

HAKKANI PULP & PAPER MILLS LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE QUARTER ENDED 31 DECEMBER 2022



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Financial Position (Un-Audited)

As at 31 December 2022

	Note(s)	31 Dec 2022 Taka	30 June 2022 Taka
ASSETS			
Non Current Assets :		863,664,090	867,751,848
Property, Plant and Equipment	5	785,141,052	795,495,275
Capital Work-In-Progress	6	78,523,038	72,256,573
Current Assets:		644,150,697	609,601,670
Investment in Shares	7	12,120,631	12,583,410
Inventories	8	289,213,971	266,581,269
Trade Receivables	9	198,346,188	191,863,413
Advances, Deposits & Prepayments	10	131,637,880	113,797,185
Cash & Cash equivalents	11	12,832,027	24,776,393
TOTAL ASSETS		1,507,814,787	1,477,353,518
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:		431,256,390	447,546,925
Share Capital	12	190,000,000	190,000,000
Dividend Equalization Reserve	13	11,237,693	12,258,779
Revaluation Reserve	14	254,284,280	258,666,486
Fair Value Reserve	7.01	(5,052)	457,727
Retained Earnings	15	(24,260,530)	(13,836,066)
Non Current Liabilities:		569,231,383	564,274,171
Unsecured Loan	16	59,799,990	58,299,990
Long Term Loan-non-current portions	17	405,069,631	401,809,112
Deferred Tax Liability	18	104,361,762	104,165,069
Current Liabilities:		507,327,014	465,532,422
Short Term Loan & Overdraft	19	239,730,109	210,793,095
Liability for Expenses	20	27,408,576	25,424,243
Workers Profit Participation and Welfare Fund	21	1,126,585	1,126,585
Long Term Loan-current Portion	17.01	81,432,154	82,826,333
Trade Payables	22	27,062,754	23,089,882
Current Tax Liabilities	23	21,194,670	18,440,000
Liabilities for Other Finance	24	51,940,911	47,422,115
Unclaimed Dividend	25	3,010,168	3,010,168
Directors Current Account	26	53,400,000	53,400,000
Dividend Payable		1,021,087	-
Total Liabilities		1,076,558,397	1,029,806,593
TOTAL EQUITY & LIABILITIES		1,507,814,787	1,477,353,518
Net Asset Value Per Share (with revaluation)	35	22.70	23.56
Net Asset Value Per Share (without revaluation)	36	9.31	9.94

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


CHAIRMAN


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


CFO


COMPANY SECRETARY

Place: Chattogram

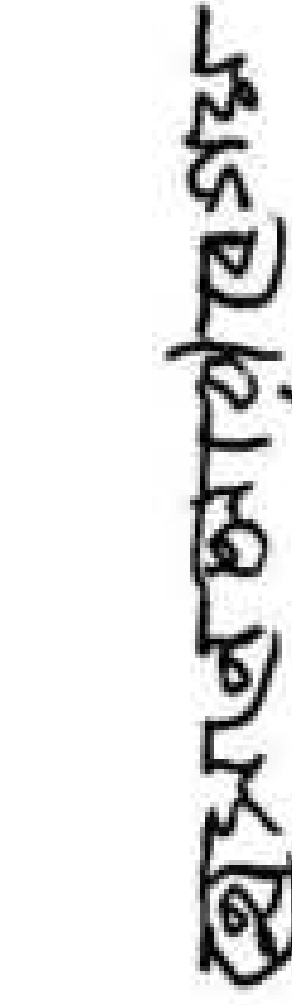
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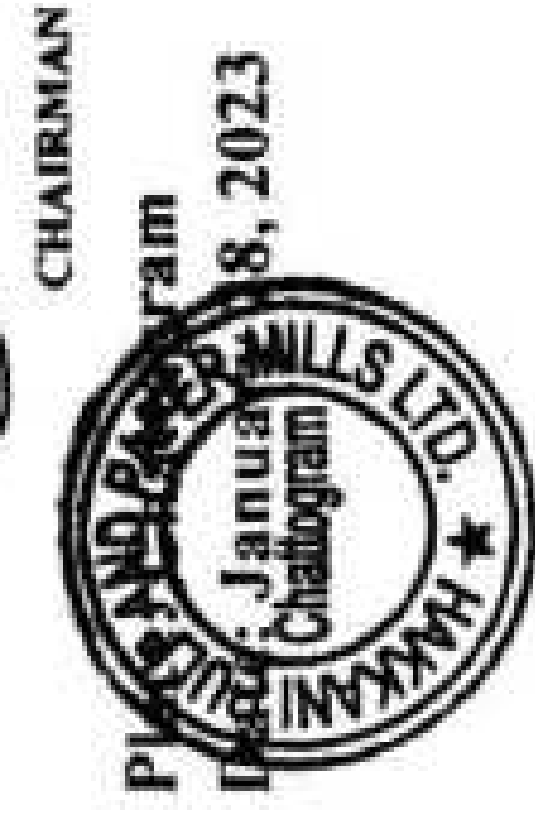


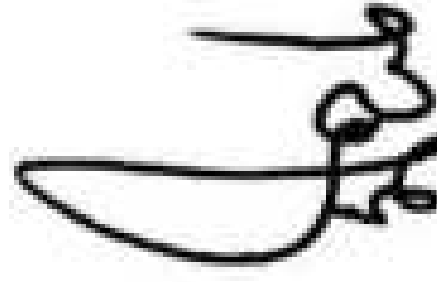
HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income (Un- Audited)
For the Quarter ended 31 December 2022

	Note(s)	Half Year Ended		Quarter Ended	
		Jul ' 22-Dec'22	Jul ' 21-Dec'21	Oct '22-Dec '22	Oct '21-Dec '21
Revenue					
Cost of Goods Sold	27	501,427,194	163,994,764	298,470,490	91,723,033
Gross Profit / (Loss)	28	(459,341,492)	(144,128,531)	(272,973,516)	(79,632,967)
		42,085,702	19,866,233	25,496,974	12,090,066
Operating Expenses:					
Administrative Expenses	29	(12,042,975)	(6,528,322)	(7,411,563)	(3,523,285)
Selling & Distribution Expenses	30	(22,470,849)	(13,146,352)	(11,433,555)	(11,000,522)
		(34,513,824)	(19,674,674)	(18,845,118)	(14,523,807)
Profit from Operation		7,571,878	191,559	6,651,856	(2,433,741)
Financial Expenses	31	(20,969,843)	(19,201,995)	(11,568,211)	(3,868,557)
Non-Operating Income	32	1,853,953	4,883,801	269,337	382,724
Net Profit Before WPPF & WWF		(11,544,012)	(14,126,635)	(4,647,018)	(5,919,574)
Contribution to WPPF & Welfare Funds	21	-	-	-	-
Net profit before Tax		(11,544,012)	(14,126,635)	(4,647,018)	(5,919,574)
Income Tax Provision:					
Current Tax	23.01.2	(3,019,687)	(1,013,271)	(1,792,439)	(552,634)
Deferred Tax	33	(1,016,302)	(1,294,934)	(589,600)	(657,246)
		(4,035,988)	(2,308,205)	(2,382,038)	(1,209,880)
Net profit after Tax		(15,580,000)	(16,434,840)	(7,029,056)	(7,129,454)
Other Comprehensive Income:					
Deferred Tax on Revaluation Reserve		773,331	826,194	386,666	413,097
Unrealized Gain/ (Loss) on Investment in Share:	7.02	(462,779)	(1,821,949)	22,163	(1,031,083)
Deferred Tax on unrealised gain/(loss)	18.02	(46,278)	217,908	2,216	217,908
Total Comprehensive Income		(15,315,727)	(17,212,687)	(6,618,012)	(7,529,532)
Earning Per Share - Basic	34	(0.82)	(0.86)	(0.37)	(0.38)

