HAKKANI PULP & PAPER MILLS PLC.

FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED 30 SEPTEMBER 2026 (UN-AUDITED)







HAKKANI PULP & PAPER MILLS PLC.

Statement of Financial Position (Un-Audited)

As at 30 September 2026

	Note(s)	30 September 2026 Taka	30 June 2026 Taka
ASSETS			
Non Current Assets :		**902,551,138**	**903,744,608**
Property, Plant and Equipment	4	902,551,138	903,744,608
Current Assets:		**774,662,942**	**748,682,898**
Investment in Shares	5	9,955,934	10,435,107
Inventories	6	366,527,781	391,226,653
Trade Receivables	7	126,915,425	159,553,902
Advances, Deposits & Prepayments	8	104,922,377	89,972,235
Cash & Cash equivalents	9	166,341,425	97,495,001
TOTAL ASSETS		**1,677,214,080**	**1,652,427,506**
SHARE HOLDERS EQUITY & LIABILITIES			
Shareholders Equity:		**460,764,595**	**458,666,669**
Share Capital	10	190,000,000	190,000,000
Dividend Equalization Reserve	11	11,237,712	11,237,712
Revaluation Reserve	12	225,141,689	226,825,192
Fair Value Reserve	5.01	(1,702,012)	(1,222,839)
Retained Earnings	13	36,087,206	31,826,604
Non Current Liabilities:		**814,085,346**	**800,796,046**
Unsecured Loan	14	57,699,990	57,699,990
Long Term Loan-Non Current Portion	15	661,989,623	647,948,353
Deferred Tax Liability	16	94,395,733	95,147,703
Current Liabilities:		**402,364,139**	**392,964,791**
Short Term Loan & Overdraft	17	35,005,268	44,462,066
Liability for Expenses	18	52,206,850	38,843,702
Workers Profit Participation and Welfare Fund	19	4,719,647	4,482,194
Long Term Loan-Current Portion	15.01	142,992,095	139,995,363
Trade Payables	20	23,252,149	23,357,840
Current Tax Liabilities	21	31,006,934	28,130,917
Liabilities for Other Finance	22	27,234,802	27,197,982
Unclaimed Dividend	23	1,444,561	1,992,894
Directors Current Account	24	84,501,833	84,501,833
Total Liabilites		**1,216,449,485**	**1,193,760,837**
TOTAL EQUITY & LIABILITIES		**1,677,214,080**	**1,652,427,506**
Net Asset Value Per Share (with revaluation)	33	**24.25**	**24.14**
Net Asset Value Per Share (without revaluation)	34	**12.40**	**12.20**

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

CHAIRMAN MANAGING DIRECTOR DIRECTOR CFO-INCHARGE COMPANY SECRETARY

Hakkani Pulp & Paper Mills PLC Chattogram

Place: Chattogram
Date: November 14, 2026

HAKKANI PULP & PAPER MILLS PLC.

Statement of Profit or Loss and Other Comprehensive Income (Un-Audited)

For the period ended 30 September 2026

	Note(s)	1st July to 30 September 2026	1st July to 30 September 2025
		Taka	Taka
Revenue	25	283,895,019	312,985,024
Cost of Sales	26	(242,880,094)	(260,047,574)
Gross Profit / (Loss)		**41,014,925**	**52,937,450**
Operating Expenses:			
Administrative Expenses	27	(4,992,841)	(4,373,587)
Selling & Distribution Expenses	28	(11,700,466)	(13,130,131)
		(16,693,307)	(17,503,718)
Profit from Operation		**24,321,618**	**35,433,732**
Financial Expenses	29	(19,499,842)	(31,716,687)
Non-Operating Income	30	164,740	255,773
Net Profit Before WPPF & WWF		**4,986,516**	**3,972,818**
Contribution to WPPF & Welfare Funds	19	(237,453)	(189,182)
Net profit before Tax		**4,749,063**	**3,783,636**
Income Tax Provision:			
Current Tax	21.02	(2,876,017)	(3,187,399)
Deferred Tax	31	406,964	402,593
		(2,469,053)	(2,784,806)
Net profit after Tax		**2,280,010**	**998,830**
Other Comprehensive Income:			
Deferred Tax on Revaluation Reserve	12	297,089	317,274
Unrealized Gain/ (Loss) on Investment in Shares	5.02	(479,173)	627,660
Deferred tax on unrealized gain/(loss) on investment in shares	16.02	(47,917)	56,684
		(230,001)	1,001,618
Total Comprehensive Income		**2,050,009**	**2,000,448**
Earnings Per Share - Basic (per value of Tk. 10)	32	0.12	0.05

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

CHAIRMAN MANAGING DIRECTOR DIRECTOR CFO-INCHARGE COMPANY SECRETARY

Place: Chattogram
Date: November 14, 2026

Hakkani Pulp & Paper Mills PLC Chattogram

HAKKANI PULP & PAPER MILLS PLC.

