3.00 **SIGNIFICANT ACCOUNTING POLICIES:**

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

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

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

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





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

**3.01 Property, plant and equipment:**

**3.01.01 Recognition and measurement:**

Property, plant and equipment are stated at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets. The cost of self constructed/ installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located. when parts of an item property plant and equipment have different useful lives, they are accounted separate items ( major components) of property, plant and equipment.

**3.01.02 Subsequent costs:**

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

**3.01.03 Depreciation:**

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

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

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

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



### 3.01.04 Non- Current asset held for Sales

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

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

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

### 3.02 Capital Work In Progress :

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

The cost of capital work in progress comprises:

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

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

### 3.03 Impairment of Assets:

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

### 3.04 Investment in Shares:

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

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

### 3.05 Inventories:

#### 3.05.01 Nature of inventories

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

#### 3.05.02 Valuation of the inventories

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

<u>Category</u>	<u>Basis of Valuation</u>
Finished Goods	Finished goods are valued at cost or NRV whichever is lower.
Raw materials	Raw materials are valued at weighted average method.
Work in Process	Work in process is valued at 100% cost of raw materials, 75% cost of labor and 50% cost of overhead.
Consumable stores	Based on weighted average method.
Packing materials	Based on weighted average method.

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



3.17 **Taxation:**

3.17.01 **Current Tax:**

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

3.17.02 **Deferred tax:**

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

3.18 **Revenue recognition:**

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

Types of Sales	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15
Local Sales স্থানীয় বিক্রয়	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 shareholders.

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. (16,434,840) against previous period profit /(loss) of Tk. (8,254,445). The increase of loss is for less Sales Revenue. The basic Earnings Per Share for the period ended 31 December 2021 is Tk. (0.86) against Tk. (0.43) 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. Sales revenue is decreased by the amount of Taka (75,154,571) as compared to previous period.

**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. Comparing with previous period of the same period cost of goods sold is decreased by the amount of Taka (59,684,706).

**4.04 Financial Expenses :**

The Company's financial expenses was decreased as compared to previous period for interest of Tk. (14,103,038) on Bai-Muazzal Loan, UPAS Loan, 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. (0.86) against previous period earnings per share (EPS) of Tk. (0.43)

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

The Company's net operating cash flows per share (NOCFPS) was decreased 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:**

	31 Dec 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
Balance as on 01 July (including revaluation)	1,275,711,701	1,265,568,456
Add: Addition during the period	2,007,038	10,143,245
Less: Adjustment during the period	-	-
<b>Balance as on 31 December</b>	<b>1,277,718,739</b>	<b>1,275,711,702</b>
Less: Accumulated depreciation	483,004,136	462,166,373
<b>Written down value as on 31 December</b>	<b>794,714,603</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





**5.01 PROPERTY, PLANT & EQUIPMENT:**

(Amount in Taka)

Particulars	C			O			S			T			D E P R E C I A T I O N			Written Down Value as on 31 Dec 2021
	Balance as on 01 July 2021	Addition during the period	Disposal/ Adjustment during the period	Balance as on 31 December 2021	Rate of Dep.	Charged during the period	Disposal/ Adjustment during the period	Balance as on 31 December 2021	Rate of Dep.	Charged during the period	Disposal/ Adjustment during the period	Balance as on 01 July 2021	Charged during the period	Disposal/ Adjustment during the period	Balance as on 31 December 2021	
<b>At Cost</b>																
Land & Land Development	43,583,242	-	-	43,583,242	-	-	-	43,583,242	-	-	-	46,293,102	2,810,964	-	49,104,066	
Building & Other Construction	158,710,842	44,360	-	158,755,202	5%	-	-	158,755,202	5%	-	-	225,382,515	11,317,928	-	312,065,872	
Plant & Machinery	548,606,314	160,000	-	548,766,314	7%	-	-	548,766,314	7%	-	-	683,997	26,609	-	710,605	
Furniture & Fixture	1,216,169	-	-	1,216,169	10%	-	-	1,216,169	10%	-	-	2,011,924	81,451	-	2,093,374	
Office Equipment	3,611,543	66,500	-	3,678,043	10%	-	-	3,678,043	10%	-	-	13,117,045	470,884	-	13,587,929	
Electric Installation	21,328,322	1,580,000	-	22,908,322	10%	-	-	22,908,322	10%	-	-	2,990,515	47,084	-	3,037,599	
Gas Line Installation	3,932,191	-	-	3,932,191	10%	-	-	3,932,191	10%	-	-	99,551	1,636	-	101,186	
Telephone Line Installation	132,263	-	-	132,263	10%	-	-	132,263	10%	-	-	4,376,257	133,148	-	4,509,405	
Water Line Installation	7,039,214	-	-	7,039,214	10%	-	-	7,039,214	10%	-	-	96,826	1,504	-	98,330	
Fire Extinguisher	111,870	-	-	111,870	20%	-	-	111,870	20%	-	-	572,067	67,648	-	639,715	
Office Decoration	1,913,087	32,178	-	1,945,265	10%	-	-	1,945,265	10%	-	-	2,362,780	64,889	-	2,427,669	
Vehicle Car	3,011,672	-	-	3,011,672	20%	-	-	3,011,672	20%	-	-	2,177,306	225,975	-	2,403,282	
Motor Vehicle	4,437,057	-	-	4,437,057	20%	-	-	4,437,057	20%	-	-	270,411	80,079	-	350,490	
Factory Equipment	1,016,395	124,000	-	1,140,395	20%	-	-	1,140,395	20%	-	-	300,434,295	15,329,798	-	315,764,094	
<b>"A"</b>	<b>798,650,182</b>	<b>2,007,038</b>	<b>-</b>	<b>800,657,219</b>				<b>800,657,219</b>				<b>300,434,295</b>	<b>15,329,798</b>	<b>-</b>	<b>315,764,094</b>	
<b>At Revaluation</b>																
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	139,028,020	-	-	-	44,405,315	1,656,463	-	46,061,779	
Building & Other Construction	110,663,849	-	-	110,663,849	5%	-	-	110,663,849	5%	-	-	117,326,762	3,851,501	-	121,178,263	
Plant & Machinery	227,369,650	-	-	227,369,650	7%	-	-	227,369,650	7%	-	-	161,732,078	5,507,964	-	167,240,042	
<b>"B"</b>	<b>477,061,519</b>	<b>-</b>	<b>-</b>	<b>477,061,519</b>				<b>477,061,519</b>				<b>161,732,078</b>	<b>5,507,964</b>	<b>-</b>	<b>167,240,042</b>	
<b>Grand total as on 31 December, 2021 (A+B)</b>	<b>1,275,711,701</b>	<b>2,007,038</b>	<b>-</b>	<b>1,277,718,739</b>				<b>1,277,718,739</b>				<b>462,166,373</b>	<b>20,837,763</b>	<b>-</b>	<b>483,004,136</b>	
<b>As on 30 June 2021</b>	<b>1,265,568,456</b>	<b>10,143,245</b>	<b>-</b>	<b>1,275,711,701</b>				<b>1,275,711,701</b>				<b>418,248,739</b>	<b>43,917,634</b>	<b>-</b>	<b>462,166,373</b>	

