

HAKKANI PULP & PAPER MILLS LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2023



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Financial Position (Un-Audited)
As at 30 September 2023

	Note(s)	30 Sep 2023 Taka	30 June 2023 Taka
ASSETS			
Non Current Assets :			
Property, Plant and Equipment	5	857,881,684	861,182,096
Capital Work-In-Progress	6	785,625,111	788,925,523
		72,256,573	72,256,573
Current Assets:			
Investment in Shares	7	708,545,574	663,371,090
Inventories	8	12,199,933	12,214,729
Trade Receivables	9	334,546,116	320,603,684
Advances, Deposits & Prepayments	10	184,469,070	185,906,649
Cash & Cash equivalents	11	144,247,866	122,236,614
		33,082,590	22,409,414
TOTAL ASSETS		1,566,427,258	1,524,553,186
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:			
Share Capital	12	465,256,790	464,607,790
Dividend Equalization Reserve	13	190,000,000	190,000,000
Revaluation Reserve	14	11,237,712	11,237,712
Fair Value Reserve	7.01	247,850,973	249,902,075
Retained Earnings	15	74,250	80,141
		16,093,856	13,387,862
Non Current Liabilities:			
Unsecured Loan	16	553,526,456	558,112,113
Long Term Loan Non Current Portion	17	57,699,990	57,699,990
Deferred Tax Liability	18	402,289,633	406,011,140
		93,536,833	94,400,983
Current Liabilities:			
Short Term Loan & Overdraft	19	547,644,012	501,833,283
Liability for Expenses	20	236,719,286	216,354,265
Workers Profit Participation and Welfare Fund	21	51,057,310	36,683,431
Long Term Loan-Current Portion	17.01	1,986,104	1,915,255
Trade Payables	22	82,112,132	82,931,334
Current Tax Liabilities	23	30,118,125	29,936,889
Liabilities for Other Finance	24	27,105,863	25,481,102
Unclaimed Dividend	25	52,361,166	52,048,815
Directors Current Account	26	3,082,193	3,082,193
		63,101,833	53,400,000
Total Liabilities		1,101,170,468	1,059,945,397
TOTAL EQUITY & LIABILITIES		1,566,427,258	1,524,553,186

Net Asset Value Per Share (with revaluation) 35 24.49 24.33
Net Asset Value Per Share (without revaluation) 36 11.44 11.30

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

Date: November 04, 2023



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)
For the period ended 30 September 2023

	Note(s)	30 Sep 2023 Taka	30 Sep 2022 Taka
Revenue	27	263,629,456	202,956,704
Cost of Sales	28	(230,703,564)	(186,376,466)
Gross Profit / (Loss)		32,925,892	16,580,238
Operating Expenses:			
Administrative Expenses	29	(5,601,847)	(4,496,622)
Selling & Distribution Expenses	30	(12,654,042)	(11,163,594)
		(18,255,888)	(15,660,216)
Profit from Operation		14,670,004	920,022
Financial Expenses	31	(13,397,096)	(9,401,632)
Non-Operating Income	32	214,923	1,584,616
Net Profit Before WPPF & WWF		1,487,832	(6,896,994)
Contribution to WPPF & Welfare Funds	21	(70,849)	-
Net profit before Tax		1,416,983	(6,896,994)
Income Tax Expenses:			
Current Tax	23.01.2	(1,624,761)	(1,227,248)
Deferred Tax	33	500,712	(426,702)
		(1,124,050)	(1,653,950)
Net profit after Tax		292,933	(8,550,944)
Other Comprehensive Income:			
Deferred Tax on Revaluation Reserve	14	361,959	386,665
Unrealized Gain/ (Loss) on Investment in Shares	7.02	(5,891)	(484,942)
Deferred tax on unrealized gain/(loss) in investment in share	18.02	(1,480)	(48,494)
		354,588	(146,771)
Total Comprehensive Income		647,521	(8,697,715)
Earnings Per Share - Basic	34	0.02	(0.45)

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

স্বাক্ষরিত
CHAIRMAN **MANAGING DIRECTOR**


DEPUTY MANAGING DIRECTOR


CFO


COMPANY SECRETARY

Place: Chattogram
Date: November 04, 2023



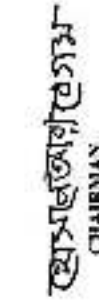
HAKKANI PULP & PAPER MILLS LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended 30 September 2023

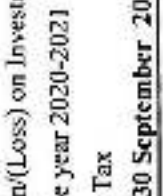
(Amount in Taka)

Particulars	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2023	190,000,000	11,237,712	249,902,075	80,141	13,387,862	464,607,790
Adjustment of depreciation on carrying amount of revalued assets	-	-	(2,413,060)	-	2,413,060	-
Deferred Tax on Revaluation Surplus	-	-	361,959	-	-	361,959
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(5,891)	-	(5,891)
Dividend for the year 2021-2022	-	-	-	-	-	-
Net Profit after Tax	-	-	-	-	292,933	292,933
Balance as on 30 September 2023	190,000,000	11,237,712	247,850,974	74,250	16,093,856	465,256,790

For the year ended 30 September 2022

Balance as at 01 July 2022	190,000,000	12,258,779	258,666,486	457,727	(13,836,066)	447,546,926
Adjustment of depreciation on carrying amount of revalued assets	-	-	(2,577,768)	-	2,577,768	-
Deferred Tax on Revaluation Surplus	-	-	386,665	-	-	386,665
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(484,942)	-	(484,942)
Dividend for the year 2020-2021	-	-	-	-	-	-
Net Profit after Tax	-	-	-	-	(8,550,944)	(8,550,944)
Balance as on 30 September 2022	190,000,000	12,258,779	256,475,383	(27,215)	(19,809,242)	438,897,705


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: November 04, 2023



HAKKANI PULP & PAPER MILLS LIMITED**Statement of Cash Flows (Un-Audited)****For the period ended 30 September 2023**

	Note(s)	30 Sep 2023 Taka	30 Sep 2022 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		265,281,959	198,243,647
Payment for Material and Expenses		(242,011,421)	(195,059,499)
Income Tax Paid		(1,960,223)	(34,948)
Net Cash flows from Operating Activities	43	21,310,314	3,149,199
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(6,773,051)	(1,219,187)
Advance for Machinery		(17,124,690)	(11,764,158)
Net cash flows from Investing Activities		(23,897,741)	(12,983,345)
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		20,365,021	5,188,558
Long Term Loan		(3,721,507)	(2,341,200)
Interest Paid		(13,397,096)	(9,401,632)
Unsecured Loan Received		-	2,500,000
Directors Current Account		9,701,833	-
Liabilities for Other Finance		312,351	4,329,601
Net Cash flows from Financing Activities		13,260,603	275,327
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		10,673,176	(9,558,818)
E. Opening Cash and Bank Balances		22,409,414	24,776,393
Closing Cash and Bank Balances (D+E)		33,082,590	15,217,576
F. Net Operating Cash Flows Per Share	37	1.12	0.17

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

আব্দুল হক
CHAIRMAN
MANAGING DIRECTOR

DEPUTY MANAGING DIRECTOR

CFO

COMPANY SECRETARY

Place: Chattogram
Date: November 04, 2023



HAKKANI PULP & PAPER MILLS LIMITED
Notes to the Financial Statements (Un-Audited)
For the period ended 30 September 2023

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 PLC.