Statement of Changes in Equity (Un-Audited)

For the period ended 30 September 2026

(Amount in Taka)

Particulars	Share Capital	Dividend Equalization Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Total
Balance as at 01 July 2026	190,000,000	11,237,712	226,825,192	(1,222,839)	31,826,604	458,666,669
Adjustment of depreciation on carrying amount of revalued assets	-	-	(1,980,592)	-	1,980,592	-
Deferred Tax on Revaluation Surplus	-	-	297,089	-	-	297,089
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	(479,173)	-	(479,173)
Net Profit after Tax	-	-	-	-	2,280,010	2,280,010
Balance as on 30 September 2026	**190,000,000**	**11,237,712**	**225,141,689**	**(1,702,012)**	**36,087,206**	**460,764,595**

For the period ended 30 September 2025

Balance as at 01 July 2025	190,000,000	11,237,712	234,016,741	(1,469,175)	26,668,816	460,454,094
Adjustment of depreciation on carrying amount of revalued assets	-	-	(2,115,161)	-	2,115,161	-
Deferred Tax on Revaluation Surplus	-	-	317,274	-	-	317,274
Unrealized Gain/(Loss) on Investment in Shares	-	-	-	627,660	-	627,660
Net Profit after Tax	-	-	-	-	998,830	998,830
Balance as on 30 September 2025	**190,000,000**	**11,237,712**	**232,218,854**	**(841,515)**	**29,782,807**	**462,397,858**

CHAIRMAN | MANAGING DIRECTOR | DIRECTOR | CFO-INCHARGE | COMPANY SECRETARY

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

Place: Chattogram
Date: November 14, 2026

Hakkani Pulp & Paper Mills PLC Chattogram

HAKKANI PULP & PAPER MILLS PLC.

Statement of Cash Flows (Un-Audited)

For the period ended 30 September 2026

	Note(s)	1st July to 30 September 2026 Taka	1st July to 30 September 2025 Taka
A. Cash flows from Operating Activities:			
Receipts from customers against sales & other income		316,698,236	314,904,926
Paid to suppliers, operating and other expenses		(216,480,230)	(276,819,200)
Income Tax Paid		(4,341,723)	(1,750,608)
Net cash flows generated by operating activities	41	**95,876,283**	**36,335,118**
B. Cash flows from Investing Activities:			
Acquisition of Property, Plant & Equipment		(11,602,978)	(4,267,485)
Advance for Machinery		-	(7,373,000)
Advance for acquisition of land		-	(2,459,420)
Net cash flows used in investing activities		**(11,602,978)**	**(14,099,905)**
C. Cash flows from Financing Activities:			
Short Term Loan & Overdraft		(9,456,798)	(11,093,977)
Long Term Loan		14,041,270	23,697,189
Financial Expenses		(19,499,842)	(31,716,687)
Liabilities for Other Finance		36,822	(41,918)
Dividend Paid		(548,333)	(1,350)
Net Cash flows used in Financing Activities		**(15,426,881)**	**(19,156,743)**
D. Net Increase/(Decrease) in Cash and Bank Balances (A+B+C)		68,846,424	3,078,470
E. Cash and Cash Equivalents at 01 July		97,495,001	58,124,106
Cash and Cash Equivalents at 30 September (D+E)		**166,341,425**	**61,202,576**
F. Net Operating Cash Flows Per Share (NOCFPS)	35	**5.05**	**1.91**

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

CHAIRMAN **MANAGING DIRECTOR** **DIRECTOR** **CFO-INCHARGE** **COMPANY SECRETARY**

Place: Chattogram
Date: November 14, 2026

Hakkani Pulp & Paper Mills PLC. Chattogram

HAKKANI PULP & PAPER MILLS PLC.
Notes to the Financial Statements (Un-Audited)
For the period ended 30 September 2026

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

1.02 Nature of Business:

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

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

2.01 Statement of compliance:

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

Moreover, these Financial Statements have been prepared on a going concern basis following accrual basis of accounting except for statement of cash flows in accordance with the International Accounting Standard (IASs) and International Financial Reporting Standard (IFRSs) as adopted in Bangladesh by the 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 period 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
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 September 2026.

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

c. A Statement of changes in equity for the period ended 30 September 2026.

d. A Statement of Cash flows for the period ended 30 September 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 14 November 2026.

