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KHAN WAHAB SHAFIQUE RAHMAN & CO.

CHARTERED ACCOUNTANTS

Dhaka Office :
Rupali Bima Bhaban (5th & 6th Floor)
7, Rajuk Avenue, Motijheel,
Dhaka-1000, Bangladesh.
Tel : +88-02-223385136, 47122785, 9551821
Fax : +88-02-9551821
E-mail : kwsr@dhaka.net
Web : www.kwsrbd.com

Khan Wahab Shafique Rahman & Co.
CHARTERED ACCOUNTANTS
SINCE 1968

Chattogram Branch Office :
Faruk Chamber (9th Floor)
1403, Sk. Mujib Road,
Agrabad C/A, Double Mooring,
Chattogram, Bangladesh.
Tel : +88-02-333320056
E-mail : kwsrctg@gmail.com
Web : www.kwsrbd.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Hakkani Pulp & Paper Mills PLC.
Report on the Audit of the Financial Statements

OPINION

We have audited the Financial Statements of Hakkani Pulp & Paper Mills PLC. ("the Company"), which comprise the Statement of Financial Position as at 30th June 2026 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 30th June 2026 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as explained in the Financial Statements as issued by the International Accounting Standards Board (IASB) and adopted by Financial Reporting Council (FRC) of Bangladesh.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the ethical requirements of Financial Reporting Council together with the ethical requirements of the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-Laws that are relevant to audits of the financial statements of public interest entities in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER:

We draw attention to Note 7.04 to the financial statements, which describes the legal proceedings initiated in 2022 for recovery of trade receivables from Babul Store and the related disclosures concerning the provision for expected credit losses. In addition, receivables confirmations were sent to parties but full confirmations were not received till the date of our audit. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters.

KHAN WAHAB SHAFIQUE RAHMAN & CO. KWSR Chartered Accountants

Property, Plant & Equipment:

The key Audit Matter

The company has Tk 903,744,606 as Written-Down-Value at Property Plant & Equipment which stands at 54.69% of total assets with new acquisition of Tk 81,951,247 made during the year.

Please refer to Note 4.00 "Property, Plant & Equipment" of the notes to the Financial Statements for relevant details.

How the scope of our audit responded to the key audit matter:

Our procedures in relation to property, plant and equipment included:

- Obtained an understanding of the management process for acquisition of fixed assets.
- Evaluate the appropriateness of acquisition process of non-current assets.
- Testing the key controls over the management's judgment in relation to the accounting estimates of property, plant, and equipment.

Inventories

Key Audit Matter

The Company has inventories of Tk. 391,226,659 as at 30 June 2026, which represents 23.68% of total assets. Inventories are measured at the lower of cost and net realizable value under IAS 2 Inventories. The balance involves significant management judgment in costing and valuation, and the related raw material purchases give rise to accounts payable.

Please refer to Note 6 "Inventories" and Note 20 "Trade Payables" of the notes to the Financial Statements for relevant details.

How the scope of our audit responded to the key audit matter:

- Evaluated the design and implementation of relevant internal controls over inventory recording, costing, and valuation.
- Attended and observed physical verification of inventories accordance with ISA 501.
- Tested, on a sample basis, the cost of selected inventory items by examining purchase invoices, goods received notes, and other supporting documents.
- Assessed the appropriateness of the allocation of production overheads to work-in-progress and finished goods, where applicable.
- Compared the carrying amounts of selected finished goods with their subsequent selling prices, net of estimated costs necessary to make the sale, to assess whether inventories were stated at the lower of cost and net realisable value.

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Revenue Recognition

The key Audit Matter

The company recognizes revenue from the sales of paper and tissue products when control over goods is transferred to a customer/dealer. The actual point in time when revenue is recognized varies depending on the specific terms and conditions of the sales contracts entered into with customers/dealers. The company has a number of customers operating in various geographies and sales contracts with customers/dealers have a different term relating to the recognition of revenue, the right of return and price adjustments. Sales arrangements in certain jurisdictions lead to material deductions to gross sales in arriving at revenue. We identified the recognition of revenue from sale of products as a key audit matter because;

Revenue is a key performance indicator of the company and there is risk of revenue being overstated due to fraud resulting from pressure to achieve targets.

How the scope of our audit responded to the key audit matter

- Assessing the appropriateness of the policies in respect of revenue recognition by comparing with applicable accounting standards;

- Evaluating the design, testing the implementation, and operating effectiveness of the company's internal controls over recognition of revenue and measurement of rebates, discounts, returns and chargebacks;

- Assessing manual journals posted to revenue to identify unusual items not already covered by our audit testing;

- Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments, and sensitivities.

Long-Term Loans

Key Audit Matter

As disclosed in Note 15, the Company has long-term loans of Tk. 787,943,716 as at 30 June 2026. Tk. 647,948,353 is non-current and Tk. 139,995,363 is the current portion (Note 15.01). The loans represent 66.0% of total liabilities and 47.7% of total assets. Almost all of the balance (Tk. 785,888,584) is with Social Islami Bank PLC (now Sammilito Islami Bank PLC) under Hire Purchase under Shirkatul Meelk and Bai-Muazzal facilities, including a facility rescheduled in November 2023. Profit expense on long-term loans was Tk. 82,566,926 for the year (Note 29).

How the matter was addressed in the audit

- Obtained direct confirmation of loan balances, profit and security from the lending banks, and agreed them to the ledger and Note 15.

- Examined sanction letters, rescheduling approvals, repayment schedules and security documents to verify terms, tenor, rates and covenants.

- Reconciled the loan movement for the year (opening, disbursements, repayments, capitalised profit, closing) and traced cash movements to bank statements.

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

- Assessed merger correspondence, and management's evaluation of the effect on the Company.

- Evaluated the adequacy of the disclosures in Notes 15, 15.01 to 15.04 and 29 against IFRS 7 and IAS 1.

OTHER MATTER:

The Financial Reporting Council (FRC), Bangladesh, issued revised auditor's report formats through its Memorandum No. 360/FRC/Prosha/Ain O Bidhi/2026/349 dated 18 August 2026. The formats reflect the latest edition (2025) of the IESBA Code of Ethics and the International Standards on Auditing (ISAs) issued by the IAASB.

Although the Company's financial statements are for the year ended 30 June 2026, we have chosen to apply the FRC format early. This report is therefore prepared in the format of Schedule-1, "An auditor's report on the financial statements of a listed entity prepared in accordance with a fair presentation framework". As a result, the structure and wording of this report differ from those of the report issued for the previous year.

OTHER INFORMATION

Management is responsible for other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and adopted by FRC, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

KHAN SHAFIQUE RAHMAN & CO. Chartered Accountants

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one for resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of financial statements of the current period and are, therefore, the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994, Security and Exchange Rules 2020 and Financial Reporting Act 2015, we also report the following:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- the statements of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- the financial statements have been prepared in accordance with standards, framework, compliance and guidelines adopted and promulgated by Financial Reporting Council;

Dated: Chattogram
01-Nov-2026

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Name of the Firm : **KHAN WAHAB SHAFIQUE RAHMAN & CO.**
Chartered Accountants
FRC Enlistment Number : CAF-001-085
Signed by : **Mohammad Shaheed FCA, FCMA (F-1016)**
Senior Partner
FRC Enlistment Number : CA-001-192
DVC : **2611011016AS788056**

HAKKANI PULP & PAPER MILLS PLC.
Statement of Financial Position
As at 30 June 2026

Particulars	Note(s)	Amount in Taka	
		30 June 2026	30 June 2025
ASSETS			
Non Current Assets :		**903,744,608**	**869,398,864**
Property, Plant and Equipment	4	903,744,608	869,398,864
Current Assets:		**748,682,898**	**750,272,773**
Investment in Shares	5	10,435,107	10,249,593
Inventories	6	391,226,653	390,106,127
Trade Receivables	7	159,553,902	165,225,169
Advances, Deposits & Prepayments	8	89,972,235	126,567,778
Cash & Cash equivalents	9	97,495,001	58,124,106
TOTAL ASSETS		**1,652,427,506**	**1,619,671,637**
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:		**458,666,669**	**460,514,917**
Share Capital	10	190,000,000	190,000,000
Dividend Equalization Reserve	11	11,237,712	11,237,712
Revaluation Reserve	12	226,825,192	234,016,741
Fair Value Reserve	5.01	(1,222,839)	(1,408,352)
Retained Earnings	13	31,826,604	26,668,816
Non Current Liabilities:		**800,796,046**	**736,828,674**
Unsecured Loan	14	57,699,990	57,699,990
Long Term Loan-Non Current Portion	15	647,948,353	582,436,047
Deferred Tax Liability	16	95,147,703	96,692,637
Current Liabilities:		**392,964,791**	**422,328,046**
Short Term Loan & Overdraft	17	44,462,066	61,857,518
Liability for Expenses	18	38,843,702	62,713,789
Workers Profit Participation and Welfare Fund	19	4,482,194	3,149,445
Long Term Loan-Current Portion	15.01	139,995,363	125,995,409
Trade Payables	20	23,357,840	27,125,192
Current Tax Liabilities	21	28,130,917	27,681,187
Liabilities for Other Finance	22	27,197,982	27,411,388
Unclaimed Dividend	23	1,992,894	1,892,285
Directors Current Account	24	84,501,833	84,501,833
Total Liabilites		**1,193,760,837**	**1,159,156,720**
TOTAL EQUITY & LIABILITIES		**1,652,427,506**	**1,619,671,637**
Net Asset Value Per Share (with revaluation)	33	**24.14**	**24.24**
Net Asset Value Per Share (without revaluation)	34	**12.20**	**11.92**

The accounting policies and annexed notes form an integral part of these financial statements.

