

HAKKANI PULP & PAPER MILLS LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED 31 MARCH 2024



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Financial Position (Un-Audited)

As at 31 March 2024

	Note(s)	31 March 2024 Taka	30 June 2023 Taka
ASSETS			
Non Current Assets :		882,369,468	861,182,096
Property, Plant and Equipment	4	810,112,895	788,925,523
Capital Work-In-Progress	5	72,256,573	72,256,573
Current Assets:		666,566,163	663,371,090
Investment in Shares	6	11,218,077	12,214,729
Inventories	7	323,714,061	320,603,684
Trade Receivables	8	185,509,269	185,906,649
Advances, Deposits & Prepayments	9	133,467,664	122,236,614
Cash & Cash equivalents	10	12,657,091	22,409,414
TOTAL ASSETS		1,548,935,631	1,524,553,186
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:		461,477,911	464,607,789
Share Capital	11	190,000,000	190,000,000
Dividend Equalization Reserve	12	11,237,712	11,237,712
Revaluation Reserve	13	243,748,769	249,902,074
Fair Value Reserve	6.01	(907,605)	80,141
Retained Earnings	14	17,399,034	13,387,862
Non Current Liabilities:		687,919,597	558,112,113
Unsecured Loan	15	57,699,990	57,699,990
Long Term Loan-Non Current Portion	16	538,076,038	406,011,140
Deferred Tax Liability	17	92,143,569	94,400,983
Current Liabilities:		399,538,124	501,833,284
Short Term Loan & Overdraft	18	44,683,714	216,354,265
Liability for Expenses	19	60,663,637	36,683,431
Workers Profit Participation and Welfare Fund	20	2,146,298	1,915,255
Long Term Loan-Current Portion	16.01	116,372,135	82,931,334
Trade Payables	21	32,671,210	29,936,889
Current Tax Liabilities	22	30,601,848	25,481,102
Liabilities for Other Finance	23	52,365,626	52,048,815
Unclaimed Dividend	24	1,531,824	3,082,193
Directors Current Account	25	58,501,833	53,400,000
Total Liabilities		1,087,457,720	1,059,945,397
TOTAL EQUITY & LIABILITIES		1,548,935,631	1,524,553,186
Net Asset Value Per Share (with revaluation)	34	24.29	24.45
Net Asset Value Per Share (without revaluation)	35	11.46	11.30


The accounting policies and annexed notes from 1 to 42 an integral part of these financial statements.


CHAIRMAN


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


CFO


COMPANY SECRETARY

Place: Chattogram

Date: April 29, 2024



HAKKANI PULP & PAPER MILLS LIMITED
Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)
For the period ended 31 March 2024

Note(s)	Third quarter Ended			Quarter Ended	
	Jul 23-Mar 24	Jul 22-Mar 23	Jan 24-Mar 24	Jan 23-Mar 23	
26	815,477,291	835,474,198	252,312,229	334,047,004	
27	(708,687,367)	(752,205,468)	(223,318,601)	(292,863,976)	
	106,789,924	83,268,730	28,993,628	41,183,028	
Operating Expenses:					
Administrative Expenses	(16,855,883)	(17,779,793)	(4,562,737)	(5,736,818)	
Selling & Distribution Expenses	(42,124,552)	(44,248,453)	(14,057,438)	(21,777,604)	
	(58,980,435)	(62,028,246)	(18,620,175)	(27,514,422)	
Profit from Operation	47,809,489	21,240,484	10,373,453	13,668,606	
Financial Expenses	(44,096,994)	(30,189,608)	(16,043,304)	(9,219,765)	
Non-Operating Income	1,139,412	2,299,320	782,755	445,367	
Net Profit Before WPPF & WWF	4,851,907	(6,649,804)	(4,887,095)	4,894,207	
Contribution to WPPF & Welfare Funds	(231,043)	-	232,719	-	
Net profit before Tax	4,620,864	(6,649,804)	(4,654,376)	4,894,207	
Income Tax Provision:					
Current Tax	(5,120,746)	(5,026,641)	(1,544,180)	(2,006,954)	
Deferred Tax	1,071,872	(1,663,806)	315,578	(647,504)	
	(4,048,874)	(6,690,447)	(1,228,602)	(2,654,458)	
Net profit after Tax	571,990	(13,340,251)	(5,882,978)	2,239,749	
Other Comprehensive Income:					
Deferred Tax on Revaluation Reserve	1,085,877	1,159,996	361,959	386,665	
Unrealized Gain/ (Loss) on Investment in Shares	(987,746)	(431,983)	(957,326)	30,796	
Deferred Tax on unrealised gain/(loss)	(99,665)	(43,198)	(95,733)	3,080	
Total Comprehensive Income	570,456	(12,655,437)	(6,574,077)	2,660,290	
Earnings Per Share - Basic (per value of Tk. 10)	0.03	(0.70)	(0.31)	0.12	

The accounting policies and annexed notes from 1 to 42 an integral part of these financial statements.

Chairman
CHAIRMAN

MANAGING DIRECTOR

DEPUTY MANAGING DIRECTOR

CFO

COMPANY SECRETARY



Place: Chattogram
Date: April 29, 2024

HAKKANI PULP & PAPER MILLS LIMITED
Statement of Changes in Equity (Un-Audited)
For the period ended 31 March 2024

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	249,902,074	80,141	13,387,862	464,607,789
Adjustment of depreciation on carrying amount of revalued assets	-	-	(7,239,182)	-	7,239,182	-
Deferred Tax on Revaluation Surplus	-	-	1,085,877	-	-	1,085,877
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(987,746)	-	(987,746)
Dividend for the year 2022-2023	-	-	-	-	(3,800,000)	(3,800,000)
Net Profit after Tax	-	-	-	-	571,990	571,990
Balance as on 31 March 2024	190,000,000	11,237,712	243,748,769	(907,605)	17,399,034	461,477,911

For the period ended 31 March 2023

Balance as at 01 July 2022	190,000,000	12,258,779	258,666,486	457,727	(13,836,066)	447,546,925
Adjustment of depreciation on carrying amount of revalued assets	-	-	(7,733,304)	-	7,733,304	-
Deferred Tax on Revaluation Surplus	-	-	1,159,996	-	-	1,159,996
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(431,983)	-	(431,983)
Dividend for the year 2021-2022	-	(1,021,087)	-	-	-	(1,021,087)
Net Profit after Tax	-	-	-	-	(13,340,251)	(13,340,251)
Balance as on 31 March 2023	190,000,000	11,237,693	252,093,178	25,744	(19,443,013)	433,913,601


 CHAIRMAN


 MANAGING DIRECTOR


 DEPUTY MANAGING DIRECTOR


 CFO


 COMPANY SECRETARY

The accounting policies and annexed notes from 1 to 42 an integral part of these financial statements.