The registered office of the Company is situated at 2/10, D.T. Road, North Palartali, 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, Paper products & 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 Act, 2023

The Income Tax Rules, 1984

The Value Added Tax and Supplementary Duty Act, 2012

The Value Added Tax and Supplementary Duty Rules, 2016

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 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 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	Earnings 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 30 September 2023.
- A Statement of Profit or Loss and other Comprehensive Income for the period ended 30 September 2023.
- A Statement of changes in equity for the period ended 30 September 2023.
- A Statement of Cash flows for the period ended 30 September 2023.
- 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 04 November 2023.

2.06 Reporting Period:

The financial statements of the Company cover three months from 1 July 2023 to 30 September 2023.

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 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 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) Earnings 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:

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

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



3.01.04 Non- Current asset held for Sales

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

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

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

3.02 Capital Work In Progress :

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

The cost of capital work in progress comprises:

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

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

3.03 Impairment of Assets:

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

3.04 Investment in Shares:

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

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

3.05 Inventories:

3.05.01 Nature of inventories

Inventories comprise Raw Materials, Packing Materials, Consumable 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 Tissue paper. 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 Tissue paper 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 Earnings 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 Earnings 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 30 June 2023 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 year are consistent with those policies and methods adopted in preparing the Financial Statements for the previous year.

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 period:

4.01 The operating and financial review is intended to provide the Management's perspective on the financial and operating performance of the Company. During the period under review, the Company recorded a profit /(loss) after tax of Tk. 292,933 against previous period profit /(loss) of Tk. (8,550,944). The basic Earnings Per Share for the period ended 30 Sep 2023 is Tk. 0.02 against Tk. (0.45) 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 60,672,752 as compared to previous period.

4.03 Cost of Sales:

During the period under review Cost of sales was increased as compared to the previous period due to increase of unit price raw materials, fluctuation of dollar rate, increase of rate of of gas bill, electricity bill, increase of salaries, wages and allowances and others.

4.04 Administrative Expenses

During the period under review, administrative expenses was increased significantly as compared to the previous period due to increase of employee salaries, 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 salaries, sales promotion expenses, Carriage Outward expenses and

4.06 Financial Expenses :

The Company's financial expenses was increased as compared to previous period for increase of Bank interest 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 **Earnings Per Share (EPS):**

During the year under review, the Company's Earnings Per Shares (EPS) was recorded Tk. 0.02 against previous period Tk. (0.45). Earnings Per Share (EPS) was increased due to increase of sales revenue.

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

The Company's net operating cash flows per share (NOCFPS) of the company was recorded Tk. 1.12 against Tk. 0.17 of period year. The company's net operating cash flows per share (NOCFPS) was increased due to increase of collection from customers.

5.00 **PROPERTY, PLANT & EQUIPMENT:**

	30 Sep 2023	30 June 2023
	<u>Taka</u>	<u>Taka</u>
Balance as on 01 July (including revaluation)	1,333,750,909	1,299,421,275
Add: Addition during the period	6,773,051	34,329,634
Less: Adjustment during the period	-	-
Balance as on 30 September	1,340,523,960	1,333,750,909
Less: Accumulated depreciation	554,898,848	544,825,385
Written down value as on 30 September	785,625,111	788,925,523

(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



S.MI PROPERTY, PLANT & EQUIPMENT:

(Amount in Taka)

Particulars	C O S T			Rate of Dep.	D E P R E C I A T I O N			Written Down Value as on 30 Sep 2023
	Balance as on 01 July 2023	Addition during the period	Disposal/ Adjustment during the period		Balance as on 30 Sep 2023	Charged during the period	Disposal/ Adjustment during the period	
At Cost								
Land & Land Development	43,933,392	30,450	-	-	43,963,842	-	-	43,963,842
Building & Other Construction	183,233,208	2,013,375	-	5%	185,246,583	1,583,234	-	125,449,315
Plant & Machinery	567,559,953	2,120,822	-	7%	569,680,777	5,242,852	-	294,744,336
Furniture & Fixture	2,013,180	130,463	-	10%	2,143,643	32,689	-	1,302,769
Office Equipment	4,292,943	181,700	-	10%	4,474,643	52,147	-	2,061,904
Electric Installation	32,786,357	1,954,931	-	10%	34,741,288	479,488	-	18,935,795
Cable Line Installation	3,932,191	-	-	10%	3,932,191	19,069	-	743,689
Telephone Line Installation	132,263	-	-	10%	132,263	662	-	25,835
Water Line Installation	7,476,933	341,310	-	10%	7,818,243	70,819	-	2,831,880
Fire Extinguisher	111,870	-	-	20%	111,870	481	-	9,147
Office Decoration	1,967,029	-	-	10%	1,967,029	28,347	-	1,105,548
Vehicle Car	3,011,672	-	-	20%	3,011,672	20,765	-	394,526
Motor Vehicle	4,584,496	-	-	20%	4,584,496	78,210	-	1,485,982
Factory Equipment	1,653,900	-	-	20%	1,653,900	51,640	-	981,164
"A"	856,689,389	6,773,051	-		863,462,440	7,660,402	-	494,035,731
At Revaluation								
Land & Land Development	139,028,020	-	-	-	139,028,020	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	5%	110,663,849	747,479	-	59,030,847
Plant & Machinery	227,369,650	-	-	7%	227,369,650	1,665,582	-	93,510,312
"B"	477,061,519	-	-		477,061,519	2,413,061	-	291,589,380
Grand total as on 30 Sep 2023 (A+B)	1,333,750,909	6,773,051	-		1,340,523,960	10,073,463	-	785,625,111
As on 30 Sep 2022	1,299,421,275	1,219,187	-		1,300,640,462	10,044,447	-	786,670,015