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

Signed as per our annexed report of even data

Dated: Chattogram
01 November,2026

Name of the Firm : **KHAN WAHAB SHAFIQUE RAHMAN & CO.**
Chartered Accountants
FRC Enlistment Number : CAF-001-085
Signed by : **Mohammad Shaheed FCA, FCMA (F-1016)**
Senior Partner
FRC Enlistment Number : CA-001-192
DVC No : **2611011016AS788056**

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

HAKKANI PULP & PAPER MILLS PLC.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2026

Particulars	Note(s)	Amount in Taka	
		2025-2026	2024-2025
Revenue	25	1,089,748,528	1,041,522,211
Cost of Sales	26	(902,389,289)	(881,738,154)
Gross Profit / (Loss)		**187,359,239**	**159,784,057**
Operating Expenses:			
Administrative Expenses	27	(22,278,319)	(22,317,440)
Selling & Distribution Expenses	28	(48,698,230)	(53,902,329)
		(70,976,549)	(76,219,769)
Profit from Operation		**116,382,690**	**83,564,288**
Financial Expenses	29	(89,630,622)	(67,238,936)
Non-Operating Income	30	1,235,669	2,022,574
Net Profit Before WPPF & WWF		**27,987,737**	**18,347,926**
Contribution to WPPF & Welfare Funds	19	(1,332,749)	(873,711)
Net profit before Tax		**26,654,988**	**17,474,215**
Income Tax Provision:			
Current Tax	21.02	(11,175,511)	(10,870,301)
Deferred Tax	31	294,388	(5,192,294)
Prior Years Tax	43.02	(14,067,788)	-
		(24,948,911)	(16,062,595)
Net profit after Tax		**1,706,077**	**1,411,620**
Other Comprehensive Income:			
Deferred Tax on Revaluation Reserve	12	1,269,097	1,355,457
Unrealized Gain/ (Loss) on Investment in Shares	5.02	185,513	60,823
Deferred tax on unrealized gain/(loss) on investment in shares	16.02	18,551	6,082
		1,473,161	1,422,362
Total Comprehensive Income		**3,179,238**	**2,833,982**
Earnings Per Share - Basic (per value of Tk. 10)	32	**0.09**	**0.07**

The accounting policies and annexed notes form an integral part of these financial statements.

MANAGING DIRECTOR | DIRECTOR | COMPANY SECRETARY

Signed as per our annexed report of even data

Dated: Chattogram
01 November,2026

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Name of the Firm	:	**KHAN WAHAB SHAFIQUE RAHMAN & CO.** Chartered Accountants
FRC Enlistment Number	:	CAF-001-085
Signed by	:	**Mohammad Shaheed FCA, FCMA (F-1016)** Senior Partner
FRC Enlistment Number	:	CA-001-192
DVC No	:	**2611011016AS788056**

HAKKANI PULP & PAPER MILLS PLC.
Statement of Changes in Equity
For the year ended 30 June 2026

(Amount in Taka)

Particulars	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2025	190,000,000	11,237,712	234,016,741	(1,408,352)	26,668,816	460,514,917
Adjustment of depreciation on carrying amount of revalued assets	-	-	(8,460,646)	-	8,460,646	-
Deferred Tax on Revaluation Surplus	-	-	1,269,097	-	-	1,269,097
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	185,513	-	185,513
Dividend for the year 2024-2025	-	-	-	-	(5,008,935)	(5,008,935)
Net Profit after Tax	-	-	-	-	1,706,077	1,706,077
Balance as on 30 June 2026	**190,000,000**	**11,237,712**	**226,825,192**	**(1,222,839)**	**31,826,604**	**458,666,669**

For the year ended 30 June 2025

Balance as at 01 July 2024	190,000,000	11,237,712	241,697,668	(1,469,175)	20,020,812	461,487,017
Adjustment of depreciation on carrying amount of revalued assets	-	-	(9,036,384)	-	9,036,384	-
Deferred Tax on Revaluation Surplus	-	-	1,355,457	-	-	1,355,457
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	60,823	-	60,823
Dividend for the year 2023-2024		-	-	-	(3,800,000)	(3,800,000)
Net Profit after Tax	-	-	-	-	1,411,620	1,411,620
Balance as on 30 June 2025	**190,000,000**	**11,237,712**	**234,016,741**	**(1,408,352)**	**26,668,816**	**460,514,917**

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

The accounting policies and annexed notes form an integral part of these financial statements.

Dated: Chattogram
01 November,2026

KHAN WAHAB SHAFIQUE RAHMAN & CO. KWSR Chartered Accountants

HAKKANI PULP & PAPER MILLS PLC.

Statement of Cash Flows

For the year ended 30 June 2026

	Particulars	Note(s)	Amount in Taka	
			2025-2026	2024-2025
A.	**Cash flows from Operating Activities:**			
	Receipts from customers against sales & other income		1,096,655,464	1,056,790,280
	Paid to suppliers, operating and other expenses		(919,433,689)	(959,054,226)
	Income Tax Paid		(7,464,132)	(3,827,728)
	Net cash flows generated by operating activities	41	**169,757,643**	**93,908,326**
B.	**Cash flows from Investing Activities:**			
	Acquisition of Property, Plant & Equipment		(81,951,247)	(41,265,692)
	Advance for Machinery		(1,800,000)	(5,350,007)
	Sale of Investment in shares		-	467,745
	Net cash flows used in investing activities		**(83,751,247)**	**(46,147,954)**
C.	**Cash flows from Financing Activities:**			
	Short Term Loan & Overdraft		(17,395,452)	22,518,420
	Long Term Loan		65,512,306	36,982,727
	Financial Expenses		(89,630,622)	(61,082,725)
	Directors Current Account		-	(200,000)
	Liabilities for Other Finance		(213,407)	2,039,830
	Dividend Paid		(4,908,326)	(3,440,511)
	Net Cash flows used in Financing Activities		**(46,635,501)**	**(3,182,259)**
D.	**Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)**		39,370,895	44,578,113
E.	Cash and Cash Equivalents at 01 July		58,124,106	13,545,993
	Cash and Cash Equivalents at 30 June (D+E)		**97,495,001**	**58,124,106**
F.	**Net Operating Cash Flows Per Share (NOCFPS)**	35	**8.93**	**4.94**

The accounting policies and annexed notes form an integral part of these financial statements.

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

Dated: Chattogram
01 November,2026

KHAN WAHAB SHAFIQUE RAHMAN & CO. KWSR Chartered Accountants

1.00 LEGAL STATUS AND NATURE OF THE BUSINESS:

1.01 Status and Legal Form of the Company

Hakkani Pulp and Paper Mills PLC. (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 Z/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

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 Financial Reporting Council (FRC).

2.02 Other Regulatory Compliances:

a. The entities are also required to comply with the following major laws and regulation along with the Companies Act, 1994.
b. The Income Tax Act, 2023
c. The Income Tax Rules, 1984 as anebded upto date
d. The Tax Deduction Rules, 2026
e. The Value Added Tax and Supplementary Duty Act, 2012
f. The Value Added Tax and Supplementary Duty Rules, 2016
g. The Customs Act, 1969
h. Bangladesh Labor Act, 2006 as amended upto 2026
i. The Securities and Exchange Ordinance, 1969
j. The Securities and Exchange Rules, 2020
k. The Corporate Governance Code 2018
l. The Dhaka Stock Exchange & Chittagong Stock Exchange (Listing) Regulations 2015
m. The Financial Reporting Act, 2015
n. International Accounting Standards (IAS)
o. International Financial Reporting Standards (IFRS)

2.03 Applicable Accounting Standards:

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

a.	IAS - 01	Presentation of Financial Statements
b.	IAS - 02	Inventories
c.	IAS - 07	Statement of Cash Flows
d.	IAS - 08	Accounting Policies, Changes In Accounting Estimates and Errors
e.	IAS - 10	Events after the Reporting period
f.	IAS - 12	Income Taxes
g.	IAS - 16	Property, Plant and Equipment
h.	IAS - 19	Employee Benefits
i.	IAS- 21	The Effects of Changes in Foreign Exchange Rates
j.	IAS - 23	Borrowing Costs

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

k.	IAS - 24	Related Party Disclosures
l.	IAS - 32	Financial Instruments: Presentation
m.	IAS - 33	Earnings per Share
n.	IAS - 36	Impairment of Assets
o.	IAS- 37	Provisions, Contingent Liabilities and Contingent Assets
p.	IAS - 38	Intangible Assets
q.	IFRS- 07	Financial Instruments: Disclosures
r.	IFRS- 09	Financial Instruments
s	IFRS- 15	Revenue From Contract with Customers
t.	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 30 June 2026.

b. A Statement of Profit or Loss and other Comprehensive Income for the year ended 30 June 2026.

c. A Statement of changes in equity for the year ended 30 June 2026.

d. A Statement of Cash flows for the year ended 30 June 2026.

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 31 October 2026.

2.06 **Reporting Period:**

The financial statements of the Company cover Twelve months from 1 July 2025 to 30 June 2026.

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.

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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: 07 Trade Receivables
Note : 08 Advances, Deposits & Prepayments
Note: 16 Deferred Tax Liability
Note : 20 Trade Payables
Note: 21 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:

3.01 Property, plant and equipment
3.02 Capital work-in-progress
3.03 Impairment of assets
3.04 Investment in shares:
3.05 Inventories
3.06 Trade and other receivables
3.07 Advances, deposits and prepayments:
3.08 Cash and cash equivalents:
3.09 Trade and other payables
3.10 Other liabilities
3.11 Cash flows statement
3.12 Employee benefits scheme
3.13 Provisions, contingent liabilities and contingent assets
3.14 Finance income & finance costs:
3.15 Non-operating income
3.16 Borrowing costs
3.17 Taxation
3.18 Revenue from contract with customers
3.19 Earnings per share (EPS):
3.20 Foreign Currency Transactions:
3.21 Comparative Information:
3.22 Consistency
3.23 Events after the reporting
3.24 Share Capital
3.25 Leases
3.26 Accruals

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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 month 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 and other comprehensive income.

3.01.04 **Non- Current asset held for Sales**

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

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

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

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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

Category	Basis of Valuation
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.