Place: Chattogram
 Date: April 29, 2024



HAKKANI PULP & PAPER MILLS LIMITED

Statement of Cash Flows (Un-Audited)

For the period ended 31 March 2024

	Note(s)	Jul 23-Mar 24 Taka	Jul 22-Mar 23 Taka
A. Cash flows from Operating Activities:			
Cash Collection from Turnover & Others		817,014,083	840,449,194
Payment for Material and Expenses		(683,691,007)	(803,977,424)
Income Tax Paid		(2,607,021)	(4,690,466)
Net Cash flows from Operating Activities	42	130,716,054	31,781,304
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(52,695,683)	(15,216,874)
Capital Work-In-Progress		-	(9,331,585)
Advance for Machinery		(4,138,323)	(16,012,705)
Net cash flows from Investing Activities		(56,834,006)	(40,561,164)
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		(171,670,551)	15,004,638
Long Term Loan		132,064,897	8,672,752
Interest charge		(44,096,994)	(30,189,608)
Unsecured Loan Received		-	(600,000)
Directors Current Account		5,101,833	-
Liabilities for Other Finance		316,811	4,980,937
Unclaimed dividend paid to CMSF		(1,891,524)	-
Dividend Paid		(3,458,845)	(867,815)
Net Cash flows from Financing Activities		(83,634,372)	(2,999,096)
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		(9,752,323)	(11,778,956)
E. Opening Cash and Bank Balances		22,409,414	24,776,393
Closing Cash and Bank Balances (D+E)		12,657,091	12,997,437
F. Net Operating Cash Flows Per Share (NOCFPS)	36	6.88	1.67

The accounting policies and annexed notes from 1 to 42 an integral part of these financial statements.


CHAIRMAN


MANAGING DIRECTOR


DEPUTY MANAGING DIRECTOR


CFO


COMPANY SECRETARY

Place: Chattogram

Date: April 29, 2024



HAKKANI PULP & PAPER MILLS LIMITED
Notes to the Financial Statements (Un-Audited)
For the period ended 31 March 2024

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 PLC and Chittagong Stock Exchange PLC.

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, 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 2018

The Securities and Exchange Ordinance, 1969

The Securities and Exchange Rules, 2020

The Corporate Governance Code 2018

The Dhaka Stock Exchange & Chittagong Stock Exchange (Listing) Regulations 2015

The Financial Reporting Act, 2015



2.03 Applicable Accounting Standards:

The following IASs and IFRSs are applicable for the Financial Statements for the period under review:

IAS - 01	Presentation of Financial Statements
IAS - 02	Inventories
IAS - 07	Statement of Cash Flows
IAS - 08	Accounting Policies, Changes In Accounting Estimates and Errors
IAS - 10	Events after the Reporting period
IAS - 12	Income Taxes
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
IAS - 38	Intangible 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. A Statement of Financial Position as at 31 March 2024.
- b. A Statement of Profit or Loss and other Comprehensive Income for the period ended 31 March 2024.
- c. A Statement of changes in equity for the period ended 31 March 2024.
- d. A Statement of Cash flows for the period ended 31 March 2024.
- 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 29 April 2024.

2.06 Reporting Period:

The financial statements of the Company cover nine months from 1 July 2023 to 31 March 2024.

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: 04 Property, Plant and Equipment
- Note: 08 Trade Receivables
- Note : 9 Advances, Deposits & Prepayments
- Note: 17 Deferred Tax Liability
- Note : 21 Trade Payables
- Note: 22 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 compressive income in accordance with paragraph 5.7.5 of IFRS-9.

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

3.05 Inventories:

3.05.01 Nature of inventories

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

3.05.02 Valuation of the inventories

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

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



- 3.06 Trade and Other Receivables:**
Trade and other receivables are recognized at cost which is the fair value of the consideration given in return.
- 3.07 Advances, deposits and prepayments:**
Advances are measured at cost. After recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.
Deposits are measured at payment value.
Prepayments are initially measured at cost.
- 3.08 Cash and cash equivalents:**
Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term fixed deposits with banks.
- 3.09 Trade and other payable**
The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the group of resources embodying economic benefits.
- 3.10 Other liabilities:**
Other liabilities represents the amounts due to various parties for receiving services. These are initially recognize date cost which is the fair value.
- 3.11 Cash flows statement :**
Statement of cash flows is prepared in accordance with IAS-7: Cash Flows Statement and the cash flows from operating activities have been presented under direct method.
- 3.12 Employee benefit schemes:**
The company maintains Workers' Profit Participation Fund and Workers' Welfare Fund @ 5% profit before tax as per Labor Act, 2006 as amended in 2018 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 **PROPERTY, PLANT & EQUIPMENT:**

	31 March 2024	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	52,695,683	34,329,634
Less: Adjustment during the period	-	-
Balance as on 31 March	<u>1,386,446,592</u>	<u>1,333,750,909</u>
Less: Accumulated depreciation	576,333,697	544,825,385
Written down value as on 31 March	<u>810,112,895</u>	<u>788,925,523</u>

(a) Details of Group Wise Property, Plant & Equipment with cost, addition and adjustment during the period, depreciation and written down value are shown at Note-4.01



4.01 PROPERTY, PLANT & EQUIPMENT:

(Amount in Taka)

Particulars	C			Rate of Dep.	D E P R E C I A T I O N			Written Down Value as on 31 Mar 2024
	Balance as on 01 July 2023	Addition during the period	Disposal/ Adjustment during the period		Balance as on 01 July 2023	Charged during the period	Disposal/ Adjustment during the period	
At Cost								
Land & Land Development	43,933,392	96,570	-	-	-	-	-	44,029,962
Building & Other Construction	183,233,208	14,252,798	-	5%	58,214,035	5,082,231	63,296,265	134,189,741
Plant & Machinery	567,559,955	19,840,159	-	7%	269,693,589	16,151,387	285,844,976	301,555,137
Furniture & Fixture	2,013,180	151,619	-	10%	808,185	99,001	907,186	1,257,613
Office Equipment	4,292,943	181,700	-	10%	2,360,592	156,441	2,517,033	1,957,610
Electric Installation	32,786,357	17,247,028	-	10%	15,326,004	1,948,965	17,274,969	32,758,416
Gas Line Installation	3,932,191	-	-	10%	3,169,433	57,207	3,226,640	705,551
Telephone Line Installation	132,263	-	-	10%	105,766	1,987	107,753	24,510
Water Line Installation	7,476,933	911,310	-	10%	4,915,544	232,458	5,148,002	3,240,241
Fire Extinguisher	111,870	-	-	20%	102,242	1,444	103,686	8,184
Office Decoration	1,967,029	-	-	10%	833,134	85,042	918,176	1,048,853
Vehicle Car	3,011,672	-	-	20%	2,596,381	62,294	2,658,675	352,997
Motor Vehicle	4,584,496	-	-	20%	3,020,304	234,629	3,254,933	1,329,563
Factory Equipment	1,653,900	14,500	-	20%	621,096	156,044	777,139	891,261
"A"	856,689,289	52,695,683	-		361,766,307	24,269,129	386,035,436	523,349,636
At Revaluation								
Land & Land Development	139,028,020	-	-	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	5%	50,865,522	2,242,437	53,107,960	57,555,889
Plant & Machinery	227,369,650	-	-	7%	132,193,556	4,996,745	137,190,301	90,179,349
"B"	477,061,519	-	-		183,059,079	7,239,182	190,298,261	286,763,258