30 Sep 2023	Taka
134,610	113,421
9,938,853	9,931,026
Taka =	10,073,463

Allocation of Depreciation:
 Administrative Expenses
 Factory Overhead

	30 Sep 2023 Taka	30 June 2023 Taka
6.00 CAPITAL WORK-IN-PROGRESS:		
Capital Work-In-Progress	72,256,573	72,256,573
Balance as on 30 September	72,256,573	72,256,573

6.01 Capital Work-In-Progress:

Particulars	Opening Balance	Addition/Transferred during the period	Capitalized during the period	Closing Balance
Plant & Machinery	72,256,573	-	-	72,256,573
Total	72,256,573	-	-	72,256,573

7.00 INVESTMENT IN SHARES:

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

Name of company	No. of Shares	Cost Value as on 30 Sep 2023	Market Value as on 30 Sep 2023	Unrealized gain/ (loss)
Beximeo Pharma Ltd.	3,500	138,855	511,700	372,845
Brac Bank Ltd.	13,993	158,299	500,949	342,650
DESCO Ltd.	5,000	238,287	183,000	(55,287)
Dhaka Bank Ltd.	28,874	210,234	360,925	150,691
Exim Bank Ltd.	53,401	1,080,863	555,370	(525,492)
Gramophone Ltd.	10,700	3,995,855	3,066,620	(929,235)
Islami Bank Bangladesh Ltd.	10,570	376,381	344,582	(31,799)
Jamuna Oil Company Ltd.	2,299	271,136	407,153	136,017
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	694,000	(111,409)
Meghna Petroleum Ltd.	2,402	249,369	487,606	238,237
Mercantile Bank Ltd.	13,989	118,778	186,054	67,275
Mutual Trust Bank Ltd.	23,350	207,749	361,925	154,176
National Bank Ltd.	82,779	902,974	687,066	(215,908)
One Bank Ltd.	38,679	296,251	367,451	71,200
Premier Bank Ltd.	5,527	32,062	70,746	38,683
Shahjalal Islami Bank Ltd.	41,135	249,341	752,771	503,430
Square Pharma Ltd.	9,200	1,826,477	1,930,160	103,683
Standard Bank Ltd.	22,085	200,804	189,931	(10,873)
Titas Gas Ltd.	13,250	766,559	541,925	(224,634)
Total	390,733	12,125,683	12,199,933	74,250

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

Unrealized Gain/ (Loss) Closing	74,250	457,727
Less: Unrealized Gain/ (Loss) Opening	89,046	3,571,357
Add: Deferred tax Opening	8,905	357,134
Gain/ (Loss) on Investment in Shares during the period	(5,891)	(2,756,476)

8.00 INVENTORIES:

a) **Raw Materials**

Wastage Paper	74,230,446	75,801,267
Chemicals Items	15,731,028	17,792,740
	89,961,474	93,594,007

b) **Finished Goods**

Newsprint Paper	74,007,799	64,240,730
Medium Paper	917,784	1,085,643
Khata	5,024,209	4,627,749
Tissue Papers	111,999,421	106,850,757
	191,949,213	176,804,878

c) **Work-In-Process**

d) **Consumable Spare & Store**

e) **Packing Material**

Work-In-Process	29,275,078	34,991,121
Consumable Spare & Store	7,341,072	5,141,072
Packing Material	16,019,279	10,072,606
Total (a+b+c+d+e)	334,546,116	320,603,684



30 Sep 2023

30 June 2023

TakaTaka

- (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 based 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 Corporation	6,411,444	-
Al- Madina Paper House	3,133,253	2,973,273
Atupam Traders	3,042,604	29,244
AR Trading	2,944,253	40,893
Absar Store	-	183,672
Agrani Printing Press	1,540,122	1,740,122
Anik Traders	429,245	479,245
A.S. Enterprise	159,075	109,075
AG Paper House	289,693	481,435
Avoy Enterprise	1,499,038	2,484,038
Babul Store	41,615,949	41,615,949
Barcode Restaurant Group	230,757	47,426
Bhai Bhai Store	589,824	639,824
Bhai Bhai Traders	579,456	649,456
Bio Pharmaceutical Ltd.	-	100,968
Chandpur Paper House	539,925	159,228
CGT Tissue	640,638	645,638
Eastern Paper House	6,331,288	6,421,288
Epic Health Care	375,991	182,612
Fuluwang Limited	1,687,816	1,747,816
Garibe Newaj Traders	596,495	666,495
Habib Enterprise	217,806	2,205
Hardi Restaurant	130,375	106,811
Hazrat Shahnjan Shah Stationary House	386,709	430,335
Health Point Hospital	55,861	36,226
Hotel Zaman	150,688	100,412
Ibn Sina Hospital	145,403	147,029
Jotimite Apparels Ltd	-	76,496
Jagonata Store	158,703	108,427
JMI Group	-	77,193
Mallah Store	-	722,272
M/S. Helal Enterprise	326,906	376,906
M/S Nur Enterprise	-	988,271
M/S. Rafiq Library	1,100,853	1,300,853
M/S. Razrak Traders	213,667	163,667
M J Paper House	4,004,283	5,419,403
Molla Traders	278,907	199,707
New City Gold	290,011	440,153
Nur Nahar Traders	164,052	184,052
Oniruddho Trading	515,609	269,907
Oriental Paper House	-	111,440
Rapid Pack Limited	5,184,990	5,104,218
Robin Enterprise	491,257	533,257
Rubel & Sons	3,138,661	3,394,861