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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 **Statement of cash flows :**

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:**

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Workers' Profit Participation and Welfare Funds

The Company operates fund for workers as workers' profit participation and welfare fund ("the Fund") and provides 5% of its profit before tax as per provision of the Bangladesh Labor Act 2006. The Company recognizes the contribution to the fund as short term employee benefits. The Fund is governed by Bangladesh Labor Act, 2006 as amended in 2018.

3.13 **Provisions, contingent liabilities and contingent assets:**

i) Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made, Provisions are reviewed at the end of each reporting period and adjusted to reflect the Current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

ii) Contingent lability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one of more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

iii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The company does not recognize contingent asset.

3.14 **Finance income & finance costs:**

3.14.01 **Finance income**

Finance income comprise interest income of funds invested and is recognized as it accrues in profit or loss using the effective interest method.

3.14.02 **Finance costs**

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

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 expense in the year in which its incurred as per paragraph 8 of IAS-23 Borrowing Cost.

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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 from contract with customers:**

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle follow IFRS 15 five-step model as follows:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation;

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of Value Added Tax (VAT). Gross turnover comprises local sales of Newsprint Paper, M.G newsprint Paper, Khata and 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.

The following table provides information about the nature and timing of the satisfaction of performance obligation in contracts with customers:

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. Invoices are usually paid in cash as advance before getting delivery of the goods.	Revenue is recognized when (or as) the entity satisfies a performance obligation by transferring the promised good or service to a customer.
Export Sales		

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 earnings:**

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

3.19.02 **Basic 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.

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3.20 **Foreign Currency Transaction:**

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in the statement of profit or loss and other comprehensive income as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

Non-Monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

3.21 **Comparative Information:**

Comparative information has been disclosed in respect of 30 June 2025 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:**

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.

3.24.01 **Compliance with Minimum Paid-up Capital Requirement:**

The Company's paid-up capital stands at Tk. 19 crore, which is below the minimum paid-up capital requirement of Tk. 30 crore stipulated under Regulation 9(1) of the Dhaka/Chittagong Stock Exchange (Listing) Regulations, 2015, resulting in a shortfall of Tk. 11 crore. In this regard,. The Company is evaluating appropriate measures to address the capital shortfall, subject to applicable laws, regulatory requirements, necessary approvals and requisite corporate procedures.

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.

3.26 **Accruals:**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of trade and other payables.

4.00 PROPERTY, PLANT & EQUIPMENT:

	Amount in Taka	
	30 June 2026	**30 June 2025**
Balance as on 01 July (including revaluation)	1,503,991,740	1,462,726,048
Add: Addition during the year	81,951,247	41,265,692
Balance as on 30 June	**1,585,942,987**	**1,503,991,740**
Less: Accumulated depreciation	682,198,379	634,592,876
Written down value as on 30 June	**903,744,608**	**869,398,864**

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

(b) A Fixed Assets Register is being maintained but not with the level of detail required under IAS 16 Property, Plant, and Equipment .As the last revaluation was carried out in the financial year 2010-2011 by M/S. G.K. Adjusters given the time elapsed since that revalution, some transactions or information may be incomplete or outdated

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4.01 PROPERTY, PLANT & EQUIPMENT: (Amount in Taka)

Particulars	COST				Rate of Dep.	DEPRECIATION				Written Down Value as on 30 June 2026
	Balance as on 01 July 2025	Addition during the year	Disposal/ Adjustment during the year	Balance as on 30 June 2026		Balance as on 01 July 2025	Charged during the year	Disposal/ Adjustment during the year	Balance as on 30 June 2026	
At Cost										
Land & Land Development	44,786,572	6,056,620	-	50,843,192	-	-	-	-	-	50,843,192
Building & Other Construction	205,088,649	2,484,340	-	207,572,989	5%	71,864,579	6,690,710	-	78,555,289	129,017,700
Plant & Machinery	690,423,369	50,695,740	-	741,119,109	7%	318,097,120	26,911,852	-	345,008,972	396,110,137
Furniture & Fixture	2,293,568	-	-	2,293,568	10%	1,070,946	122,262	-	1,193,208	1,100,360
Office Equipment	4,979,676	3,152,900	-	8,132,576	10%	2,781,327	488,819	-	3,270,146	4,862,430
Electric Installation	51,960,818	13,336,032	-	65,296,850	10%	21,314,060	3,329,299	-	24,643,359	40,653,491
Gas Line Installation	3,932,191	-	-	3,932,191	10%	3,314,357	61,783	-	3,376,140	556,051
Telephone Line Installation	132,263	-	-	132,263	10%	110,800	2,146	-	112,946	19,317
Water Line Installation	9,514,803	2,460,276	-	11,975,079	10%	5,591,146	424,579	-	6,015,725	5,959,354
Fire Extinguisher	111,870	-	-	111,870	20%	105,708	1,232	-	106,940	4,930
Office Decoration	2,049,459	201,004	-	2,250,463	10%	1,054,809	109,792	-	1,164,601	1,085,862
Vehicle Car	3,011,672	-	-	3,011,672	20%	2,745,886	53,157	-	2,799,043	212,629
Motor Vehicle	5,290,605	6,335	-	5,296,940	20%	3,605,413	337,878	-	3,943,291	1,353,649
Factory Equipment	3,354,705	3,558,000	-	6,912,705	20%	1,189,018	611,348	-	1,800,366	5,112,339
"A"	**1,026,930,220**	**81,951,247**	-	**1,108,881,467**		**432,845,170**	**39,144,857**	-	**471,990,027**	**636,891,440**
At Revaluation										
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	5%	56,695,859	2,698,399	-	59,394,259	51,269,590
Plant & Machinery	227,369,650	-	-	227,369,650	7%	145,051,847	5,762,246	-	150,814,093	76,555,557
"B"	**477,061,519**	-	-	**477,061,519**		**201,747,706**	**8,460,646**	-	**210,208,352**	**266,853,167**
Grand total as on 30 June 2026 (A+B)	**1,503,991,740**	**81,951,247**	-	**1,585,942,987**		**634,592,876**	**47,605,503**	-	**682,198,379**	**903,744,608**
As on 30 June 2025	1,462,726,048	41,265,692	-	1,503,991,740		587,056,628	47,536,249	-	634,592,876	869,398,864

	30 June 2026 Taka	30 June 2025 Taka
Allocation of Depreciation :		
Administrative Expenses	776,176	519,868
Factory Overhead	46,829,327	47,016,381
Taka =	**47,605,503**	**47,536,249**

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	Amount in Taka	
	30 June 2026	30 June 2025

5.00 INVESTMENT IN SHARES:

5.01 The details of company-wise investments in shares, stated at their respective market values as at 30 June 2026, are presented below.

Name of company		No. of Shares	Cost Value	Market Value	Unrealized gain/ (loss)
Brac Bank PLC		19,913	158,299	1,320,232	1,161,933
DESCO Ltd.		5,000	238,287	124,000	(114,287)
Dhaka Bank PLC		30,317	210,234	378,963	168,729
Exim Bank PLC	Note-5.03	53,401	1,080,863	-	(1,080,863)
Grameenphone Ltd.		10,700	3,995,855	2,787,350	(1,208,505)
Islami Bank Bangladesh PLC.		5,570	198,339	174,341	(23,998)
Jamuna Oil Company Ltd.		2,299	271,136	417,728	146,592
Lafarge Holcim Bangladesh PLC		10,000	805,409	551,000	(254,409)
Meghna Petroleum Ltd.		2,402	249,369	517,631	268,262
Mutual Trust Bank PLC		25,685	207,749	379,724	171,975
National Bank Ltd.		82,779	902,974	322,838	(580,136)
One Bank PLC.		40,032	296,251	308,246	11,995
Square Pharmaceuticals PLC.		9,200	1,826,477	2,069,080	242,603
Standard Bank PLC.		22,637	200,804	106,394	(94,410)
Titas Gas T&D Co. PLC.		13,250	766,559	237,150	(529,409)
Shahjalal Islami Bank Ltd.		41,135	249,341	740,430	491,089
Total		**374,320**	**11,657,946**	**10,435,107**	**(1,222,839)**

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

Unrealized Gain/ (Loss) Closing	(1,222,839)	(1,408,352)
Less: Unrealized Gain/ (Loss) Opening	(1,408,352)	(1,469,175)
Gain/ (Loss) on Investment in Shares during the year	**185,513**	**60,823**

5.03 **Investment in EXIM Bank PLC Shares and Regulatory Write-down**

During the year, Bangladesh Bank included EXIM Bank PLC in a resolution and merger process involving five banks, which were consolidated into Sammilito Islami Bank PLC. Under the regulatory resolution, the shares of the five banks were written down to nil.

At 30 June 2026, the company held 53,401 shares of EXIM Bank PLC at a cost of Tk. 1,080,863, representing an average cost of Tk. 20.24 per share. Following the regulatory write-down, we measured these shares at nil. Our investments in shares are designated at fair value through other comprehensive income (FVOCI) under IFRS 9 (Note 3.04). Accordingly, we recognized the loss of Tk. 1,080,863 in other comprehensive income (OCI) and accumulated it in the fair value reserve, without affecting profit or loss, earnings per share of Tk. 0.09 (Note 32), cash flows or current tax. The accumulated loss will not be reclassified to profit or loss under IFRS 9.

The EXIM Bank PLC shares account for 88.4% of our negative fair value reserve of Tk. 1,222,838, while other holdings account for the remaining net unrealized loss of Tk. 141,975. Following the write-down, our share portfolio stood at Tk. 10,435,108 (2025: Tk. 10,249,593), representing 0.6% of total assets.

We measure our other listed shares using quoted closing prices (Level 1 under IFRS 13). The EXIM Bank PLC shares were transferred from Level 1 to Level 3 when observable market prices ceased to be available; their value reflects the regulatory resolution.