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


CHAIRMAN


PULP AND PAPER MILLS LTD.
 18, 2023
 Chhatogram


CFO


DEPUTY MANAGING DIRECTOR


MANAGING DIRECTOR

COMPANY SECRETARY

HAKKANI PULP & PAPER MILLS LIMITED
Statement of Changes in Equity (Un-Audited)
For the Quarter ended 31 December 2022

Particulars	(Amount in Taka)					
	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2022	190,000,000	12,258,779	258,666,486	457,727	(13,836,066)	447,546,925
Adjustment of depreciation on carrying amount of revalued assets	-	-	(5,155,536)	-	5,155,536	-
Deferred Tax on Revaluation Surplus	-	-	773,331	-	-	773,331
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(462,779)	-	(462,779)
Dividend for the year 2021-2022	-	(1,021,087)	-	-	-	(1,021,087)
Net Profit after Tax	-	-	-	-	(15,580,000)	(15,580,000)
Balance as on 31 December 2022	190,000,000	11,237,693	254,284,281	(5,052)	(24,260,530)	431,256,390

For the period ended 31 December 2021

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	-	-	-	-	(16,434,840)	(16,434,840)
Balance as on 31 December 2021	190,000,000	12,258,779	263,348,255	1,392,254	(11,168,203)	455,831,085


CHAIRMAN


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


CFO


COMPANY SECRETARY

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

Place: Chattogram
Date: January 28, 2023



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Cash Flows (Un-Audited)

For the Quarter ended 31 December 2022

	Note(s)	Jul ' 22-Dec'22 Taka	Jul ' 21-Dec'21 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		496,798,371	143,497,595
Payment for Material and Expenses		(489,268,937)	(169,650,897)
Income Tax Paid		(582,142)	(1,302,959)
Net Cash flows from Operating Activities	43	6,947,292	(27,456,260)
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(9,855,592)	(2,007,038)
Capital Work-In-Progress		(6,266,465)	-
Advance for Machinery		(20,016,088)	-
Sale of shares		-	4,126,367
Net cash flows from Investing Activities		(36,138,146)	2,119,329
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		28,937,014	13,277,377
Long Term Loan		3,260,519	12,425,018
Interest Paid		(20,969,843)	(19,201,995)
Unsecured Loan Received		1,500,000	12,300,000
Directors Current Account		-	2,850,000
Liabilities for Other Finance		4,518,796	9,051,971
Net Cash flows from Financing Activities		17,246,487	30,702,371
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		(11,944,367)	5,365,439
E. Opening Cash and Bank Balances		24,776,393	21,279,829
Closing Cash and Bank Balances (D+E)		12,832,027	26,645,268
F. Net Operating Cash Flows Per Share	37	0.37	(1.45)

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


 শ্রী অলেক্সান্ডার হাঙ্গার
 CHAIRMAN


 DEPUTY MANAGING DIRECTOR


 CFO


 COMPANY SECRETARY

Place: Chattogram

Date: January 28, 2023



HAKKANI PULP & PAPER MILLS LIMITED
Notes to the Financial Statements (Un-Audited)
For the Quarter ended 31 December 2022

1.00 LEGAL STATUS AND NATURE OF THE BUSINESS:

1.01 Status and Legal Form of the Company

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

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

1.02 Nature of Business:

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

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

2.01 Statement of compliance:

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

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

2.02 Other Regulatory Compliances:

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

The Income Tax Ordinance, 1984

The Income Tax Rules , 1984

The Value Added Tax and Supplementary Duty Act, 2012 (effective from 01 July 2019)

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

The Customs Act, 1969

Bangladesh Labor Act, 2006 as amended in 2013

The Securities and Exchange Ordinance, 1969

The Securities and Exchange Rules, 2020

The Corporate Governance code 2018



2.03 Applicable Accounting Standards:

The following IASs and IFRSs are applicable for the Financial Statements for the 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- 21	The Effects of Changes in Foreign Exchange Rates
IAS - 23	Borrowing Costs
IAS - 24	Related Party Disclosures
IAS - 32	Financial Instruments: Presentation
IAS - 33	Earning per Share
IAS - 36	Impairment of Assets
IAS- 37	Provisions, Contingent Liabilities and Contingent 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 2022.
- A Statement of Profit or Loss and other Comprehensive Income for the period ended 31 December 2022.
- A Statement of changes in equity for the period ended 31 December 2022.
- A Statement of Cash flows for the period ended 31 December 2022.
- 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 28 January 2023.

2.06 Reporting Period:

The financial statements of the Company cover Six months from 1 July 2022 to 31 December 2022.

2.07 Basis of Measurement :

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

2.08 Going Concern:

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

2.09 Functional and presentation currency:

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



2.10 Current versus non-current classification

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

An asset is current when it is:

- (I). Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- (II). Held primarily for the purpose of trading,
- (III) Expected to be realized within six 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 six 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 six months after the reporting period and
- (IV) There is no unconditional right to defer the settlement of the liability for at least six 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: 09 Trade Receivables
- Note : 10 Advances, Deposits & Prepayments
- Note: 18 Deferred Tax Liability
- Note : 22 Trade Payables
- Note: 23 Current Tax Liabilities

3.00 SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

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



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

3.01 Property, plant and equipment:

3.01.01 Recognition and measurement:

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

3.01.02 Subsequent costs:

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

3.01.03 Depreciation:

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

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

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

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



3.01.04 Non- Current asset held for Sales

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

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

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

3.02 Capital Work In Progress :

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

The cost of capital work in progress comprises:

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

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

3.03 Impairment of Assets:

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

3.04 Investment in Shares:

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

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

3.05 Inventories:

3.05.01 Nature of inventories

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

3.05.02 Valuation of the inventories

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

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



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



3.17 Taxation:

3.17.01 Current Tax:

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

3.17.02 Deferred tax:

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

3.18 Revenue recognition:

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

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

The Company is in the business of providing Newsprint, M.G Newsprint, Medium Paper, Khata and Tissues. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and rebates, if any. Revenue is recognized when significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and there is no continuing management involvement with the goods (IFRS-15). The Company has generally concluded that it is the principal in it is revenue arrangements, because it typically controls the goods before transferring them to the customer.

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

3.19 Earning per share (EPS):

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

3.19.01 Basis of earning:

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

3.19.02 Basic earning Per share:

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

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

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

4.01 The operating and financial review is intended to provide the Management's perspective on the financial and operating performance of the Company. During the period under review, the Company recorded a profit /(loss) after tax of Tk. (15,580,000) against previous period profit /(loss) of Tk. (16,434,840). The basic Earnings Per Share for the period ended 31 December 2022 is Tk. (0.82) against Tk. (0.86) 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 increased as compared to previous period due to increase of sales. Sales revenue is increased by the amount of Taka 337,432,430 as compared to previous period.

