

HAKKANI PULP & PAPER MILLS LIMITED

**FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE SECOND QUARTER ENDED 31 March' 2021**



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Financial Position (Un- Audited)
As at 31 March 2021

	Note(s)	31 March 2021 Taka	30 June 2020 Taka
ASSETS			
Non Current Assets :			
		821,990,069	861,537,841
Property, Plant and Equipment	05	807,771,945	847,319,717
Capital Work-In-Progress	06	14,218,124	14,218,124
Current Assets:			
		535,292,322	528,263,576
Investment in Shares	07	17,989,268	15,560,190
Inventories	08	188,313,946	192,320,943
Trade Receivables	09	166,473,958	148,744,551
Advances, Deposits & Prepayments	10	144,894,631	160,053,753
Cash & Cash equivalents	11	17,620,519	11,584,139
TOTAL ASSETS		1,357,282,391	1,389,801,417
SHARE HOLDERS EQUITY & LIABILITIES:			
Shareholders Equity:			
		478,290,324	490,646,274
Share Capital	12	190,000,000	190,000,000
Dividend Equalization Reserve	13	13,279,866	13,279,866
Asset Revaluation Surplus	14	270,531,169	278,034,601
Fair Value Reserve	7.01	(165,786)	(4,803,835)
Retained Earnings	15	4,645,075	14,135,642
Non Current Liabilities:			
		581,927,703	479,942,323
Unsecured Loan	16	44,999,990	44,999,990
Long Term Loan-Non Current Portion	17.01	431,674,968	329,851,787
Deferred Tax Liability	18	105,252,745	105,090,546
Current Liabilities:			
		297,064,364	419,212,821
Short Term Loan & Overdraft	19	73,183,426	258,859,442
Accrued Expenses	20	24,420,401	26,063,472
Workers Profit Participation and Welfare Fund	21	1,126,585	1,126,585
Current Portion of Long Term Loan	17.01	83,822,906	54,975,298
Trade Payables	22	32,045,981	50,487,090
Current Tax Liabilities	23	14,781,868	12,805,342
Liabilities for Other Finance	24	29,859,008	478,063
Unclaimed Dividend	25	2,974,189	2,917,528
Directors Current Account	26	34,850,000	11,500,000
TOTAL EQUITY & LIABILITIES		1,357,282,391	1,389,801,417
Net Asset Value Per Share(with revaluation)	35	25.17	25.82
Net Asset Value Per Share(without revaluation)	36	10.93	11.19

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

 MANAGING DIRECTOR	 DIRECTOR	 DIRECTOR	 CFO	 COMPANY SECRETARY
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Place: Chattogram





Date: May 4, 2021



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income (Un- Audited)
For the Third Quarter Ended 31 March 2021

	Note(s)	(Amount In Taka)			
		3rd Quarter Ended		Quarter Ended	
		July' 20-March'21	July'19-March'20	Jan' 21-March'21	Jan'20-March'20
Revenue	27	325,181,135	427,285,869	86,031,800	144,928,941
Less: Cost of Sales	28	276,659,430	366,657,863	72,846,193	127,286,086
Gross Profit / (Loss)		48,521,706	60,628,006	13,185,607	17,642,855
Less: Operating Expenses:					
Administrative Expenses	29	12,443,446	11,641,726	4,668,075	3,631,263
Selling & Distribution Expenses	30	8,474,778	7,749,310	11,553,384	17,072,921
Financial Expenses	31	44,858,417	51,571,583	3,648,061	2,728,196
		65,776,641	70,962,619	19,869,521	23,432,380
Operating Profit		(17,254,936)	(10,334,613)	(6,683,913)	(5,789,525)
Add: Non-Operating Income	32	4,239,834	2,622,858	2,171,302	1,906,961
Net Profit Before WPP & WF		(13,015,102)	(7,711,755)	(4,512,612)	(3,882,565)
Less: Contribution to Workers Profit Participation and Welfare Fund		-	-	-	-
Net profit before Tax		(13,015,102)	(7,711,755)	(4,512,612)	(3,882,565)
Less: Income Tax Provision:					
Current Tax		1,976,526	2,579,452	529,219	881,015
Deferred Tax	33	1,486,334	5,296,078	3,181,687	1,768,236
		3,462,860	7,875,531	3,710,905	2,649,251
Net profit after Tax for the period		(16,477,962)	(15,587,286)	(8,223,517)	(6,531,816)
Other Comprehensive Income:					
Deferred Tax on Asset Revaluation Surplus		1,324,135	1,414,920	441,378	471,640
Unrealized Gain/ (Loss) on Investment in Shares	7.02	4,638,049	(6,283,647)	(1,232,384)	(2,283,970)
Total Comprehensive Income		(10,515,778)	(20,456,013)	(9,014,523)	(8,344,146)
Earning Per Share - Basic	34	(0.87)	(0.82)	(0.43)	(0.34)

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

 **MANAGING DIRECTOR**
  **DIRECTOR**
  **CFO**
  **COMPANY SECRETARY**

Place: Chattogram
 Date: May 4, 2021



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Cash Flows (Un- Audited)
For the Third Quarter Ended 31 March 2021

	Note(s)	31 March 2021 Taka	31 March 2020 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		311,691,562	405,955,570
Payment for Material and Expenses		(264,869,031)	(399,906,631)
Interest Paid		(8,474,778)	(51,571,583)
Income Tax Paid		(399,999)	(2,412,091)
Net Cash flows from Operating Activities	43	37,947,755	(47,934,735)
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(1,214,942)	(11,200,374)
Sale of shares		2,208,993	1,351,803
Net cash flows from Investing Activities		994,051	(9,848,571)
C. Cash flows from Financing Activities			
Short Term Loan & Overdraft		(185,676,016)	26,061,235
Long Term Loan		101,823,181	89,821,317
Current portion of long term loan		-	(54,993,572)
Directors Current Account		23,350,000	6,000,000
Liabilities for other finance		29,108,127	552,887
Dividend Paid		(1,510,717)	(1,491,974)
Net Cash flows from Financing Activities		(32,905,425)	65,949,893
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		6,036,380	8,166,587
E. Opening Cash and Bank Balances		11,584,139	4,981,294
F. Closing Cash and Bank Balances (D+E)		17,620,519	13,147,881
G. Net Operating Cash Flows Per Share	37	2.00	(2.52)

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

 _____ MANAGING DIRECTOR	 _____ DIRECTOR	 _____ DIRECTOR	 _____ CFO	 _____ COMPANY SECRETARY
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Place: Chattogram

Date: May 4, 2021



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Changes in Equity (Un- Audited)
For the Third Quarter Ended 31 March 2021

Particulars	(Amount in Taka)					
	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
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	-	-	(8,827,567)	-	8,827,567	-
Deferred Tax on Assets Revaluation Surplus	-	-	1,324,135	-	-	1,324,135
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	4,638,049	-	4,638,049
Dividend for the Year 2018-2019	-	-	-	-	(1,840,172)	(1,840,172)
Net Profit after Tax for the year	-	-	-	-	(16,477,962)	(16,477,962)
Balance as on 31 March 2021	190,000,000	13,279,866	270,531,169	(165,786)	4,645,075	478,290,324
For Quarter ended 31 March 2020						
Balance as at 01 July 2019	190,000,000	15,000,000	288,725,108	1,523,617	138,309	495,387,034
Adjustment of depreciation on carrying amount of revalued assets	-	-	(9,432,800)	-	9,432,800	-
Deferred Tax on Revaluation Surplus	-	-	1,414,920	-	-	1,414,920
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(6,283,647)	-	(6,283,647)
Dividend for the Year 2018-2019	-	(1,720,134)	-	-	-	(1,720,134)
Net Profit after Tax for the period	-	-	-	-	(15,587,286)	(15,587,286)
Balance as on 31 March 2020	190,000,000	13,279,866	280,707,228	(4,760,030)	(6,016,177)	473,210,887

			
MANAGING DIRECTOR	DIRECTOR	CFO	COMPANY SECRETARY

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

Place: Chattogram
Date: May 4, 2021



HAKKANI PULP & PAPER MILLS LIMITED
Notes to the Financial Statements
For the Third Quarter Ended 31 March 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 formate 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 managment, IFRS formate 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 statment of cash flows in accordance with the International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB).