30 Jun-2021

Taka

31 Dec-2021

Taka

**Allocation of Depreciation :**

Administrative Expenses 551,726  
Factory Overhead 43,365,908

Taka = 20,837,763

Taka = 43,917,634





	31 Dec 2021 Taka	30 June 2021 Taka
<b>6.00 CAPITAL WORK-IN-PROGRESS:</b>		
Capital Work-In-Progress	15,141,616	15,141,616
Balance as on 31 December	<u>15,141,616</u>	<u>15,141,616</u>

**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	-	-	1,566,820
Motor Vehicle	147,439	-	-	147,439
Electric Installation	941,680	-	-	941,680
<b>Total</b>	<b>15,141,616</b>	<b>-</b>	<b>-</b>	<b>15,141,616</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 31 Dec 2021	Market Value as on 31 Dec 2021	Unrealized gain/ (loss)
Beximco Pharma Ltd.	3,500	138,855	674,450	535,595
Brac Bank Ltd.	12,109	158,299	669,628	511,329
DESCO Ltd.	5,000	238,287	177,500	(60,787)
Dhaka Bank Ltd.	27,240	210,234	381,360	171,126
Exim Bank Ltd.	53,401	1,080,863	678,193	(402,670)
Grameen Phone Ltd.	10,700	3,995,855	3,739,650	(256,205)
Islami Bank Bangladesh Ltd.	10,570	376,381	338,240	(38,141)
Jamuna Oil Company Ltd.	2,299	271,136	393,359	122,223
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	711,000	(94,409)
Meghna Petroleum Ltd.	2,402	249,369	472,714	223,344
Mercantile Bank Ltd.	13,062	118,778	223,360	104,582
Mutual Trust Bank Ltd.	19,299	207,749	378,260	170,511
National Bank Ltd.	78,838	902,974	620,843	(282,131)
One Bank Ltd.	35,084	296,251	484,159	187,908
Premier Bank Ltd.	4,675	32,062	69,658	37,595
Shahjalal Islami Bank Ltd.	38,036	249,341	829,185	579,844
Square Pharma Ltd.	9,200	1,826,477	1,971,560	145,083
Standard Bank Ltd.	20,920	200,804	223,844	23,040
Titas Gas Ltd.	13,250	766,559	480,975	(285,584)
<b>Total</b>	<b>369,585</b>	<b>12,125,683</b>	<b>13,517,937</b>	<b>1,392,254</b>

	31 Dec 2021 Taka	30 June 2021 Taka
<b>7.02 Gain/ (Loss) on Investment in Shares:</b>		
Unrealized Gain/ (Loss) Closing	1,392,254	3,571,337
Less: Unrealized Gain/ (Loss) Opening	3,571,337	(4,803,835)
Add: Deferred tax Opening	357,134	-
<b>Gain/ (Loss) on Investment in Shares during the period</b>	<u>(1,821,949)</u>	<u>8,375,172</u>