4.03 Cost of Goods Sold:

During the period under review Cost of good sold was increased as compared to the previous period due to increase of unit price raw materials.

4.04 Administrative Expenses

During the period under review, administrative employee's expenses was increased significantly as compared to the previous period due to increase of employee salary, director remuneration and other related expenses and inflation.

4.05 Selling Expenses

During the period under review, selling expenses was increased significantly as compared to the previous period due to increase of marketing employee's salary, sales promotion expenses, other related expenses and inflation.

4.06 Financial Expenses :

The Company's financial expenses was increased as compared to previous period for increase of Bank interest of Tk. (1,767,848) on Bai-Muazzal Loan, UPAS Loan, Biam Wes Bills, LATR of Social Islami Bank Limited and CC Hypo Loan of Mercantile Bank Limited



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

During the period under review, the Company's Earnings Per Shares (EPS) recorded Tk. (0.82) against previous period Tk. (0.86)

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

The Company's net operating cash flows per share (NOCFPS) of the company was recorded Tk. 0.37 against Tk. (1.45) of previous period. The company's net operating cash flows per share (NOCFPS) was significantly increased due to increase of sales revenue.

5.00 **PROPERTY, PLANT & EQUIPMENT:**

	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
Balance as on 01 July (including revaluation)	1,299,421,275	1,275,711,701
Add: Addition during the period	9,855,592	23,709,574
Less: Adjustment during the period	-	-
Balance as on 31 December	<u>1,309,276,867</u>	<u>1,299,421,275</u>
Less: Accumulated depreciation	524,135,815	503,926,000
Written down value as on 31 December	<u>785,141,052</u>	<u>795,495,275</u>

(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			S			Rate of Dep.	D E P R E C I A T I O N			Written Down Value as on 31 Dec 2022
	Balance as on 01 July 2022	Addition during the period	Disposal/ Adjustment during the period	Balance as on 31 Dec 2022	Charged during the period	Disposal/ Adjustment during the period		Balance as on 01 July 2022	Charged during the period	Disposal/ Adjustment during the period	
At Cost											
Land & Land Development	43,583,242	141,570	-	43,724,812	-	-	-	-	-	-	43,724,812
Building & Other Construction	173,805,760	3,396,750	-	177,202,510	-	-	5%	3,095,229	-	-	122,175,226
Plant & Machinery	553,967,984	3,992,586	-	557,960,570	-	-	7%	10,754,961	-	-	299,133,057
Furniture & Fixture	1,274,608	66,622	-	1,341,230	-	-	10%	28,479	-	-	573,263
Office Equipment	3,856,743	166,300	-	4,023,043	-	-	10%	87,160	-	-	1,757,938
Electric Installation	23,872,002	2,070,000	-	25,942,002	-	-	10%	533,252	-	-	11,349,568
Gas Line Installation	3,932,191	-	-	3,932,191	-	-	10%	42,375	-	-	805,133
Telephone Line Installation	132,263	-	-	132,263	-	-	10%	1,472	-	-	27,969
Water Line Installation	7,039,214	-	-	7,039,214	-	-	10%	119,833	-	-	2,276,828
Fire Extinguisher	111,870	-	-	111,870	-	-	20%	1,204	-	-	10,832
Office Decoration	1,945,265	21,764	-	1,967,029	-	-	10%	62,346	-	-	1,196,722
Vehicle Car	3,011,672	-	-	3,011,672	-	-	20%	51,911	-	-	467,202
Motor Vehicle	4,584,496	-	-	4,584,496	-	-	20%	195,524	-	-	1,759,715
Factory Equipment	1,242,445	-	-	1,242,445	-	-	20%	80,534	-	-	724,808
"A"	822,359,756	9,855,592	-	832,215,347	-	-		15,054,280	-	-	485,983,075
At Revaluation											
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	-	-	5%	1,573,640	-	-	61,371,967
Plant & Machinery	227,369,650	-	-	227,369,650	-	-	7%	3,581,896	-	-	98,757,990
"B"	477,061,519	-	-	477,061,519	-	-		5,155,536	-	-	299,157,976
Grand total as on 31 Dec 2022 (A+B)	1,299,421,275	9,855,592	-	1,309,276,867	-	-		20,209,816	-	-	785,141,052
As on 30 June 2022	1,275,711,701	23,709,574	-	1,299,421,275	-	-		41,759,627	-	-	795,495,275

	31 Dec 2022	31 Dec 2021
	<u>Taka</u>	<u>Taka</u>
Allocation of Depreciation :		
Administrative Expenses	231,368	242,232
Factory Overhead	19,978,448	20,595,530
	<u>Taka = 20,209,816</u>	<u>20,837,762</u>



	31 Dec 2022 Taka	30 June 2022 Taka
6.00 CAPITAL WORK-IN-PROGRESS:		
Capital Work-In-Progress	78,523,038	72,256,573
Balance as on 31 December	<u>78,523,038</u>	<u>72,256,573</u>

6.01 Capital Work-In-Progress:

Particulars	Opening Balance	Addition/Transferred during the period	Capitalized during the period	Closing Balance
Building & Other Construction	-	-	-	-
Plant & Machinery	72,256,573	6,266,465	-	78,523,038
Motor Vehicle	-	-	-	-
Electric Installation	-	-	-	-
Total	72,256,573	6,266,465	-	78,523,038

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 2022	Market Value as on 31 Dec 2022	Unrealized gain/ (loss)
Beximco Pharma Ltd.	3,500	138,855	511,700	372,845
Brac Bank Ltd.	13,017	158,299	501,155	342,856
DESCO Ltd.	5,000	238,287	183,000	(55,287)
Dhaka Bank Ltd.	27,240	210,234	359,568	149,334
Exim Bank Ltd.	53,401	1,080,863	555,370	(525,492)
Grameen Phone Ltd.	10,700	3,995,855	3,066,620	(929,235)
Islami Bank Bangladesh Ltd.	10,570	376,381	348,810	(27,571)
Jamuna Oil Company Ltd.	2,299	271,136	384,623	113,487
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	648,000	(157,409)
Meghna Petroleum Ltd.	2,402	249,369	477,037	227,668
Mercantile Bank Ltd.	13,715	118,778	186,524	67,746
Mutual Trust Bank Ltd.	21,228	207,749	354,508	146,758
National Bank Ltd.	82,779	902,974	687,066	(215,908)
One Bank Ltd.	36,838	296,251	375,748	79,497
Premier Bank Ltd.	5,142	32,062	68,389	36,326
Shahjalal Islami Bank Ltd.	39,937	249,341	750,816	501,475
Square Pharma Ltd.	9,200	1,826,477	1,930,160	103,683
Standard Bank Ltd.	21,547	200,804	189,614	(11,190)
Titas Gas Ltd.	13,250	766,559	541,925	(224,634)
Total	381,765	12,125,683	12,120,631	(5,052)