2.02 Other Regulatory Compliances:

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

The Income Tax Ordinance,1984

The Income Tax Rules , 1984

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

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

The Customs Act, 1969

Bangladesh Labour Act, 2006 as amended in 2013

The Securities and Exchange Ordiance, 1969

The Securities and Exchange Rules, 1987

The Corporate Governance code 2018

2.03 Application of International Accounting Standard (IAS):

The following IAS are applicable for the Financial Statements for the year under review:

IAS - 01	Presentation of Financial Statements
IAS - 02	Inventories
IAS - 07	Statement of Cash Flows
IAS - 08	Accounting Policies, Changes In Accounting Estimates and Errors
IAS - 10	Events after the Reporting year
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 Test.
IFRS- 07	Financial Instruments: Disclosure
IFRS- 09	Financial Instruments
IFRS- 15	Revenue From Contract With Customers



2.04 Basis of Reporting :

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

- a. A Statement of Financial Position as at 31 March 2021.
- b. A Statement of Profit or Loss and other Comprehensive Income for the Third Quarter Ended 31 March 2021.
- c. A Statement of changes in equity for the Third Quarter Ended 31 March 2021.
- d. A Statement of Cash flows for the Third Quarter Ended 31 March, 2021.
- e. Notes , comprising a summary of significant accounting policies and explanatory information.
- f. Comparative information prescribed by the Standard.

2.05 Authorization for Issue :

These financial statements have been authorized for issue by the Board of Directors on May 4,2021

2.06 Reporting Period:

The financial statements of the Company cover Nine months from 1 July 2020 to 31 March 2021.

2.07 Basis of Measurement :

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

2.08 Going Concern:

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

2.09 Functional and presentation currency:

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

2.10 Current versus non-current classification

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

An asset is current when it is:

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

The Company classifies all other assets as non-current.

A liability is current when

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

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

2.11 Use of Estimates and Judgments:

In preparing financial statements, management has made judgements 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 Judgements, assumptions and estimation uncertainties:

Information about judgements 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: 23 Current Tax Liability
- Note : 22 Trade Payables



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 year and were also consistent with those used in earlier years, 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.

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 labour 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>Assets</u>	<u>Rate</u>
Building & Other Civil Construction	5%
Plant & Machinery	7%
Furniture & Fixtures	10%
Office Equipment	10%
Electric Installation	10%
Gas Line Installation	10%
Telephone Line Installation	10%
Water Line Installation	10%
Fire Extinguisher	20%
Office Decoration	10%
Vehicle	20%
Motor Vehicle	20%
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 remeasured 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 internal or external indication as per 12 of IAS 36 that an assets is impaired if any such indication exists. Impairment loss / gain has not been recognised to the reporting date due to no such interna & externa indication arise 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 labour and 50% cost of
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 flow statement :

Statement of cash flows is prepared in accordance with IAS 7: Cash Flow Statement and the cash flow 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 Labour 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 recognises 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.
Export Sales		

The Company is in the business of providing News print ,M.G news print,Midum 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,Midum Paper and various Tissues.and includes VAT paid to the Government of Bangladesh.

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 Basic of earning:

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

3.19.02 Basic earning Per share:

This represents profit for the year 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 2020 in accordance with IAS1: 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 periods.

3.22 Consistency:

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

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.

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 of nine month under review, the Company recorded a profit/(loss) after tax of Tk. (16,477,962) against previous periods profit/(Loss) of Tk.(15,587,286). The increase of loss is for decreasing total sales revenue. The basic Earnings Per Share for the Third quarter ended 31 March 2021 is Tk (0.87) against Tk(.82) for the same period of previous year. The analysis of major items of the financial statements are given below:

4.02 Revenue:

During the period under review, total sales revenue for the third quarter ended 31 March 2021 is Tk.325,181,135 against Tk. 427,285,869 for the same period of previous year. Sales revenue is decreased by the amount of Tk.(102,104,734) as compared to previous year due to decrease in Sales volume.

4.03 Cost of Sales:

The Cost of Sales is Tk.276,659,430 for the quarter ended 31 March 2021 which was Tk.366,657,863 for the same quarter of previous year. Comparing with previous year of the same quarter cost of sales is decreased by the amount of Tk.(89,998,433) due to decrease of raw materials consumption and factory overhead such as salaries Wages and Allowances, overtime,labour charge ,paper & tissues cutting expenses and other facilities to the Employees and Workers.

4.04 Financial Expenses :

The Company's financial expenses is Tk.44,858,417 for the quarter ended 31 March 2021 against Tk.51,571,583 for the same quarter of previous year. Financial expenses is decreased by the amount of Tk (6,713,166) due to reduce of interest expenses on Bia Moazzel Loan, UPAS Laon, Biam Wess Bill, LATR from Social Islami Bank Limited and CC Hypo Loan of Mercantile Bank Limited.

4.05 Earning per Share (EPS)

For the quarter ended 31 March 2021, The Company's earning per share (EPS) is Tk.(0.87) which was Tk.(0.82) for the same quarter of previous year. Company's earning per share (EPS) is decreased by Tk. (0.05) as compared to the same quarter of the previous year due to increased of net loss of Tk.(890,676).

4.06 Net Operating Cash Flows Per Shares (NOCFPS)

The net operating cash flows per share (NOCFPS) of the company is Tk 2.00 contrary to Tk.(2.52) same quarter of the previous year. Comparing with same quarter of the previous year, net operating cash flow (NOCFPS) is increased by Tk.5.00 due to reduction of payment for materials and expenses and increasing collection from trade receivable.

5.00 PROPERTY, PLANT & EQUIPMENT:

	31 March 2021	30 June 2020
	Taka	Taka
Balance as on 01 July (including revaluation)	1,265,568,456	1,261,218,332
Add: Addition during the year	1,214,942	14,350,123
Less: Adjustment during the year	-	(10,000,000)
Balance as on 31 March	1,266,783,398	1,265,568,456
Less: Accumulated depreciation	459,011,453	418,248,739
Written down value as on 31 March	807,771,945	847,319,717

(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 & 5.02.