	31 Dec 2021 <u>Taka</u>	30 June 2021 <u>Taka</u>
<b>8.00 INVENTORIES:</b>		
a) <b>Raw Materials</b>		
Wastage Paper	28,376,882	58,376,882
Chemicals	22,165,359	27,165,359
	<b>50,542,241</b>	<b>85,542,241</b>
b) <b>Finished Goods</b>		
Newsprint Paper	42,383,005	41,333,005
Medium Paper	15,956,797	6,956,797
Khata	5,758,978	4,108,978
Various Tissue Paper	54,690,536	30,200,049
	<b>118,789,316</b>	<b>82,598,829</b>
c) Work-In-Process	35,641,560	29,341,560
d) Consumable Spare & Store	3,507,097	9,707,097
e) Packing Material	4,197,031	7,997,031
<b>Total (a+b+c+d+e)</b>	<b>212,677,245</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 B Trading	712,256	642,120
A.H. Packaging & Accessories	2,080,472	2,090,472
Alomgir Traders	403,985	408,985
Amina Enterprise	118,212	120,212
Arif Enterprise	613,254	617,254
Babul Store	41,815,949	41,815,949
Barcode Restaurant Group	317,070	306,570
Chandpur Paper House	1,482,371	1,539,283
Chittagong Club Limited	544,211	547,711
Conpac Trading Ltd.	884,242	884,242
Dainik Azadi (Shapon chy)	842,202	846,202
Elite Paper House	278,309	278,309
F K Packaging Mirshari	164,303	166,803
Foisal & Brothers	628,700	630,700
Garibe Newaj Traders (Sales)	662,495	666,495
Glory Tapes & Labels Ltd.	869,745	871,745
G. N. Enterprise	1,825,332	1,829,332
Habib Enterprise (Chokaria)	226,854	366,612
Handi Restaurant	180,256	189,874
Health Point Hospital	97,015	118,991
Hotel Zaman	115,799	117,799
Interna Plastic (Pvt.) Ltd.	775,000	780,000
Intimate Apparels Ltd	-	421,639
Korotoa Paper Depot.	952,131	956,131
Mahbub & Brothers	5,501,144	4,204,560
Mizan Store (Tissue)	2,097,368	2,137,368
Modern Biponi	916,493	918,493
Modhumoti Traders	235,649	237,649
Mustafa Paper House	5,915,126	5,998,260
M/S. Islam & Sons	190,000	200,000
M/s Oishi Enterprise	321,350	336,350
Nuha Enterprise / Three Star	200,229	220,229



	31 Dec 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
Paperaj Traders	269,096	279,096
Personal Tissue	625,135	630,135
Pran RFL	235,021	250,021
Rana Enterprise	571,375	581,375
Resimax Industries Ltd.	1,652,480	731,480
RFM Paper Mills Ltd.	477,373	482,373
RM Trade International	3,755,107	3,805,107
Royal Packaging	122,856	112,182
Sagorika Printers	1,390,074	1,405,074
Sajib Enterprise	3,262,899	2,667,276
Sha Jobbariya Enterprise	91,191	-
Shanto Enterprise	188,903	190,903
Shohid Enterprise-Tissue	100,655	102,655
Sifa/ Shefa Packages	875,000	885,000
S.K Enterprise	357,633	360,633
S.K Traders	-	995,759
Sonargaon Paper House	426,031	428,031
S Rahaman Trading/Enterprise	4,348,228	4,423,428
S.R.Paper House	123,655	125,655
S.S.G Paper Ltd.	317,169	320,169
Transcom Food Ltd	123,722	127,222
Tuba Enterprise (Tissue)	471,844	476,844
Unique Accessories	811,936	826,936
Walton Hi-Tech Industry Ltd.	120,369	124,369
Watson Paper Mills Ltd.	124,510	129,510
Yousuf Enterprise	2,606,042	2,616,042
Nuha Enterprise	-	220,229
Other Receivables	100,124,597	75,395,610
	<u>195,540,422</u>	<u>170,159,452</u>

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	33,241,872	28,927,107
Within 31- 60 Days	52,795,914	45,943,052
Within 61 - 90 Days	33,241,872	28,927,107
Within 90 - 180 Days	31,286,468	27,225,512
Above 180 Days	44,974,297	39,136,674
	<u>195,540,422</u>	<u>170,159,452</u>

**10.00 ADVANCES, DEPOSITS & PREPAYMENTS:**

Advance Against Income Tax (Note: 10.01)	32,415,251	31,112,292
Advance Against Salary & Wages (Note: 10.02)	279,748	291,248
Advance Against Expenditure (Note: 10.03)	79,950,652	72,295,257
Advance Against L/C (Note: 10.04)	49,517,998	49,645,840
Advance Against Purchase (Note: 10.05)	57,019,107	50,178,263
Deposits and Prepayments (Note: 10.06)	10,134,165	10,134,165
	<u>229,316,919</u>	<u>213,657,065</u>



	31 Dec 2021 Taka	30 June 2021 Taka
<b>10.01 Advance Against Income Tax</b>		
Advance Income Tax Paid	6,296,490	5,869,990
Advance Income Tax - Import	1,504,754	1,371,311
Advance Income Tax - Export	367,337	288,537
Advance Income Tax Deducted at Source	23,130,952	22,558,651
Advance Income Tax Deducted at Source (Dividend Income)	1,110,904	1,018,989
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	<b>32,415,251</b>	<b>31,112,292</b>
<b>10.02 Advance Against Salary &amp; Wages</b>	<b>279,748</b>	<b>291,248</b>
<b>10.03 Advance Against Expenditure</b>		
Advance for Dhaka Office	259,700	259,700
Anima Development Limited	7,525,849	7,525,849
Advance for Machinery Purchase	66,126,336	59,825,815
VAT Current Account	1,939,786	443,029
Lanka Bangla Securities Ltd.	649	265,181
VAT Deducted at Source	-	534,584
I. T. Deducted at Source	-	33,655
City Brokerage Ltd.	127,710	1,073
Bank Gaurantee Margin	628,923	-
Advances for spares parts and other materials	3,341,699	3,406,372
	<b>79,950,652</b>	<b>72,295,257</b>
<b>10.04 Advance Against L/C</b>	<b>49,517,998</b>	<b>49,645,840</b>
<b>10.05 Advance Against Purchase</b>		
Arif Traders	6,138,044	5,554,130
Bismillah Enterprise	7,782,449	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	22,729,117	15,307,325
Shah Godi Enterprise	3,499,588	4,069,940
	<b>57,019,107</b>	<b>50,178,263</b>
<b>10.06 Deposits</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.		
<b>11.00 CASH &amp; CASH EQUIVALENTS:</b>		
<b>Cash In Hand</b>		
At Head Office	15,719,193	13,278,921
At Dhaka Office	7,000	505,685
At Factory	35,000	1,215,394
	<b>15,761,193</b>	<b>15,000,000</b>