7.02 Gain/ (Loss) on Investment in Shares:

Unrealized Gain/ (Loss) Closing	(5,052)	457,727
Less: Unrealized Gain/ (Loss) Opening	457,727	3,571,337
Add: Deferred tax opening	-	357,134
Gain/ (Loss) on Investment in Shares during the period	(462,779)	(2,756,476)

8.00 INVENTORIES:

a) **Raw Materials**

Wastage Paper	62,199,530	34,988,159
Chemicals	22,071,499	25,051,059
	84,271,029	60,039,218

b) **Finished Goods**

Newsprint Paper	50,011,962	49,710,740
Medium Paper	1,332,488	3,360,543
Khata	7,356,310	4,823,700
Various Tissue Paper	88,866,219	89,324,160
	147,566,979	147,219,143

c) **Work-In-Process**

	49,571,835	51,618,780
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d) **Consumable Spare & Store**

	4,370,867	3,198,922
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e) **Packing Material**

	3,433,261	4,505,206
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Total (a+b+c+d+e)	289,213,971	266,581,269
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31 Dec 2022
Taka

30 June 2022
Taka

- (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	119,856	722,256
Al- Madina Paper House	2,893,273	1,975,186
Anupam Traders	125,964	111,097
Apex Pharma	6,734	253,585
AR Trading	189,710	1,133,917
Arif Enterprise	597,254	617,254
AG Paper House	861,562	-
Avoy Enterprise	191,160	1,333,453
Babul Store	41,815,949	41,815,949
Barcode Restaurant Group	479,384	325,505
Bio Pharmaceutical Ltd.	608,055	1,299,333
Bismillah Paper House	1,329,942	1,350,164
Chandpur Paper House	5,331,036	569,940
Chittagong Club Limited	507,156	517,711
CGT Tissue	645,638	583,695
Elite Paper House	228,198	238,309
Garibe Newaj Traders	666,495	631,495
General Pharma	667,383	2,180,104
Habib Enterprise	114,290	87,669
Handi Restaurant	119,799	160,264
Health Point Hospital	-	45,208
Hotel Zaman	100,412	102,799
Interna Plastic (Pvt.) Ltd.	759,778	765,000
Intimate Apparels Ltd	383,951	363,117
Jayson Pharmaceuticals	-	6,140
J M I Group	77,193	107,848
Korotoa Paper Depot.	903,909	916,131
Mahbub & Brothers	5,879,185	5,929,407
M J Paper House	3,385,925	4,957,514
Modern Biponi	873,271	893,493
Modhumoti Traders	187,538	197,649
Molla Traders	752,913	98,200
M/s Oishi Enterprise	301,239	311,350
Nuha Enterprise / Three Star	195,118	205,229
Rapid Pack Limited	4,781,954	3,459,312
Robin Enterprise	533,257	497,249
Rubel & sons	3,541,871	1,718,613
Resimax Industries Ltd.	1,172,230	1,585,730
RM Trade International	3,771,947	3,740,107
Royal Packaging	112,745	127,856
Sajib Enterprise	3,380,826	3,316,899
Shahnaj Trading Corporation	184,435	-
Sikandar Para Banijik Songasta	367,033	-
Shanto Enterprise	160,348	175,903
Shohid Enterprise	77,656	87,655
S.K Traders	114,220	-
Sonargaon Paper House	392,920	403,031



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
S Rahaman Trading/Enterprise	4,298,898	4,349,453
S.R.Paper House	93,544	103,655
S.S.G Paper Ltd.	297,947	320,169
Tanvir Enterprise	3,656,954	2,816,850
Transcom Food Ltd	162,862	86,172
Tuba Enterprise	416,289	441,844
Walton Hi-Tech Industries Ltd.	124,385	244,385
Watson Paper Mills Ltd.	98,344	105,010
Yousuf Enterprise	2,463,265	2,491,042
Other Receivables	96,842,988	94,986,508
	198,346,188	191,863,413
9.01 Ageing of Trade Receivables:		
Below-30 Days	29,751,928	32,616,780
Within 31- 60 Days	33,718,852	51,803,122
Within 61 - 90 Days	31,735,390	32,616,780
Within 90 - 180 Days	23,801,543	30,698,146
Above 180 Days	79,338,475	44,128,585
	198,346,188	191,863,413
9.02 Trade Receivables are occurred in the ordinary course of business.		
9.03 Trade Receivables are unsecured but considered good by the management.		
10.00 <u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>		
Advance Against Income Tax (Note: 10.01)	33,105,689	32,788,564
Advance Against Salary & Wages (Note: 10.02)	150,107	47,248
Advance Against Expenditure (Note: 10.03)	13,580,152	13,723,290
Advance Against L/C (Note: 10.04)	57,263,145	37,103,918
Advance Against Purchase (Note: 10.05)	16,630,231	20,000,000
Deposits and Prepayments (Note: 10.06)	10,908,557	10,134,165
	131,637,880	113,797,185
10.01 <u>Advance Against Income Tax</u>		
Advance Income Tax Paid	6,297,417	6,296,490
Advance Income Tax - Import	1,597,771	1,531,643
Advance Income Tax - Export	458,237	398,386
Advance Income Tax Deducted at Source	23,508,948	23,373,201
Advance Income Tax Deducted at Source (Dividend Income)	1,238,502	1,184,029
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	33,105,689	32,788,564
10.02 <u>Advance Against Salary & Wages</u>	150,107	47,248
10.03 <u>Advance Against Expenditure</u>		
Anima Development Limited Note: 10.03.01	7,785,549	7,785,549
Advance for Machinery Purchase Note: 10.03.02	-	-
VAT Current Account	17,677	982,000
Lanka Bangla Securities Ltd.	199	649
City Brokerage Ltd.	126,927	127,710
Bank Gaurantee Margin	628,923	628,923
Advances for spares parts and other materials	5,020,878	4,198,459
	13,580,152	13,723,290
10.03.01 This represents advance to Amina Development Limited against purchase of Flat for Dhaka Office which is yet to be registered		
10.03.02 Balance of Advance for Machinery purchase was transferred to Capital Work In Progress under the head of Plant and Machinery		
10.04 <u>Advance Against L/C</u>	57,263,145	37,103,918



	31 Dec 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
10.05 <u>Advance Against Purchase</u>		
Arif Traders	2,579,911	3,500,000
Bismillah Enterprise	2,302,569	3,500,000
Munna Enterprise	9,347,030	10,000,000
Shah Godi Enterprise	2,400,721	3,000,000
	<u>16,630,231</u>	<u>20,000,000</u>
10.06 <u>Deposits</u>		
Security Deposit (PBS-1)	3,321,100	3,321,100
Security Deposit (BGSL) Boiler	3,375,831	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
	<u>10,908,557</u>	<u>10,134,165</u>

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

4,540,487	7,235,013
10,000	5,000
9,000	30,000
<u>4,559,487</u>	<u>7,270,013</u>

Cash at Banks

Bangladesh Krishi Bank Ltd., 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
Social Islami Bank Ltd, Agrabad Branch-CD A/C - 0041330027978
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949 /5816
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
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103
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 Ltd. CD A/C No- 1021100040340

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
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138

1,685	318,136
57,346	57,574
86,637	87,399
148,080	7,211,742
214,828	731,700
223,282	73,282
140,001	140,001
1,924,455	-
-	463,041
9,231	-
21,283	1,315,916
240,534	311,739
1,247,093	1,109,189
1,132,364	441,066
527,627	74,697
<u>5,974,446</u>	<u>12,335,481</u>
391,884	375,816
493,515	473,281
792,597	758,457
-	582,716
-	2,366,043
229,149	223,637
390,949	390,949
<u>12,832,027</u>	<u>24,776,393</u>

(a) Cash balance as on 31.12.2022 was certified by the management.