5.01 PROPERTY, PLANT & EQUIPMENT (PAPER UNIT):

(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 March 2021
	Balance as on 01 July 2020	Addition during the Period	Disposal/ Adjustment during the Period	Balance as on 31 March 2021	Rate of Dep.	Balance as on 01 July 2020	Charged during the period	Disposal/ Adjustment during the period	Balance as on 31 March 2021								
At Cost																	
Land & Land Development	43,583,242	-	-	43,583,242	-	-	-	-	-	-	-	-	-	-	-	-	43,583,242
Building & Other Construction	89,821,567	954,997	-	90,776,564	5%	35,696,461	2,731,618	-	38,428,079	-	-	-	-	-	-	-	52,348,485
Plant & Machinery	321,246,039	-	-	321,246,039	7%	180,462,034	9,854,880	-	190,316,914	-	-	-	-	-	-	-	130,929,125
Furniture & Fixture	1,216,169	-	-	1,216,169	10%	624,866	59,130	-	683,996	-	-	-	-	-	-	-	532,173
Office Equipment	3,611,543	-	-	3,611,543	10%	1,834,188	177,736	-	2,011,924	-	-	-	-	-	-	-	1,599,620
Electric Installation	21,328,322	-	-	21,328,322	10%	12,204,681	912,364	-	13,117,045	-	-	-	-	-	-	-	8,211,277
Gas Line Installation	3,932,191	-	-	3,932,191	10%	2,885,885	104,631	-	2,990,516	-	-	-	-	-	-	-	941,675
Telephone Line Installation	132,263	-	-	132,263	10%	95,916	3,635	-	99,551	-	-	-	-	-	-	-	32,712
Water Line Installation	7,021,214	18,000	-	7,039,214	10%	4,080,543	295,714	-	4,376,257	-	-	-	-	-	-	-	2,662,957
Fire Extinguisher	111,870	-	-	111,870	20%	93,065	3,761	-	96,826	-	-	-	-	-	-	-	15,045
Office Decoration	1,913,087	-	-	1,913,087	10%	423,065	149,002	-	572,067	-	-	-	-	-	-	-	1,341,020
Vehicle Car	3,011,672	-	-	3,011,672	20%	2,200,558	162,223	-	2,362,781	-	-	-	-	-	-	-	648,891
Motor Vehicle	2,923,247	-	-	2,923,247	20%	1,673,630	249,923	-	1,923,553	-	-	-	-	-	-	-	999,694
Factory Equipment	790,370	100,905	-	891,275	20%	132,273	138,138	-	270,411	-	-	-	-	-	-	-	620,864
"A"	500,642,797	1,073,902	-	501,716,698	-	242,407,164	14,842,755	-	257,249,919	-	-	-	-	-	-	-	244,466,779
At Revaluation																	
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-	-	-	-	-	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	5%	40,918,024	2,615,468	-	43,533,492	-	-	-	-	-	-	-	67,130,357
Plant & Machinery	227,369,650	-	-	227,369,650	7%	109,043,964	6,212,099	-	115,256,063	-	-	-	-	-	-	-	112,113,587
"B"	477,061,519	-	-	477,061,519	-	149,961,988	8,827,567	-	158,789,555	-	-	-	-	-	-	-	318,271,964



5.02 PROPERTY, PLANT & EQUIPMENT (TISSUE UNIT):

(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 March 2021
	Balance as on 01 July 2020	Addition during the period	Disposal/ Adjustment during the period	Balance as on 31 March 2021	Rate of Dep.	Balance as on 01 July 2020	Charged during the period	Disposal/ Adjustment during the period	Balance as on 31 March 2021							
Building & Other Construction	67,775,536	1,640	-	67,777,176	5%	4,711,470	3,153,258	-	7,864,728	59,912,448						
Plant & Machinery	219,984,794	139,400	-	220,124,194	7%	21,140,529	13,923,890	-	35,064,419	185,059,775						
Motor Vehicle	103,810	-	-	103,810	20%	27,588	15,244	-	42,832	60,978						
"C"	287,864,140	141,040	-	288,005,180		25,879,587	17,092,392	-	42,971,979	245,033,201						
Grand total as on 31 March 2021 (A+B+C)	1,265,568,456	1,214,942	-	1,266,783,397		418,248,739	40,762,714	-	459,011,453	807,771,944						
As on 30 June 2020	1,261,218,332	14,350,123	10,000,000	1,265,568,456		378,723,561	46,613,051	7,087,874	418,248,739	847,319,717						

Allocation of Depreciation :

Administrative Expenses
Factory Expenses

	31 March, 2021	31 March, 2020
TAKA =	40,762,714	34,754,439
	551,726	476,567
	40,210,989	34,277,871
	40,762,714	34,754,439



	31 March 2021 Taka	30 June 2020 Taka
6.00 CAPITAL WORK-IN-PROGRESS:		
Capital Work-In-Progress Existing Unit (Note: 6.1)	14,218,124	14,218,124
Balance as on 31 March, 2021.	<u>14,218,124</u>	<u>14,218,124</u>

6.1 Capital Work-In-Progress- Existing Unit:

Particulars	Opening Balance	Addition during the Period	Capitalized during the Period	Closing Balance
Building & Other Construction	12,457,624	-	-	12,457,624
Plant & Machinery	793,820	-	-	793,820
Motor Vehicle	25,000	-	-	25,000
Electric Installation	941,680	-	-	941,680
Total for Existing Unit	14,218,124	-	-	14,218,124

7.00 INVESTMENT IN SHARES:

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

Name of company	No. of Shares	Cost	Market Value as on 31 March 2021	Unrealized gain/ (loss)
Beximco Ltd.	18,925	668,197	1,461,010	792,813
Beximco Pharma Ltd.	3,500	138,855	648,900	510,045
Brac Bank Ltd.	11,533	158,299	478,620	320,321
DESCO Ltd.	5,000	238,287	174,000	(64,287)
Dhaka Bank Ltd.	25,699	210,234	313,528	103,293
Exim Bank Ltd.	52,099	1,080,863	604,348	(476,514)
Grameen Phone Ltd.	10,700	3,995,855	3,600,550	(395,305)
Islamic Finance and Invest. Ltd.	58,087	1,779,698	958,436	(821,262)
Islami Bank Bangladesh Ltd.	10,570	376,381	295,960	(80,421)
Jamuna Oil Ltd.	2,299	271,136	353,586	82,451
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	512,000	(293,409)
Meghna Petroleum Ltd.	2,402	249,369	403,776	154,407
Mercantile Bank Ltd.	21,964	209,712	300,907	91,194
Mutual Trust Bank Ltd.	17,545	207,749	422,835	215,085
National Bank Ltd.	78,838	902,973	591,285	(311,688)
One Bank Ltd.	33,255	296,251	352,503	56,252
Premier Bank Ltd.	9,000	66,353	124,200	57,847
Rupali Bank Ltd.	34,785	1,724,218	848,754	(875,464)
Shahjalal Islami Bank Ltd.	36,225	249,341	793,328	543,987
Southeast Bank Ltd.	79,950	819,716	991,380	171,664
Square Pharma Ltd.	9,200	1,826,477	1,830,800	4,323
Standard Bank Ltd.	25,410	249,996	218,526	(31,470)
Titas Gas Ltd.	13,250	766,559	421,625	(344,934)
Trust Bank Ltd.	40,902	863,126	1,288,413	425,287
Total	611,138	18,155,054	17,989,268	(165,786)

	31 March 2021 Taka	30 June 2020 Taka
7.02 Gain/ (Loss) on Investment in Shares:		
Unrealized Gain/ (Loss) Closing	(165,786)	(4,803,835)
Unrealized Gain/ (Loss) Opening	(4,803,835)	1,523,617
Gain/ (Loss) on Investment in Shares during the period	<u>4,638,049</u>	<u>(6,327,452)</u>



	31 March 2021 Taka	30 June 2020 Taka
8.00 INVENTORIES:		
a) Raw Materials		
Wastage Paper	49,630,431	47,175,327
Chemicals	5,911,810	6,483,751
	55,542,241	53,659,078
b) Finished Goods		
Newsprint Paper	49,948,831	51,186,104
Medium Paper	8,093,159	8,729,159
Khata	4,108,978	4,538,038
Various Tissue Paper	24,100,049	27,196,813
	86,251,017	91,650,113
c) Work-In-Process	28,816,560	29,225,078
d) Consumable Store	13,906,251	14,824,005
e) Packing Material	3,797,877	2,962,669
Total (a+b+c+d+e)	188,313,946	192,320,943

(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 labour and 50% cost of overhead.