	31 Dec 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>Cash at Banks</b>		
Bangladesh Krishi Bank Ltd., Agrabad Branch, CD A/C-2903-0210014807	29,443	29,788
First Security Islami Bank Ltd, Agrabad Branch. STD A/C - 01041310000463	57,563	57,624
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458	627,355	283,000
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978	730,064	-
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949 /5816	1,054,699	147,431
Southeast Bank Ltd, Pahartali Branch, CD A/C-New #005111100000671	-	17,389
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243	73,282	74,294
Premier Bank Ltd, CEPZ Branch CD A/C No-016711100000103	140,001	140,001
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315	733,907	-
Mercantile Bank Ltd, A.K Khan Branch CD A/C No-117511121143947	-	4,794
Dhaka Bank Ltd, G.E.C (C.D.A) Branch CD A/C No-201009777	-	5,735
Standard Bank Ltd, Jubilee Road Branch CD A/C No-01233005212	-	11,446
United Commercial Bank Ltd, Pahartali Branch CD A/C-No 01000000078	22,776	278,198
Eastern Bank Ltd, Agrabad Branch CD A/C No-11071082755	613,445	149,451
Pubali Bank Ltd, Pahartali Branch CD A/C No-825901027548	1,420,609	428,949
Dutch Bangla Bank Ltd. CD A/C No- 1021100040340	310,128	112,212
	<b>5,813,271</b>	<b>1,740,312</b>
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	375,816	356,704
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	473,281	449,176
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	758,957	720,073
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	567,919	553,376
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	2,305,952	2,247,850
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	217,959	212,338
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138	370,920	-
	<b>26,645,268</b>	<b>21,279,829</b>

(a) Cash balance as on 31.12.2021 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	31 Dec 2021	30 June 2021
				TK	TK
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	One Year	Guarantee	6%	375,816	356,704
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	One Year	Guarantee	6%	473,281	449,176
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	One Year	Guarantee	5%	758,957	720,073
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	One Year	Guarantee	6%	567,919	553,376
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	One Year	Guarantee	6%	2,305,952	2,247,850
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	One Year	Guarantee	6%	217,959	212,338
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138	One Year	Guarantee	9.5%	370,920	-
<b>Total</b>				<b>5,070,804</b>	<b>4,539,517</b>



	31 Dec 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 31 Dec, 2021 is as follows:-**

Description	No of shares 31 Dec 2021	% of shares holding 31 Dec 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.	1,000	0.01	1,580,800	8.32
Other Institution and General Public	10,205,170	53.71	8,625,370	45.39
<b>Total</b>	<b>19,000,000</b>	<b>100</b>	<b>19,000,000</b>	<b>100</b>

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
Less than 500 shares	2,246	2,037	471,913	385,695	2.48	2.03
501 to 5,000 Shares	2,092	1,531	3,719,237	2,723,355	19.57	14.33
5,001 to 10,000 Shares	201	185	1,489,060	1,339,800	7.84	7.05
10,001 to 20,000 Shares	109	77	1,505,468	1,092,576	7.92	5.75
20,001 to 30,000 Shares	33	21	817,836	504,008	4.30	2.65
30,001 to 40,000 Shares	9	10	312,848	358,051	1.65	1.88
40,001 to 50,000 Shares	6	5	277,476	221,345	1.46	1.16
50,001 to 100,000 Shares	14	10	986,326	643,396	5.19	3.39
100,001 to 1,000,000 Shares	12	13	5,186,504	5,918,142	27.30	31.15
Over 1,000,000 Shares	3	4	4,233,332	5,813,632	22.28	30.60
<b>Total</b>	<b>4,725</b>	<b>3,893</b>	<b>19,000,000</b>	<b>19,000,000</b>	<b>100</b>	<b>100</b>

**12.05 Market price of Shares:**

The shares are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and quoted at Tk. 57.80 on 31 December, 2021 (Face value Tk. 10.00)



	31 Dec 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 declared for the year 2020-2021 approved in the AGM	1,021,087	-
Balance as on 31 December	<u>12,258,779</u>	<u>13,279,866</u>
Dividend equalization reserve was created in the earlier year(s) with the concurrence of Board of Directors. The objective of this reserve is to pay dividend to shareholders during bad time of company.		
<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 31.12.2021 (Note-5.01)	167,240,042	161,732,078
	309,821,477	315,329,441
Less : Adjustments for Deferred Tax	46,473,222	47,299,416
Balance as on 31 December	<u>263,348,256</u>	<u>268,030,025</u>
Revaluation Reserve relates to the revaluation of Property, Plant & Equipment.		
i) Effective date of valuation 18 h 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: Dividend declared for the year 2020-2021 as approved in the AGM	-	1,840,134
	(241,327)	12,295,508
Add: Net profit/(loss) after tax	(16,434,840)	(24,306,924)
	(16,676,167)	(12,011,416)
Add: Revaluation Surplus Realized	5,507,964	11,770,089
Balance as on 31 December	<u>(11,168,203)</u>	<u>(241,327)</u>
<b>16.00</b>		
<b><u>UNSECURED LOAN:</u></b>		
Mr. Mohammed Abdullah, Chairman	19,448,060	19,448,060
Mr. Md. Golam Kibria, Managing Director	13,714,175	5,914,175
Mr. Md. Golam Mostofa, Director	4,464,830	4,464,830
Mrs. Hosne Ara Begum, Director	3,800,000	3,800,000
Mr. Md. Golam Haider, Director	7,457,975	5,957,975
Mr. Md. Golam Morshed, Director	4,707,475	3,207,475
Mr. Md. Golam Rasul Muktedir, Director	4,707,475	3,207,475
	<u>58,299,990</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	187,947,603	181,607,082
Loan Under Tissue Projects	235,004,439	227,492,477
Bai Muazzal Term loan	36,227,000	36,227,000
Term Loan	13,076,550	12,387,224
	<u>472,255,592</u>	<u>457,713,783</u>