Grand total as on 31 Mar 2024 (A+B)

As on 30 June 2023

As on 31 March 2023

31 Mar 2023
Taka

31 Mar 2024
Taka



Allocation of Depreciation :-
Administrative Expenses 356,950
Factory Overhead 30,083,869
Taka = 30,440,819

1,333,750,909 52,695,683 - 1,386,446,592 544,825,385 31,508,311 576,333,697 810,112,895

1,299,421,275 34,329,634 - 1,333,750,908 503,926,000 40,899,386 488,925,385 788,925,523

1,299,421,275 15,216,874 - 1,314,638,149 503,926,000 30,440,819 534,366,818 780,271,330

	31 March 2024 Taka	30 June 2023 Taka
5.00 CAPITAL WORK-IN-PROGRESS:		
Capital Work-In-Progress	72,256,573	72,256,573
Balance as on 31 March	72,256,573	72,256,573

5.01 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

6.00 INVESTMENT IN SHARES:

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

Name of company	No. of Shares	Cost Value as on 31 Mar 2024	Market Value as on 31 Mar 2024	Unrealized gain/ (loss)
Beximco Pharma Ltd.	3,500	138,855	407,400	268,545
Brac Bank Ltd.	13,993	158,299	563,918	405,619
DESCO Ltd.	5,000	238,287	126,500	(111,787)
Dhaka Bank Ltd.	28,874	210,234	334,938	124,704
Exim Bank Ltd.	53,401	1,080,863	507,310	(573,553)
Grameenphone Ltd.	10,700	3,995,855	2,523,060	(1,472,795)
Islami Bank Bangladesh Ltd.	10,570	376,381	344,582	(31,799)
Jamuna Oil Company Ltd.	2,299	271,136	400,256	129,120
Lafarge Holcim Bangladesh Ltd.	10,000	805,409	688,000	(117,409)
Meghna Petroleum Ltd.	2,402	249,369	477,037	227,668
Mercantile Bank Ltd.	13,989	118,778	172,065	53,286
Mutual Trust Bank Ltd.	23,350	207,749	340,910	133,161
National Bank Ltd.	82,779	902,974	596,009	(306,965)
One Bank Ltd.	38,679	296,251	317,168	20,917
Premier Bank Ltd.	5,527	32,062	74,615	42,552
Shahjalal Islami Bank Ltd.	41,135	249,341	839,154	589,813
Square Pharma Ltd.	9,200	1,826,477	2,001,920	175,443
Standard Bank Ltd.	22,085	200,804	159,012	(41,792)
Titas Gas Ltd.	13,250	766,559	344,225	(422,334)
Total	390,733	12,125,683	11,218,077	(907,605)

6.02 Gain/ (Loss) on Investment in Shares:

Unrealized Gain/ (Loss) Closing	(907,605)	89,046
Less: Unrealized Gain/ (Loss) Opening	89,046	457,727
Add: Deferred tax Opening	8,905	-
Gain/ (Loss) on Investment in Shares during the period	(987,746)	(368,681)

7.00 INVENTORIES:

a) Raw Materials

Wastage Paper	58,229,780	75,801,267
Chemicals Items	28,231,472	17,792,740
	86,461,252	93,594,007

b) Finished Goods

Newsprint Paper	66,903,408	64,240,730
Medium Paper	761,278	1,085,643
Khata	5,589,782	4,627,749
Tissue Papers	98,837,480	106,850,757
	172,091,948	176,804,879

c) Work-In-Process

d) Consumable Spare & Store

e) Packing Material

Work-In-Process	37,328,047	34,991,121
Consumable Spare & Store	8,759,758	5,141,072
Packing Material	19,073,056	10,072,606
Total (a+b+c+d+e)	323,714,061	320,603,684



31 March 2024

30 June 2023

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- (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.

8.00 TRADE RECEIVABLES:

A B Trading Corporation		184,435	-
Al- Madina Paper House		332,485	2,973,273
Anupam Traders		3,165,778	29,244
AR Trading		3,295,357	40,893
Absar Store		-	183,672
Agrani Printing Press		1,890,122	1,740,122
Anik Traders		419,245	479,245
A.S. Enterprise		149,075	109,075
AG Paper House		2,432,079	481,435
Avoy Enterprise		4,247,551	2,484,038
Babul Store	Note: 8.04	41,615,949	41,615,949
Barcode Restaurant Group		230,692	47,426
Bhai Bhai Store		566,814	639,824
Bhai Bhai Traders		569,456	649,456
Bio Pharmaceutical Ltd.		-	100,968
Chandpur Paper House		7,011,405	159,228
CGT Tissue		630,638	645,638
Eastern Paper House		6,281,288	6,421,288
Epic Health Care		233,011	182,612
Fuluwang Limited		1,637,816	1,747,816
Garibe Newaj Traders		566,495	666,495
Habib Enterprise		454,941	2,205
Handi Restaurant		148,080	106,811
Hazarat Shahajan Shah Stationary House		239,882	430,335
Health Point Hospital		65,083	36,226
Hotel Zaman		140,688	100,412
Ibn Sina Hospital		102,524	147,029
Intimate Apparels Ltd		235,009	76,496
Jogonnata Store		148,703	108,427
J M I Group		-	77,193
Mollah Store		-	722,272
M/S. Helal Enterprise		316,906	376,906
M/S Nur Enterprise		-	988,271
M/S. Rafiq Library		1,050,853	1,300,853
M/S. Razzak Traders		203,667	163,667
M J Paper House		6,817,783	5,419,403
Molla Traders		1,524,307	199,707
New City Gold		280,011	440,153
Nur Nahar Traders		154,052	184,052
Oniruddho Trading		2,025,394	269,907
Oriental Paper House		-	111,440
Rapid Pack Limited		5,320,900	5,104,218
Robin Enterprise		597,183	533,257
Rubel & Sons		2,710,191	3,394,861