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

(d) Consumable store based on weighted average method.

(e) Packing materials based on weighted average method.

(f) Inventory consists of a huge number of items for which the quantity could not be disclosed.

	31 March 2021 Taka	30 June 2020 Taka
9.00 TRADE RECEIVABLES:		
A. H Packaging & Accessories	2,090,472	2,090,472
Al-Amin Book Depo	10,592	10,592
Babul Store	41,813,878	64,395,867
Bangladesh Marine Hoist & House	20,330	13,000
Bismillah Enterprise-Lalkhan Bazar	98,932	45,251
Dainik Azadi (Shapon chy)	846,202	611,601
Elite Paper House	387,535	283,309
Eastern Plastic (Pvt.) Ltd.- Sales(SK)	768,000	800,000
Modern Biponi	918,493	1,418,493
Siam Paper House	76,133	65,920
Sonargaon Paper House	484,562	434,031
Munna Enterprise	484,862	-
Resimax Industries Ltd.	583,230	167,730
A B Trading	660,642	976,245
ACI Logistics Ltd. (Showpno)	257,237	1,120,216
Al-Madina Paper House	10,445,630	-
Akter Store (Depo) Rajbari	36,489	31,614
Alviraj-Tissue	61,795	132,795
Agarni printing and press	2,105,016	-
Amina Enterprise	127,435	120,211
Amir & Brothers	21,693	1,214,513
Arafat Vhat Ghor	88,703	80,512
Arif Enterprise	642,906	617,254
Ariosto Restaurant	42,003	37,082
Barcode Restaurant Group	306,570	327,070
Bismillah Departmental Store	29,412	23,189
Bismillah Enterprise- Chowdhagram	42,485	38,756
CFC Restaurant	28,617	23,994
Chandpur Paper House	23,408,409	5,580,059
Conpac Trading Ltd.	884,242	-
Eanan Enterprise	-	177,181
Ekota Enterprise-Teknaf	-	198,716
Flat Steel Operating Unit	10,010	8,505
Flavors Premium Sweets, Ctg	10,490	20,790
FM Trading	-	668,277



	31 March 2021 Taka	30 June 2020 Taka
Foisal & Brothers	644,441	636,200
G. N. Enterprise	1,870,032	-
Garibe Newaj Traders (Sales)	673,705	666,495
Adiba Enterprise(Tissues)	1,560,200	-
Glory Tapes & Labels Ltd.	881,776	879,245
Habib Enterprise (Chokaria)	366,611	425,907
Halishahar Mart	16,869	24,869
Hamim Group-Dhaka Corporate	3,591	1,581
JBS Traders	67,755	403,025
Korotoa Paper Depot.	956,131	1,456,131
M I Trading	-	557,822
M/S Nur Enterprise	31,565	27,396
M/s Oishi Enterprise	350,770	343,850
M/S. Safiq & Brothers-Whay Kong	44,168	39,633
Mahbub & Brothers	4,160,904	1,250,689
Mahmud Enterprise-Noakali	12,312	8,791
Mannun Enterprise-Companiganj	48,630	26,653
Mizan Store (Tissue)	2,141,923	2,137,368
Modhumoti Traders	292,583	242,149
Mojim Traders	73,738	59,985
MR Traders (Khulna Depo)	92,288	159,366
Mostafa Paper House	5,998,260	6,388,393
Nuha Enterprise / Three Star	-	220,229
Orcid Enterprise	58,360	45,469
Padma Accessories Ltd.	64,671	66,671
Padma Media Center	-	1,305,171
Paperaj Traders	301,127	286,596
Parvin & Zalal Enterprise	-	55,930
Abdur Rahman Store(Shondip)	1,737,383	-
Personal	647,180	633,635
Pran RFL	264,348	250,021
RFM Paper Mills Ltd.	495,706	482,373
RM Trade International	3,805,106	8,902,186
Roshidul Enterprise	30,724	12,193
S Rahaman Trading/Enterprise	4,374,719	2,489,621
S. K Enterprise	360,633	320,000
Abir Enterprise	1,345,612	-
S.R.Paper House	137,279	128,155
S.S.G Paper Ltd.	189,692	185,169
Sadia Enterprise	18,795	15,339
Safe Corporation	91,500	80,000
Sagorika Printers	1,405,074	1,705,074
Saif Trade & Supplies	-	71,003
Sajib Enterprise	2,667,276	2,314,554
Sha Jobbariya Enterprise	91,191	140,165
Shahid Enterprise	46,911	96,911
Shanto Enterprise	201,107	195,903
Siddique Enterprise-Cox's	-	957,479
Sifa/ Shefa Packages	913,435	900,000
Soinik Traders	47,444	40,221
Tasbhi & Brothers	-	271,597
Unique Accessories	857,162	826,936
Walton Hi-Tech Industry Ltd.	133,581	129,369
Watson Paper Mills Ltd.	146,120	134,010
Zidan Enterprise	95,830	90,627
Other Receivables	37,864,736	27,923,151
	166,473,958	148,744,551

(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	34,959,531	31,236,356
Within 31- 60 Days	51,606,927	46,110,811
Within 61 - 90 Days	33,294,792	29,748,910
Within 90 - 180 Days	29,965,312	26,774,019
Above 180 Days	16,647,396	14,874,455
	166,473,958	148,744,551



	31 March 2021 Taka	30 June 2020 Taka
10.00 <u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>		
Advance Against Income Tax (Note: 10.1)	31,019,457	30,619,458
Advance Against Salary & Wages (Note: 10.2)	458,248	138,098
Advance Against Expenditure (Note: 10.3)	61,527,199	110,709,738
Advance Against L/C (Note: 10.4)	41,755,563	8,452,294
Deposits and Prepayments (Note: 10.5)	10,134,165	10,134,165
	144,894,631	160,053,753
10.1 <u>Advance Against Income Tax</u>		
Advance Income Tax Paid	5,869,990	5,469,990
Advance Income Tax - Import	1,278,478	1,278,478
Advance Income Tax - Export	-288,536	288,537
Advance Income Tax Deducted at Source	22,558,651	22,558,651
Advance Income Tax Deducted at Source (Dividend Income)	1,018,988	1,018,989
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	31,019,457	30,619,458
10.2 <u>Advance Against Salary & Wages</u>	458,248	138,098
10.3 <u>Advance Against Expenditure</u>		
Advance Against Purchase	151,030	172,439
Advance for Dhaka Office	259,700	259,700
Anima Development Limited	7,525,849	7,525,849
Advance for Machinery Purchase	49,975,460	100,311,494
VAT Current Account	298,419	6,193
Lanka Bangla Securities Ltd.	1,241	8,553
City Brokerage Ltd.	1,073	4,517
Advances for spares parts and other materials	3,314,427	2,420,994
	61,527,199	110,709,738
10.4 <u>Advance Against L/C</u>	41,755,563	8,452,294
10.5 <u>Deposits</u>		
Security Deposit (PBS-1)	3,321,100	3,321,100
Security Deposit (BGSL) Boiler	2,601,439	2,601,439
Security Deposit (BGSL) Generator	1,441,672	1,441,672
Security Deposit (PDB)	25,200	25,200
Security Deposit (GEP Holdings Ltd)	8,000	8,000
Security Deposit (Grameen Phone)	20,000	20,000
Security Deposit (BTCL)	6,000	6,000
Security Deposit (CDBL)	300,000	300,000
Security Deposit- Bank Guarantee Against Gas Generator	257,040	257,040
Security Deposit- Bank Guarantee Against Boiler	1,043,250	1,043,250
Security Deposit Container Purpose	1,110,464	1,110,464
	10,134,165	10,134,165