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



11.01 INVESTMENT IN FIXED DEPOSIT:

31 Dec 2022
Taka30 June 2022
Taka

Particulars	Tenure	Purpose	Rate of Interest	Taka	Taka
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	One Year	Guarantee	6%	391,884	375,816
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	One Year	Guarantee	6%	493,515	473,281
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	One Year	Guarantee	5%	792,597	758,457
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042265	One Year	Guarantee	6%	-	582,716
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 2903033042274	One Year	Guarantee	6%	-	2,366,043
Fixed Deposit with Bangladesh Krishi Bank Ltd. FDR # 29030330045646	One Year	Guarantee	6%	229,149	223,637
Fixed Deposit with Social Islami Bank Ltd. FDR # 0045330035138	One Year	Guarantee	9.5%	390,949	390,949
Total				2,298,094	5,170,899



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
12.00 SHARE CAPITAL:		
12.01 <u>Authorized:</u>		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
12.02 <u>Issued, Subscribed and Paid-up:</u>		
85,00,000 Ordinary shares of Tk. 10.00 each fully paid up in cash.	85,000,000	85,000,000
1,05,00,000 Ordinary shares of Tk. 10.00 each fully paid up other than cash.	105,000,000	105,000,000
	<u>190,000,000</u>	<u>190,000,000</u>

12.03 The break up of share holdings as on 31 December 2022 is as follows:-

Description	No of shares 31 December 2022	% of shares holding 31 December 2022	No of shares 30 June 2022	% of shares holding 30 June 2022
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	1,000	0.01
Other Institution and General Public	10,205,170	53.71	10,205,170	53.71
Total	19,000,000	100	19,000,000	100

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022	31 Dec 2022	30 June 2022
Less than 500 shares	2,764	2,022	499,125	405,191	2.63	2.13
501 to 5,000 Shares	1,810	1,738	3,222,787	3,165,783	16.96	16.66
5,001 to 10,000 Shares	211	203	1,533,210	1,461,646	8.07	7.69
10,001 to 20,000 Shares	108	102	1,439,771	1,423,930	7.58	7.49
20,001 to 30,000 Shares	26	45	642,330	1,108,780	3.38	5.84
30,001 to 40,000 Shares	12	12	439,589	427,320	2.31	2.25
40,001 to 50,000 Shares	9	6	388,167	273,728	2.04	1.44
50,001 to 100,000 Shares	12	19	827,850	1,316,486	4.36	6.93
100,001 to 1,000,000 Shares	14	12	5,773,839	5,183,804	30.39	27.28
Over 1,000,000 Shares	3	3	4,233,332	4,233,332	22.28	22.28
Total	4,969	4,162	19,000,000	19,000,000	100	100

12.05 Market price of Shares:

The shares of the company are listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. and quoted at Tk. 58.50 on 31 December 2022 (Face value Tk. 10.00)



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
13.00		
<u>DIVIDEND EQUALIZATION RESERVE:</u>		
Dividend Equalization Reserve is made-up as follows:		
Balance as on 01 July	12,258,779	13,279,866
Less: Dividend declared for the year 2021-2022 approved in the AGM	1,021,087	1,021,087
Balance as on 31 December	<u>11,237,693</u>	<u>12,258,779</u>
Dividend equalization reserve was created in the earlier year(s) with the concurrence of Board of Directors. The objective of this reserve is to pay dividend to shareholders during bad time of company.		
14.00		
<u>REVALUATION RESERVE:</u>		
A revaluation of Land , Buildings and Plant and Machinery has been made during the financial year 2010-2011 by M/S. G. K. Adjusters, a professional valuer and the surplus amount of these assets were transferred to Revaluation Reserve Account. Breakup of such surplus is as follows:		
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 31.12.2022 (Note-5.01)	177,903,543	172,748,006
	<u>299,157,976</u>	<u>304,313,513</u>
Less : Adjustments for Deferred Tax @15%	44,873,696	45,647,027
Balance as on 31 December	<u>254,284,280</u>	<u>258,666,486</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		
15.00		
<u>RETAINED EARNINGS:</u>		
Balance as on 01 July	(13,836,066)	(241,327)
Add: Net profit/(loss) after tax	(15,580,000)	(24,610,668)
	<u>(29,416,066)</u>	<u>(24,851,995)</u>
Add: Revaluation Surplus Realized (Note-5.01)	5,155,536	11,015,929
Balance as on 31 December	<u>(24,260,530)</u>	<u>(13,836,066)</u>
16.00		
<u>UNSECURED LOAN:</u>		
Mr. Mohammed Abdullah, Ex-Chairman	19,448,060	19,448,060
Mrs. Hosne Ara Begum, Chairman	3,800,000	3,800,000
Mr. Md. Golam Haider, Ex-Vice Chairman	7,457,975	7,457,975
Mr. Md. Golam Kibria, Managing Director	15,214,175	13,714,175
Mr. Md. Golam Morshed, Deputy Managing Director	4,707,475	4,707,475
Mr. Md. Golam Mostofa, Ex-Managing Director	4,464,830	4,464,830
Mr. Md. Golam Rasul Muktadir, Vice Chairman	4,707,475	4,707,475
	<u>59,799,990</u>	<u>58,299,990</u>
The above loans from directors are interest free.		
17.00		
<u>LONG TERM LOAN:</u>		
HPSM Commercial Loan	-	194,077,840
Loan Under BMRE of Existing Projects	196,041,305	-
Loan Under Tissue Projects	245,277,787	242,877,139
Bai Muazzal Term loan	34,727,000	36,227,000
Term Loan	10,455,693	11,453,467
	<u>486,501,785</u>	<u>484,635,445</u>