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
Resimax Industries Ltd.	259,230	1,246,730
RM Trade International	3,221,447	3,771,947
Sajib Enterprise	2,730,226	3,380,826
Shahnaj Trading Corporation	407,052	182,793
Sikandar Para Banijik Songasta	1,931,288	924,814
S.K Traders	263,056	719,514
Sabbir Enterprise	142,342	202,342
Shapla Traders	-	111,667
Shohan Enterprise	461,950	1,536,800
Tanvir Enterprise	3,621,887	3,048,979
Transcom Food Ltd	-	162,862
Walton Hi-Tech Industries Ltd.	-	124,385
Other Receivables	74,474,943	88,801,193
	<u>185,509,269</u>	<u>185,906,649</u>
8.01 Ageing of Trade Receivables:		
Below-30 Days	31,536,576	26,026,931
Within 31- 60 Days	37,101,854	37,181,330
Within 61 - 90 Days	25,971,298	26,026,931
Within 90 - 180 Days	22,261,112	22,308,798
Above 180 Days	68,638,430	74,362,660
	<u>185,509,269</u>	<u>185,906,649</u>
8.02 Trade Receivables are occurred in the ordinary course of business.		
8.03 Trade Receivables are unsecured but considered good by the management.		
8.04 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.		
9.00 <u>ADVANCES, DEPOSITS & PREPAYMENTS:</u>		
Advance Against Income Tax (Note: 9.01)	41,454,694	38,847,673
Advance Against Salary & Wages (Note: 9.02)	550,207	196,207
Advance Against Expenditure (Note: 9.03)	24,635,762	26,446,879
Advance Against L/C (Note: 9.04)	44,685,253	38,735,814
Advance Against Purchase (Note: 9.05)	8,034,150	7,101,484
Deposits and Prepayments (Note: 9.06)	14,107,597	10,908,557
	<u>133,467,664</u>	<u>122,236,614</u>
9.01 <u>Advance Against Income Tax</u>		
Advance Income Tax Paid	14,080,922	11,686,440
Advance Income Tax - Import	1,825,030	1,709,741
Advance Income Tax - Export	458,787	482,661
Advance Income Tax Deducted at Source	23,718,266	23,652,043
Advance Income Tax Deducted at Source (Dividend Income)	1,366,875	1,311,974
Advance Income Tax Deducted at Source (Bank Deposits)	4,815	4,815
	<u>41,454,694</u>	<u>38,847,673</u>
9.02 <u>Advance Against Salary & Wages</u>	<u>550,207</u>	<u>196,207</u>
9.03 <u>Advance Against Expenditure</u>		
Anima Development Limited Note: 9.03.01	-	7,785,549
VAT Return	205,255	14,358
Lanka Bangla Securities Ltd.	138,884	199
City Brokerage Ltd.	127,169	127,619
Bank Gaurantee Margin	628,923	628,923
Advances for spares parts and other materials	23,535,531	17,890,232
	<u>24,635,762</u>	<u>26,446,879</u>
9.03.01 This represents advance to Anima Development Limited against purchase of office space for Dhaka Office which is yet to be registered		
9.04 <u>Advance Against L/C</u>	<u>44,685,253</u>	<u>38,735,814</u>



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
9.05 <u>Advance Against Purchase</u>		
Arif Traders	245,900	2,949,154
Munna Enterprise	5,386,537	1,558,567
Shah Godi Enterprise	2,401,713	2,593,763
	8,034,150	7,101,484
9.06 <u>Deposits</u>		
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 (Gramcenphone)	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
	14,107,597	10,908,557

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.

10.00 CASH & CASH EQUIVALENTS:

Cash In Hand

At Head Office
At Dhaka Office
At Factory

420,069	16,426,002
10,000	10,000
30,000	30,000
460,069	16,466,002

Cash at Banks

Al Arafah Islami Bank PLC, Khulshi Branch, CD A/C-2091020000689
Bangladesh Krishi Bank Ltd., Agrabad Branch, CD A/C-2903-0210014807
First Security Islami Bank PLC, Agrabad Branch, STD A/C - 010413100000463
Social Islami Bank PLC, Agrabad Branch, STD Account-41300458
Social Islami Bank PLC, Agrabad Branch, CD A/C - 0041330027978
Southeast Bank PLC, Pahartali Branch, CD A/C - 004111100007246
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103
Premier Bank PLC., Agrabad Branch, CD A/C No-010311100015243
Premier Bank PLC., CEPZ Branch, CD A/C No-016711100000103
Prime Bank PLC., Laldighi East Branch, CD A/C -14511090025949 /5816
Islami Bank Bangladesh PLC, Agrabad Branch, CD A/C No-20501030100588315
Trust Bank Ltd., CDA Avenue branch, CD A/C No-00200210009922
Standard Bank PLC., Jubilee Road Branch, CD A/C No-01233005212
United Commercial Bank PLC, Pahartali Branch, CD A/C-No 01000000078
Eastern Bank PLC, Agrabad Branch, CD A/C No-11071082755
Pubali Bank PLC, Pahartali Branch, CD A/C No-825901027548
Dutch Bangla Bank PLC, Agrabad Branch, CD A/C No- 1021100040340

7,978	8,323
995	1,340
57,402	57,311
347,040	81,180
301,932	21,074
6,765	-
685,698	-
281,946	222,442
-	90,001
50,641	-
1,059,442	812,765
7,366	9,653
57,769	63,336
165,814	140,717
289,302	787
1,483,475	371,267
889,453	173,830
5,693,018	2,054,025

Fixed Deposit With Banks

Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000495044
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000538124
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000443135
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410001438299
Bangladesh Krishi Bank Ltd., Agrabad Branch, A/C # 29030330045646
Social Islami Bank PLC, Agrabad Branch, A/C # 0045330035138
Pubali Bank PLC, Pahartali Branch, A/C # 0825104032609

404,915	391,884
509,924	493,515
818,951	792,597
2,528,000	-
244,642	235,401
434,298	409,715
1,563,275	1,566,275
12,657,091	22,409,414



31 March 2024

30 June 2023

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(a) Cash in hand balance was duly certified