We received no dividend from EXIM Bank PLC and have recognized no compensation or other recovery. Any future recovery will be recognized only when virtually certain, in accordance with IAS 37. Deferred tax on the EXIM Bank PLC shares is Tk. 108,086 at 10%, included in the net deferred tax asset of Tk. 122,284 on the portfolio. Our exposure to SIBL is disclosed in Note 15.03.

6.00 INVENTORIES:

	Unit	Quantity			
		2025-2026	2024-2025		
Raw Materials **Note-6.01**	KG	2,948,864	1,752,759	131,131,364	100,837,970
Finished Goods **Note-6.02**	KG	1,391,510	1,418,363	184,053,436	215,484,252
Work-In-Process	KG	299,756	301,314	33,019,757	28,954,845
Consumable Spares & Stores	PCS	33,074	16,798	8,687,063	8,994,026
Packing Materials	PCS	722,714	633,615	34,335,033	35,835,034
				391,226,653	**390,106,127**

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					Amount in Taka	
					30 June 2026	30 June 2025
6.01 Raw Materials						
Wastage Paper	KG	2,018,430	1,629,123		113,076,739	83,506,501
Chemicals Items	KG	30,434	123,636		18,054,625	17,331,469
					131,131,364	**100,837,970**
6.02 Finished Goods						
Newsprint Paper	KG	811,277	771,052		121,350,372	105,542,236
Khata	KG	30,625	33,508		1,812,288	4,196,765
Tissue Papers	KG	549,608	612,482		60,890,776	105,745,251
					184,053,436	**215,484,252**

Inventories comprise raw materials, consumable stores and spare parts, packing materials, work-in-process, and finished goods. The valuation of inventories has been made in accordance with IAS 2 – Inventories, as detailed below:
(a) Raw materials, consumable stores and spare parts, and packing materials are valued at cost, determined using the **weighted average method**.
(b) Work-in-process is valued at cost, which includes **100% of raw material cost, 75% of direct labour cost, and 50% of manufacturing overheads** incurred up to the reporting date.
(c) Finished goods are valued at the **lower of cost** and **net realizable value (NRV)**.
(d) Cost includes all expenditure incurred in bringing inventories to their present location and condition.
(g) Inventory consists of a huge number of items for which the quantity could not be disclosed.
(e) Physical verification of inventories was carried out **at the year-end by the management in the presence of the company's auditors**, and the results of the physical count were found to be in agreement with the book records.

7.00 TRADE RECEIVABLES:

Al- Madina Paper House		8,286,121	7,462,171
Agrani Printing Press		1,168,122	1,518,122
Anik Traders		209,245	309,245
AG Paper House		5,672,348	60,930
Avoy Enterprise		7,780,317	6,253,507
Babul Store*	Note: 7.04	37,004,354	41,115,949
Bhai Bhai Store		-	172,464
Bhai Bhai Traders		209,456	349,456
Chandpur Paper House		7,927,780	4,569,860
CGT Tissue		169,038	345,638
Eastern Paper House		3,325,288	5,375,288
Epic Health Care		-	226,740
Fuluwang Limited		754,816	1,224,816
Handi Restaurant		169,396	192,300
Health Point Hospital		-	79,635
Ibn Sina Hospital		79,915	156,848
Intimate Apparels Ltd		-	490,551
M/S. Helal Enterprise		143,906	213,906
M J Paper House		7,338,783	6,498,783
Molla Traders		5,577,495	771,485
Oniruddho Trading		-	2,140,026
Rapid Pack Limited		854,538	216,031
Robin Enterprise		197,183	347,183
Rubel & Sons		2,311,191	3,361,191
RN Trade International		2,031,446	2,651,446
Sajib Enterprise		1,406,526	2,026,526
Shahnaj Trading Corporation		3,190,586	104,076
Sikandar Para Bonijik Songasta		4,920,415	1,523,039
S.K Traders		8,251,079	11,914,940
Shohan Enterprise		2,699,534	53,074
Tanvir Enterprise		4,429,738	2,850,718
Amir & Brothers	Note-7.05	760,160	760,160
Siddique Enterprise	Note-7.06	241,114	436,114
Other Receivables		42,444,020	59,452,951
		159,553,902	**165,225,169**

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

		Amount in Taka	
		30 June 2026	30 June 2025
	*Babul Store	41,115,949	-
	Less: Allowance for expected credit losses	4,111,595	-
	Closing Balance	37,004,354	-
7.01	**Ageing of Trade Receivables:**		
	Below-30 Days	27,124,163	28,088,279
	Within 31- 60 Days	31,910,780	33,045,034
	Within 61 - 90 Days	22,337,546	23,131,524
	Within 90 - 180 Days	19,146,468	19,827,020
	Above 180 Days	59,034,944	61,133,313
		159,553,902	165,225,169

7.02 Trade receivables represent amounts due from customers arising in the ordinary course of business.

7.03 Expected Credit Losses on Trade Receivables

The Company applies the simplified approach under IFRS 9, Financial Instruments, to measure lifetime expected credit losses (ECL) on trade receivables using a provision matrix adjusted for forward-looking information. Significant outstanding balances, including those subject to legal proceedings, are assessed individually, where appropriate. Based on Management's assessment of recoverability, an ECL allowance at 10% of the outstanding Babul Store balance has been recognized in the financial statements for the year ended 30 June 2026.

7.04 Receivable from Babul Store and Legal Proceedings

The Company's trade receivables at 30 June 2026 include Tk. 41,115,949 (2025: Tk. 41,115,949) due from Babul Store, representing 25.1% of total trade receivables and 67.9% of receivables overdue for more than 180 days. The balance remained unchanged during the year as we received no payment and is unsecured.

The Company instituted criminal proceedings to recover the outstanding dues under CR Case Nos. 172/22 to 181/22, filed on 10 January 2022. The cases were subsequently transferred to the Metropolitan Sessions Judge Court, Chattogram dated on 11 September 2022. The complainant's deposition was recorded in nine cases on 18 October 2023.
The High Court Division dismissed the defendant's petitions under Section 561A of the Code of Criminal Procedure. Subsequently, the defendant has filed leave to appeals before the appellate Division of the Hon'ble Supreme Court of Bangladesh which remain pending adjudication.

Under IFRS 9, the Company has individually assessed the recoverability of this balance, taking into consideration the status of the ongoing legal proceedings, the assessment of the Company's legal counsel and the available information regarding the debtor's financial capacity. Based on this assessment, the Company has recognized a provision equivalent to 10% of the outstanding balance as at 30 June 2026.

The Company remains confident that its claims are being actively pursued through the appropriate legal channels and that the ongoing proceedings provide a reasonable basis for continued recovery efforts. Management will continue to closely monitor the progress of the cases, assess the recoverability of the outstanding balance based on updated information, and take appropriate measures to protect the Company's interests. The Company believes that its current assessment reflects a prudent approach to the matter while preserving its recovery rights.
Our claims against Amir & Brothers and Siddique Enterprise are disclosed in Note 7.05, 7.06 and assessed separately.

7.05 Legal Proceedings Against Amir & Brothers

The Company instituted legal proceedings against Amir & Brothers (CR Case Nos. 74/24, 75/24 and 76/24) for recovery of outstanding dues. The cases were subsequently transferred from the Chief Metropolitan Magistrate Court, Chattogram, to the Metropolitan Sessions Judge Court, Chattogram, where charges have been framed and the proceedings have been recorded for further adjudication.

The Company remains committed to pursuing the cases through the appropriate legal channels to safeguard its interests and recover the outstanding dues. Based on the legal advice obtained and information currently available, management does not anticipate any material adverse financial impact on the Company, subject to the final outcome of the proceedings.

7.06 Legal Proceedings Against Siddique Enterprise

The Company instituted legal proceedings against Siddique Enterprise (CR Case Nos. 547/24 and 548/24) for recovery of outstanding dues. The cases, initially marked "Ready for Trial" before the Chief Metropolitan Magistrate Court, Chattogram, were subsequently transferred to the Metropolitan Sessions Judge Court, Chattogram. Subsequently, the defendant entered into an agreement with the Company to settle the outstanding dues and has already paid Tk. 200,000 against the agreed settlement. The Company will take necessary steps to withdraw the cases upon receipt of the full settlement amount in accordance with the agreement. The Company remains committed to securing full recovery of the outstanding dues and protecting its financial interests.

KHAN WAHAB SHAFIQUE RAHMAN & CO. KWSR Chartered Accountants

		Amount in Taka	
		30 June 2026	30 June 2025
8.00	**ADVANCES, DEPOSITS & PREPAYMENTS:**		
	Advance Against Income Tax (Note: 8.01)	13,787,235	31,116,672
	Advance Against Salary & Wages (Note: 8.02)	433,247	323,207
	Advance Against Expenditure (Note: 8.03)	21,557,570	35,200,373
	Advance Against L/C (Note: 8.04)	37,085,052	42,818,395
	Deposits and Prepayments (Note: 8.05)	17,109,131	17,109,131
		89,972,235	**126,567,778**
8.01	**Advance Against Income Tax**		
	Advance Income Tax Paid	3,000,547	5,516,792
	Advance Income Tax - Import	3,992,861	1,577,995
	Advance Income Tax - Export	155,036	224,519
	Advance Income Tax Deducted at Source	6,079,987	23,178,267
	Advance Income Tax Deducted at Source (Dividend Income)	558,804	619,099
		13,787,235	**31,116,672**
8.02	**Advance Against Salary & Wages**	**433,247**	**323,207**
8.03	**Advance Against Expenditure**		
	VAT Return-Mushak 9.1	27,702	1,082,061
	Lanka Bangla Securities PLC.	756	906
	City Brokerage PLC.	749	899
	Bank Gaurantee Margin	628,923	628,923
	Advances for Spares Parts	16,361,429	26,615,883
	Advances for Other Materials	504,548	2,537,760
	Advances to Regular Employees	1,099,815	1,400,293
	Advances to Ex. Employees	2,933,648	2,933,648
		21,557,570	**35,200,373**
8.04	**Advance Against L/C**	**37,085,052**	**42,818,395**
8.05	**Deposits**		
	Security Deposit (PBS-1)	3,321,100	3,321,100
	Security Deposit (BGSL) Boiler	6,531,912	6,531,912
	Security Deposit (BGSL) Generator	4,455,445	4,455,445
	Security Deposit (PDB)	55,920	55,920
	Security Deposit (GEP Holdings Ltd)	8,000	8,000
	Security Deposit (Grameenphone)	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
		17,109,131	**17,109,131**

The management believes that all advances, deposits, and prepayments disclosed above are fully recoverable either in cash or in kind. Accordingly, no provision for impairment has been recognized as at the reporting date.