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



11.00 **CASH & CASH EQUIVALENTS:**

Cash In Hand

At Head Office
At Dhaka Office
At Factory

31 March 2021

Taka

30 June 2020

Taka

12,554,834	1,184,287
5,000	5,000
35,000	3,000
12,594,834	1,192,287

Cash at Banks

Bangladesh Krishi Bank, Agrabad Branch, CD A/C-2903-0210014807
Social Islami Bank Ltd, Agrabad Branch-CC A/C - 0041330027978
First Security Islami Bank Ltd, Agrabad Branch. STD A/C - 010413100000463
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458
AB Bank Ltd. PCR Branch, CD A/C-4127773938000
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949
Southeast Bank Ltd, Pahartali Branch, CD A/C-New # 005111100000671
City Bank Ltd, Agrabad Branch CD A/C No 1101497955001
Premier Bank Ltd, Agrabad Branch CD A/C No-010311100015243
Premier Bank Ltd, CEPZ Branch CD A/C No-016711100000103
NCC Bank Ltd. Panthapath Branch, CD A/C No- 0087-0210003867
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315
Mercantile Bank Ltd, A.K Khan Branch CD A/C No-117511121143947
Dhaka Bank Ltd, G.E.C (C.D.A) Branch CD A/C No-201009777
Standard Bank Ltd, Jubilee Road Branch CD A/C No-01233005212
United Commercial Bank Ltd, Pahartali Branch CD A/C No-0971101000000078
Modhumoti Bank Ltd, Agrabad Branch CD A/C No-1109 11100000164
Eastern Bank Ltd, Agrabad Branch CD A/C No-11071082755
Pubali Bank Ltd, Pahartali Branch CD A/C No-825901027548
Dutch Bangla Bank CD A/C No- 1021100040340

30,133	30,478
-	6,211,657
57,548	57,669
103,719	194,131
-	7,308
212,706	90,896
18,079	18,079
-	5,415
106,095	61,633
140,000	144,629
-	48,141
2,014,124	-
9,997	275,000
6,425	7,115
50,233	55,639
-	1,178,360
-	2,030
568,057	23,907
182,616	300,010
3,499,733	8,968,388
356,704	332,746
449,176	419,007
720,073	671,710
17,620,519	11,584,139

Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882

Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432

Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666

(a) Cash balance as on 31.03.2021 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	As on 31 March 2021	As on 30 June 2020
				Tk	Tk
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322176882	One Year	Guaranty	8%	356,704	332,746
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541322894432	One Year	Guaranty	8%	449,176	419,007
Fixed Deposit with Mercantile Bank Ltd. FDR # 117541325279666	One Year	Guaranty	8%	720,073	671,710
Total				1,525,953	1,423,463



	31 March 2021 Taka	30 June 2020 Taka
12.00 SHARE CAPITAL:		
12.01 Authorized:		
50,000,000 Ordinary shares of Tk. 10.00 each.	500,000,000	500,000,000
12.02 Issued, Subscribed and Paid-up:		
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
	190,000,000	190,000,000

12.03 The break up of share holdings as on 31 March, 2021 is as follows:-

Description	No of shares 31 March 2021	% of shares holding 31 March 2021	No of shares 30 June 2020	% of shares holding 30 June 2020
Sponsors	8,789,330	46.26	9,799,330	51.56
Investment Corporation of Bangladesh.	33,500	0.18	33,500	0.18
Bangladesh Development Bank Ltd.	1,580,800	8.32	1,580,800	8.32
Other Institution and General Public	8,596,370	45.24	7,586,370	39.93
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 March 2021	30 June 2020	31 March 2021	30 June 2020	31 March 2021	30 June 2020
Less than 500 shares	1,267	1,267	164,510	164,510	0.87	0.87
501 to 5000 Shares	639	639	1,173,826	1,173,826	6.18	6.18
5001 to 10000 Shares	77	77	610,787	610,787	3.21	3.21
10001 to 20000 Shares	58	58	872,092	872,092	4.59	4.59
20001 to 30000 Shares	15	15	369,329	369,329	1.94	1.94
30001 to 40000 Shares	10	10	349,068	349,068	1.84	1.84
40001 to 50000 Shares	5	5	235,450	235,450	1.24	1.24
50001 to 100,000 Shares	6	6	378,545	378,545	1.99	1.99
100001 to 1,000,000 Shares	18	18	7,039,261	7,039,261	37.05	37.05
Over 1,000,000 Shares	6	6	7,807,132	7,807,132	41.09	41.09
Total	2,101	2,101	19,000,000	19,000,000	100.00	100.00



	31 March 2021 Taka	30 June 2020 Taka
13.00		
<u>DIVIDEND EQUALIZATION RESERVE:</u>		
Dividend Equalization Reserve is made-up as follows:		
Balance as on 01 July	13,279,866	15,000,000
Add: Transferred from Retained Earnings	-	-
Less: Dividend for the year 2018-2019 approved in the AGM	-	(1,720,134)
	<u>13,279,866</u>	<u>13,279,866</u>

Dividend equalization reserve was created in the earlier period(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>ASSETS REVALUATION SURPLUS:</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 value 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 31.03.2021	158,789,555	149,961,988
	<u>318,271,964</u>	<u>327,099,531</u>
Less: Adjustments for Deferred Tax	47,740,795	49,064,930
	<u>270,531,169</u>	<u>278,034,601</u>

Assets Revaluation Surplus relates to the revaluation of Property, Plant & Equipment.

- i) Effective date of valuation 18th April, 2011
- ii) Initial reserve of revaluation amount of Tk. 477,061,519

15.00		
<u>RETAINED EARNINGS:</u>		
Balance as on 01 July	14,135,642	138,309
Less: Dividend for the period 2019-2020 approved in the AGM	(1,840,172)	-
	<u>12,295,470</u>	<u>138,309</u>
Add: Net profit/(loss) after tax for the year	(16,477,962)	1,420,266
	<u>(4,182,492)</u>	<u>1,558,575</u>
Add: Revaluation Surplus Realized	8,827,567	12,577,067
	<u>4,645,075</u>	<u>14,135,642</u>

16.00		
<u>UNSECURED LOAN:</u>		
Mr. Mohammad Abdullah, Chairman	18,448,060	18,448,060
Mr. Md. Golam Kibria, Managing Director	5,914,175	5,914,175
Mr. Md. Golam Mostafa, Director	4,464,830	4,464,830
Mrs. Hosne Ara Begum, Director	3,800,000	3,800,000
Mr. Md. Golam Haider, Director	5,957,975	5,957,975
Mr. Md. Golam Morshed, Director	3,207,475	3,207,475
Mr. Md. Golam Rasul MuktaDir, Director	3,207,475	3,207,475
	<u>44,999,990</u>	<u>44,999,990</u>

The above loans from Directors are interest free.