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

10.01 INVESMENT IN FIXED DEPOSIT RECEIPT (FDR):

Particulars	Tenure	Purpose	Rate of Interest	Taka	Taka
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000495044	One Year	Guarantee	6%	404,915	391,884
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000538124	One Year	Guarantee	6%	509,924	493,515
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000443135	One Year	Guarantee	5%	818,951	792,597
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410001438299	One Year	Guarantee	4.75%	2,528,000	-
Bangladesh Krishi Bank Ltd., Agrabad Branch, A/C # 29030330045646	One Year	Guarantee	6%	244,642	235,401
Social Islami Bank PLC, Agrabad Branch, A/C # 0045330035138	One Year	Guarantee	9.5%	434,298	409,715
Pubali Bank PLC, Pahartali Branch, A/C # 0825104032609	One Year	Guarantee	6%	1,563,275	1,566,275
Total				6,504,004	3,889,387



	31 March 2024	30 June 2023
	Taka	Taka
11.00 SHARE CAPITAL:		
11.01 Authorized:		
50,000,000 Ordinary shares of Tk. 10.00 each.	<u>500,000,000</u>	<u>500,000,000</u>
11.02 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>

11.03 The break up of share holdings as on 31 Mar 2024 :-

Description	No of shares 31 Mar 2024	% of shares holding 31 Mar 2024	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

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

Range of Holdings	No. of Shareholders		No. of Shares		Holding %	
	31 March 2024	30 June 2023	31 March 2024	30 June 2023	31 March 2024	30 June 2023
Less than 500 shares	2,288	2,441	435,301	460,644	2.29	2.13
501 to 5,000 Shares	1,845	1,725	3,247,655	3,109,019	17.09	16.66
5,001 to 10,000 Shares	248	210	1,843,871	1,547,282	9.70	7.69
10,001 to 20,000 Shares	103	92	1,451,864	1,287,713	7.64	7.49
20,001 to 30,000 Shares	32	28	784,799	675,138	4.13	5.84
30,001 to 40,000 Shares	6	8	215,239	285,360	1.13	2.25
40,001 to 50,000 Shares	6	15	269,516	671,897	1.42	1.44
50,001 to 100,000 Shares	16	13	994,227	778,011	5.23	6.93
100,001 to 1,000,000 Shares	14	15	6,724,196	7,151,604	35.39	27.28
Over 1,000,000 Shares	2	2	3,033,332	3,033,332	15.96	22.28
Total	4,560	4,549	19,000,000	19,000,000	100	100

11.05 Market price of Shares:

The shares of the company are listed with Dhaka Stock Exchange PLC & Chittagong Stock Exchange PLC and quoted at Tk. 57.10 on 31 March 2024 (Face value Tk. 10.00)



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
12.00		
<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 31 March	<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.		
13.00		
<u>REVALUATION RESERVE:</u>		
A revaluation of Land , Buildings and Plant and Machinery has been made during the financial year 2010-2011 by M/S. G. K. Adjusters, a professional valuer and the surplus amount of these assets were transferred to Revaluation Reserve Account. Breakup of such surplus is as follows:		
Land and land development	139,028,020	139,028,020
Factory Building & Other Civil Constructions	110,663,849	110,663,849
Plant & Machinery	227,369,650	227,369,650
	<u>477,061,519</u>	<u>477,061,519</u>
Less: Depreciation on Revalued Assets till 31.03.2024 (Note-4.01)	190,298,261	183,059,079
	<u>286,763,258</u>	<u>294,002,440</u>
Less : Adjustments for Deferred Tax @15%	43,014,489	44,100,366
Balance as on 31 March	<u>243,748,769</u>	<u>249,902,074</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		
14.00		
<u>RETAINED EARNINGS:</u>		
Balance as on 01 July	13,387,862	(13,836,066)
Less: Dividend declared for the year 2022-2023 as approved in the AGM	3,800,000	-
	<u>9,587,862</u>	<u>(13,836,066)</u>
Add: Net profit/(loss) after tax	571,990	16,912,856
	<u>10,159,852</u>	<u>3,076,790</u>
Add: Revaluation Surplus Realized (Note-4.01)	7,239,182	10,311,072
Balance as on 31 March	<u>17,399,034</u>	<u>13,387,862</u>
15.00		
<u>UNSECURED LOAN:</u>		
Mr. Mohammed Abdullah, Ex-Chairman	19,448,060	19,448,060
Mrs. Hosne Ara Begum, Director	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, 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.		
16.00		
<u>LONG TERM LOAN:</u>		
Loan Under BMRE of Existing Projects	191,588,383	197,823,602
Loan Under Tissue Projects	243,936,607	247,891,225
Bai Muazzal Term loan	211,637,957	34,083,000
Term Loan	7,285,225	9,144,647
	<u>654,448,172</u>	<u>488,942,474</u>



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
16.01 <u>LONG TERM LOAN- MATURITY ANALYSIS:</u>		
Due within the period- Current Portion	116,372,135	82,931,334
Due after more than the period- Non-Current Portion	538,076,038	406,011,140
	<u>654,448,172</u>	<u>488,942,474</u>

16.02 **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 11.89% 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 @ 11.89% 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.

17.00 **DEFERRED TAX LIABILITY:**

Balance as on 01 July	50,300,617	58,518,042
Deferred Tax (Income)/ Expenses for the period -(Note-17.01)	(1,071,872)	(8,180,556)
Investment in shares (Note-17.02)	(99,665)	(36,868)
	<u>49,129,080</u>	<u>50,300,617</u>
Add: Deferred Tax for Revaluation Surplus (Note-13.00)	43,014,489	44,100,366
Balance as on 31 March	<u>92,143,569</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 31.03.2024 has been shown at **Note-17.01 & 17.02.**

17.01 **Calculation of Deferred Tax Liability**

(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 31 Mar	479,319,674	450,989,690
(b) Tax Based Property, Plant and Equipment	<u>233,220,473</u>	<u>199,531,128</u>
(c) Net Taxable Temporary Differences (a-b)	<u>246,099,202</u>	<u>251,458,563</u>
(d) Deferred Tax liability at effective Tax Rate 20%	<u>49,219,840</u>	<u>50,291,713</u>
(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	<u>(1,071,872)</u>	<u>(8,180,556)</u>

Carrying amount of Property, Plant & Equipment represents net written down value of assets as on 31.03.2024

17.02 **Investment in Shares**

(a) Market value of Investment in Shares as on 31 Mar	11,218,077	12,214,729
(b) Cost value of Investment in Shares as 31 Mar	<u>12,125,683</u>	<u>12,125,683</u>
(c) Net Taxable Temporary Differences (a-b)	<u>(907,606)</u>	<u>89,046</u>
(d) Deferred Tax liability at effective Tax Rate 10%	<u>(90,761)</u>	<u>8,905</u>
(e) Deferred Tax expense/(income) on Net Taxable Temporary dif	<u>(99,665)</u>	<u>(36,868)</u>