	31 Dec 2021	30 June 2021
	<u>Taka</u>	<u>Taka</u>
<b>17.01</b>	<b><u>LONG TERM LOAN- MATURITY ANALYSIS:</u></b>	
	81,150,530	79,033,739
	391,105,061	378,680,044
	<u>472,255,592</u>	<u>457,713,783</u>
<b>17.02</b>	<b><u>TERMS OF LONG TERM LOAN:</u></b>	
	<b>Lenders:</b>	
	The company entered into a secured long term loan agreement with Social Islami Bank Limited, Agrabad Branch, Chattogram.	
	<b>Total Long Term Loan Facilities:</b>	
	Total disbursement amount is Tk. 311,622,321 against sanction amount of total long term loan Tk. 481,000,000.	
	<b>Rate of Interest:</b>	
	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.	
	<b>Disbursement:</b>	
	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.	
	<b>Repayments:</b>	
	This secured long term loan is repayable in 84 (eighty four) months.	
	<b>Securities:</b>	
	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	
	<b>Purpose:</b>	
	The loan has been taken for business expansion of existing project and establishment of (Tissue Project).	
<b>18.00</b>	<b><u>DEFERRED TAX LIABILITY:</u></b>	
	55,287,179	56,025,616
	1,294,934	(1,095,571)
	(217,908)	357,134
	<u>56,364,205</u>	<u>55,287,179</u>
	46,473,222	47,299,416
	<u>102,837,426</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 31.12.2021 has been shown at <b>Note-18.01 &amp; 18.02.</b>	
<b>18.01</b>	<b>Calculation of Deferred Tax Liability</b>	
	441,309,883	454,632,644
	191,421,088	210,499,112
	249,888,795	244,133,532
	56,224,979	54,930,045
	<u>1,294,934</u>	<u>(1,095,571)</u>
	Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 31.12.2021	
<b>18.02</b>	<b>Investment in Shares</b>	
	13,517,937	19,827,757
	12,125,683	16,256,420
	1,392,254	3,571,337
	139,225	357,134
	<u>(217,908)</u>	<u>-</u>



	31 Dec 2021 Taka	30 June 2021 Taka
<b>19.00 SHORT TERM LOAN AND OVERDRAFT:</b>		
Social Islami Bank Ltd, Agrabad Branch- Bai Muazzal Commercial-(CC)	140,486,493	133,438,201
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978	-	630,624
UPAS Loan from Social Islami Bank Ltd.	24,797,327	17,504,170
Mercantile Bank Ltd, A.K Khan Branch-Cash Credit (CC) Hypo	41,847,587	41,735,265
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank Ltd.	13,292,338	3,367,576
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	1,211,682	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	135,530	-
LTR, Sight LC Loan From Mercantile Bank Ltd.	8,246,891	8,166,351
Other Short Term Loan	1,746,795	12,072,550
	<b>231,764,642</b>	<b>218,487,266</b>

**19.01 Short Term Browing:**

Particulars	Note	31-Dec-2021	30-Jun-21
		TK	TK.
Short term loan and overdraft	19.00	231,764,642	218,487,266
Long term loan-current portion	17.01	81,150,530	79,033,739
<b>Total</b>		<b>312,915,173</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	433,250	398,250
Directors Remuneration	400,000	400,000
Electricity Bill-(Factory)	-	1,422,615
Electricity Bill-(Tissue Unit)	2,445,226	1,256,794
Gas Bill Factory	5,973,440	8,936,985
Gas Bill Factory Canteen	12,684	12,762
Gas Bill (H/O)	31	739
Food Allowance	155,329	155,329
Office Rent	575,000	425,000
Overtime	2,630,154	3,137,260
Salary & Allowances (D/O)	64,000	64,000
Salaries, Wages and Allowances (H/O)	804,512	806,462
Staff Salary & Allowances Factory	1,576,507	1,584,677
Wages & Allowances	4,069,996	3,951,813
Staff Salary (Sales & Marketing)	2,788,097	2,869,097
Incentive Bonus (Factory)	27,137	28,590
	<b>21,955,363</b>	<b>25,450,373</b>



	31 Dec 2021 <u>Taka</u>	30 June 2021 <u>Taka</u>
<b>21.00 <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 31 December	<u>1,126,585</u>	<u>1,126,585</u>
<b>21.01 <u>Provision made during the period for WPPF and Welfare Fund:</u></b>		
Profit before tax and WPPF and Welfare Fund	-	-
Cash dividend received from investment	-	-
Profit applicable for WPPF and Welfare Fund	-	-
Contribution to WPPF and Welfare fund at 5%	-	-

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 <u>TRADE PAYABLES:</u></b>		
Abul Khair Steel Melting Ltd.	1,519,802	1,519,802
Acad Engineering Workshop	412,550	527,150
Cartoon Nirman Ltd.	1,706,763	4,038,633
City Lub Oil Industries Ltd.	131,757	131,757
Gentech Energy	259,986	-
Instrumentation Co-operative	35,000	35,000
International Bearing Center	284,103	198,083
Islam & Brothers	-	406,286
Khaja Garibe Newaj Five Star Enterprise	2,149	2,149
M/s. Dohar Chemicals	2,599,465	3,472,765
Mamun Hardware Store	1,110,190	1,100,176
Noor Hardware Mart	59,091	59,781
Organic Bangladesh Corporation	149,000	149,000
Raj Bearing	44,130	44,130
S.R Packaging	7,119,927	8,528,720
Sakib Enterprise	175,670	175,670
Say Automation & Engineering	130,000	130,000
Hossain Box Industries	1,163,631	1,248,631
Indowater Solution	10	10
Arman & Brothers	-	80,000
Baizid Newsprint Mills Ltd/ Chittagong Packages Ltd	271,153	371,153
Boiler Techno Crafts Engineering	10,000	25,000
Khaja Polythene Mart	15,458	36,556
Emu Enterprise	156,178	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
Taslima Enterprise	141,194	163,345
Unimax Chemicals	534,750	823,950
United Trading Agency	593,054	593,054
Other Payables	9,190,881	17,141,422
	<u>31,892,620</u>	<u>45,352,473</u>