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
17.01	<u>LONG TERM LOAN- MATURITY ANALYSIS:</u>	
	81,432,154	82,826,333
	405,069,631	401,809,112
	<u>486,501,785</u>	<u>484,635,445</u>
17.02	<u>TERMS OF LONG TERM LOAN:</u>	
	Lenders:	
	The company entered into a secured long term loan agreement with Social Islami Bank Limited, Agrabad Branch, Chattogram.	
	Total Long Term Loan Facilities:	
	Total disbursement amount was Tk. 311,176,404 against sanction amount of total long term loan Tk. 432,634,000.	
	Rate of Interest:	
	Interest rate is 9% per annum subject to change as per decision of the management of the Bank and variable depending on the situation of money market. The company currently enjoying the loan @ 9% interest.	
	Disbursement:	
	The disbursement of Hire Purchase under Shirkatul Melk (HPSM) Commercial Loan was made on November 24, 2015 for Balancing, Modernization, Replacement and Expansion (BMRE) of existing unit and Tissue Unit on January 01, 2017 and May 17, 2017 respectively.	
	Repayments:	
	This secured long term loan is repayable in 84 (eighty four) months.	
	Securities:	
	i. Hypothecation of machineries and stock.	
	ii. Total 642.30 decimal land has been placed as prime securities against the loan.	
	iii. Creation of charge with RJSC.	
	iv. Personal Guarantee of Directors	
	Purpose:	
	The loan has been taken for business expansion of existing project and establishment of Tissue Project.	
18.00	<u>DEFERRED TAX LIABILITY:</u>	
	58,518,042	55,287,179
	1,016,302	3,542,224
	(46,278)	(311,361)
	<u>59,488,066</u>	<u>58,518,042</u>
	44,873,696	45,647,027
	<u>104,361,762</u>	<u>104,165,069</u>
	Add: Deferred Tax for Revaluation Surplus (Note-14.00)	
	Balance as on 31 December	
	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 31.12.2022 has been shown at Note-18.01 & 18.02.	
18.01	Calculation of Deferred Tax Liability	
	442,258,263	447,598,520
	177,864,616	187,721,769
	264,393,647	259,876,751
	59,488,571	58,472,269
	<u>1,016,302</u>	<u>3,542,224</u>
	Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 31.12.2022	
18.02	Investment in Shares	
	12,120,631	12,583,410
	12,125,683	12,125,683
	(5,052)	457,727
	(505)	45,773
	<u>(46,278)</u>	<u>(311,361)</u>



	31 Dec 2022 <u>Taka</u>	30 June 2022 <u>Taka</u>
19.00 SHORT TERM LOAN AND OVERDRAFT:		
Social Islami Bank Ltd, Agrabad Branch- Bai Muazzal Commercial-(CC)	154,868,597	147,400,383
UPAS Loan from Social Islami Bank Ltd.	-	6,417,478
Mercantile Bank Ltd. A.K Khan Branch-Cash Credit (CC) Hypo	38,920,895	40,786,185
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank Ltd.	13,962,057	13,259,936
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	-	650,461
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315	-	896,857
LATR , Sight LC Loan From Mercantile Bank Ltd.	4,806,440	-
UPAS Loan from Mercantile Bank Ltd	25,790,326	-
Other Short Term Loan	1,381,795	1,381,795
	239,730,109	210,793,095

19.01 Short Term Browing:

Particulars	Note	31 Dec 2022	30 June 2022
		Taka	Taka
Short term loan and overdraft	19.00	239,730,109	210,793,095
Long term loan-current portion	17.01	81,432,154	82,826,333
Total		321,162,263	293,619,428

(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 LIABILITY FOR EXPENSES:

Audit Fee	375,750	410,750
Directors Remuneration	900,000	300,000
Electricity Bill-(Factory)	3,079,179	1,375,659
Electricity Bill-(Tissue Unit)	3,239,099	1,539,253
Gas Bill Factory	7,885,163	7,373,848
Gas Bill Factory Canteen	17,257	23,346
Gas Bill (H/O)	971	1,145
Food Allowance (Head Office)	155,329	155,329
Office Rent	775,000	725,000
Overtime	3,645,699	3,405,944
Salary & Allowances (Dhaka Office)	66,250	66,250
Salaries, Wages and Allowances (H/O)	839,495	1,241,002
Salary & Allowances Factory	889,845	815,745
Wages & Allowances	2,728,422	5,135,075
Salary & Allowance (Sales & Marketing)	2,782,235	2,826,097
Food Allowance (Factory)	28,882	29,800
	27,408,576	25,424,243



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

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

22.00 <u>TRADE PAYABLES:</u>		
Abul Khair Steel Melting Ltd.	1,069,247	1,119,802
Al Raji Chemical	718,035	361,395
Anjum Traders	1,558,546	1,583,510
Azad Engineering Workshop	326,650	376,150
Baizid Newsprint Mills Ltd	-	292,978
Cartoon Nirman Ltd.	2,235,953	2,109,353
City Lub Oil Industries Ltd.	101,202	111,757
Emu Enterprise	372,932	284,370
Gentech Energy	129,875	139,986
Hossain Box Industries	1,258,947	1,113,631
International Bearing Center	337,053	445,053
Islam & Brothers	843,298	115,264
Khaja Garibe Newaj Five Star Enterprise	2,164	2,164
Khaja Polythene Mart	35,891	45,275
Mamun Hardware Store	1,159,922	1,231,885
M/s. Dohar Chemicals	2,966,815	2,490,815
Noor Hardware Mart	59,091	59,091
Organic Bangladesh Corporation	128,541	134,096
Raj Bearing	-	2,650
RFL Plastic Ltd.	-	88,985
Sakib Enterprise	135,559	145,670
Shah Amanat Enterprise	743,324	753,435
Sion Enterprise	26,520	26,520
S.R Packaging	7,743,502	7,493,974
Say Automation & Engineering	100,001	110,000
Taslima Enterprise	265,015	154,853
Unimax Chemicals	1,122,800	855,200
United Trading Agency	874,631	951,812
Other Payables	2,747,240	490,208
	<u>27,062,754</u>	<u>23,089,882</u>



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
23.00		
<u>CURRENT TAX LIABILITIES:</u>		
Balance as on 01 July	18,440,000	15,173,822
Provided during the period:		
Against current period	3,019,687	3,266,179
Against previous period	-	-
	<u>3,019,687</u>	<u>3,266,179</u>
	21,459,687	18,440,000
Adjusted with advance income tax paid	265,017	-
Balance as on 31 December	<u>21,194,670</u>	<u>18,440,000</u>
23.01		
<u>Computation of Provision for Income Tax:</u>		
23.01.1		
Net profit before tax	(11,544,012)	(17,802,266)
Less: Other income to be considered separately		
Dividend Income	272,371	825,254
Profit on Sale of Shares	-	4,029,920
Interest on FDR	171,619	399,248
Commission Income- Insurance Premium	-	-
Miscellaneous Income	1,351,883	870,605
	<u>(13,339,884)</u>	<u>(23,927,293)</u>
Add: Accounting depreciation	20,209,816	41,759,627
	<u>6,869,931</u>	<u>17,832,334</u>
Add: Inadmissible expenses		
Entertainment expenses	335,232	352,720
Miscellaneous expenses	-	4,750
	<u>335,232</u>	<u>357,470</u>
	<u>7,205,163</u>	<u>18,189,804</u>
Less: Tax depreciation u/s 29	19,571,176	46,486,917
Business Income/(loss)	<u>(12,366,013)</u>	<u>(28,297,113)</u>
Add: Other income to be considered separately		
Dividend Income	272,371	825,254
Profit on Sale of Shares	-	4,029,920
Interest on FDR	171,619	399,248
Commission Income- Insurance Premium	-	-
Miscellaneous Income	1,351,883	870,605
Total Business Income/(loss)	<u>(10,570,140)</u>	<u>(22,172,086)</u>
23.01.2		
<u>Minimum Tax:</u>		
Total receipt against sales	501,427,194	538,238,090
Total receipt against other income	1,853,953	6,125,027.00
Total	<u>503,281,147</u>	<u>544,363,117</u>
Minimum Tax @ 0.60% on gross receipt of Tk. 503,281,147.	<u>3,019,687</u>	<u>3,266,179</u>

Compared with tax on business income and minimum tax higher one has been made provision for income tax U/S 82C.