2.06 **Reporting Period:**

The financial statements of the Company cover Three months from 1 July 2026 to 30 September 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

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(II) It is held primarily for the purpose of trading,

(III) It is due to be settled within twelve months after the reporting period and

(IV)There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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

2.11 **Use of Estimates and Judgments:**

In preparing financial statements, management has made judgments and estimates that affect the application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

2.11.01 **Judgments, assumptions and estimation uncertainties:**

Information about judgments made in applying accounting policies and assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note: 04 Property, Plant and Equipment
Note: 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:

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3.22 Consistency
3.23 Events after the reporting
3.24 Share Capital
3.25 Leases
3.26 Accruals

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.

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

3.02 **Capital Work In Progress :**

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

The cost of capital work in progress comprises:

1) Purchase price includes import duties.

2) Any cost directly attributable to bringing the assets to be capable of operating in the manner intended by the Management.

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

3.03 **Impairment of Assets:**

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

3.04 **Investment in Shares:**

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

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

3.05 **Inventories:**

3.05.01 **Nature of inventories**

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

3.05.02 **Valuation of the inventories**

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

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.

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.

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.

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:	**30 September 2026**	**30 June 2026**
	Taka	**Taka**
Balance as on 01 July (including revaluation)	1,585,942,987	1,503,991,740
Add: Addition during the period	11,602,978	81,951,247
	1,597,545,965	1,585,942,987
Less: Disposal/Adjustment during the period	566,444	-
Balance as on 30 September	**1,596,979,521**	**1,585,942,987**
Less: Accumulated depreciation	694,428,383	682,198,379
Written down value as on 30 September	**902,551,138**	**903,744,608**

(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	C O S T				Rate of Dep.	D E P R E C I A T I O N				Written Down Value as on 30 Sep 2026
	Balance as on 01 July 2026	Addition during the period	Disposal/ Adjustment during the period	Balance as on 30 Sep 2026		Balance as on 01 July 2026	Charged during the period	Disposal/ Adjustment during the period	Balance as on 30 Sep 2026	
At Cost										
Land & Land Development	50,843,192	-	-	50,843,192	-	-	-	-	-	50,843,192
Building & Other Construction	207,572,989	1,534,075	-	209,107,064	5%	78,555,289	1,628,755	-	80,184,044	128,923,020
Plant & Machinery	741,119,109	2,035,249	-	743,154,358	7%	345,008,972	6,960,534	-	351,969,506	391,184,852
Furniture & Fixture	2,293,568	-	-	2,293,568	10%	1,193,209	27,509	-	1,220,718	1,072,850
Office Equipment	8,132,576	591,070	-	8,723,646	10%	3,270,146	134,968	-	3,405,114	5,318,532
Electric Installation	65,296,850	3,247,584	-	68,544,434	10%	24,643,359	1,080,931	-	25,724,290	42,820,144
Gas Line Installation	3,932,191	-	-	3,932,191	10%	3,376,141	13,901	-	3,390,042	542,149
Telephone Line Installation	132,263	-	-	132,263	10%	112,947	483	-	113,430	18,833
Water Line Installation	11,975,079	4,195,000	-	16,170,079	10%	6,015,724	244,856	-	6,260,580	9,909,499
Fire Extinguisher	111,870	-	-	111,870	20%	106,940	247	-	107,187	4,683
Office Decoration	2,250,463	-	-	2,250,463	10%	1,164,601	27,147	-	1,191,748	1,058,715
Vehicle Car	3,011,672	-	-	3,011,672	20%	2,799,043	10,631	-	2,809,674	201,998
Motor Vehicle	5,296,940	-	566,444	4,730,496	20%	3,943,292	67,682	203,851	3,807,123	923,373
Factory Equipment	6,912,705	-	-	6,912,705	20%	1,800,366	255,617	-	2,055,983	4,856,722
"A"	**1,108,881,467**	**11,602,978**	**566,444**	**1,119,918,001**		**471,990,029**	**10,453,261**	**203,851**	**482,239,439**	**637,678,562**
At Revaluation										
Land & Land Development	139,028,020	-	-	139,028,020	-	-	-	-	-	139,028,020
Building & Other Construction	110,663,849	-	-	110,663,849	5%	59,394,259	640,870	-	60,035,129	50,628,720
Plant & Machinery	227,369,650	-	-	227,369,650	7%	150,814,093	1,339,722	-	152,153,815	75,215,835
"B"	**477,061,519**	**-**	**-**	**477,061,519**		**210,208,352**	**1,980,592**	**-**	**212,188,944**	**264,872,575**
Grand total as on 30 Sep 2026 (A+B)	**1,585,942,987**	**11,602,978**	**566,444**	**1,596,979,521**		**682,198,381**	**12,433,853**	**203,851**	**694,428,383**	**902,551,138**
As on 30 June 2026	**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 Sep 2025	**1,503,991,740**	**4,267,485**	**-**	**1,508,259,225**		**634,592,876**	**11,572,900**	**-**	**646,165,777**	**862,093,448**