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
18.00 <u>SHORT TERM LOAN AND OVERDRAFT:</u>		
Social Islami Bank PLC, Agrabad Branch- Bai Muazzal Commercial(CC)	-	160,872,236
Mercantile Bank PLC. A.K Khan Branch-Cash Credit (CC) Hypo	33,120,397	39,292,941
Biam Wes Bills, MBE & LATR Loan from Social Islami Bank PLC	-	14,648,701
National Bank Ltd, Pahartali Branch- CD A/C-005533008427/54103	-	91,207
Prime Bank PLC, Laldighi East Branch, CD A/C -14511090025949 /5816	-	67,385
LATR , Sight LC Loan From Mercantile Bank PLC	2,780,034	-
UPAS Loan from Mercantile Bank PLC	8,047,988	-
Other Short Term Loan	735,295	1,381,795
	44,683,714	216,354,265

18.01 Short Term Borrowing:

Particulars	Note	31 March 2024	30 June 2023
		Taka	Taka
Short term loan and overdraft	18.00	44,683,714	216,354,265
Long term loan-current portion	16.01	116,372,135	82,931,334
Total		161,055,849	299,285,599

(a) Bai-Muazzal (Commercial Trading)-CC Loan was sanctioned by the Social Islami Bank PLC, Agrabad Branch on the date of 5th May, 2015. It is renewable.

(b) Cash Credit (Hypo) was sanctioned by the Mercantile Bank PLC, 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) Mercantile Bank PLC Loan bears interest @ 11.89% p.a.

(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 PLC.

19.00 LIABILITY FOR EXPENSES:

Audit Fee	529,250	411,750
Directors Remuneration	1,032,800	1,492,800
Electricity Bill	16,889,646	6,567,971
Gas Bill-Boiler & Gas Generator	28,322,970	14,135,791
Gas Bill-Factory Canteen	19,380	19,306
Gas Bill-Head Office	2,424	1,124
Fooding Expenses-Head Office	-	120,649
Office Rent	750,000	825,000
Overtime	2,736,045	2,251,473
Salaries & Allowances-Dhaka Office	95,500	95,500
Salaries & Allowances-Head Office	865,656	951,882
Salaries & Allowances-Factory	600,869	977,527
Wages & Allowances	4,885,615	4,540,849
Salaries & Allowances-Sales & Marketing	3,681,536	3,371,707
Fooding Expenses	213,401	469,952
Conveyance	38,545	450,150
	60,663,637	36,683,431



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
20.00 WORKERS PROFIT PARTICIPATION & WELFARE FUND:		
Balance as on 01 July	1,915,255	1,126,585
Add: Provision made during the period	231,043	788,670
	2,146,298	1,915,255
Less: Payment made during the period	-	-
Balance as on 31 March	2,146,298	1,915,255
21.00 TRADE PAYABLES:		
Abul Khair Steel Melting Ltd.	954,690	969,690
Al Raji Chemical	1,058,815	662,875
Anjum Traders	4,449,753	3,862,003
Azad Engineering Workshop	643,350	535,350
Baizid Newsprint Mills Ltd	-	127,726
Cartoon Nirman Ltd.	1,558,442	2,558,442
City Lub Oil Industries Ltd.	-	261,869
Emu Enterprise	456,045	433,852
Gentech Energy	-	190,197
Hossain Box Industries	2,066,635	1,882,013
International Bearing Center	413,193	314,133
Islam & Brothers	2,028,026	1,343,382
Khaja Polythene Mart	863,259	56,165
Mamun Hardware Store	863,259	854,259
M/s. Dohar Chemicals	4,588,965	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
S.R Packaging	4,373,071	7,441,198
Say Automation & Engineering	-	100,000
Taslima Enterprise	3,153,132	313,543
Unimax Chemicals	3,328,300	2,484,300
United Trading Agency	1,872,276	1,330,212
	32,671,210	29,936,889



		31 March 2024	30 June 2023
		<u>Taka</u>	<u>Taka</u>
22.00	<u>CURRENT TAX LIABILITIES:</u>		
	Balance as on 01 July	25,481,102	18,440,000
	Provision during the period:		
	Add: Against current period	5,120,746	7,041,101
		30,601,848	25,481,102
	Less: Adjusted with advance income tax paid	-	-
	Balance as on 31 March	30,601,848	25,481,102
22.01	<u>Computation of Provision for Income Tax:</u>		
22.01.1	Net profit before tax	4,620,864	15,773,401
	Less: Other income to be considered separately		
	Dividend Income	274,514	639,737
	Interest on FDR	124,747	228,600
	Miscellaneous Income	740,150	1,774,357
		3,481,452	13,130,707
	Add: Accounting depreciation	31,508,311	40,899,386
		34,989,763	54,030,094
	Add: Inadmissible expenses		
	Entertainment expenses	-	681,688
		34,989,763	54,711,782
	Less: Tax depreciation u/s 29	18,909,768	22,170,125
	Taxable Business Income/(loss)	16,079,995	32,541,656
	Add: Other income to be considered separately		
	Dividend Income	274,514	639,737
	Interest on FDR	124,747	228,600
	Miscellaneous Income	740,150	1,774,357
	Total taxable business Income/(loss)	17,219,407	35,184,350
	Current tax @ 20%	3,443,881	7,036,870
22.01.2	<u>Minimum Tax:</u>		
	Revenue	815,477,291 @ 0.60%	4,892,864
	Non-Operating Income	1,139,412 @ 20%	528,539
	Income tax provision during the period	5,120,746	7,041,101

Compared with tax on business income and minimum tax higher one has been made provision for income tax U/S 163.