9.00	**CASH & CASH EQUIVALENTS:**			
	Cash in hand	Note 9.01	8,189,922	948,828
	Cash at banks	Note 9.02	81,784,970	50,097,446
	Fixed deposit with banks	Note 9.03	7,520,109	7,077,832
			97,495,001	**58,124,106**

SHAFIQUE RAHMAN & CO. Chartered Accountants

	Amount in Taka	
	30 June 2026	30 June 2025

9.01 Cash In Hand

At Head Office	8,164,202	923,828
At Dhaka Office	10,000	10,000
At Factory	15,720	15,000
	8,189,922	**948,828**

9.02 Cash at Banks

Bank	Branch	Account Number	Taka	Taka
First Security Islami Bank PLC.	Agrabad	STD A/C - 010413100000463	57,803	57,664
Social Islami Bank PLC.	Agrabad	STD Account-41360000458	308,377	311,554
Social Islami Bank PLC.	Agrabad	CD A/C - 0041330027978	42,542,962	33,885,127
Southeast Bank PLC.	Pahartali	CD A/C - 004111100007246	785	2,155
National Bank Ltd.	Pahartali	CD A/C-1055001054103	534,662	140,922
Premier Bank PLC.	Agrabad	CD A/C No-010311100015243	279,037	280,762
Prime Bank PLC.	Laldighi East	CD A/C -2145111015816	1,411,997	654,485
Islami Bank Bangladesh PLC.	Agrabad	CD A/C No-20501030100588315	721,001	522,306
Mercantile Bank PLC.	A.K Khan	CD A/C No-117511121143947	172,335	-
Trust Bank Ltd.	CDA Avenue	CD A/C No-00200210009922	18338	19,528
Standard Bank PLC.	Jubilee Road	CD A/C No-01233605212	126,771	90,039
United Commercial Bank PLC.	Pahartali	CD A/C-No 0971101000000078	7,482	8,672
Eastern Bank PLC.	Agrabad	CD A/C No-11071082755	826,037	1,258,882
Pubali Bank PLC.	Pahartali	CD A/C No-825901027548	19,583,551	1,259,535
Dutch Bangla Bank PLC.	Agrabad	CD A/C No- 1021100040340	682,898	156,440
Mutual Trust Bank PLC.	Alankar Moor	CD A/C No- 1301000334447	51,572	39,887
Islami Bank Bangladesh PLC.	Pahartali	CD A/C No-20506920100018417	14,318,675	11,409,488
Islami Bank Bangladesh PLC.	Pahartali	SND A/C No-20506920000114	140,687	-
			81,784,970	**50,097,446**

9.03 Fixed Deposit With Banks

Particulars	Tenure	Purpose	Rate of Interest	Taka	Taka
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000495044	One Year	Guarantee	9%	444,736	418,378
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000538124	One Year	Guarantee	9%	560,072	526,879
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000443135	One Year	Guarantee	9%	899,490	846,101
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410001438299	One Year	Guarantee	9%	2,776,616	2,612,056
Bangladesh Krishi Bank Ltd., Agrabad Branch, A/C # 29030330045646	One Year	Guarantee	6%	278,768	262,280
Social Islami Bank PLC, Agrabad Branch, A/C # 0045330035138	One Year	Guarantee	9.5%	502,814	465,568
Pubali Bank PLC, Pahartali Branch, A/C # 0825104032609	One Year	Guarantee	9.5%	1,857,613	1,745,990
National Bank PLC, Pahartali Branch, A/C No. 1001006525105	Seven Year	Bond	13%	200,000	200,000
Total				**7,520,109**	**7,077,832**

All bank account balances have been reconciled with the respective bank statements, and the reconciliations were found to be in order. The balances presented represent the actual cash and cash equivalents available to the Company at year end.

KHAN WAHAB SHAFIQUE RAHMAN & CO. ★ Chartered Accountants

	Amount in Taka	
	30 June 2026	30 June 2025

10.00 SHARE CAPITAL:

10.01 **Authorized:**

100,000,000 Ordinary shares of Tk. 10.00 each.	1,000,000,000	1,000,000,000

10.02 **Issued, Subscribed and Paid-up:**

85,00,000 Ordinary shares of Tk. 10.00 each fully paid up in cash.	85,000,000	85,000,000
1,05,00,000 Ordinary shares of Tk. 10.00 each fully paid up other than cash.	105,000,000	105,000,000
	190,000,000	190,000,000

10.03 **The break up of shareholdings as on 30 June 2026 :-**

Description	No of shares 30 June 2026	% of shareholding 30 June 2026	No of shares 30 June 2025	% of shareholding 30 June 2025
Sponsors & Directors	8,982,130	47.28	8,982,130	47.28
Institute	1,061,548	5.59	1,837,091	9.67
General Public	8,956,322	47.13	8,180,779	43.05
Total	**19,000,000**	**100**	**19,000,000**	**100**

10.04 **Number of shareholders & their shareholdings in percentage are as follows:**

Range of Holdings	No. of Shareholders		No. of Shareholdings		Percentage of Shareholdings	
	30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
Less than 500 shares	2,191	1,916	364,847	330,143	1.92	1.74
501 to 5,000 Shares	1,743	1,296	3,314,687	2,443,115	17.45	12.86
5,001 to 10,000 Shares	230	226	1,697,094	1,663,430	8.93	8.75
10,001 to 20,000 Shares	103	106	1,438,186	1,468,670	7.57	7.73
20,001 to 30,000 Shares	34	40	859,388	1,012,271	4.52	5.33
30,001 to 40,000 Shares	12	18	423,975	640,349	2.23	3.37
40,001 to 50,000 Shares	9	11	387,484	517,120	2.04	2.72
50,001 to 100,000 Shares	11	14	781,080	848,864	4.11	4.47
100,001 to 1,000,000 Shares	12	13	5,333,258	5,676,040	28.07	29.87
Over 1,000,000 Shares	3	3	4,399,998	4,399,998	23.16	23.16
Total	**4,348**	**3,643**	**19,000,000**	**19,000,000**	**100**	**100**

10.05 **Market price of Shares:**

The Company's ordinary shares are listed on Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC. As at 30 June 2026, the shares were quoted at Tk. 79.20 and Tk. 78.70 per share, respectively, with a nominal (Face) value of Tk. 10.00 per share.

KHAN SHAFIQUE RAHMAN & CO. Chartered Accountants

		Amount in Taka	
		30 June 2026	30 June 2025
11.00	**DIVIDEND EQUALIZATION RESERVE:**		
	Dividend Equalization Reserve is made-up as follows:		
	Balance as on 01 July	11,237,712	11,237,712
	Balance as on 30 June	**11,237,712**	**11,237,712**

Dividend Equalization Reserve was established in prior years with the approval of the Board of Directors. The purpose of this reserve is to ensure the payment of dividends to shareholders during periods of lower profitability or financial constraints.

12.00 REVALUATION RESERVE:

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
	477,061,519	477,061,519
Less: Depreciation on Revalued Assets till 30.06.2026 **(Note-4.01)**	210,208,352	201,747,706
	266,853,167	275,313,813
Less : Adjustments for Deferred Tax @15%	40,027,975	41,297,072
Balance as on 30 June	**226,825,192**	**234,016,741**

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

13.00 RETAINED EARNINGS:

Balance as on 01 July	26,668,816	20,020,812
Less: Dividend declared for the year 2024-2025 as approved in the AGM	5,008,935	3,800,000
	21,659,881	16,220,812
Add: Net profit/(loss) after tax	1,706,077	1,411,620
	23,365,958	17,632,432
Add: Revaluation Surplus Realized **(Note-4.01)**	8,460,646	9,036,384
Balance as on 30 June	**31,826,604**	**26,668,816**

14.00 UNSECURED LOAN:

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
	57,699,990	**57,699,990**

The above loans from directors are interest free.

15.00 LONG TERM LOAN:

HPSM Loan Under Tissue Projects	527,801,408	470,726,470
Bai Muazzal Term loan	258,087,176	233,098,203
Term Loan	2,055,132	4,606,783
	787,943,716	**708,431,456**

15.01 LONG TERM LOAN- MATURITY ANALYSIS:

Due within the period- Current Portion	139,995,363	125,995,409
Due after more than the period- Non-Current Portion	647,948,353	582,436,047
	787,943,716	**708,431,456**

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Amount in Taka	
30 June 2026	30 June 2025

15.02 **TERMS OF LONG TERM LOAN :**

Hire Purchase under Shirkatul Melk (HPSM) Loan

Lenders:

The Company has entered into a secured long-term loan agreement with Social Islami Bank PLC, 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 15.50% 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 @ 15.50% 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 stock.
ii. Land, Building and Machinery has been placed as prime securities against the Loans.
iii. Total 697.13 decimal land has been placed as prime securities against the loan.
iv. Creation of charge with RJSC.
v. Personal Guarantee of Director was also provided

Purpose:

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

BAI MUAZZAL (BAIM) LONG TERM LOAN:

Lender and Sanction:

Bai-Muazzal (Commercial Trading) loan was sanctioned by Social Islami Bank PLC, Agrabad Branch on 5 May 2015. The loan was rescheduled on 5 November 2023 and converted into a long-term loan repayable in 57 installments.rescheduled dated on 5 November 2023 and converted into long term loan which is repayble in 57 installments.