Note: 9.04



	30 Sep 2023	30 June 2023
	<u>Taka</u>	<u>Taka</u>
Resimix Industries Ltd.	-	1,246,730
RM Trade International	3,271,447	3,771,947
Sajib Enterprise	2,780,226	3,380,826
Shahnaj Trading Corporation	301,052	182,793
Sikandar Para Banijik Songsta	1,650,164	924,814
S.K Traders	-	719,514
Sabbir Enterprise	152,342	202,342
Shopla Traders	96,667	111,667
Shoban Enterprise	-	1,536,800
Tauvir Enterprise	3,824,372	3,048,979
Transcom Food Ltd	-	162,862
Walton Hi-Tech Industries Ltd.	-	124,385
Other Receivables	82,801,193	88,801,193
	<u>184,469,070</u>	<u>185,906,649</u>
9.01 Ageing of Trade Receivables:		
Below-30 Days	31,359,742	26,026,931
Within 31- 60 Days	36,893,814	37,181,330
Within 61 - 90 Days	25,825,670	26,026,931
Within 90 - 180 Days	22,136,288	22,308,798
Above 180 Days	68,253,556	74,362,660
	<u>184,469,070</u>	<u>185,906,649</u>
9.02 Trade Receivables are occurred in the ordinary course of business.		
9.03 Trade Receivables are unsecured but considered good by the management.		
9.04 Suits were filed against Babul Store to realise the outstanding balance amounting to Tk. 41,415,949 vide CR case No 172/22 to 182/22, dated on 10 January 2022 at the court of Chief metropolitan magistrate, chattogram. Now, the suits are under process for examination of witnesses against party and after examination of the witnesses is complete, the suit is kept for argument at the Metropolitan Session Judge Court, Chattogram.		
10.00 <u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>		
Advance Against Income Tax (Note: 10.01)	40,807,897	38,847,673
Advance Against Salary & Wages (Note: 10.02)	334,707	196,207
Advance Against Expenditure (Note: 10.03)	27,171,964	26,446,879
Advance Against L/C (Note: 10.04)	55,135,419	38,735,814
Advance Against Purchase (Note: 10.05)	6,690,282	7,101,484
Deposits and Prepayments (Note: 10.06)	14,107,597	10,908,557
	<u>144,247,866</u>	<u>122,236,614</u>
10.01 <u>Advance Against Income Tax</u>		
Advance Income Tax Paid	13,478,784	11,686,440
Advance Income Tax - Import	1,825,030	1,709,741
Advance Income Tax - Export	488,788	482,661
Advance Income Tax Deducted at Source	23,681,364	23,652,043
Advance Income Tax Deducted at Source (Dividend Income)	1,329,116	1,311,974
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	<u>40,807,897</u>	<u>38,847,673</u>
10.02 <u>Advance Against Salary & Wages</u>	334,707	196,207
10.03 <u>Advance Against Expenditure</u>		
Anima Development Limited	7,785,549	7,785,549
VAT Current Account	831,001	14,358
Lanka Bangla Securities Ltd.	(251)	199
City Brokerage Ltd.	127,169	127,619
Bank Guarantee Margin	628,923	628,923
Advances for spares parts and other materials	17,799,574	17,890,232
	<u>27,171,964</u>	<u>26,446,879</u>
10.03.01 This represents advance to Anima Development Limited against purchase of office space for Dhaka Office which is yet to be registered		
10.04 <u>Advance Against L/C</u>	<u>55,135,419</u>	<u>38,735,814</u>



	30 Sep 2023	30 June 2023
	<u>Taka</u>	<u>Taka</u>
10.05 Advance Against Purchase		
Arif Traders	2,537,724	2,949,154
Munna Enterprise	1,119,692	1,558,567
Shah Godi Enterprise	3,032,866	2,593,763
	<u>6,690,282</u>	<u>7,101,484</u>
10.06 Deposits		
Security Deposit (PBS-1)	3,321,100	3,321,100
Security Deposit (BGSL) Boiler	4,875,831	3,375,831
Security Deposit (BGSL) Generator	3,140,712	1,441,672
Security Deposit (PDB)	25,200	25,200
Security Deposit (GEP Holdings Ltd)	8,000	8,000
Security Deposit (Gramophone)	20,000	20,000
Security Deposit (BTCL)	6,000	6,000
Security Deposit (CDLL)	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>14,107,597</u>	<u>10,908,557</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	18,898,022	16,426,002
At Dhaka Office	10,000	10,000
At Factory	30,000	30,000
	<u>18,938,022</u>	<u>16,466,002</u>

Cash at Banks

Al Arafah Islami Bank Ltd., Khulshi Branch, CD A/C-2091020000689	8,323	8,323
Bangladesh Krishi Bank Ltd., Agrabad Branch, CD A/C-2903-0210014807	1,340	1,340
First Security Islami Bank Ltd, Agrabad Branch, STD A/C - 010413100000463	57,311	57,311
Social Islami Bank Ltd, Agrabad Branch, STD Account-41300458	81,123	81,180
Social Islami Bank Ltd, Agrabad Branch, CD A/C - 0041330027978	10,958	21,074
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	110,823	-
Premier Bank Ltd., Agrabad Branch, CD A/C No-010311100015243	282,442	222,442
Premier Bank Ltd., CEPZ Branch, CD A/C No-016711100000103	90,001	90,001
Prime Bank Ltd., Lalidighi East Branch, CD A/C -14511090025949/5816	288,808	-
Islami Bank (BD.) PLC, Agrabad Branch, CD A/C No-20501030100588315	3,619,643	812,765
Mercantile Bank Ltd., A.K Khan Branch, CD A/C No-117511121143947	17,210	-
Trust Bank Ltd., CDA Avenue branch, CD A/C No-00200210009922	2,359,378	9,653
Standard Bank Ltd., Jubilee Road Branch, CD A/C No-01233005212	46,340	63,336
United Commercial Bank PLC, Pahartali Branch, CD A/C-No 01000000078	121,301	140,717
Eastern Bank Ltd., Agrabad Branch, CD A/C No-11071082755	442,286	787
Pubali Bank Ltd., Pahartali Branch, CD A/C No-825901027548	2,382,121	371,267
Dutch Bangla Bank Ltd., Agrabad Branch, CD A/C No- 1021100040340	296,391	173,830
	<u>10,215,797</u>	<u>2,054,025</u>

Fixed Deposit With Banks

Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541322176882	404,915	391,884
Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541322894432	493,515	493,515
Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541325279666	818,951	792,597
Bangladesh Krishi Bank Ltd., Agrabad Branch, A/C # 29050330045646	235,401	235,401
Social Islami Bank Ltd., Agrabad Branch, A/C # 0045330035138	409,715	409,715
Pubali Bank Ltd., Pahartali Branch, A/C # 0825104032609	1,566,275	1,566,275
	<u>33,082,590</u>	<u>22,409,414</u>

(a) Cash balance as on 30.09.2023 was certified by the management.