	31 Dec 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	1,013,271	2,368,479
Against previous period	-	-
	<u>1,013,271</u>	<u>2,368,479</u>
	16,187,092	15,173,821
Adjusted with advance income tax paid	-	-
Balance as on 31 December	<u>16,187,092</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>	(14,126,635)	(23,034,016)
<b>Less: Other income to be considered separately</b>		
Dividend Income	459,590	740,196
Profit on Sale of Shares	4,029,920	2,507,544
Interest on FDR	284,961	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	109,330	1,151,105
	<u>(19,010,436)</u>	<u>(27,812,341)</u>
Add: Accounting depreciation	20,837,763	43,917,634
	1,827,327	16,105,293
<b>Add: Inadmissible expenses</b>		
Entertainment expenses	139,845	528,498
Miscellaneous expenses	-	64,280
	<u>139,845</u>	<u>64,280</u>
	1,967,172	16,698,071
Less: Tax depreciation u/s 29	21,085,062	52,178,614
<b>Business Income/(loss)</b>	<u>(19,117,890)</u>	<u>(35,480,542)</u>
<b>Add: Other income to be considered separately</b>		
Dividend Income	459,590	740,196
Profit on Sale of Shares	4,029,920	2,507,544
Interest on FDR	284,961	291,495
Commission Income- Insurance Premium	-	87,985
Miscellaneous Income	109,330	1,151,105
<b>Total Business Income/(loss)</b>	<u>(14,234,089)</u>	<u>(30,702,218)</u>
<b>23.01.2 Minimum Tax:</b>		
Total receipt against sales	163,994,764	389,968,195
Total receipt against other income	4,883,801	4,778,325.00
<b>Total</b>	<u>168,878,565</u>	<u>394,746,520</u>
Minimum Tax @ 0.60% on gross receipt of Tk. 168,878,565	<u>1,013,271</u>	<u>2,368,479</u>

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



	31 Dec 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	428,825	-
VAT Deducted at Source	623,146	-
Loan From Farhana Ferdous	20,000,000	16,000,000
Loan From Farhana Tarannum	18,600,000	14,600,000
	<u>39,651,971</u>	<u>30,600,000</u>
<b>25.00</b>	<b><u>DIVIDEND PAYABLE:</u></b>	
Dividend declared for the year 2020-2021 approved in the AGM	877,491	-
	<u>877,491</u>	<u>-</u>
<b>26.00</b>	<b><u>UNCLAIMED DIVIDEND:</u></b>	
Balance as on 1st July	2,974,152	2,917,528
Add: Dividend declared for the year 2020-2021 approved in the AGM	-	1,567,340
	<u>2,974,152</u>	<u>4,484,868</u>
Less: Dividend Paid during the year	-	1,510,716
Balance as on 31 December	<u>2,974,152</u>	<u>2,974,152</u>
<b>26.01</b>	<b><u>Dividend Unclaimed for the years:</u></b>	
The details of unclaimed dividend as 31 December 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>27.00</b>	<b><u>DIRECTORS CURRENT ACCOUNT:</u></b>	
Mr. Mohammed Abdullah, Chairman	20,800,000	20,800,000
Mr. Md. Golam Kibria	9,050,000	6,200,000
Mr. Md. Golam Mostofa	3,000,000	3,000,000
Mr. Md Golam Haider	4,500,000	4,500,000
Mr. Md. Golam Morshed	7,300,000	7,300,000
Mr. Md. Golam Rasul Muktadir	7,250,000	7,250,000
	<u>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>Jul ' 21-Dec'21</u>	<u>Jul ' 20-Dec'20</u>
	<u>Taka</u>	<u>Taka</u>
<b>28.00 REVENUE:</b>		
News Print Paper	58,216,767	141,326,575
M.G.Newsprint	27,666,007	28,781,729
Medium Paper	1,131,379	9,817,370
Tissues Paper	79,349,073	63,877,206
Khata	2,790,333	-
Gross Revenue	169,153,560	243,802,880
Less: Value Added Tax (VAT)	5,158,796	4,653,545
<b>Net Revenue</b>	<b>163,994,764</b>	<b>239,149,335</b>
<b>29.00 COST OF GOODS SOLD:</b>		
Opening Stock of Raw Materials	85,542,241	53,659,078
Add: Purchase during the period	75,899,662	87,370,922
	<b>161,441,903</b>	<b>141,030,000</b>
Less: Closing Stock of Raw Materials	50,542,241	52,642,241
Raw Materials Consumed	<b>110,899,662</b>	<b>88,387,759</b>
<b>Add: Factory overhead:</b>		
Salaries, Wages and Allowances	14,338,549	15,561,810
Overtime -Factory Worker	1,140,669	1,438,361
Food Allowance- Factory Staff	158,685	196,253
Labour Charge	9,192	14,500
Carriage Inward	279,050	306,655
Gas Bill (Boiler & Gas Generator)	16,642,412	21,420,748
Electric Bill	14,665,319	21,692,612
Consumable Spare & Store	1,278,729	-
Packing Material Consumed	2,034,341	-
Factory Maintenance	2,499,333	5,995,669
Loading Unloading Charge	91,060	28,685
Paper/Tissue/Khata Cutting Exp.	1,438,634	1,763,490
Fuel (Vehicle)	275,795	282,723
Medical & Medicine	80,142	24,814
Gas Generator Upkeep	30,000	59,655
Laboratory Expenses	-	9,000
Canteen Expenses-Factory	75,720	79,130
Gas Bill (Factory Canteen)	40,426	45,379
Staff Tea, Tiffin (Factory)	45,770	-
Depreciation	20,595,530	37,254,286
	<b>186,619,018</b>	<b>194,561,509</b>
Add: Opening Work-in-Process	29,341,560	29,225,078
	<b>215,960,578</b>	<b>223,786,587</b>
Less: Closing Work-in-Process	35,641,560	27,466,788
Cost of Production	<b>180,319,018</b>	<b>196,319,799</b>
Add: Opening Stock of Finished Goods	82,598,829	91,650,113
	<b>262,917,847</b>	<b>287,969,912</b>
Less: Closing Stock of Finished Goods	118,789,316	90,678,773
<b>Cost of Goods Sold</b>	<b>144,128,531</b>	<b>197,291,139</b>