	31 March 2021 Taka	30 June 2020 Taka
17.00	<u>LONG TERM LOAN:</u>	
	HPSM Commercial Loan	120,387,001
	Loan Under BMRE of Existing Projects	3,941,714
	Loan Under HPSM -Tissues Project	65,157,141
	Mecantile Five Year Fixed Term Loan	382,329,707
		12,781,166
	515,497,874	384,827,085
17.01	<u>LONG TERM LOAN- MATURITY ANALYSIS:</u>	
	Due within the period- Current Portion	83,822,906
	Due after more than the period- Non-Current Portion	54,975,298
		431,674,968
		329,851,787
	515,497,874	384,827,085

17.02 **TERMS OF LONG TERM LOAN:**

Lenders:

The company entered into a secured long term loan agreement with Social Islami Bank Limited, Agrabad Branch, Chattogram.

Total Long Term Loan Facilities:

Total disbursement amount is Tk.311,622,000 against sanction amount of total long term loan Tk 386,490,000

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 Shirkatal 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 new project (Tissue Project).

18.00 **DEFERRED TAX LIABILITY:**

Balance as on 01 July	56,025,616	49,603,173
Deferred Tax (Income)/ Expenses for the period -(Note-31)	1,486,334	6,422,443
	57,511,950	56,025,616
Add: Deferred Tax for Revaluation Surplus	47,740,795	49,064,930
	105,252,745	105,090,546

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 31.12.2020 has been shown at Note-18.01.

18.01 **Calculation of Deferred Tax Liability:**

(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 31 December	445,916,738	476,636,944
(b) Tax Based Property, Plant and Equipment	215,868,937	252,534,481
(c) Net Taxable Temporary Differences (a-b)	230,047,801	224,102,463
(d) Deferred Tax liability at effective Tax Rate	57,511,950	56,025,616
(e) Deferred Tax expenses on Net Taxable Temporary differences	1,486,334	6,422,443



	31 March 2021 Taka	30 June 2020 Taka
19.00		
SHORT TERM LOAN AND OVERDRAFT:		
Social Islami Bank Ltd, Agrabad Branch-CC A/C: 0041330027978	732,718	163,413,698
UPAS Loan from Social Islami Bank Ltd.	7,711,090	7,711,090
Mercantile Bank Ltd. A. K Khan Branch-Cash Credit (CC) Hypo	41,775,058	43,982,530
Biam Wes Bills, MBE & LTR Loan from Social Islami Bank Ltd.	4,730,566	4,878,453
National Bank Ltd, Pahartali Branch- CD A/C-005533008427	1,355,208	2,106,487
	-	34,239
Islami Bank (BD.) Ltd, Agrabad Branch CD A/C No-20501030100588315	-	-
United Commercial Bank Ltd, CD A/C No-0971101000000078	75,599	-
Eastern Bank Ltd, Agrabad Branch CD A/C No-11071082755	2,963	-
UPAS Loan from Mercantile Bank Ltd.	4,310,586	8,943,502
LTR, Sight LC Loan From Mercantile Bank Ltd.	1,518,513	11,101,808
Other Short Term Loan	10,971,125	16,687,635
	73,183,426	258,859,442

19.01 Sort Term Browing:

Particulars	Note	31 March 2021	30 June 2020
		Tk.	Tk.
Short term loan and overdraft	19	73,183,426	258,859,441.6
Long term loan-current portion	17.01	83,822,906	54,975,298
Total		157,006,332	313,834,739

- (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.
- (c) Limit of Bai-Muazzal (Commercial Trading)-CC A/C: 0041330027978 Loan was Tk. 28 (Twenty Eight) crore.
- (d) Limit of Cash Credit (CC) Hypo A/C: 117577521729167 was Tk. 07 (Seven) 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

	31 March 2021 Taka	30 June 2020 Taka
20.00		
ACCRUED EXPENSES:		
Audit Fee	64,250	224,250
Directors Remuneration	250,000	200,000
Electricity Bill-(Factory)	2,115,605	1,989,311
Electricity Bill-(H/O)	2,819	2,819
Electricity Bill-(Dhaka Office)	12,593	12,593
Electricity Bill-(Tissue Unit)	652,101	569,778
Gas Bill Factory	13,125,703	15,677,957
Gas Bill Factory Canteen	12,045	11,409
Gas Bill (H/O)	793	31
Food Allowance	155,329	96,128
Mobile Bill	31,420	31,420
Office Rent	350,000	125,000
Overtime	2,318,840	255,789
Salary & Allowances (D/O)	41,500	61,800
Salaries, Wages and Allowances (H/O)	363,625	601,951
Staff Salary & Allowances Factory	769,495	281,119
Telephone Bill	2,617	2,617
Wages & Allowances	2,817,077	2,162,639
Staff Salary (Sales & Marketing)	1,334,589	1,454,759
	24,420,401	26,063,472

21.00 **WORKERS PROFIT PARTICIPATION & WELFARE FUND:**

Balance as on 01 July	1,126,585	589,829
Add: Provision made during the period	-	536,756
	1,126,585	1,126,585
Less: Payment made during the period	-	-
	1,126,585	1,126,585

21.01 **Provision made during the year for WPP and Welfare Fund:**

Profit before tax and WPPF and Welfare Fund	-	11,271,875
Cash dividend received from investment	-	-
Profit applicable for WPPF and Welfare Fund	-	11,271,875
Contribution to WPPF and Welfare fund at 5%	-	536,756

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.



	31 March 2021	30 June 2020
	Taka	Taka
22.00		
<u>TRADE PAYABLES:</u>		
Abul Khair Steel Melting Ltd.	1,519,802	1,519,802
Aramit Cement Ltd.	-	176,660
Azad Engineering Workshop	593,050	782,300
Bismillah Electric and Cables	-	117,008
Bismillah Traders Ashique	-	137,347
Cartoon Nirman Ltd.	3,300,714	1,813,393
City Lub Oil Industries Ltd.	131,757	131,757
Garibe Newaz Traders	-	15,000
Gentech Energy	46,886	209,986
Instrumentation Co-operative	40,000	40,000
Munna Enterprise	-	4,377,070
International Bearing	142,603	81,905
Islam & Brothers	330,560	136,428
Khaja Garibe Newaj Five Star Enterprise	2,109	2,109
M/s. Dohar Chemicals	3,336,765	3,832,665
Maman Hardware Store	1,110,767	59,713
Mohsin Enterprise	-	354,470
Noor Hardware Mart	65,116	59,000
Organic Bangladesh Corporation	153,000	153,000
Raj Bearing	44,130	104,130
S.R Packaging	7,807,261	5,636,589
Sahaba Corporation	59,906	-
Sakib Enterprise	-	15,000,000
Say Automation & Engineering	130,000	162,000
Hossain Box Industries	1,257,820	407,563
Indowater Solution	10	10
Arif Traders	-	1,272,225
Arman & Brothers	80,000	80,000
Baizid Newsprint Mills Ltd/ Chittagong Packages Ltd	222,873	912,305
Boiler Techno Crafts Engineering	40,000	80,000
Khaja Polythene Mart	1,602	1,200
Emo Enterprise	203,503	176,828
Ispahani Marshall Ltd.	81,380	91,380
RFL Plastic Ltd.	193,100	193,100
Shah Amanat Enterprise (Chemical)	744,735	532,685
Sheto Enterprise	3,026,963	3,236,860
Sion Enterprise (Chemical)	31,150	31,150
Taslima Enterprise	153,945	229,086
Unimax Chemicals	716,800	1,315,500
United Trading Agency	593,054	621,194
S K Trders	-	418,740
Other Payables	5,884,621	5,984,932
	32,045,981	50,487,090