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



30 Sep 2023
Taka30 June 2023
Taka

11.01 INVESTMENT IN FIXED DEPOSIT RECEIPT (FDR):

Particulars	Tenure	Purpose	Rate of Interest	Taka	Taka
Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541322176882	One Year	Guarantee	6%	404,915	391,884
Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541322894432	One Year	Guarantee	6%	493,515	493,515
Mercantile Bank Ltd., A.K Khan Branch, A/C # 117541325279666	One Year	Guarantee	5%	818,951	792,597
Bangladesh Krishi Bank Ltd., Agrahad Branch, A/C # 29030330045646	One Year	Guarantee	6%	235,401	235,401
Social Islami Bank Ltd., Agrahad Branch, A/C # 0045330035138	One Year	Guarantee	9.5%	409,715	409,715
Pubali Bank Ltd., Pahartali Branch, A/C # 0825104032609	One Year	Guarantee	6%	1,566,275	1,566,275
			Total	3,928,771	3,889,387



	30 Sep 2023 Taka	30 June 2023 Taka
12.00 SHARE CAPITAL:		
12.01 Authorized:		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
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
	<u>190,000,000</u>	<u>190,000,000</u>

12.03 The break up of share holdings as on 30 Sep 2023 :-

Description	No of shares 30 Sep 2023	% of shares holding 30 Sep 2023	No of shares 30 June 2023	% of shares holding 30 June 2023
Sponsors & Directors	8,439,330	44.42	8,439,330	44.42
Institution and General Public	10,560,670	55.58	10,560,670	55.58
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 %	
	30 Sep 2023	30 June 2023	30 Sep 2023	30 June 2023	30 Sep 2023	30 June 2023
Less than 500 shares	2,326	2,441	432,815	460,644	2.28	2.13
501 to 5,000 Shares	1,679	1,725	3,041,678	3,109,019	16.01	16.66
5,001 to 10,000 Shares	228	210	1,670,439	1,547,282	8.79	7.69
10,001 to 20,000 Shares	97	92	1,367,991	1,287,713	7.20	7.49
20,001 to 30,000 Shares	27	28	644,320	675,138	3.39	5.84
30,001 to 40,000 Shares	8	8	283,332	285,360	1.49	2.25
40,001 to 50,000 Shares	14	15	632,204	671,897	3.33	1.44
50,001 to 100,000 Share	10	13	604,285	778,011	3.18	6.93
100,001 to 1,000,000 Shares	16	15	7,289,604	7,151,604	38.37	27.28
Over 1,000,000 Shares	2	2	3,033,332	3,033,332	15.96	22.28
Total	4,407	4,549	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 PLC and quoted at Tk. 58.70 on 30 September 2023 (Face value Tk. 10.00)



	30 Sep 2023	30 June 2023
	<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	11,237,712	12,258,779
Less: Dividend declared for the year 2021-2022 approved in the AGM	-	1,021,067
Balance as on 30 September	<u>11,237,712</u>	<u>11,237,712</u>
Dividend equalization reserve was created in the earlier year(s) with the concurrence of Board of Directors Meeting. The objective of this reserve is to pay dividend to shareholders during bad time of the 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 30.09.2023 (Note-5.01)	185,472,139	183,059,079
	<u>291,589,380</u>	<u>294,002,440</u>
Less : Adjustments for Deferred Tax @15%	43,738,407	44,100,366
Balance as on 30 September	<u>247,850,973</u>	<u>249,902,075</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	13,387,862	(13,836,066)
Add: Net profit/(loss) after tax	292,933	16,912,856
	<u>13,680,795</u>	<u>3,076,790</u>
Add: Revaluation Surplus Realized (Note-5.01)	2,413,061	10,311,072
Balance as on 30 September	<u>16,093,856</u>	<u>13,387,862</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	13,114,175	13,114,175
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>57,699,990</u>	<u>57,699,990</u>
The above loans from directors are interest free.		
17.00		
<u>LONG TERM LOAN:</u>		
Loan Under BMRE of Existing Projects	196,691,124	197,823,602
Loan Under Tissue Projects	246,355,503	247,891,225
Bai Muazzal Term loan	33,117,500	34,083,000
Term Loan	8,237,639	9,144,647
	<u>484,401,766</u>	<u>488,942,474</u>



	30 Sep 2023 Taka	30 June 2023 Taka
17.01 LONG TERM LOAN- MATURITY ANALYSIS:		
Due within the period- Current Portion	82,112,132	82,931,334
Due after more than the period- Non-Current Portion	402,289,633	406,011,140
	<u>484,401,766</u>	<u>488,942,474</u>

17.02 TERMS OF LONG TERM LOAN:

Lenders:

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

Total Long Term Loan Facilities:

Total disbursement amount was Tk. 311,176,404 against sanction amount of total long term loan Tk. 432,634,000.

Rate of Interest:

Interest rate is 10.10% 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 @ 10.10% 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 66 (Sixty Six) months.

Securities:

- i. Hypothecation of machineries and stock.
- ii. Total 697.13 decimal land has been placed as prime securities against the loan.
- iii. Creation of charge with RJSC.
- iv. Personal Guarantee of Directors

Purpose:

The loan has been taken for business expansion of existing project and establishment of Tissue Project.

18.00 DEFERRED TAX LIABILITY:

Balance as on 01 July	50,300,617	58,518,042
Deferred Tax (Income)/ Expenses for the period -(Note-18.01)	(500,712)	(8,180,556)
Investment in shares (Note-18.02)	(1,480)	(36,868)
	<u>49,798,426</u>	<u>50,300,617</u>
Add: Deferred Tax for Revaluation Surplus (Note-14.00)	43,738,407	44,100,366
Balance as on 30 September	<u>93,536,833</u>	<u>94,400,983</u>

This represents provision made for deferred income tax to pay future income tax liability for temporary differences of Property, plant and equipment value. Calculation of Deferred Tax Liability as on 30.09.2023 has been shown at **Note-18.01 & 18.02.**

18.01 Calculation of Deferred Tax Liability

(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 30 Sep	450,071,889	450,989,690
(b) Tax Based Property, Plant and Equipment	201,116,885	199,531,128
(c) Net Taxable Temporary Differences (a-b)	248,955,004	251,458,563
(d) Deferred Tax liability at effective Tax Rate 20%	49,791,001	50,291,713
(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	<u>(500,712)</u>	<u>(8,180,556)</u>

Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 30.09.2023

18.02 Investment in Shares

(a) Market value of Investment in Shares as on 30 Sep	12,199,933	12,214,729
(b) Cost value of Investment in Shares as 30 Sep	12,125,683	12,125,683
(c) Net Taxable Temporary Differences (a-b)	74,250	89,046
(d) Deferred Tax liability at effective Tax Rate 10%	7,425	8,905
(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	<u>(1,480)</u>	<u>(36,868)</u>



	30 Sep 2023 Taka	30 June 2023 Taka
19.00 SHORT TERM LOAN AND OVERDRAFT:		
Social Islami Bank Ltd. Agrabad Branch- Bai Muazzal Commercial-(CC)	164,481,955	160,872,236
Mercantile Bank Ltd. A.K Khan Branch-Cash Credit (CC) Hypo	39,700,603	39,292,941
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank Ltd.	15,186,940	14,648,701
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	-	91,207
Prime Bank Ltd, Laldighi East Branch, CD A/C -14511090025949 /5816	-	67,385
LATR , Sight LC Loan From Mercantile Bank Ltd.	5,323,836	-
UPAS Loan from Mercantile Bank Ltd	10,644,157	-
Other Short Term Loan	1,381,795	1,381,795
	236,719,286	216,354,265

19.01 Short Term Borrowing:

Particulars	Note	30 Sep 2023	30 June 2023
		Taka	Taka
Short term loan and overdraft	19.00	236,719,286	216,354,265
Long term loan-current portion	17.01	82,112,132	82,931,334
Total		318,831,418	299,285,599

(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 @ 10.10% p.a. respectively

(f) Land, Building and Machinery has been placed as prime securities against the Loans.

(g) Personal Guarantee of Directors

(h) Total 135.55 decimal land has been placed as prime securities against Mercantile Bank Limited.

20.00 LIABILITY FOR EXPENSES:

Audit Fee	411,750	411,750
Directors Remuneration	1,095,800	1,492,800
Electricity Bill	11,741,677	6,567,971
Gas Bill-Boiler & Gas Generator	23,476,675	14,135,791
Gas Bill-Factory Canteen	17,643	19,306
Gas Bill-Head Office	1,259	1,124
Fooding Expenses-Head Office	-	120,649
Office Rent	900,000	825,000
Overtime	2,645,674	2,251,473
Salaries & Allowances-Dhaka Office	95,500	95,500
Salaries & Allowances-Head Office	919,082	951,882
Salaries & Allowances-Factory	1,232,301	977,527
Wages & Allowances	4,257,364	4,540,849
Salaries & Allowances-Sales & Marketing	4,007,923	3,371,707
Food Allowance	216,117	469,952
Conveyance	38,545	450,150
	51,057,310	36,683,431



	30 Sep 2023	30 June 2023
	Taka	Taka
21.00 WORKERS PROFIT PARTICIPATION & WELFARE FUND:		
Balance as on 01 July	1,915,255	1,126,585
Add: Provision made during the period	70,849	788,670
	<u>1,986,104</u>	<u>1,915,255</u>
Less: Payment made during the period	-	-
Balance as on 30 September	<u>1,986,104</u>	<u>1,915,255</u>
22.00 TRADE PAYABLES:		
Abul Khair Steel Melting Ltd.	-	969,690
Al Raji Chemical	436,745	662,875
Anjum Traders	3,144,393	3,862,003
Azad Engineering Workshop	416,350	535,350
Baizid Newsprint Mills Ltd	-	127,726
Bismillah Electric & Cables	841,113	-
Cartoon Nirman Ltd.	2,358,442	2,558,442
City Lub Oil Industries Ltd.	-	261,869
Emu Enterprise	535,748	433,852
Gentech Energy	-	190,197
Gausin Enterprise	1,238,566	-
Hussain Box Industries	2,129,027	1,882,013
International Bearing Center	368,933	314,133
Islam & Brothers	1,560,620	1,343,382
Khaja Polythene Mart	-	56,165
Mamun Hardware Store	1,076,847	854,259
M/s. Dohar Chemicals	4,698,565	3,134,615
Noor Hardware Mart	-	49,091
Organic Bangladesh Corporation	-	161,560
Sakib Enterprise	-	130,670
Shah Amanat Enterprise	-	722,224
Sion Enterprise	-	17,520
STS Enterprise	1,286,081	-
S.R Packaging	4,027,893	7,441,198
Say Automation & Engineering	-	100,000
Taslima Enterprise	567,361	313,543
Unimax Chemicals	2,493,300	2,484,300
United Trading Agency	1,669,153	1,330,212
Ovi Trade & Transport	1,268,988	-
	<u>30,118,125</u>	<u>29,936,889</u>



		30 Sep 2023	30 June 2023
		<u>Taka</u>	<u>Taka</u>
23.00	<u>CURRENT TAX LIABILITIES:</u>		
	Balance as on 01 July	25,481,102	18,440,000
	Provision during the period:		
	Add: Against current period	1,624,761	7,041,101
		<u>27,105,863</u>	<u>25,481,102</u>
	Less: Adjusted with advance income tax paid	-	-
	Balance as on 30 September	<u>27,105,863</u>	<u>25,481,102</u>
23.01	<u>Computation of Provision for Income Tax:</u>		
23.01.1	Net profit before tax	1,416,983	(15,773,401)
	Less: Other income to be considered separately		
	Dividend Income	85,720	639,737
	Interest on FDR	56,263	228,600
	Miscellaneous Income	72,940	1,774,357
		<u>1,202,059</u>	<u>13,130,707</u>
	Add: Accounting depreciation	10,073,463	40,899,386
		<u>11,275,522</u>	<u>54,030,093</u>
	Add: Inadmissible expenses		
	Entertainment expenses	47,550	681,688
	Miscellaneous expenses	-	-
		<u>11,323,073</u>	<u>54,711,781</u>
	Less: Tax depreciation u/s 29	5,156,843	22,170,125
	Taxable Business Income/(loss)	<u>6,166,229</u>	<u>32,541,656</u>
	Add: Other income to be considered separately		
	Dividend Income	85,720	639,737
	Interest on FDR	56,263	228,600
	Miscellaneous Income	72,940	1,774,357
	Total taxable business Income/(loss)	<u>6,381,153</u>	<u>35,184,349</u>
	Current tax @ 20%	<u>1,276,231</u>	<u>7,036,870</u>
23.01.2	<u>Minimum Tax:</u>		
	Revenue	263,629,456 @ 0.60%	1,581,777
	Non-Operating Income	214,923 @ 20%	42,985
	Income tax provision during the period	<u>1,624,761</u>	<u>7,041,101</u>