	30 Sep 2026 Taka	30 Sep 2025 Taka
Allocation of Depreciation :		
Administrative Expenses	200,738	155,214
Factory Overhead	12,233,115	11,417,686
Taka =	**12,433,853**	**11,572,900**

Hakkani Pulp & Paper Mills PLC Chattogram

		30 September 2026	30 June 2026
		Taka	Taka

5.00 INVESTMENT IN SHARES:

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

Name of company	No. of Shares	Cost Value	Market Value	Unrealized gain/ (loss)
Brac Bank PLC	19,913	158,299	1,312,267	1,153,968
DESCO Ltd.	5,000	238,287	113,500	(124,787)
Dhaka Bank PLC	30,317	210,234	342,582	132,348
Exim Bank PLC Note-5.03	53,401	1,080,863	-	(1,080,863)
Grameenphone Ltd.	10,700	3,995,855	2,585,120	(1,410,735)
Islami Bank Bangladesh PLC.	5,570	198,339	148,719	(49,620)
Jamuna Oil Company Ltd.	2,299	271,136	407,613	136,477
Lafarge Holcim Bangladesh PLC	10,000	805,409	525,000	(280,409)
Meghna Petroleum Ltd.	2,402	249,369	495,773	246,404
Mutual Trust Bank PLC	28,767	207,749	388,355	180,606
National Bank Ltd.	82,779	902,974	273,171	(629,803)
One Bank PLC.	40,032	296,251	304,243	7,992
Square Pharmaceuticals PLC.	9,200	1,826,477	2,005,600	179,123
Standard Bank PLC.	22,637	200,804	99,603	(101,201)
Titas Gas T&D Co. PLC.	13,250	766,559	234,525	(532,034)
Shahjalal Islami Bank Ltd.	41,135	249,341	719,863	470,522
Total	**377,402**	**11,657,946**	**9,955,934**	**(1,702,012)**

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

Unrealized Gain/ (Loss) Closing	(1,702,012)	(1,222,839)
Less: Unrealized Gain/ (Loss) Opening	(1,222,839)	(1,408,352)
Gain/ (Loss) on Investment in Shares during the period	**(479,173)**	**185,513**

5.03 **Iavestment 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.

As at the reporting date, 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 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:

Raw Materials	**Note-6.01**	136,123,190	131,131,364
Finished Goods	**Note-6.02**	162,855,031	184,053,436
Work-In-Process		24,519,633	33,019,757
Consumable Spares & Stores		10,207,208	8,687,063
Packing Materials		32,822,719	34,335,033
		366,527,781	**391,226,653**

6.01 Raw Materials

Wastage Paper	112,480,411	113,076,739
Chemicals Items	23,642,779	18,054,625
	136,123,190	**131,131,364**

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		30 September 2026 Taka	30 June 2026 Taka
6.02 Finished Goods			
Newsprint Paper		117,006,039	121,350,372
Khata		3,042,687	1,812,288
Tissue Papers		42,806,305	60,890,776
		162,855,031	**184,053,436**

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		8,098,621	8,286,121
Agrani Printing Press		468,122	1,168,122
Anik Traders		164,245	209,245
AG Paper House		182,340	5,672,340
Avoy Enterprise		6,097,217	7,780,317
Babul Store*	Note: 7.04	37,004,354	37,004,354
Bhai Bhai Traders		156,456	209,456
Chandpur Paper House		7,523,780	7,927,780
CGT Tissue		100,038	169,038
Eastern Paper House		2,975,288	3,325,288
Fuluwang Limited		373,816	754,816
Handi Restaurant		165,161	169,396
Ibn Sina Hospital		59,915	79,915
M/S. Helal Enterprise		63,964	143,906
M J Paper House		6,338,783	7,338,783
Molla Traders		8,313,605	5,577,495
Rapid Pack Limited		1,150,904	854,538
Robin Enterprise		57,183	197,183
Rubel & Sons		1,461,191	2,311,191
RM Trade International		1,531,446	2,031,446
Sajib Enterprise		856,526	1,406,526
Shahnaj Trading Corporation		3,764,586	3,190,586
Sikandar Para Banijik Songasta		5,553,325	4,920,415
S.K Traders		6,090,381	8,251,079
Shohan Enterprise		2,644,674	2,699,534
Tanvir Enterprise		4,529,698	4,429,738
Amir & Brothers	Note-7.05	760,160	760,160
Siddique Enterprise	Note-7.06	156,114	241,114
Other Receivables		20,273,532	42,444,020
		126,915,425	**159,553,902**

*Babul Store	37,004,354	41,115,949
Less: Allowance for expected credit losses	-	4,111,595
Closing Balance	**37,004,354**	**37,004,354**

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		30 September 2026 Taka	30 June 2026 Taka
7.01	**Ageing of Trade Receivables:**		
	Below-30 Days	21,575,622	27,124,163
	Within 31- 60 Days	25,383,085	31,910,780
	Within 61 - 90 Days	17,768,160	22,337,546
	Within 90 - 180 Days	15,229,851	19,146,468
	Above 180 Days	46,958,707	59,034,944
		126,915,425	**159,553,902**

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. 280,000 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.