	31 March 2021	30 June 2020
	Taka	Taka
23.00 CURRENT TAX LIABILITIES:		
Balance as on 01 July	12,805,342	9,912,932
Provided during the period:		
Against current year	1,976,526	2,892,410
Against previous years	-	-
	1,976,526	2,892,410
	14,781,868	12,805,342
Adjusted with advance income tax paid	-	-
Balance as on 31 March	<u>14,781,868</u>	<u>12,805,342</u>
23.01 Computation of Provision for Income Tax:		
23.01.1 Net profit before tax	(13,015,102)	-
Less: Other income to be considered separately		
Dividend Income	561,211	
Profit on Sale of Shares	2,426,804	
Interest on FDR	121,035	
Commission Income- Insurance Premium	87,985	
Miscellaneous Income	1,042,799	
	4,239,834	-
	(17,254,936)	-
Add: Accounting depreciation	40,762,714	-
	23,507,779	-
Add: Inadmissible expenses		
Entertainment expenses	345,297	
Miscellaneous expenses	16,000	
	361,297	-
	23,869,076	-
Less: Tax depreciation u/s 29	37,779,579	-
Business Income	<u>(13,910,503)</u>	-
Add: Other income to be considered separately		
Dividend Income	561,211	
Profit on Sale of Shares	2,426,804	
Interest on FDR	121,035	
Commission Income- Insurance Premium	87,985	
Miscellaneous Income	1,042,799	
	4,239,834	-
Total Income	<u>(9,670,669)</u>	-
23.01.2 Minimum Tax:		
Total receipt against sales	325,181,135	473,084,915
Total receipt against other income	4,239,834	8,983,469
Gross receipt for the period	<u>329,420,969</u>	<u>482,068,384</u>
Minimum Tax @ 0.60% on gross receipt of Tk.329,420,969	<u>1,976,526</u>	<u>2,892,410</u>
As the total income from business and other incomes become negative, company made minimum tax as provision for current tax for the period U/S 82c.		
24.00 LIABILITIES FOR OTHER FINANCE:		
I.T. Deducted at Source	214,334	438,077
VAT Deducted at Source	44,674	39,986
Loan From Farhana Ferdous	16,000,000	-
Loan From Farhana Tarannum	13,600,000	-
	<u>29,859,008</u>	<u>478,063</u>
25.00 UNCLAIMED DIVIDEND:		
Balance as on 1st July	2,917,528	2,899,731
Add: Dividend for the year 2019-2020 approved in the AGM	1,567,378	1,453,415
	4,484,906	4,353,146
Less: Dividend Paid	1,510,717	1,435,618
Balance as on 31 March	<u>2,974,189</u>	<u>2,917,528</u>
26.00 DIRECTORS CURRENT ACCOUNT:		
Mr. Mohammad Abdullah, Chairman	20,800,000	6,000,000
Mr. Md. Golam Mostafa	3,000,000	-
Mr. Md. Golam Haider	3,000,000	-
Mr. Md. Golam Morshed	5,300,000	2,750,000
Mr. Md. Golam Rasul Mukhtadir	2,750,000	2,750,000
	<u>34,850,000</u>	<u>11,500,000</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.



27.00 **REVENUE:**

	July' 20-Mar'21	July'19-Mar'20
	Taka	Taka
News Print Paper	166,258,339	-
M.G.Newsprint	38,333,828	42,353,654
Medium Paper	11,054,637	1,394,099
Tissues	117,642,800	-
Khata	75,566	-
Writing Printing Paper		261,775,129
Clinical Bed Sheet Tissue		289,051
Facial Tissue		8,007,615
Hand Towel Tissue		14,314,263
Kitchen Towel Tissue		1,337,466
Napkin Tissue		85,668,143
Pocket Tissue		12,378,610
Toilet Tissue		9,350,768
	333,365,170	436,868,797
	8,184,035	9,582,929
Less: Value Added Tax (VAT)		
Net Revenue	325,181,135	427,285,869

28.00 **COST OF SALES:**

Opening Stock of Raw Materials	53,659,078	40,784,052
Add: Purchase during the period	124,058,465	216,013,107
	177,717,543	256,797,159
Less: Closing Stock of Raw Materials	55,542,241	33,638,857
Raw Materials Consumed	122,175,302	223,158,302
Add: Factory overhead:		
Salaries, Wages and Allowances	22,458,359	28,137,902
Overtime -Factory Worker	2,066,918	3,500,299
Food Allowance- Factory Staff	329,652	256,000
Labour Charge	32,000	47,347
Carriage Inward	512,005	785,475
Gas Bill (Boiler & Gas Generator)	31,295,765	23,623,794
Electric Bill	26,107,460	51,562,749
Consumable Spare & Store	-	3,383,950
Factory Maintenance	11,168,298	3,688,426
Loading Unloading Charge	58,620	35,910
Paper/Tissue/Khata Cutting Exp.	2,375,821	3,809,972
Fuel (Generator)	-	579,280
Fuel (Machine)	-	585,865
Fuel (Vehicle)	365,802	381,150
Medical & Medicine	58,054	87,782
Gas Generator Upkeep	65,655	124,800
Boiler Upkeep	30,000	10,000
Insurance Premium (Factory)	710,045	1,137,021
Laboratory Expenses	9,000	-
Canteen Expenses-Factory	117,151	170,927
Gas Generator Overhauling Exp	-	-
Carrying Outward	10,619,923	15,123,358
Gas Bill (Factory Canteen)	84,997	67,012
Depreciation	40,210,989	34,277,871
	270,851,816	394,535,192
Add: Opening Work-in-Process	29,225,078	12,964,838
	300,076,894	407,500,030
Less: Closing Work-in-Process	28,816,560	366,990
Cost of Production	271,260,334	407,133,040
Add: Opening Stock of Finished Goods	91,650,113	63,545,333
	362,910,447	470,678,373
Less: Closing Stock of Finished Goods	86,251,017	104,020,511
Cost of Sales	276,659,430	366,657,862



	July' 20-Mar'21 Taka	July' 19-Mar'20 Taka
29.00 ADMINISTRATIVE EXPENSES:		
Managing Director Remuneration	103,400	465,300
Staff Salary & Allowances	4,557,226	5,769,951
Office Rent	285,000	240,000
Telephone Bill	494,037	342,727
Entertainment	345,297	389,696
Staff Tea, Tiffin	12,182	5,090
Travelling Expenses	199,888	354,211
Dhaka Office Expenses	77,868	21,090
Canteen Expenses	6,690	5,520
Postage & Courier	23,658	137,070
Forms, Stamp & Legal Documents	2,420	13,898
Fees, Renewal & Subscription	788,574	441,348
Fine, Penalty & Damage	1,734,739	-
Printing & Stationery	98,105	85,711
Gas Bill H/O	83,715	5,964
Board Meeting Attendance Fees	316,000	329,100
Audit Committee Meeting Attendance Fees	117,000	83,000
NRC Meeting Attendance Fees	10,000	-
Board Meeting Expenses	5,046	22,328
B.O Maintenance Fees	952	2,768
Office Maintenance	246,435	378,552
Telephone, Fax, E-mail	-	500
Annual Subscription- CDBL	112,000	-
Annual Subscription - CSE-DSE	190,000	-
Intranet Bill (BBTSL)	59,200	58,600
Internet Bill (BBTSL)	43,150	56,000
Brac Net	2,100	-
Conveyance	294,073	213,291
Legal & Professional Fee	66,000	45,000
AGM Expenses	307,838	249,825
Audit Fee	36,800	15,000
Electric Bill- Head Office	150,000	240,000
Electric Bill- Dhaka Office	19,456	-
Fuel (Vehicle)	462,005	692,179
Vehicle Upkeep	513,289	435,593
Website Expenses	26,708	2,000
Rent, Rates , Taxes	84,869	37,650
Insurance Premium	-	23,197
Miscellaneous Expenses	16,000	3,000
Depreciation	551,726	476,567
	12,443,446	11,641,726

29.01 Key Management Personal Compensation:

Short term employee benefits	103,400	465,300
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	103,400	465,300

(a) The above short term employee benefits includes only remuneration amounting Tk.103,400 paid to The Managing Director.