	31 March 2024	30 June 2023
	<u>Taka</u>	<u>Taka</u>
23.00		
<u>LIABILITIES FOR OTHER FINANCE:</u>		
I.T. Deducted at Source	820,040	534,821
VAT Deducted at Source	245,586	213,994
Loan From Farhana Ferdous-Director	27,000,000	27,000,000
Loan From Farhana Tarannum	24,300,000	24,300,000
	<u>52,365,626</u>	<u>52,048,815</u>
The above loans are interest free.		
24.00		
<u>UNCLAIMED DIVIDEND:</u>		
Balance as on 1st July	3,082,193	3,010,168
Add: Dividend declared for the year 2022-2023 approved in the AGM	3,800,000	939,839
	<u>6,882,192</u>	<u>3,950,008</u>
Less: Unclaimed dividend paid to CMSF *	1,891,524	-
	<u>4,990,668</u>	<u>3,950,008</u>
Less: Dividend Paid during the period	3,458,845	867,815
Balance as on 31 March	<u>1,531,824</u>	<u>3,082,193</u>
**An amount of Taka 18,91,524 transferred to capital market stabilization fund on 22 December 2023 as per Bangladesh Securities and Exchange Commission letter no: SEC/SRMIC/65-2020/part-1/182 dated July 19, 2021.		
24.01		
<u>Year wise Unclaimed Dividend:</u>		
The year wise breakup of unclaimed cash dividend as 31 March 2024 are as follows:		
2004-2005 to 2016-2017	-	2,490,152
2017-2018	-	305,650
2014-2015 to 2018-2019	999,979	95,700
2019-2020	82,650	82,650
2020-2021	36,016	36,016
2021-2022	72,024	72,024
2022-2023	341,154	-
	<u>1,531,823</u>	<u>3,082,193</u>
25.00		
<u>DIRECTORS CURRENT ACCOUNT:</u>		
Mr. Mohammed Abdullah, Ex-Chairman	20,800,000	20,800,000
Mr. Md. Golam Kibria, Managing Director	10,934,787	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	9,148,066	7,300,000
Mr. Md. Golam Rasul Muktadir, Chairman	9,618,980	7,250,000
	<u>58,501,833</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.



	Jul 23-Mar 24	Jul 22-Mar 23
	Taka	Taka
26.00 REVENUE FROM CONTRACTS WITH CUSTOMERS:		
Newsprint Paper	528,470,601	493,421,471
M.G. Newsprint	224,407,912	224,560,575
Tissues Paper	71,116,394	117,418,503
Khata	3,672,768	12,290,837
Gross Revenue	827,667,675	847,691,387
Less: Value Added Tax (VAT)	12,190,384	12,217,189
Net Revenue	815,477,291	835,474,198
27.00 COST OF SALES:		
Opening Stock of Raw Materials & Chemicals	93,594,007	60,039,218
Add: Purchase during the period	444,504,523	572,631,288
	538,098,529	632,670,506
Less: Closing Stock of Raw Materials & Chemicals	86,461,252	85,031,029
Raw Materials Consumed	451,637,277	547,639,477
Add: Factory overhead:		
Salaries, Wages and Allowances	40,287,090	38,665,011
Carriage Inward	2,527,350	701,580
Gas Bill-Boiler & Gas Generator	84,268,193	65,493,981
Electric Bill	52,800,466	31,757,885
Consumable Spare & Store	6,830,566	6,909,712
Packing Material Consumed	17,217,791	7,738,878
Factory Maintenance	11,371,789	12,990,259
Loading Unloading Charge	299,743	219,004
Cutting Expense	5,678,394	6,492,520
Mobile bill*	110,010	29,340
Fuel bill	429,442	326,409
Medical & Medicine	92,551	246,894
Gas Generator Upkeep	100,570	45,100
Boiler Upkeep	175,000	64,500
Insurance Premium	398,889	468,717
Canteen Expenses	262,368	170,845
Gas Bill- Canteen	112,396	119,511
Tea, Tiffin Expenses	607,931	372,206
Depreciation	31,103,546	30,083,869
	706,311,362	750,535,699
Add: Opening Work-in-Process	34,991,121	51,618,780
	741,302,483	802,154,479
Less: Closing Work-in-Process	37,328,047	46,571,835
Cost of Production	703,974,436	755,582,644
Add: Opening Stock of Finished Goods	176,804,879	147,219,143
	880,779,315	902,801,787
Less: Closing Stock of Finished Goods	172,091,948	150,566,979
Cost of Sales	708,687,367	752,234,808
28.00 ADMINISTRATIVE EXPENSES:		
Director Remuneration	3,900,000	4,501,700
Salaries & Allowances	6,325,748	6,933,870
Office Rent	270,000	265,000
Telephone & Mobile Bill	184,502	137,840
Entertainment	268,015	646,550
Tiffin and Refreshment	251,151	7,219
Travelling Expenses	1,139,992	922,591
Dhaka Office Expenses	97,850	69,645
Canteen Expenses	22,840	57,570
Postage & Courier	33,645	34,323
Forms, Stamp & Legal Documents	13,450	5,355
Fees, Renewal & Subscription	898,985	369,800
Printing & Stationery	68,137	108,276
Gas Bill-Head Office	10,609	8,940
Meeting Expenses	363,766	261,048

Note: 4.01

Notes-28.01



	Jul 23-Mar 24	Jul 22-Mar 23
	<u>Taka</u>	<u>Taka</u>
Meeting Attendance Fees	556,400	472,400
Office Maintenance	633,669	555,633
Internet Bill	107,100	96,450
Audit Fee	201,250	20,000
Legal & Professional Fee	39,000	460,000
Annual Subscription Fee of CDBL	56,000	56,000
Annual Subscription Fee of CSE, DSE	-	190,000
Electric Bill- Head Office	210,000	183,202
Electric Bill- Dhaka Office	51,035	14,239
Fuel Bill	218,286	255,211
Vehicle Upkeep	480,830	258,197
Website Expenses	47,338	20,000
Rent, Rates & Taxes	120	66,634
Share Demat, Remat & Transfer Fees	1,400	-
Depreciation	404,765	356,950
Note: 4.01		
	16,855,883	17,334,643

28.01 Key Management Personnel Compensation:

Short term employee benefits	3,900,000	4,501,700
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	3,900,000	4,501,700

(a) The above short term employee benefits includes remuneration amounting to Tk. 18,00,000 paid to The Managing Director, Tk. 900,000 paid to The Dupty Managing Director & Tk. 12,00,000 paid to The Excutive Director.

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

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

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

29.00 SELLING & DISTRIBUTION EXPENSES:

Sales Promotion Expenses	619,989	963,203
Sales Commission	383,950	-
Salaries & Allowances	12,001,624	13,756,321
Conveyance	2,084,844	2,120,925
Carriage Outward	24,096,350	26,906,380
C&F Bill-Export	18,916	31,487
Mobile bill*	624,154	415,810
Entertainment	1,154,623	146,825
Advertisement	1,140,102	323,312
	42,124,552	44,664,263

30.00 FINANCIAL EXPENSES:

Bank Charges	450,232	402,289
Bank Guarantee Commission	184,901	530,581
Interest Expenses on Cash Credit	9,152,766	12,578,156
Interest Expenses on Short Term Loan	907,729	1,224,331
Interest Expenses on Long Term Loan	32,087,640	12,773,242
Loan Processing Fee	-	99,800
Interest Expenses on UPAS Loan	1,313,725	2,581,209
	44,096,994	30,189,608