8.00	**ADVANCES, DEPOSITS & PREPAYMENTS:**		
	Advance Against Income Tax (Note: 8.01)	18,128,958	13,787,235
	Advance Against Salary & Wages (Note: 8.02)	594,247	433,247
	Advance Against Expenditure (Note: 8.03)	23,258,380	21,557,570
	Advance Against L/C (Note: 8.04)	45,831,661	37,085,052
	Deposits and Prepayments (Note: 8.05)	17,109,131	17,109,131
		104,922,377	**89,972,235**

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			30 September 2026 Taka	30 June 2026 Taka
8.01	**Advance Against Income Tax**			
	Advance Income Tax Paid		7,025,547	3,000,547
	Advance Income Tax - Import		4,248,027	3,992,861
	Advance Income Tax - Export		155,036	155,036
	Advance Income Tax Deducted at Source		6,135,480	6,079,987
	Advance Income Tax Deducted at Source (Dividend Income)		564,868	558,804
			18,128,958	**13,787,235**
8.02	**Advance Against Salary & Wages**		**594,247**	**433,247**
8.03	**Advance Against Expenditure**			
	VAT Return-Mushak 9.1		152,891	27,702
	Lanka Bangla Securities PLC.		606	756
	City Brokerage PLC.		599	749
	Bank Gaurantee Margin		628,923	628,923
	Advances for Spares Parts		16,188,656	16,361,429
	Advances for Other Materials		2,404,624	504,548
	Advances to Regular Employees		948,433	1,099,815
	Advances to Ex. Employees		2,933,648	2,933,648
			23,258,380	**21,557,570**
8.04	**Advance Against L/C**		**45,831,661**	**37,085,052**
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	1,638,374	8,189,922
	Cash at banks	Note 9.02	155,217,047	81,784,970
	Fixed deposit with banks	Note 9.03	9,486,004	7,520,109
			166,341,425	**97,495,001**
	9.01 Cash In Hand			
	At Head Office		1,612,654	8,164,202
	At Dhaka Office		10,000	10,000
	At Factory		15,720	15,720
			1,638,374	**8,189,922**

Karnaphuli Pulp & Paper Mills PLC Chittagong

	30 September 2026	30 June 2026
	Taka	Taka

9.02 Cash at Banks

Bank	Branch	Account Number	Taka	Taka
First Security Islami Bank PLC.	Agrabad	STD A/C - 0104131000000463	57,803	57,803
Social Islami Bank PLC.	Agrabad	STD Account-41360000458	42,044	308,377
Social Islami Bank PLC.	Agrabad	CD A/C - 0041330027978	46,442,962	42,542,962
Southeast Bank PLC.	Pahartali	CD A/C - 004111100007246	785	785
National Bank Ltd.	Pahartali	CD A/C-1055001054103	534,662	534,662
Premier Bank PLC.	Agrabad	CD A/C No-010311100015243	279,037	279,037
Prime Bank PLC.	Laldighi East	CD A/C -2145111015816	1,582,975	1,411,997
Islami Bank Bangladesh PLC.	Agrabad	CD A/C No-20501030100588315	1,245,254	721,001
Mercentile Bank PLC.	A.K Khan	CD A/C No-117511121143947	211,527	172,335
Trust Bank Ltd.	CDA Avenue	CD A/C No-00200210009922	18,338	18,338
Standard Bank PLC.	Jubilee Road	CD A/C No-01233005212	137,163	126,771
United Commercial Bank PLC.	Pahartali	CD A/C-No 0971101000000078	7,482	7,482
Eastern Bank PLC.	Agrabad	CD A/C No-11071082755	1,258,621	826,037
Pubali Bank PLC.	Pahartali	CD A/C No-825901027548	69,617,293	19,583,551
Dutch Bangla Bank PLC.	Agrabad	CD A/C No- 1021100040340	975,226	682,898
Mutual Trust Bank PLC.	Alankar Moor	CD A/C No- 1301000334447	411,172	51,572
Islami Bank Bangladesh PLC.	Pahartali	CD A/C No-20506920100018417	32,214,751	14,318,675
Islami Bank Bangladesh PLC.	Pahartali	SND A/C No-20506920000114	140,687	140,687
Community Bank Bangladesh PLC	Agrabad	CD A/C No-0060386890101	39,265	-
			155,217,047	**81,784,970**