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



	30 Sep 2023	30 June 2023
	<u>Taka</u>	<u>Taka</u>
24.00		
<u>LIABILITIES FOR OTHER FINANCE:</u>		
LT. Deducted at Source	825,257	534,821
VAT Deducted at Source	235,909	213,994
Loan From Farhana Ferdous	27,000,000	27,000,000
Loan From Farhana Tarannum	24,300,000	24,300,000
	<u>52,361,166</u>	<u>52,048,815</u>
The above loans are interest free.		
25.00		
<u>UNCLAIMED DIVIDEND:</u>		
Balance as on 1st July	3,082,193	3,010,168
Add: Dividend declared for the year 2021-2022 approved in the AGM	-	939,839
	<u>3,082,193</u>	<u>3,950,008</u>
Less: Dividend Paid during the period	-	867,815
Balance as on 30 September	<u>3,082,193</u>	<u>3,082,193</u>
An amount of Taka 10,17,423 will be transferred to capital market stabilization fund on 25 October 2023 as per Bangladesh Securities and Exchange Commission letter no: SEC/SRMIC/65-2020/part-1/182 dated July 19, 2021.		
25.01		
<u>Dividend Unclaimed for the years:</u>		
The year wise breakup of unclaimed dividend as 30 September 2023 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
2021-2022	72,024	72,024
	<u>3,082,193</u>	<u>3,082,193</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	12,034,787	10,050,000
Mr. Md. Golam Mostofa, Ex-Managing Director	3,500,000	3,500,000
Mr. Md Golam Haider, Ex-Vice Chairman	4,500,000	4,500,000
Mr. Md. Golam Morshed, Deputy Managing Director	12,248,066	7,300,000
Mr. Md. Golam Rasul Muktadir, Vice Chairman	10,018,980	7,250,000
	<u>63,101,833</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. The above loan are interest free.



	30 Sep 2023 Taka	30 Sep 2022 Taka
27.00 REVENUE FROM CONTRACTS WITH CUSTOMERS:		
Newsprint Paper	166,550,516	109,593,400
M.G. Newsprint	75,967,926	48,904,930
Tissues Paper	23,301,645	45,565,679
Khata	1,163,177	2,668,280
Gross Revenue	266,983,264	206,732,289
Less: Value Added Tax (VAT)	3,353,808	3,775,585
Net Revenue	263,629,456	202,956,704
28.00 COST OF SALES:		
Opening Stock of Raw Materials	93,594,007	60,039,218
Add: Purchase during the period	157,111,857	132,636,702
	250,705,863	192,675,920
Less: Closing Stock of Raw Materials	89,961,474	59,089,218
Raw Materials Consumed	160,744,389	133,586,702
Add: Factory overhead:		
Salaries, Wages and Allowances	13,130,037	12,151,769
Carriage Inward	372,460	94,950
Gas Bill-Boiler & Gas Generator	26,125,627	15,075,457
Electric Bill	16,798,752	8,556,058
Consumable Spare & Store	3,433,686	1,528,959
Packing Material Consumed	4,097,361	2,058,215
Factory Maintenance	2,348,625	2,293,439
Loading Unloading Charge	53,200	84,412
Cutting Expense	2,077,598	1,729,119
Mobile bill*	27,758	8,490
Fuel	133,432	75,030
Medical & Medicine	16,998	39,059
Gas Generator Upkeep	100,570	-
Boiler Upkeep	45,000	17,000
Insurance Premium	398,889	468,717
Canteen Expenses	62,753	41,833
Gas Bill- Canteen	36,905	37,660
Tea, Tiffin Expenses	188,962	100,571
Depreciation	9,938,853	9,931,026
	240,131,855	187,878,466
Add: Opening Work-in-Process	34,991,121	51,618,780
	275,122,976	239,497,246
Less: Closing Work-in-Process	29,275,078	46,021,280
Cost of Production	245,847,898	193,475,966
Add: Opening Stock of Finished Goods	176,804,878	147,219,143
	422,652,777	340,695,109
Less: Closing Stock of Finished Goods	191,949,213	154,318,643
Cost of Sales	230,703,564	186,376,466
29.00 ADMINISTRATIVE EXPENSES:		
Director Remuneration	1,500,000	651,700
Salaries & Allowances	2,068,865	2,362,600
Office Rent	90,000	67,500
Telephone & Mobile Bill	64,012	46,950
Entertainment	95,890	144,478
Tiffin and Refreshment	59,558	1,940
Travelling Expenses	635,557	369,926
Dhaka Office Expenses	35,920	15,140
Canteen Expenses	9,200	2,790
Postage & Courier	6,665	9,673
Forms, Stamp & Legal Documents	1,750	1,790

Notes-29.01



	30 Sep 2023	30 Sep 2022
	<u>Taka</u>	<u>Taka</u>
Fees, Renewal & Subscription	161,500	88,550
Printing & Stationery	33,376	26,810
Gas Bill-Head Office	3,419	2,703
Meeting Expenses	33,841	5,230
Meeting Attendance Fees	100,000	182,000
Office Maintenance	141,756	139,581
Internet Bill	31,500	31,500
Annual Subscription Fee of CDBL	56,000	-
Electric Bill- Head Office	90,000	73,202
Electric Bill- Dhaka Office	23,069	4,940
Fuel	83,928	67,688
Vehicle Upkeep	141,311	81,070
Rent, Rates & Taxes	120	5,440
Depreciation	134,610	113,421
	<u>5,601,847</u>	<u>4,496,622</u>

29.01 Key Management Personnel Compensation:

Short term employee benefits	1,500,000	651,700
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	1,500,000	651,700

(a) The above short term employee benefits includes remuneration amounting to Tk. 600,000 paid to The Managing Director, Tk. 300,000 paid to The Deputy Managing Director & Tk. 600,000 paid to The Executive Director.

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

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

(d) In addition to remuneration, Managing Directors avail company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits. No amount is lying as receivable from the directors.