Loan Limit and Interest Rate:

The sanctioned limit of the loan is Tk. 13 crore, carrying interest at 15.50% per annum.

Purpose:

The loan was obtained to meet the working capital requirements of the Company's Paper Unit.

15.03 **Non-Funded Credit Facilities**

As at the reporting date, the Company had non-funded credit facilities comprising bank guarantee and Letter of Credit (L/C) limits. However, there was no outstanding liability under any non-funded credit facility as at the reporting date, except for the contingent exposure arising from the bank guarantees disclosed in this note.

15.04 **Social Islami Bank PLC (SIBL): Borrowings, Banking Exposure and Merger-Related Developments**

At 30 June 2026, our facilities with Social Islami Bank PLC (SIBL) represented 99.7% of the Company's long-term loans and 65.8% of liabilities. Both bear variable profit of 15.50% p.a., at the bank's discretion, and are secured by stock, 697.13 decimals of land, buildings and machinery, RJSC-registered charges, and our directors' personal guarantees (Note 39). Profit expense was Tk. 83,910,478 (Note 29).

The HPSM facility financed expansion and modernization of our existing and Tissue units; our BAIM facility financed Paper-unit working capital and was rescheduled in November 2023 into 57 instalments. SIBL held 52.4% of our Tk. 81,784,967 bank balances. We present deposits and borrowings gross and assessed expected credit losses under IFRS 9 as immaterial.

Following Bangladesh Bank directives, SIBL merged with four other Islami banks into Sammilito Islami Bank PLC. Our accounts continue under the existing bank name, and no contractual changes have been notified. SIBL confirmed loan and deposit balances of Tk. 785,888,584 and Tk. 42,851,339, respectively. We monitor risks and expect no material adverse effect from the merger alone.

We applied for the Special Exit Facility under Bangladesh Bank BRPD-1 Circular Letter No. 23 dated 29 June 2026. The application remained pending and settlement terms were unknown. We therefore retain the loans at contractual amounts, including accrued profit, and recognise no gain, waiver or re-measurement. Any settlement or modification will be accounted for when effective under IFRS 9. We treat the application and merger as non-adjusting events (Note 44).

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		Amount in Taka	
		30 June 2026	30 June 2025
16.00	**DEFERRED TAX LIABILITY:**		
	Balance as on 01 July	55,395,565	50,197,189
	Deferred Tax (Income)/ Expenses for the year -(Note-16.01)	(294,388)	5,192,294
	Investment in shares (Note-16.02)	18,551	6,082
		55,119,728	55,395,565
	Add: Deferred Tax for Revaluation Surplus (Note-12.00)	40,027,975	41,297,072
	Balance as on 30 June	**95,147,703**	**96,692,637**

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 has been shown at **Note-16.01 & 16.02.**

16.01	**Deferred Tax Liability on Property, Plant and Equipment**		
	(a) Carrying Amount of Property, Plant and Equipment (less revaluation and land value) as on 30 June	586,048,248	549,298,478
	(b) Tax Based Property, Plant and Equipment	340,528,189	302,470,028
	(c) Net Taxable Temporary Differences (a-b)	245,520,059	246,828,450
	(d) Deferred Tax liability at effective Tax Rate 22.50%	55,242,013	55,536,401
	(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	**(294,388)**	**5,192,294**

Carrying amount of Property, Plant & Equipment represents net written down value of assets as at the reporting date.

16.02	**Deferred Tax Liability on Investment in Shares**		
	(a) Market value of Investment in Shares as at the reporting date	10,435,107	10,249,593
	(b) Cost value of Investment in Shares as at the reporting date	11,657,946	11,657,945
	(c) Net Taxable Temporary Differences (a-b)	(1,222,839)	(1,408,352)
	(d) Deferred Tax liability at effective Tax Rate 10%	(122,284)	(140,835)
	(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	**18,551**	**6,082**

17.00	**SHORT TERM LOAN AND OVERDRAFT:**		
	Mercantile Bank PLC. A.K Khan Branch-Cash Credit (CC) Hypo A/C: 1729000027824	33,712,939	41,161,602
	LATR , Sight LC Loan From Mercantile Bank PLC.	10,013,832	9,773,261
	UPAS Loan from Mercantile Bank PLC.	-	10,187,360
	Other Short Term Loan	735,295	735,295
		44,462,066	**61,857,518**

17.01 **Short Term Borrowing:**

Particulars	Note	Amount in Taka 30.Jun.26	Amount in Taka 30.Jun.25
Short term loan and overdraft	17.00	44,462,066	61,857,518
Long term loan-current portion	15.01	139,995,363	125,995,409
Total		**184,457,429**	**187,852,927**

a) The Company has obtained a renewable Cash Credit (Hypo) facility from Mercantile Bank PLC, A.K. Khan Moor Branch, sanctioned on 28 May 2017.

b) The sanctioned limit of the facility is Tk. 4.00 crore (Account No. 1729000027824).

c) The loan carries interest at 14.50% per annum.

d) Personal guarantees of the Directors have been provided.

e) Total land measuring 135.55 decimals has been provided as primary security against the loan.

18.00	**LIABILITY FOR EXPENSES:**		
	Audit Fee	392,000	423,750
	Directors Remuneration	1,323,100	1,454,800
	Electricity Bill	4,200,305	13,062,483
	Gas Bill	24,844,879	37,764,912
	Gas Bill-Factory Canteen	22,994	19,562
	Gas Bill-Head Office	2,721	1,583
	Office Rent	825,000	625,000
	Overtime	2,279,930	2,737,416

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			Amount in Taka	
			30 June 2026	30 June 2025
	Salaries & Allowances-Dhaka Office		83,372	85,724
	Salaries & Allowances-Head Office		526,575	536,115
	Salaries & Allowances-Factory Staffs		1,044,982	1,304,037
	Wages & Allowances-Factory Workers		1,817,399	2,852,006
	Salaries & Allowances-Sales & Marketing		1,321,579	1,646,526
	Fooding Expenses		158,866	199,875
			38,843,702	**62,713,789**
19.00	**WORKERS PROFIT PARTICIPATION & WELFARE FUND:**			
	Balance as on 01 July		3,149,445	2,275,734
	Add: Provision made during the year		1,332,749	873,711
			4,482,194	**3,149,445**
	Less: Payment made during the year		-	-
	Balance as on 30 June		**4,482,194**	**3,149,445**
20.00	**TRADE PAYABLES:**			
	Abul Khair Steel Melting Ltd.		565,852	615,852
	Azad Engineering Workshop		712,550	835,850
	Hossain Box Industries		-	2,518,859
	International Bearing Center		734,343	675,243
	Islam & Brothers		3,717,574	2,115,366
	Khaja Polythene Mart		72,812	33,046
	Mamun Hardware Store		689,235	769,641
	M/s. Dohar Chemicals		146,015	1,424,115
	S.R Packaging		3,050,977	3,580,625
	Taslima Enterprise		2,445,944	2,467,194
	Unimax Chemicals		1,604,500	142,300
	United Trading Agency		1,281,823	1,302,611
	Other Payable		8,336,215	10,644,490
			23,357,840	**27,125,192**
21.00	**CURRENT TAX LIABILITIES:**			
	Balance as on 01 July		27,681,187	31,857,573
	Provision during the year:			
	Add: Against current year		11,175,511	10,870,301
			38,856,698	42,727,874
	Less: Adjustment recognized following completion of assessments	Note: 21.01	10,725,781	15,046,687
	Balance as on 30 June		**28,130,917**	**27,681,187**
21.01	**Adjustment for Completed assessment year**			
	Assessment year 2015-2016		-	1,900,000
	Assessment year 2018-2019		-	1,702,107
	Assessment year 2019-2020		-	2,917,512
	Assessment year 2020-2021		-	2,892,410
	Assessment year 2021-2022		-	2,368,479
	Assessment year 2022-2023		-	3,266,179
	Assessment year 2016-2017		1,637,851	-
	Assessment year 2017-2018		2,046,829	-
	Assessment year 2023-2024		7,041,101	-
			10,725,781	**15,046,687**
21.02	**Computaion of Provision for Income Tax:**			
21.02.1	**Net profit before tax**		26,654,988	17,474,215
	Less: Non-Operating Income	Note: 30	1,235,669	2,022,574
			25,419,319	**15,451,641**
	Add: Accounting depreciation	Note: 4.01	47,605,503	47,536,249
			73,024,822	**62,987,890**
	Less: Tax depreciation U/S 50 of ITA 2023		37,836,465	33,607,781
	Net Operating Business Income/(loss) (A)		35,188,357	29,380,109
	Add: Non-Operating Income (B)		1,235,669	2,022,574
	Total Business Income (A+B)		**36,424,026**	**31,402,683**

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				Amount in Taka	
				30 June 2026	30 June 2025
		Amount	Rate		
	Tax on Net Operating Business Income (C.)	35,188,357	22.50%	**7,917,380**	**6,610,525**
	Add: Non-Operating Income				
	Divtdend Income	566,385	20%	113,277	147,192
	Interest Income	659,467	22.50%	148,380	97,676
	Profit on Sale of Investment in Shares	-	10%	-	28,446
	Cash Incentive-Export	-	10%	-	43,464
	Miscellaneous Income	9,817	22.50%	2,209	30,014
	Tax on Non-Operating Income (D)	1,235,669		**263,866**	**346,792**
	Total Current Tax (C+D)			**8,181,246**	**6,957,317**