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%	475,867	444,736
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000538124	One Year	Guarantee	9%	560,072	560,072
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410000443135	One Year	Guarantee	9%	962,454	899,490
Mercantile Bank PLC, A.K Khan Branch, A/C # 1410001438299	One Year	Guarantee	9%	2,776,616	2,776,616
Bangladesh Krishi Bank Ltd., Agrabad Branch, A/C # 29030330045646	One Year	Guarantee	6%	278,768	278,768
Social Islami Bank PLC, Agrabad Branch, A/C # 0045330035138	One Year	Guarantee	9.5%	502,814	502,814
Pubali Bank PLC, Pahartali Branch, A/C # 0825104032609	One Year	Guarantee	9.5%	1,857,613	1,857,613
National Bank PLC, Pahartali Branch, A/C No. 1001006525105	Seven Year	Bond	13%	200,000	200,000
Islami Bank Bangladesh PLC., Pahartali Bazar Sub-Branch, A/C No. 2050692050089612	Three Months	Guarantee	7%	1,015,000	-
Islami Bank Bangladesh PLC., Pahartali Bazar Sub-Branch, A/C No. 2050692050091201	Three Months	Guarantee	7%	856,800	-
			Total	**9,486,004**	**7,520,109**

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.

Hakkani Pulp & Paper Mills PLC Chattogram

		30 September 2026 Taka	30 June 2026 Taka
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 Sep 2026 :-**

Description	No of shares 30 Sep 2026	% of shareholding 30 Sep 2026	No of shares 30 June 2026	% of shareholding 30 June 2026
Sponsors & Directors	8,982,130	47.28	8,982,130	47.28
Institute	524,263	2.76	1,061,548	9.67
General Public	9,493,607	49.96	8,956,322	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 September 2026	30 June 2026	30 September 2026	30 June 2026	30 September 2026	30 June 2026
Less than 500 shares	2,241	1,743	359,299	364,847	1.89	1.92
501 to 5,000 Shares	1,777	230	3,326,271	3,314,687	17.51	17.45
5,001 to 10,000 Shares	258	103	1,917,791	1,697,094	10.09	8.93
10,001 to 20,000 Shares	100	34	1,408,430	1,438,186	7.41	7.57
20,001 to 30,000 Shares	31	12	746,512	859,388	3.93	4.52
30,001 to 40,000 Shares	8	9	291,863	423,975	1.54	2.23
40,001 to 50,000 Shares	12	11	524,400	387,484	2.76	2.04
50,001 to 100,000 Shares	13	12	911,998	781,083	4.80	4.11
100,001 to 1,000,000 Shares	10	3	5,113,438	5,333,258	26.91	28.07
Over 1,000,000 Shares	3	3	4,399,998	4,399,998	23.16	23.16
Total	**4,453**	**2,160**	**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 September 2026, the shares were quoted at Tk. 69.20 and Tk. 69.00 per share, respectively, with a nominal (face) value of Tk. 10.00 per share.

		30 September 2026	30 June 2026
		Taka	Taka
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 September	**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 30.09.2026 **(Note-4.01)**	212,188,944	210,208,352
	264,872,575	266,853,167
Less : Adjustments for Deferred Tax @15%	39,730,886	40,027,975
Balance as on 30 September	**225,141,689**	**226,825,192**

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	31,826,604	26,668,816
Less: Dividend declared for the year 2024-2025 as approved in the AGM	-	5,008,935
	31,826,604	21,659,881
Add: Net profit/(loss) after tax	2,280,010	1,706,077
	34,106,614	23,365,958
Add: Revaluation Surplus Realized **(Note-4.01)**	1,980,592	8,460,646
Balance as on 30 September	**36,087,206**	**31,826,604**

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	540,127,452	527,801,408
Bai Muazzal Term loan	263,482,948	258,087,176
Term Loan	1,371,318	2,055,132
	804,981,718	**787,943,716**

15.01 LONG TERM LOAN- MATURITY ANALYSIS:

Due within the period- Current Portion	142,992,095	139,995,363
Due after more than the period- Non-Current Portion	661,989,623	647,948,353
	804,981,718	**787,943,716**

Hakkani Pulp & Paper Mills PLC Chattogram

		30 September 2026	30 June 2026
		Taka	Taka

15.02 **TERMS OF LONG TERM LOAN :**

Hire Purchase under Shirkatul Melk (HPSM) Loan

Nature of Loan: Funded

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:

Nature of Loan: Funded

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**

As at the reporting date, 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 40). Profit expense was Tk. 18,033,375 (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. 155,217,047 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. 803,610,400 and Tk. 46,485,006, 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).