30.00 SELLING & DISTRIBUTION EXPENSES:

Sales Promotion Expenses	495,394	137,372
Salaries & Allowances	4,549,597	2,827,802
Conveyance	687,550	317,085
Carriage Outward	6,424,800	7,695,150
C&F Bill-Export	10,030	9,186
Mobile bill*	245,629	126,300
Entertainment	190,470	50,699
Advertisement	50,572	-
	<u>12,654,042</u>	<u>11,163,594</u>

31.00 FINANCIAL EXPENSES:

Bank Charges	60,209	78,718
Bank Guarantee Commission	-	30,596
Interest Expenses on Cash Credit	4,587,750	4,633,388
Interest Expenses on Short Term Loan	632,281	357,677
Interest Expenses on Long Term Loan	8,116,855	4,281,253
Loan Processing Fee	-	20,000
	<u>13,397,096</u>	<u>9,401,632</u>



	30 Sep 2023	30 Sep 2022
	<u>Taka</u>	<u>Taka</u>
32.00	<u>NON-OPERATING INCOME:</u>	
	85,720	241,117
	56,263	101,391
	-	58,080
	72,940	1,184,028
	<u>214,923</u>	<u>1,584,616</u>
33.00	<u>DEFERRED TAX EXPENSES:</u>	
	49,799,906	58,944,744
	50,300,617	58,518,042
	<u>(500,712)</u>	<u>426,702</u>
34.00	<u>EARNINGS PER SHARE:</u>	
	Calculation is shown below:	
	292,933	(8,550,944)
	19,000,000	19,000,000
	0.02	(0.45)
35.00	<u>NET ASSET VALUE PER SHARE WITH REVALUATION:</u>	
	Calculation is shown below:	
	465,256,790	462,246,411
	19,000,000	19,000,000
	24.49	24.33
36.00	<u>NET ASSET VALUE PER SHARE WITHOUT REVALUATION:</u>	
	Calculation is shown below:	
	217,405,817	214,705,715
	19,000,000	19,000,000
	11.44	11.30
37.00	<u>NET OPERATING CASH FLOW PER SHARE:</u>	
	Calculation is shown below:	
	21,310,314	3,149,199
	19,000,000	19,000,000
	1.12	0.17

38.00 **Number of Employees:**

The total employees of the company as on 30 Sep 2023 stood at 407 nos. comprising Head office staff 66 nos, Factory office staff 18 nos, Security 21 nos, Driver and helper 02 nos, Permanent worker 95 nos and Temporary worker 205 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	407	463

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	184,469,070	185,906,649
Advance, Deposit and Prepayments (excluding Deposit & Prepayments.)	130,140,269	111,328,057
Bank Balances	33,082,590	22,409,414
	347,691,928	319,644,120

b) Ageing of Trade Receivables are as follows:

Below-30 Days	31,359,742	26,026,931
Within 31-60 Days	36,893,814	37,181,330
Within 61-90 Days	25,825,670	26,026,931
Within 90 - 180 Days	22,136,288	22,308,798
Above 180 Days	68,253,556	74,362,660
	184,469,070	185,906,649

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	57,699,990	-	57,699,990	57,699,990
Long Term Loan	484,401,766	82,112,132	402,289,633	484,401,766
Short Term Loan & Overdraft	236,719,286	236,719,286	-	236,719,286
Liability for Expenses	51,057,310	51,057,310	-	51,057,310
Workers Profit Participation and Welfare Fund	1,986,104	1,986,104	-	1,986,104
Trade Payables	30,118,125	30,118,125	-	30,118,125
Current Tax Liabilities	27,105,863	27,105,863	-	27,105,863
Liabilities for Other Finance	52,361,166	52,361,166	-	52,361,166
Unclaimed Dividend	3,082,193	3,082,193	-	3,082,193
Directors Current Account	63,101,833	63,101,833	-	63,101,833
Total	1,007,633,635	547,644,012	459,989,623	1,007,633,635

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	30 Sep 2023	30 Sep 2022
Installed Capacity (in M.T)	3,375	3,375
Actual Production (in M.T)	1,742	1,579
% of Capacity Utilization	52%	47%

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) Schedule maintenance of running plant etc.
- (iv) Load shedding and deficiency of electricity supply
- (v) Utilization of production capacity was increased compared to previous period due to increased of market demand etc.

41.00 RELATED PARTY TRANSACTION:

Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2023	Transaction during the period	Balance as on 30 Sep 2023
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41.01 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	13,114,175	-	13,114,175
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 Muktaadir	Vice Chairman	Loan Received	4,707,475	-	4,707,475

41.02 DIRECTORS CURRENT ACCOUNT:

Mr. Mohammed Abdullah	Ex-Chairman	Loan Received	20,800,000	-	20,800,000
Mr. Md Golam Haider	Ex-Vice Chairman	Loan Received	4,500,000	-	4,500,000
Mr. Md. Golam Kibria	Managing Director	Loan Received	10,050,000	1,984,787	12,034,787
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	7,300,000	4,948,066	12,248,066
Mr. Md. Golam Mostofa	Ex- Managing Director	Loan Received	3,500,000	-	3,500,000
Mr. Md. Golam Rasul Muktaadir	Vice Chairman	Loan Received	7,250,000	2,768,980	10,018,980

41.03 LIABILITIES FOR OTHER FINANCE:

Mrs Farhana Ferdous	Close Family Member	Loan Received	27,000,000	-	27,000,000
Mrs Farhana Tarannum	Close Family Member	Loan Received	24,300,000	-	24,300,000

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.



43.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

	30 Sep 2023	30 Sep 2022
	<u>Taka</u>	<u>Taka</u>
Profit after Provision for Income Tax	292,933	(8,550,944)
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add: Depreciation	10,073,463	10,044,447
Add: Provision for Deferred Tax Expenses	(500,712)	426,702
Add: Financial Expenses	13,397,096	9,401,632
Add: Deferred tax on unrealized gain/(loss) in investment in share	7,425	(48,494)
A	<u>23,270,205</u>	<u>11,273,343</u>
Changes in Working Capital		
(Increase)/Decrease in Inventories	(13,942,432)	(552,000)
(Increase)/Decrease in Trade Receivables	1,437,579	(6,297,674)
(Increase)/Decrease in Advance, Deposits & Prepayments	(4,886,562)	(3,904,583)
Increase/(Decrease) in Liability for Expenses	14,373,879	2,440,806
Increase/(Decrease) in Current portion of Long Term Loan	(819,202)	(2,494,315)
Increase/(Decrease) in Trade Payables	181,236	1,456,374
Increase/(Decrease) in Current Tax Liabilities	1,624,761	1,227,248
Increase/(Decrease) in Work Profit Participation Fund	70,849	-
B	<u>(1,959,890)</u>	<u>(8,124,144)</u>
Net cash inflows/(out flows) from operating activities (A+B)	<u>21,310,314</u>	<u>3,149,199</u>