	31 Dec 2022	30 June 2022
	<u>Taka</u>	<u>Taka</u>
24.00		
<u>LIABILITIES FOR OTHER FINANCE:</u>		
I.T. Deducted at Source	477,498	308,880
VAT Deducted at Source	163,413	113,235
Loan From Farhana Ferdous	27,000,000	25,200,000
Loan From Farhana Tarannum	24,300,000	21,800,000
	<u>51,940,911</u>	<u>47,422,115</u>
25.00		
<u>UNCLAIMED DIVIDEND:</u>		
Balance as on 1st July	3,010,168	2,974,152
Add: Dividend declared for the year 2021-2022 approved in the AGM	-	877,491
	<u>3,010,168</u>	<u>3,851,643</u>
Less: Dividend Paid during the period	-	841,475
Balance as on 31 December	<u>3,010,168</u>	<u>3,010,168</u>
25.01		
<u>Dividend Unclaimed for the years:</u>		
The details of unclaimed dividend as 31 December 2022 are as follows:		
2004-2005 to 2016-2017	2,490,152	2,490,152
2017-2018	305,650	305,650
2018-2019	95,700	95,700
2019-2020	82,650	82,650
2020-2021	36,016	36,016
	<u>3,010,168</u>	<u>3,010,168</u>
26.00		
<u>DIRECTORS CURRENT ACCOUNT:</u>		
Mr. Mohammed Abdullah, Ex-Chairman	20,800,000	20,800,000
Mr. Md. Golam Kibria, Managing Director	10,050,000	10,050,000
Mr. Md. Golam Mostofa, Ex-Managing Director	3,500,000	3,500,000
Mr. Md Golam Haider, Ex-Vice Chiarman	4,500,000	4,500,000
Mr. Md. Golam Morshed, Deputy Managing Director	7,300,000	7,300,000
Mr. Md. Golam Rasul Muktadir, Vice Chairman	7,250,000	7,250,000
	<u>53,400,000</u>	<u>53,400,000</u>

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



	Jul ' 22-Dec'22	Jul ' 21-Dec'21
	<u>Taka</u>	<u>Taka</u>
27.00 REVENUE:		
Newsprint Paper	299,017,068	58,216,767
M.G. Newsprint	120,499,480	27,666,007
Medium Paper	-	1,131,379
Tissues Paper	82,935,416	79,349,073
Khata	7,009,359	2,790,333
Gross Revenue	509,461,323	169,153,560
Less: Value Added Tax (VAT)	8,034,129	5,158,796
Net Revenue	501,427,194	163,994,764
28.00 COST OF GOODS SOLD:		
Opening Stock of Raw Materials	60,039,218	85,542,241
Add: Purchase during the period	363,303,011	75,899,662
	423,342,229	161,441,903
Less: Closing Stock of Raw Materials	84,271,029	50,542,241
Raw Materials Consumed	339,071,200	110,899,662
Add: Factory overhead:		
Salaries, Wages and Allowances	24,020,785	14,338,549
Overtime -Factory Worker	2,312,334	1,140,669
Food Allowance	172,554	158,685
Labour Charge	1,827	9,192
Carriage Inward	563,280	279,050
Gas Bill (Boiler & Gas Generator)	32,077,160	16,642,412
Electric Bill	18,479,864	14,665,319
Consumable Spare & Store	4,012,489	1,278,729
Packing Material Consumed	4,493,987	2,034,341
Factory Maintenance	7,543,478	2,499,333
Loading Unloading Charge	153,711	91,060
Paper/Tissue/Khata Cutting Exp.	3,703,495	1,438,634
Fuel (Vehicle)	200,734	275,795
Medical & Medicine	121,903	80,142
Gas Generator Upkeep	-	30,000
Boiler Upkeep	42,000	-
Insurance Premium	468,717	-
Canteen Expenses-Factory	107,336	75,720
Gas Bill- Canteen	74,411	40,426
Staff Tea, Tiffin Expenses	42,670	45,770
Depreciation	19,978,448	20,595,530
	457,642,383	186,619,018
Add: Opening Work-in-Process	51,618,780	29,341,560
	509,261,163	215,960,578
Less: Closing Work-in-Process	49,571,835	35,641,560
Cost of Production	459,689,328	180,319,018
Add: Opening Stock of Finished Goods	147,219,143	82,598,829
	606,908,471	262,917,847
Less: Closing Stock of Finished Goods	147,566,979	118,789,316
Cost of Goods Sold	459,341,492	144,128,531



		Jul ' 22-Dec'22	Jul ' 21-Dec'21
		<u>Taka</u>	<u>Taka</u>
29.00	<u>ADMINISTRATIVE EXPENSES:</u>		
	Director Remuneration	1,851,700	310,200
	Salary, Allowances & Bonus	6,084,500	3,658,695
	Office Rent	185,000	180,000
	Telephone Bill	396,200	320,130
	Entertainment	335,232	139,845
	Staff Tea, Tiffin	3,344	3,850
	Travelling Expenses	543,930	73,897
	Dhaka Office Expenses	39,970	54,425
	Canteen Expenses	41,745	5,095
	Postage & Courier	18,263	9,528
	Forms, Stamp & Legal Documents	2,940	660
	Fees, Renewal & Subscription	158,050	263,094
	Printing & Stationery	94,015	36,396
	Gas Bill H/O	5,581	3,276
	A. G. M Expenses	108,584	38,080
	Board Meeting Attendance Fees	213,600	160,000
	B. D. M. Expenses	33,676	7,115
	Audit Committee Meeting Attendance Fees	64,800	65,000
	NRC Meeting Attendance Fees	100,400	-
	B.O Maintenance Fees	1,233	900
	Office Maintenance	321,340	242,460
	Intranet Bill (BBTSL)	28,150	34,600
	Internet Bill (BBTSL)	35,500	26,000
	Audit Fee	20,000	40,250
	Conveyance	178,316	98,777
	Legal & Professional Fee	400,000	91,610
	Annual Subscription Fee of CDBL	56,000	-
	Electric Bill- Head Office	133,202	105,000
	Electric Bill- Dhaka Office	6,499	16,254
	Fuel (Vehicle)	177,140	116,129
	Vehicle Upkeep	147,257	171,348
	Website Expenses	20,000	5,836
	Rent, Rates & Taxes	5,440	7,640
	Depreciation	231,368	242,232
		12,042,975	6,528,322

29.01 **Key Management Personal Compansation:**

Short term employee benefits	3,051,700	310,200
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	3,051,700	310,200

(a) The above short term employee benefits includes remuneration amounting to Tk. 1,251,700 paid to The Managing Director, Tk. 600,000 paid to The Dupty Managing Director & Tk. 1,200,000 paid to The Excutive Director.