21.02.2	**Minimum Tax:**	**Amount**	**Rate**		
	Revenue	1,089,748,528	1%	10,897,485	10,415,222
	Non-Operating Income	1,235,669	22.50%	278,026	455,079
	Income Tax Provision during the year			**11,175,511**	**10,070,301**
	Compared with tax on business income and minimum tax higher one has been provided U/S 163 of ITA 2023				
22.00	**LIABILITIES FOR OTHER FINANCE:**				
	I.T. Deducted at Source			426,835	704,060
	VAT Deducted at Source			271,147	207,328
	Loan From Farhana Tarannum*			26,500,000	26,500,000
				27,197,982	**27,411,388**
	**The above loans are interest free.				
23.00	**UNCLAIMED DIVIDEND:**				
	Balance as on 1st July			1,892,285	1,532,796
	Add: Dividend declared for the year 2024-2025 approved in the AGM			5,008,935	3,800,000
				6,901,220	**5,332,796**
	Less: Dividend Paid			4,908,326	3,440,511
	Balance as on 30 June			**1,992,894**	**1,892,285**
23.01	**Year wise Unclaimed Dividend:**				
	The year wise breakup of unclaimed cash dividend as 30 June 2026 are as follows:				
	2014-2015 to 2018-2019			999,979	999,979
	2019-2020			82,650	82,650
	2020-2021			36,016	36,016
	2021-2022			72,024	72,024
	2022-2023			341,858	341,858
	2023-2024			358,409	359,759
	2024-2025			101,957	-
				1,992,894	**1,892,285**
24.00	**DIRECTORS CURRENT ACCOUNT:**				
	Mr. Mohammed Abdullah, Ex-Chairman			20,800,800	20,800,000
	Mr. Md. Golam Kibria, Managing Director			10,934,787	10,934,787
	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			8,448,066	8,448,066
	Mr. Md. Golam Rasul Muktadir, Chairman			9,118,980	9,118,980
	Mrs. Farhana Ferdous-Director			27,200,000	27,200,000
				84,501,833	**84,501,833**

These balances represent short-term financial assistance obtained from the Directors to meet working capital requirements, as and when needed. All transactions were conducted through account payee cheques. The loans are interest-free.

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			Amount in Taka	
			30 June 2026	30 June 2025
25.00	**REVENUE FROM CONTRACTS WITH CUSTOMERS:**			
	Newsprint Paper		699,873,948	672,549,916
	M.G. Newsprint		286,350,838	271,791,256
	Tissue Paper		122,539,658	106,193,216
	Khata		6,930,421	6,030,292
	Export		-	4,520,045
	Gross Revenue		**1,115,694,865**	**1,061,084,724**
	Less: Value Added Tax (VAT)		25,946,337	19,562,513
	Net Revenue		**1,089,748,528**	**1,041,522,211**
26.00	**COST OF SALES:**			
	Opening Stock of Raw Materials		100,837,970	93,461,252
	Add: Purchased during the year	Note-26.01	557,062,073	531,419,046
			657,900,043	**624,880,298**
	Less: Closing Stock of Raw Materials		131,131,364	100,837,970
	Raw Materials Consumed		**526,768,679**	**524,042,328**
	Add: Factory overhead	Note-26.02	348,254,706	389,697,540
	Add: Opening Work-in-Process		28,954,845	31,773,179
			903,978,230	**945,513,047**
	Less: Closing Work-in-Process		33,019,757	28,954,845
	Cost of Production		**870,958,473**	**916,558,202**
	Add: Opening Stock of Finished Goods		215,484,252	180,664,204
			1,086,442,725	**1,097,222,406**
	Less: Closing Stock of Finished Goods		184,053,436	215,484,252
	Cost of Sales		**902,389,289**	**881,738,154**
	26.01 Purchased of Raw Materials:			
	Local		468,750,985	402,141,463
	Imported		88,311,088	129,277,583
			557,062,073	531,419,046
	26.02 Factory overhead:			
	Salaries, Wages and Allowances		54,453,732	60,944,379
	Carriage Inward		2,176,960	2,199,390
	Gas Bill		109,889,571	129,527,002
	Electric Bill		70,787,157	87,901,943
	Consumable Spare & Store		14,310,657	15,976,651
	Packaging Material Consumed		26,311,401	21,038,901
	Factory Maintenance		11,596,650	11,473,802
	Loading Unloading Charge		241,627	649,430
	Cutting Expense		8,629,084	8,758,930
	Mobile bill		161,230	172,570
	Fuel bill		494,394	608,768
	Medical & Medicine		94,278	116,869
	Gas Generator Upkeep		649,875	1,333,500
	Boiler Upkeep		346,651	133,150
	Insurance Premium		-	400,522
	Canteen Expenses		382,146	497,966
	Gas Bill- Canteen		113,416	118,301
	Tea, Tiffin Expenses		786,550	829,091
	Depreciation	Note: 4.01	46,829,327	47,016,381
			348,254,706	389,697,540
27.00	**ADMINISTRATIVE EXPENSES:**			
	Director Remuneration	Notes-27.01	3,600,000	3,600,000
	Salaries & Allowances		9,271,480	9,667,668
	Office Rent		360,000	360,000
	Telephone & Mobile Bill		220,094	235,913
	Entertainment		193,387	256,560
	Tiffin and Refreshment		287,460	312,633
	Travelling Expenses		610,499	1,142,107
	Dhaka Office Expenses		103,309	102,747
	Canteen Expenses		78,390	14,340
	Postage & Courier		28,668	32,889
	Forms, Stamp & Legal Documents		6,270	2,800
	Fees, Renewal & Subscription		1,821,935	1,555,486
	Printing & Stationery		118,798	73,181

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		Amount in Taka	
		30 June 2026	30 June 2025
Gas Bill-Head Office		6,950	14,250
Meeting Expenses		693,921	663,621
Meeting Attendance Fees		1,000,395	634,500
Office Maintenance		1,345,057	826,437
Internet Bill		162,900	182,720
Audit Fee		448,500	448,500
Legal & Professional Fee		163,300	308,734
Annual Subscription Fee of CDBL		56,000	56,000
Annual Subscription Fee of CSE, DSE		190,000	198,000
Electric Bill- Head Office		89,030	348,000
Electric Bill- Dhaka Office		58,713	70,151
Fuel Bill		215,462	248,891
Vehicle Upkeep		307,513	346,062
Website Expenses		58,472	51,566
Rent, Rates & Taxes		5,640	67,825
Depreciation	Note: 4.01	776,176	519,868
		22,278,319	22,317,440

27.01 Short-Term Employee Benefits – Key Management Personnel

In accordance with the Para 17 of IAS-24 related party disclosure:

Short term employee benefits	3,600,000	3,600,000
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	**3,600,000**	**3,600,000**

(a) The above short-term employee benefits include provisions for remuneration of Tk. 24,00,000 for the Managing Director and Tk. 12,00,000 for the Deputy Managing Director for the year.
(b) No remuneration has been paid to any other Director of the Board, other than attendance fees, which are separately disclosed.
(c) No amounts have been incurred by the Company for compensating any other Board members for special services rendered.
(d) In addition to the above remuneration, the Managing Director and Deputy Managing Director are provided with Company vehicles for transportation purposes. These key management personnel are not entitled to any other benefits, and no amounts are receivable from the Directors.

28.00 SELLING & DISTRIBUTION EXPENSES:

Sales Promotion Expenses	119,500	262,867
Salaries & Allowances	13,051,658	15,965,672
Conveyance	2,016,504	2,543,788
Carriage Outward	25,954,610	31,651,591
C&F Bill-Export	20,700	46,627
Mobile bill	618,851	675,985
Entertainment	1,734,344	1,703,929
Advertisement	1,068,468	1,051,870
Allowance for expected credit losses	4,111,595	-
	48,696,230	53,902,329

29.00 FINANCIAL EXPENSES:

Bank Charges		451,281	479,519
Bank Guarantee Commission		-	180,948
Interest Expenses on Cash Credit		5,082,981	4,436,763
Interest Expenses on Short Term Loan		1,343,552	1,058,981
Interest Expenses on Long Term Loan		82,566,926	59,402,968
Interest Expenses on UPAS Loan		117,211	-
Foreign currency exchange (gain)/loss	Note-29.01	68,671	1,679,757
		89,630,622	67,238,936

29.01 Foreign currency exchange (gain)/loss

Realized foreign currency transaction (gain)/loss	66,365	1,676,748
Unrealized foreign currency translation (gain)/loss	2,306	3,009
	68,671	1,679,757

(a) **Foreign currency transaction gain/(loss)** represents the net gain or loss arising from transactions denominated in foreign currencies during the year.
(b) **Foreign currency translation gain/(loss)** represents the net gain or loss resulting from the translation of foreign currency balances into Bangladeshi Taka at the prevailing exchange rates as at the reporting date.

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		Amount in Taka	
		30 June 2026	30 June 2025
30.00	**NON-OPERATING INCOME:**		
	Dividend Income	566,385	735,962
	Interest Income	659,467	434,114
	Profit on Sale of Investment in Shares	-	284,401
	Cash Incentive-Export	-	434,640
	Miscellaneous Income	9,817	133,397
		1,235,669	2,022,574
31.00	**DEFERRED TAX EXPENSES:**		
	(a) Deferred Tax Liability on 30 June	55,101,177	55,389,483
	(b) Deferred Tax Liability on 01 July	55,395,565	50,197,189
	Deferred Tax Expenses for the year (a-b)	(294,388)	5,192,294
32.00	**EARNINGS PER SHARE:**		
	Net Profit after tax	1,706,077	1,411,620
	Number of shares outstanding	19,000,000	19,000,000
	EPS (per value of Tk. 10)	0.09	0.07

The Company's Earnings Per Share (EPS) increased significantly compared to the previous year, primarily due to higher sales revenue and lower operating expenses.

33.00	**NET ASSET VALUE PER SHARE WITH REVALUATION:**		
	Net Asset with Revaluation	458,666,669	460,514,917
	Number of shares outstanding	19,000,000	19,000,000
	Net asset value per share (per value of Tk. 10)	24.14	24.24
34.00	**NET ASSET VALUE PER SHARE WITHOUT REVALUATION:**		
	Net Asset without revaluation	231,841,477	225,498,176
	Number of shares outstanding	19,000,000	19,000,000
	Net asset value per share (per value of Tk. 10)	12.20	11.92
35.00	**NET OPERATING CASH FLOWS PER SHARE:**		
	Net cash flows from operation	169,757,643	93,908,326
	Number of shares outstanding	19,000,000	19,000,000
	Net operating cash flows by per share (per value of Tk. 10)	8.93	4.94

The Company's Net Operating Cash Flows Per Share (NOCFPS) increased significantly compared to the previous year, mainly attributable to higher cash receipts from customers against sales and other income.