30.00	<b>ADMINISTRATIVE EXPENSES:</b>		Jul ' 21-Dec'21	Jul ' 20-Dec'20
			Taka	Taka
	Managing Director Remuneration	Notes-30.01	310,200	-
	Staff Salary & Allowances & Bonus		3,658,695	3,196,734
	Office Rent		180,000	180,000
	Telephone Bill		320,130	322,991
	Entertainment		139,845	246,886
	Staff Tea, Tiffin		3,850	10,967
	Travelling Expenses		73,897	175,125
	Dhaka Office Expenses		54,425	48,613
	Canteen Expenses		5,095	6,690
	Postage & Courier		9,528	16,445
	Forms, Stamp & Legal Documents		660	1,760
	Fees, Renewal & Subscription		263,094	446,373
	Printing & Stationery		36,396	52,269
	Gas Bill H/O		3,276	81,145
	A. G. M Expenses		38,080	155,990
	Board Meeting Attendance Fees		160,000	248,000
	B. D. M. Expenses		7,115	1,540
	Audit Committee Meeting Attendance Fees		65,000	91,000
	NRC Meeting Attendance Fees		-	12,500
	B.O Maintenance Fees		900	900
	Office Maintenance		242,460	189,060
	Intranet Bill (BBTSL)		34,600	41,250
	Internet Bill (BBTSL)		26,000	27,000
	BRAC Net Limited		-	2,100
	Audit Fee		40,250	36,800
	Conveyance		98,777	209,166
	Miscellaneous Expenses		-	16,000
	Legal & Professional Fee		91,610	66,000
	Annual Subscription Fee of CDBL		-	112,000
	Annual Subscription Fee of CSE, DSE		-	190,000
	Electric Bill- Head Office		105,000	130,000
	Electric Bill- Dhaka Office		16,254	16,034
	Fuel (Vehicle)		116,129	419,863
	Vehicle Upkeep		171,348	383,401
	Website Expenses		5,836	4,174
	Rent, Rates & Taxes		7,640	84,869
	Depreciation		242,232	551,726
			<b>6,528,322</b>	<b>7,775,371</b>

**30.01 Key Management Personal Compansation:**

Short term employee benefits	310,200	-
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
<b>Total</b>	<b>310,200</b>	<b>-</b>

(a) The above short term employee benefits includes only remuneration amounting Tk. 310,200 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.





	Jul ' 21-Dec'21	Jul ' 20-Dec'20
	Taka	Taka
<b>31.00 <u>SELLING &amp; DISTRIBUTION EXPENSES:</u></b>		
Sales Promotion Expenses	288,962	-
Staff Salary (Sales & Marketing)	4,719,204	4,074,103
Festival Bonus (Sales & Marketing)	184,500	-
Conveyance-Tissue	718,587	646,138
*Carriage Outward	6,966,100	6,522,098
C&F Bill-Export	12,175	-
Entertainment-Tissue	149,030	-
Advertisement	107,794	106,476
	<u>13,146,352</u>	<u>11,348,815</u>
*Carriage outward represents cost of transportation of finished goods delivery to various party. Therefore, this cost related to selling and distribution. So it is transferred to the head of selling and distribution expenses.		
<b>32.00 <u>FINANCIAL EXPENSES:</u></b>		
Bank Charges	187,516	451,032
Bank Guarantee Commission	444,404	-
Interest Expenses on Cash Credit	8,947,179	-
Interest on Short Term Loan	664,706	3,405,578
Interest on Long Term Loan	8,856,990	29,440,023
Loan Processing Fee	101,200	8,400
	<u>19,201,995</u>	<u>33,305,033</u>
<b>33.00 <u>NON-OPERATING INCOME:</u></b>		
Dividend Income	459,59	473,115
Profit on Sale of Shares	4,029,920	787,962
Interest Income	284,961	121,035
Miscellaneous Income	109,330	686,420
	<u>4,883,801</u>	<u>2,068,532</u>
<b>34.00 <u>DEFERRED TAX EXPENSES:</u></b>		
(a) Deferred Tax Liability on 31 Dec	56,582,113	54,330,264
(b) Deferred Tax Liability on 01 July	55,287,179	56,025,616
Deferred Tax Expenses for the period (a-b)	<u>1,294,934</u>	<u>(1,695,352)</u>
<b>35.00 <u>EARNING PER SHARE:</u></b>		
Calculation is shown below:		
<u>Net Profit after tax</u>	(16,434,840)	(8,254,445)
Number of shares outstanding	19,000,000	19,000,000
<b>EPS</b>	(0.86)	(0.43)
<b>36.00 <u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u></b>		
Calculation is shown below:		
<u>Net Asset with Revaluation</u>	455,831,085	474,282,768
Number of shares outstanding	19,000,000	19,000,000
<b>Net asset value per share</b>	23.99	24.96
<b>37.00 <u>NET ASSET VALUE PER SHARE WITHOUT REVALUATION:</u></b>		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	192,482,830	206,252,742
Number of shares outstanding	19,000,000	19,000,000
<b>Net asset value per share</b>	10.13	10.86