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

(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 ' 22-Dec'22 <u>Taka</u>	Jul ' 21-Dec'21 <u>Taka</u>
30.00 <u>SELLING & DISTRIBUTION EXPENSES:</u>		
Sales Promotion Expenses	862,802	288,962
Salary & Allowance	5,917,107	4,719,204
Festival Bonus	420,750	184,500
Conveyance-Tissue	983,439	718,587
Carriage Outward	14,098,450	6,966,100
C&F Bill-Export	28,580	12,175
Entertainment-Tissue	97,829	149,030
Advertisement	61,892	107,794
	<u>22,470,849</u>	<u>13,146,352</u>
31.00 <u>FINANCIAL EXPENSES:</u>		
Bank Charges	314,392	187,516
Bank Guarantee Commission	348,431	444,404
Interest Expenses on Cash Credit	9,069,554	8,947,179
Interest on Short Term Loan	827,440	664,706
Interest on Long Term Loan	8,607,342	8,856,990
Loan Processing Fee	20,000	101,200
Interest Expenses on UPAS Loan	1,782,683	-
	<u>20,969,843</u>	<u>19,201,995</u>
32.00 <u>NON-OPERATING INCOME:</u>		
Dividend Income	272,371	459,590
Profit on Sale of Shares	-	4,029,920
Interest Income	171,619	284,961
Commission Income- Insurance Premium	58,080	-
Miscellaneous Income	1,351,883	109,330
	<u>1,853,953</u>	<u>4,883,801</u>
33.00 <u>DEFERRED TAX EXPENSES:</u>		
(a) Deferred Tax Liability on 31 December	59,534,344	56,582,113
(b) Deferred Tax Liability on 01 July	58,518,042	55,287,179
Deferred Tax Expenses for the period (a-b)	<u>1,016,302</u>	<u>1,294,934</u>
34.00 <u>EARNING PER SHARE:</u>		
Calculation is shown below:		
<u>Net Profit after tax</u>	(15,580,000)	(16,434,840)
Number of shares outstanding	19,000,000	19,000,000
EPS	(0.82)	(0.86)
35.00 <u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u>		
Calculation is shown below:		
<u>Net Asset with Revaluation</u>	431,256,390	447,546,925
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	22.70	23.56
36.00 <u>NET ASSET VALUE PER SHARE WITHOUT REVALUATION:</u>		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	176,972,110	188,880,440
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	9.31	9.94



	Jul ' 22-Dec'22	Jul ' 21-Dec'21
	<u>Taka</u>	<u>Taka</u>
37.00 NET OPERATING CASH FLOW PER SHARE:		
Calculation is shown below:		
Net cash flow from operation	6,947,292	(27,456,260)
Number of shares outstanding	19,000,000	19,000,000
Net operating cash generated by per share	0.37	(1.45)

38.00 Number of Employees:

The total employees of the company as on December 31, 2022 stood at 469 nos comprising Head office staff 74 nos, Factory office staff 23 nos, Security 21 nos, Driver And helper 02 nos, Permanent worker 92 nos and Temporary worker 257 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	469	337

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	198,346,188	195,540,422
Advance, Deposit and Prepayments excluding Deposit & Prepayments.	120,729,324	219,182,755
Bank Balances	12,832,027	26,645,268
	331,907,539	441,368,445

b) Ageing of Trade Receivables are as follows:

Below-30 Days	29,751,928	33,241,872
Within 31-60 Days	33,718,852	52,795,914
Within 61-90 Days	31,735,390	33,241,872
Within 90 - 180 Days	23,801,543	31,286,468
Above 180 Days	79,338,475	44,974,297
	198,346,188	195,540,422

39.02 b) Liquidity Risk

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



39.02.01 Exposure to Liquidity risk

The followings are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Carrying amount	Within 12 month	More than 12 month	Total
Unsecured Loan	59,799,990	-	59,799,990	59,799,990
Long Term Loan	486,501,785	81,432,154	405,069,631	486,501,785
Short Term Loan & Overdraft	239,730,109	239,730,109	-	239,730,109
Liability for Expenses	27,408,576	27,408,576	-	27,408,576
Workers Profit Participation and Welfare Fund	1,126,585	1,126,585	-	1,126,585
Trade Payables	27,062,754	27,062,754	-	27,062,754
Current Tax Liabilities	21,194,670	21,194,670	-	21,194,670
Liabilities for Other Finance	51,940,911	51,940,911	-	51,940,911
Unclaimed Dividend	3,010,168	3,010,168	-	3,010,168
Dividend Payable	1,021,087	1,021,087	-	1,021,087
Directors Current Account	53,400,000	53,400,000	-	53,400,000
Total	972,196,635	507,327,014	464,869,621	972,196,635

39.03 c) Market Risk:

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

i) Currency Risk

The company is not exposed to foreign currency risk .

ii) Interest Rate Risk:

Interest Rate Risk is the risk that arises from the changes in interest rates on borrowings. The company's Local Loans are not significantly affected by fluctuations in interest rates. The company has not entered in to any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

40.00 CAPACITY UTILIZATION:

Particulars	31 Dec 2022	31 Dec 2021
Installed Capacity (in M.T)	6,750	6,750
Actual Production (in M.T)	3,474	1,795
% of Capacity Utilization	51%	27%

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

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



41.00 **RELATED PARTY TRANSACTION:**

41.01	Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2022	Transaction during the period	Balance as on 31 December 2022
UNSECURED LOAN:						
	Mr. Mohammed Abdullah	Ex-Chairman	Loan Received	19,448,060	-	19,448,060
	Mrs. Hosne Ara Begum	Chairman	Loan Received	3,800,000	-	3,800,000
	Mr. Md. Golam Haider	Ex-Vice Chairman	Loan Received	7,457,975	-	7,457,975
	Mr. Md. Golam Kibria	Managing Director	Loan Received	13,714,175	1,500,000	15,214,175
	Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	4,707,475	-	4,707,475
	Mr. Md. Golam Mostofa	Ex- Managing Director	Loan Received	4,464,830	-	4,464,830
	Mr. Md. Golam Rasul Muktadir	Vice Chairman	Loan Received	4,707,475	-	4,707,475

DIRECTORS CURRENT ACCOUNT:

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

	Jul ' 22-Dec'22 Taka	Jul ' 21-Dec'21 Taka
Profit after Provision for Income Tax	(15,580,000)	(16,434,840)
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add : Depreciation	20,209,816	20,837,763
Add: Provision for Deferred Tax Expenses	1,016,302	1,294,934
Add: Financial Expenses	20,969,843	19,201,995
Add: Deferred tax on unrealized gain/(loss) on Investment In Share	(46,278)	-
A	26,569,682	24,899,851
Changes in Working Capital		
(Increase)/Decrease in Inventories	(22,632,702)	2,509,513
(Increase)/Decrease in Trade Receivables	(6,482,775)	(25,380,970)
(Increase)/Decrease in Advance, Deposits & Prepayments	2,175,393	(15,659,854)
Increase/(Decrease) in Liability for Expenses	1,984,333	(3,495,010)
Increase/(Decrease) in Current portion of Long Term Loan	(1,394,179)	2,116,791
Increase/(Decrease) in Trade Payables	3,972,872	(13,459,853)
Increase/(Decrease) in Current Tax Liabilities	2,754,670	1,013,271
B	(19,622,390)	(52,356,111)
Net cash inflows/(out flows) from operating activities (A+B)	6,947,292	(27,456,260)