36.00 Number of Employees:

The total employees of the company as on 30 June 2026 stood at 413 nos. comprising Head office staff 23 nos, Sales & Marketing staff 31 nos, Factory office staff 20 nos, Security 26 nos, Driver and helper 02 nos, Permanent worker 75 nos and Temporary worker 237 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	413	441

37.00 RISK MANAGEMENTS

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

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37.01 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, MLG News print, Medium Paper and Tissues paper.

Maximum exposure to credit risk of the company at reporting date are as follows:	Amount in Taka	
a) Exposure of Credit risk:	30 June 2026	30 June 2025
Trade receivables	159,553,902	165,225,169
Advance, Deposit and Prepayments (excluding Deposit & Prepayments)	72,863,104	109,458,647
Bank Balances	97,495,001	58,124,106
	329,912,007	332,807,922
b) Ageing of Trade Receivables are as follows:		
Below-30 Days	27,124,163	28,088,279
Within 31-60 Days	31,910,780	33,045,034
Within 61-90 Days	22,337,546	23,131,524
Within 90 - 180 Days	19,146,468	19,827,020
Above 180 Days	59,034,944	61,133,313
	159,553,902	165,225,169

37.02 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.

37.02.01 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	787,943,716	139,995,363	647,948,353	787,943,716
Short Term Loan & Overdraft	44,462,066	44,462,066	-	44,462,066
Liability for Expenses	38,843,702	38,843,702	-	38,843,702
Workers Profit Participation and Welfare Fund	4,482,194	4,482,194	-	4,482,194
Trade Payables	23,357,840	23,357,840	-	23,357,840
Current Tax Liabilities	28,130,917	28,130,917	-	28,130,917
Liabilities for Other Finance	27,197,982	27,197,982	-	27,197,982
Unclaimed Dividend	1,992,894	1,992,894	-	1,992,894
Directors Current Account	84,501,833	84,501,833	-	84,501,833
Total	**1,098,613,134**	**392,964,791**	**705,648,343**	**1,098,613,134**

37.03 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.

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38.00 CAPACITY UTILIZATION:

Particulars	2025-2026	2024-2025
Installed Capacity (in M.T)	13500	13500
Actual Production (in M.T)	7244	6548
% of Capacity Utilization	53.66%	48.50%

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

39.00 RELATED PARTY TRANSACTION:

Name of the Parties	Relationship	Nature of Transactions	Balance as on 1st July 2025	Transaction during the year	Balance as on 30 June 2026
39.01 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 Maktadir	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
		Total	**57,699,990**	-	**57,699,990**
39.02 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	9,118,980	-	9,118,980
Mr. Md. Golam Kibria	Managing Director	Loan Received	10,934,787	-	10,934,787
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	8,448,066	-	8,448,066
Mr. Md. Golam Mostofa	Ex- Managing Director	Loan Received	3,500,000	-	3,500,000
Mrs Farhana Ferdous	Director	Loan Received	27,200,000	-	27,200,000
Total			**84,501,833**	-	-
39.03 LIABILITIES FOR OTHER FINANCE:					
Mrs Farhana Tarannum	Close Family Member	Loan Received	26,500,000	-	26,500,000
Total			**26,500,000**	-	**26,500,000**

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39.04 Balances Due to Deceased Former Directors and Transmission of Shares

The Company has outstanding unsecured, interest-free balances due to two deceased former directors, who were related parties under IAS 24. The balances are repayable on demand, carry no fixed repayment terms, and have no associated guarantees or accrued finance costs. We have retained the recorded amounts, considering them to approximate fair value.

Settlement remains pending completion of succession and inheritance formalities. No claims have been received up to the date of approval of these financial statements.

Additionally, 1,566,666 ordinary shares of Tk. 10 each, representing 8.25% of our issued shares, remain registered in the name of the late Mr. Md. Golam Haider. Their transmission to his lawful successors is pending completion of the relevant legal formalities. Any related dividends remain classified as unclaimed or unpaid dividends (Note 23).

The Company will reassess the accounting treatment upon completion of the succession formalities and classify the outstanding balances in accordance with IAS 1.

40.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND:

This represents 5% of the net profit before tax, calculated in accordance with the provisions of the Labor Act, 2006, as amended in 2018, and is payable to workers as defined therein. Interest attributable to the investment portion will be recognized and paid on a cash basis at the time of payment.

41.00 CASH FLOWS FROM OPERATING ACTIVITIES UNDER INDIRECT METHOD:

		Amount in Taka	
		30 June 2026	30 June 2025
Profit after Provision for Income Tax		1,706,077	1,411,620
Adjustment for:			
Depreciation		47,605,503	47,536,249
Provision for Deferred Tax Expenses		(294,388)	5,192,294
Financial Expenses		89,630,622	61,082,725
Workers Profit Participation and Welfare Fund		1,332,749	873,711
Deferred tax on unrealized gain/(loss) in investment in share		18,551	6,082
	A	**139,999,114**	**116,102,681**
Changes in Working Capital			
(Increase)/Decrease in Inventories		(1,120,526)	(48,549,262)
(Increase)/Decrease in Trade Receivables		5,671,267	13,245,495
(Increase)/Decrease in Advance, Deposits & Prepayments		38,395,543	(997,456)
Increase/(Decrease) in Liability for Expenses		(23,870,087)	14,170,701
Increase/(Decrease) in Current portion of Long Term Loan		13,999,954	8,013,201
Increase/(Decrease) in Trade Payables		(3,767,352)	(3,900,658)
Increase/(Decrease) in Current Tax Liabilities		449,730	(4,176,386)
	B	29,758,529	(22,194,355)
Net cash inflows/(out flows) from operating activities (A+B)		**169,757,643**	**93,908,326**

42.00 OTHER RELEVANT INFORMATION:

42.01 During the year 6 (Six) Board Meetings were held.

42.02 During the year 5 (Five) Audit Committee Meetings were held.

42.03 During the year 2 (Two) Nomination and Remuneration Committee (NRC) Meetings was held.

42.04 The audit fee of BDT 402,500 along with imposed VAT has been provided in the accounts as per decision taken in the 29th Annual General Meeting of the Company held on 20 December 2025.

42.05 The compliance audit fee of Tk. 40,250 along with imposed VAT has been provided in the accounts as per decision taken in the 29th Annual General Meeting of the company held on 20 December 2025.

42.06 There was no claim against the company not acknowledged as debt at the reporting date.

42.07 No amount of money was spent by the company for compensation to member of the board for special service rendered.

43.00 CONTINGENT LIABILITIES:

Contingent liabilities represent possible obligations arising from past events whose existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Company, or present obligations that are not recognized because an outflow of resources embodying economic benefits is not probable or the amount of the obligation cannot be measured reliably.

43.01 Bank Guarantees

As at the reporting date, the Company had outstanding bank guarantees issued by its scheduled banks in favour of third parties against counter-indemnities provided by the Company. The details of these guarantees are set out below:

Name of Bank	Amount in Taka	
	30 June 2026	30 June 2025
Social Islami Bank PLC.	5,348,870	5,348,870
Bangladesh Krishi Bank Ltd.	109,200	109,200
Pubalii Bank PLC.	1,548,554	1,548,554
Mercantile Bank PLC.	7,002,998	7,002,998
	14,009,622	**14,009,622**

Fixed deposits receipts (FDRs) have been maintained with the respective banks against the margin requirements for the above bank guarantees. The details of these FDRs are disclosed in Note 9.03 to the financial statements.

KHAN WAHAB SHAFIQUE RAHMAN & CO. Chartered Accountants

Other Contingent Liabilities

In addition to the above bank guarantees, the Company is involved in certain legal proceedings arising in the ordinary course of business, including proceedings relating to the recovery of outstanding receivables, as disclosed in the relevant notes to the financial statements. Management continues to monitor the progress of these proceedings and, based on the information currently available and legal advice obtained, assesses the potential financial implications in accordance with the applicable financial reporting framework. The accounting treatment of these matters is determined based on the nature of each case, the likelihood of an outflow of economic resources and the availability of a reliable estimate of any resulting obligation.

43.02 **Adjustment Relating to Prior-Year Income Tax Assessments**

During the year, following the completion of income tax assessments for Assessment Years 2016–17 and 2017–18, the Company recognised an adjustment of Tk. 14,067,788 relating to advance income tax (AIT) deducted at source on tender sales to the National Curriculum and Textbook Board (NCTB). The amount was treated as final tax by the tax authority.

The adjustment has been presented as "Prior Years Tax" in the Statement of Profit or Loss and Other Comprehensive Income. Consequently, the balance of AIT deducted at source decreased from Tk. 23,178,267 to Tk. 6,079,987 (Note 8.01).

The tax effect of the completed assessments has been recognised in the current year. Comparative figures have not been restated, as Management considers the adjustment to arise from the outcome of the tax assessments rather than a prior-period error, based on the information available in previous years.

As at the date of authorization of these financial statements, the income tax assessments for Assessment Years 2024–25 and 2025–26 onwards remained incomplete. The remaining AIT of Tk. 6,079,987 is considered adjustable against future tax liabilities, subject to the outcome of the relevant assessments and acceptance by the tax authority.

44.00 EVENTS AFTER REPORTING PERIOD:

44.01 The Board of Directors in its meeting held on 31 October 2026 approved the Audited Financial Statements and recommended 3% Cash Dividend to all Shareholders for the year 2025-2026 which is subject to approval of the shareholders in the 30th AGM. Thus total involvement comes to taka 57,00,000.

44.02 Except above, no other significant event had occurred till date of signing the Financial Statements.