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

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

(c) 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.



	July' 20-Mar'21 Taka	July'19-Mar'20 Taka
30.00 <u>SELLING & DISTRIBUTION EXPENSES:</u>		
Sales Promotion Expenses	51,113	61,068
Staff Salary (Sales & Marketing)	7,258,391	6,617,808
Conveyance-Tissue	1,012,774	886,146
Advertisement	152,500	184,288
	<u>8,474,778</u>	<u>7,749,310</u>
31.00 <u>FINANCIAL EXPENSES:</u>		
Bank Charges	499,756	240,150
Interest Expenses on Cash Credit	-	14,918,598
Interest on Short Term Loan	4,599,455	2,586,765
Interest on Long Term Loan	39,325,009	33,826,070
Loan Processing Fee	434,198	-
	<u>44,858,417</u>	<u>51,571,583</u>
32.00 <u>NON-OPERATING INCOME:</u>		
Dividend Income	561,211	301,647
Insurance claim receipt	-	1,604,575
Profit on Sale of Shares	2,426,804	367,259
Interest on FDR	121,035	1,342
Commission Income- Insurance Premium	87,985	-
Miscellaneous Income	1,042,799	348,035
	<u>4,239,834</u>	<u>2,622,858</u>
33.00 <u>DEFERRED TAX EXPENSES:</u>		
(a) Deferred Tax Liability on 31 March	57,511,950	54,899,251
(b) Deferred Tax Liability on 01 July	56,025,616	49,603,173
Deferred Tax Expenses for the year (a-b)	<u>1,486,334</u>	<u>5,296,078</u>
34.00 <u>EARNING PER SHARE:</u>		
Calculation is shown below:		
Net Profit after tax	(16,477,962)	(15,587,286)
Number of shares outstanding	19,000,000	19,000,000
EPS	(0.87)	(0.82)
35.00 <u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u>		
Calculation is shown below:		
Net Asset with Revaluation	478,290,324	490,646,274
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	25.17	25.82



	July' 20-Mar'21 Taka	July'19-Mar'20 Taka
36.00 NET ASSET VALUE PER SHARE WITHOUT REVALUATION:		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	207,759,154	212,611,673
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share	10.93	11.19

37.00 NET OPERATING CASH FLOW:

Calculation is shown below:

<u>Net cash flow from operation</u>	37,947,755	(47,934,735)
Number of shares outstanding	19,000,000	19,000,000
Net operating cash generated by per share	2.00	(2.52)

38.00 Number of Employees:

The total employees of the company as on March 31, 2021 stood at 348 nos comprising Head office staff 51 nos, Factory office staff 10 nos. Security 04 nos. Driver and helper 4 nos, Permanent worker 50 nos and Temporary worker 229 nos.

Salary Range :		
Number of employees whose monthly salary was below Tk. 3,000	Nil	Nil
Number of employees whose monthly salary was above Tk. 3,000	348	383

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
Advance, Deposit and Prepayments excluding Deposit & Prepayments.
Bank Balances

31 March 2021 Taka	30 June 2020 Taka
166,473,958	148,744,551
134,760,466	39,209,851
5,025,685	10,391,852
306,260,109	198,346,254

b) Ageing of Trade Receivables are as follows:

Below-30 Days
Within 31-60 Days
Within 61-90 Days
Within 90 - 180 Days
Above 180 Days

34,959,531	31,236,356
51,606,927	46,110,811
33,294,792	29,748,910
29,965,312	26,774,019
16,647,396	14,874,455
166,473,958	148,744,551



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.(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	44,999,990	-	44,999,990	44,999,990
Long Term Loan-Non Current	431,674,968	-	431,674,968	497,824,968
Long Term Loan-current portions	83,822,906	83,822,906	-	83,822,906
Short Term Loan & Overdraft	73,183,426	73,183,426	-	73,183,426
Accrued Expenses	24,420,401	24,420,401	-	31,220,401
Workers Profit Participation and Welfare Fund	1126584.971	1,126,585	-	1,126,585
Trade Payables	32,045,981	32,045,981	-	42,045,981
Current Tax Liabilities	14,781,868	14,781,868	-	14,833,906
Liabilities for Other Finance	29,859,008	29,859,008	-	29,859,008
Directors Current Account	34,850,000	34,850,000	-	44,050,000
Total	770,765,133	294,090,175	476,674,958	862,967,171

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 March 2021	30 June 2020
Installed Capacity (in M.T)	10,125	13,500
Actual Production (in M.T)	3,159	5,175
% of Capacity Utilization	31.20%	38.33%

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

- (i) Machine break down for load-shading and deficiency of electricity supply.
- (ii) Roster operation with reduced capacity in COVID-19 Pandemic.
- (iii) Shut down of boiler as well as generator for annual maintenance.
- (iv) Schedule maintenance of running plant etc.



41.00 RELATED PARTY TRANSACTION:

Name of the Parties	Relationship	Balance as on July 1 2020	Transaction value during the period	Balance as on March 31 2020
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UNSECURED LOAN:

Mr. Mohammad Abdullah	Chairman	18,448,060	-	18,448,060
Mr. Md. Golam Kibria	Managing Director	5,914,175	-	5,914,175
Mr. Md. Golam Morshed	Deputy Managing Director	3,207,475	-	3,207,475
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	5,957,975	-	5,957,975
Mr. Md. Golam Rasul Muktadir	Director	3,207,475	-	3,207,475

DIRECTORS CURRENT ACCOUNT:

Mr. Mohammad Abdullah	Chairman	6,000,000	14,800,000	20,800,000
Mr. Md. Golam Mostafa	Director	-	3,000,000	3,000,000
Mr. Md. Golam Haider	Director	-	3,000,000	3,000,000
Mr. Md. Golam Morshed	Director	2,750,000	2,550,000	5,300,000
Mr. Md. Golam Rasul Muktadir	Director	2,750,000	-	2,750,000

42.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND:

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:

	July' 20-March'21 <u>Taka</u>	July'19-Mar'20 <u>Taka</u>
Profit after Provision for Income Tax	(16,477,962)	(15,587,286)
Add: Non Cash Charges		
Depreciation	40,762,714	34,754,439
Provision for Deferred Tax Expenses	1,486,334	5,296,078
	A <u>25,771,087</u>	<u>24,463,231</u>
<u>Changes in Working Capital</u>		
(Increase)/Decrease in Stock	4,006,997	(23,983,077)
(Increase)/Decrease in Trade Receivables	(17,729,407)	(23,953,156)
(Increase)/Decrease in Advance, Deposits & Prepayments	15,159,123	(8,574,961)
(Increase)/Decrease in Accrued Expenses	(1,643,071)	4,733,684
Increase/(Decrease) in Workers Profit Participation and Welfare Fund	-	-
Increase/(Decrease) in Current portion of Long Term Loan	28,847,608	-
Increase/(Decrease) in Trade Payables	(18,441,108)	(23,199,909)
Increase/(Decrease) in Current Tax Liabilities	1,976,526	2,579,452
	B <u>12,176,668</u>	<u>(72,397,967)</u>
Net cash inflows/(out flows) from operating activities (A+B)	<u><u>37,947,755</u></u>	<u><u>(47,934,735)</u></u>