Hakkani Pulp & Paper Mills PLC Chattogram

		30 September 2026	30 June 2026
		Taka	Taka
16.00	**DEFERRED TAX LIABILITY:**		
	Balance as on 01 July	55,119,728	55,395,565
	Deferred Tax (Income)/ Expenses for the period -(Note-16.01)	(406,964)	(294,388)
	Investment in shares (Note-16.02)	(47,917)	18,551
		54,664,847	55,119,728
	Add: Deferred Tax for Revaluation Surplus (Note-12.00)	39,730,886	40,027,975
	Balance as on 30 September	**94,395,733**	**95,147,703**

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 at the reporting date	586,835,370	586,048,248
	(b) Tax Based Property, Plant and Equipment	343,124,039	340,528,189
	(c) Net Taxable Temporary Differences (a-b)	243,711,331	245,520,059
	(d) Deferred Tax liability at effective Tax Rate 22.50%	54,835,049	55,242,013
	(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	**(406,964)**	**(294,388)**

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	9,955,934	10,435,107
	(b) Cost value of Investment in Shares as at the reporting date	11,657,946	11,657,946
	(c) Net Taxable Temporary Differences (a-b)	(1,702,012)	(1,222,839)
	(d) Deferred Tax liability at effective Tax Rate 10%	(170,201)	(122,284)
	(e) Deferred Tax expense/(income) on Net Taxable Temporary differences	**(47,917)**	**18,551**

17.00	**SHORT TERM LOAN AND OVERDRAFT:**		
	Mercantile Bank PLC. A.K Khan Branch-Cash Credit (CC) Hypo A/C: 1729000027824	35,005,268	33,712,939
	LATR , Sight LC Loan From Mercantile Bank PLC.	-	10,013,832
	Other Short Term Loan	-	735,295
		35,005,268	**44,462,066**

17.01 **Short Term Borrowing:**

Particulars	Note	30 September 2026	30 June 2026
		Taka	Taka
Short term loan and overdraft	17.00	35,005,268	44,462,066
Long term loan-current portion	15.01	142,992,095	139,995,363
Total		**177,997,363**	**184,457,429**

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	392,000
	Directors Remuneration	1,323,100	1,323,100
	Electricity Bill	5,786,398	4,200,305
	Gas Bill	35,909,187	24,844,879
	Gas Bill-Factory Canteen	25,198	22,994
	Gas Bill-Head Office	2,721	2,721
	Office Rent	900,000	825,000
	Overtime	2,755,263	2,279,930

			30 September 2026	30 June 2026
			Taka	Taka
	Salaries & Allowances-Dhaka Office		83,372	83,372
	Salaries & Allowances-Head Office		514,459	526,575
	Salaries & Allowances-Factory Staffs		995,337	1,044,982
	Wages & Allowances-Factory Workers		1,807,478	1,817,399
	Salaries & Allowances-Sales & Marketing		1,509,571	1,321,579
	Fooding Expenses		202,766	158,866
			52,206,850	**38,843,702**
19.00	**WORKERS PROFIT PARTICIPATION & WELFARE FUND:**			
	Balance as on 01 July		4,482,194	3,149,445
	Add: Provision made during the period		237,453	1,332,749
			4,719,647	**4,482,194**
	Less: Payment made during the period		-	-
	Balance as on 30 September		**4,719,647**	**4,482,194**
20.00	**TRADE PAYABLES:**			
	Abul Khair Steel Melting Ltd.		485,852	565,852
	Azad Engineering Workshop		648,550	712,550
	International Bearing Center		873,203	734,343
	Islam & Brothers		2,217,574	3,717,574
	Khaja Polythene Mart		52,696	72,812
	Mamun Hardware Store		606,527	689,235
	M/s. Dohar Chemicals		-	146,015
	S.R Packaging		2,229,462	3,050,977
	Taslima Enterprise		1,835,974	2,445,944
	Unimax Chemicals		1,403,250	1,604,500
	United Trading Agency		781,823	1,281,823
	Other Payable		12,117,238	8,336,215
			23,252,149	**23,357,840**
21.00	**CURRENT TAX LIABILITIES:**			
	Balance as on 01 July		28,130,917	27,681,187
	Provision during the period:			
	Add: Against current period		2,876,017	11,175,511
			31,006,934	38,856,698
	Less: Adjustment recognized following completion of assessments	Note: 21.01	-	10,725,781
	Balance as on 30 September		**31,006,934**	**28,130,917**
21.01	**Adjustment for Completed assessment year**			
	Assessment year 2016-2017		-	1,637,851
	Assessment year 2017-2018		-	2,046,829
	Assessment year 2023-2024		-	7,041,101
			-	**10,725,781**
21.02	**Computaion of Provision for Income Tax:**			
21.02.1	**Net profit before tax**		4,749,063	3,783,636
	Less: Non-Operating Income	Note: 30	164,740	255,773
			4,584,323	**3,527,863**
	Add: Accounting depreciation	Note: 4.01	12,433,853	11,572,900
			17,018,176	**15,100,763**
	Less: Tax depreciation U/S 50 of ITA 2023		8,803,279	7,668,438
	Net Operating Business Income/(loss) (A)		8,214,897	7,432,325