31.00 NON-OPERATING INCOME:

Dividend Income	274,514	445,239
Interest Income	124,747	198,372
Commission Income Insurance premium	-	58,080
Miscellaneous Income	740,150	1,597,629
	1,139,412	2,299,320



	Jul 23-Mar 24	Jul 22-Mar 23
	<u>Taka</u>	<u>Taka</u>
32.00 DEFERRED TAX EXPENSES:		
(a) Deferred Tax Liability on 31 March	49,228,745	60,181,848
(b) Deferred Tax Liability on 01 July	50,300,617	58,518,042
Deferred Tax Expenses for the period (a-b)	<u>(1,071,872)</u>	<u>1,663,806</u>
33.00 EARNINGS PER SHARE:		
Calculation is shown below:		
<u>Net Profit after tax</u>	571,990	(13,340,251)
Number of shares outstanding	19,000,000	19,000,000
EPS (per value of Tk. 10)	0.03	(0.70)
Earnings Per Share (EPS) of the Company has been increased due to decrease of cost of sales.		
34.00 NET ASSET VALUE PER SHARE WITH REVALUATION:		
Calculation is shown below:		
<u>Net Asset with Revaluation</u>	461,477,910	464,607,790
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share (per value of Tk. 10)	24.29	24.45
35.00 NET ASSET VALUE PER SHARE WITHOUT REVALUATION:		
Calculation is shown below:		
<u>Net Asset without revaluation</u>	217,729,141	214,705,715
Number of shares outstanding	19,000,000	19,000,000
Net asset value per share (per value of Tk. 10)	11.46	11.30
36.00 NET OPERATING CASH FLOW PER SHARE:		
Calculation is shown below:		
<u>Net cash flows from operation</u>	130,716,054	31,781,304
Number of shares outstanding	19,000,000	19,000,000
Net operating cash flows by per share (per value of Tk. 10)	6.88	1.67
Net Operating Cash Flows Per Share (NOCFPS) of the Company has been increased significantly due to increase of cash collection from customers and decrease of payment to suppliers against material and expenses.		
37.00 Number of Employees:		
The total employees of the company as on 31 March 2024 stood at 395 nos. comprising Head office staff 56 nos, Factory office staff 20 nos, Security 21 nos, Driver and helper 02 nos, Permanent worker 89 nos and Temporary worker 207 nos.		
	-	-
Number of employees whose monthly salary was below Tk. 3,000	395	437
Number of employees whose monthly salary was above Tk. 3,000		
38.00 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		



38.01 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	185,509,269	185,906,649
Advance, Deposit and Prepayments (excluding Deposit & Prepayments.)	119,360,067	111,328,057
Bank Balances	12,657,091	22,409,414
	317,526,427	319,644,120

b) Ageing of Trade Receivables are as follows:

Below-30 Days	31,536,576	26,026,931
Within 31-60 Days	37,101,854	37,181,330
Within 61-90 Days	25,971,298	26,026,931
Within 90 - 180 Days	22,261,112	22,308,798
Above 180 Days	68,638,430	74,362,660
	185,509,269	185,906,649

38.02 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.

38.02.01 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	654,448,172	116,372,135	538,076,038	654,448,172
Short Term Loan & Overdraft	44,683,714	44,683,714	-	44,683,714
Liability for Expenses	60,663,637	60,663,637	-	60,663,637
Workers Profit Participation and Welfare Fund	2,146,298	2,146,298	-	2,146,298
Trade Payables	32,671,210	32,671,210	-	32,671,210
Current Tax Liabilities	30,601,848	30,601,848	-	30,601,848
Liabilities for Other Finance	52,365,626	52,365,626	-	52,365,626
Unclaimed Dividend	1,531,824	1,531,823	-	1,531,824
Directors Current Account	58,501,833	58,501,833	-	58,501,833
Total	995,314,152	399,538,123	595,776,028	995,314,152

38.03 e) Market Risk:

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

i) Currency Risk

The company is not exposed to foreign currency risk .

ii) Interest Rate Risk:

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



39.00 CAPACITY UTILIZATION:

Particulars	31 Mar 2024	31 Mar 2023
Installed Capacity (in M.T)	10,125	10,125
Actual Production (in M.T)	5,495	5,558
% of Capacity Utilization	54%	55%

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

40.00 RELATED PARTY TRANSACTION:

Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2023	Transaction during the period	Balance as on 31 Mar 2024
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40.01 UNSECURED LOAN:

Mr. Mohammed Abdullah	Ex-Chairman	Loan Received	19,448,060	-	19,448,060
Mrs. Hosne Ara Begum	Director	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 Rasul Muktadir	Chairman	Loan Received	4,707,475	-	4,707,475
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

40.02 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 Rasul Muktadir	Chairman	Loan Received	7,250,000	2,368,980	9,618,980
Mr. Md. Golam Kibria	Managing Director	Loan Received	10,050,000	884,787	10,934,787
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	7,300,000	1,848,066	9,148,066
Mr. Md. Golam Mostofa	Ex- Managing Director	Loan Received	3,500,000	-	3,500,000

40.03 LIABILITIES FOR OTHER FINANCE:

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

41.00 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 2018 and is payable to workers as defined in the said Act.



42.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

	Jul 23-Mar 24	Jul 22-Mar 23
	<u>Taka</u>	<u>Taka</u>
Profit after Provision for Income Tax	571,990	(13,340,251)
Adjustment to Reconcile Profit before Tax provided by operating activities:		
Add : Depreciation	31,508,311	30,440,819
Add: Provision for Deferred Tax Expenses	(1,071,872)	1,663,806
Add: Financial Expenses	44,096,994	30,189,608
Add: Workers Profit Participation and Welfare Fund	231,043	-
Add: Deferred tax on unrealized gain/(loss) in investment in share	(90,761)	(43,198)
A	<u>75,245,706</u>	<u>48,910,783</u>
Changes in Working Capital		
(Increase)/Decrease in Inventories	(3,110,377)	(30,392,702)
(Increase)/Decrease in Trade Receivables	397,380	2,675,676
(Increase)/Decrease in Advance, Deposits & Prepayments	(7,092,727)	1,763,297
Increase/(Decrease) in Liability for Expenses	23,980,205	(654,041)
Increase/(Decrease) in Current portion of Long Term Loan	33,440,801	(332,849)
Increase/(Decrease) in Trade Payables	2,734,321	5,049,516
Increase/(Decrease) in Current Tax Liabilities	5,120,746	4,761,624
B	<u>55,470,349</u>	<u>(17,129,481)</u>
Net cash inflows/(out flows) from operating activities (A+B)	<u>130,716,054</u>	<u>31,781,304</u>