	Jul ' 21-Dec'21	Jul ' 20-Dec'20
	Taka	Taka
<b>38.00 NET OPERATING CASH FLOW:</b>		
<u>Calculation is shown below:</u>		
<u>Net cash flow from operation</u>	(27,456,260)	39,658,744
Number of shares outstanding	19,000,000	19,000,000
<b>Net operating cash generated by per share</b>	(1.45)	2.09

**39.00 Number of Employees:**

The total employees of the company as on Dec 31, 2021 stood at 337 nos comprising Head office staff 48 nos, Factory office staff 10 nos, Security 01 nos, Driver And helper 01 nos, Permanent worker 51 nos and Temporary worker 226 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	337	281

**40.00 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

**40.01 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	195,540,422	177,855,226
Advance, Deposit and Prepayments excluding Deposit & Prepayments.	219,182,755	144,316,508
Bank Balances	26,645,268	7,926,268
	<b>441,368,445</b>	<b>330,098,003</b>

b) Ageing of Trade Receivables are as follows:

Below-30 Days	33,241,872	37,349,597
Within 31-60 Days	52,795,914	55,135,120
Within 61-90 Days	33,241,872	35,571,045
Within 90 - 180 Days	31,286,468	32,013,941
Above 180 Days	44,974,297	17,785,523
	<b>195,540,422</b>	<b>177,855,226</b>

**40.02 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.



**40.02.01 Exposure to Liquidity risk**

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Within 12 month	More than 12 month	Total
Unsecured Loan	58,299,990	-	-	58,299,990
Long Term Loan-non-current portions	391,105,061	81,150,530	-	472,255,592
Short Term Loan & Overdraft	231,764,642	231,764,642	-	231,764,642
Accrued Expenses	21,955,363	21,955,363	-	21,955,363
Workers Profit Participation and Welfare Fund	1,126,585	1,126,585	-	1,126,585
Trade Payables	31,892,620	31,892,620	-	31,892,620
Current Tax Liabilities	16,187,092	16,187,092	-	16,187,092
Liabilities for Other Finance	39,651,971	39,651,971	-	39,651,971
Directors Current Account	51,900,000	51,900,000	-	51,900,000
<b>Total</b>	<b>843,883,325</b>	<b>475,628,804</b>	<b>-</b>	<b>925,033,856</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.

**40.04 Pandemic Risk:**

After being hit by 3rd 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.

**41.00 CAPACITY UTILIZATION:**

Particulars	31 Dec 2021	30 June 2021
Installed Capacity (in M.T) p.q	3,375	13,500
Actual Production (in M.T) p.q	1,231	3,918
% of Capacity Utilization p.q	36.46%	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.



42.00 **RELATED PARTY TRANSACTION:**

42.01	Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2021	Transaction during the period	Balance as on 31 Dec 2021
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**UNSECURED LOAN:**

Mr. Mohammed Abdullah	Chairman	Loan Received	19,448,060	-	19,448,060
Mr. Md. Golam Kibria	Managing Director	Loan Received	5,914,175	7,800,000	13,714,175
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	1,500,000	7,457,975
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	1,500,000	4,707,475

**DIRECTORS CURRENT ACCOUNT:**

Mr. Mohammed 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 Mostofa	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 Morshed	Director	Loan Received	7,300,000	-	7,300,000
Mr. Md. Golam Rasul Muktadir	Director	Loan Received	7,250,000	-	7,250,000

43.00 **CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND:**

This represents 5% (five percent) of net profit before tax after charging the contribution as per provision of the 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.



44.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

	*Rearranged
	Jul ' 21-Dec'21      Jul ' 20-Dec'20
	Taka                      Taka
Profit after Provision for Income Tax	(16,434,840)      (8,254,445)
<b>Adjustment to Reconcile Profit before Tax provided by operating activities:</b>	
Add : Depreciation	20,837,763      37,806,011
Add: Provision for Deferred Tax Expenses	1,294,934      (1,695,352)
Add: Financial Expenses	19,201,995      33,305,033
<b>A</b>	<b>24,899,851      61,161,247</b>
<b><u>Changes in Working Capital</u></b>	
(Increase)/Decrease in Stock	2,509,513      2,435,124
(Increase)/Decrease in Trade Receivables	(25,380,970)      (29,110,675)
(Increase)/Decrease in Advance, Deposits & Prepayments	(15,659,854)      5,603,081
Increase/(Decrease) in Accrued Expenses	(3,495,010)      (10,340,250)
Increase/(Decrease) in Current portion of Long Term Loan	2,116,791      28,880,858
Increase/(Decrease) in Trade Payables	(13,459,853)      (20,417,948)
Increase/(Decrease) in Current Tax Liabilities	1,013,271      1,447,307
<b>B</b>	<b>(52,356,111)      (21,502,503)</b>
<b>Net cash inflows/(out flows) from operating activities (A+B)</b>	<b>(27,456,260)      39,658,744</b>