Hakkani Pulp & Paper Mills PLC Chattogram

				30 September 2026	30 June 2026
				Taka	Taka
	Add: Non-Operating Income (B)			164,740	255,773
	Total Business Income (A+B)			**8,379,637**	**7,688,098**
		Amount	**Rate**		
	Tax on Net Operating Business Income (C.)	8,214,897	22.50%	**1,848,352**	**1,672,273**
	Add: Non-Operating Income				
	Dividend Income	30,317	20%	6,063	26,429
	Interest Income	134,423	22.50%	30,245	25,607
	Miscellaneous Income	-	22.50%	-	2,209
	Tax on Non-Operating Income (D)	164,740		**36,308**	**54,245**
	Total Current Tax (C+D)			**1,884,660**	**1,726,518**
21.02.2	**Minimum Tax:**	**Amount**	**Rate**		
	Revenue	283,895,019	1%	2,838,950	3,129,850
	Non-Operating Income	164,740	22.50%	37,067	57,549
	Income Tax Provision during the period			**2,876,017**	**3,187,399**
	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			453,839	426,835
	VAT Deducted at Source			280,963	271,147
	Loan From Farhana Tarannum*			26,500,000	26,500,000
				27,234,802	**27,197,982**
	**The above loans are interest free.				
23.00	**UNCLAIMED DIVIDEND:**				
	Balance as on 1st July			1,992,894	1,892,285
	Add: Dividend declared for the year 2024-2025 approved in the AGM			-	5,008,935
				1,992,894	**6,901,220**
	Less: Dividend Paid			548,333	4,908,326
	Balance as on 30 September			**1,444,561**	**1,992,894**
23.01	**Year wise Unclaimed DivideAd:**				
	The year wise breakup of unclaimed cash dividend as 30 September 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			75,525	341,858
	2023-2024			76,409	358,409
	2024-2025			101,957	101,957
				1,444,561	**1,992,894**
24.00	**DIRECTORS CURRENT ACCOUNT:**				
	Mr. Mohammed Abdullah, Ex-Chairman			20,800,000	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 Chiarman			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.

Karnaphuli Pulp & Paper Mills PLC Chittagong

			1st July to 30 September 2026 Taka	1st July to 30 September 2025 Taka
25.00	**REVENUE FROM CONTRACTS WITH CUSTOMERS:**			
	Newsprint Paper		185,805,255	186,910,712
	M.G. Newsprint		75,589,066	94,829,868
	Tissue Paper		26,122,435	36,404,891
	Khata		2,569,318	1,897,071
	Gross Revenue		**290,086,074**	**320,042,542**
	Less: Value Added Tax (VAT)		6,191,055	7,057,518
	Net Revenue		**283,895,019**	**312,985,024**
26.00	**COST OF SALES:**			
	Opening Stock of Raw Materials		131,131,364	100,837,970
	Add: Purchased during the period		114,253,317	158,721,154
			245,384,681	**259,559,124**
	Less: Closing Stock of Raw Materials		136,123,190	126,496,128
	Raw Materials Consumed		**109,261,491**	**133,062,996**
	Add: Factory overhead	Note-26.01	103,920,074	101,326,420
	Add: Opening Work-in-Process		33,019,757	28,954,845
			246,201,322	**263,344,261**
	Less: Closing Work-in-Process		24,519,633	11,105,253
	Cost of Production		**221,681,689**	**252,239,008**
	Add: Opening Stock of Finished Goods		184,053,436	215,484,252
			405,735,125	**467,723,260**
	Less: Closing Stock of Finished Goods		162,855,031	207,675,686
	Cost of Sales		**242,880,094**	**260,047,574**
	26.01 Factory overhead:			
	Salaries, Wages and Allowances		10,789,643	14,404,877
	Carriage Inward		565,380	839,150
	Gas Bill		36,114,622	33,403,031
	Electric Bill		20,055,831	21,300,836
	Consumable Spare & Store		3,020,403	2,407,370
	Packaging Material Consumed		13,687,930	12,021,091
	Factory Maintenance		4,380,057	1,168,062
	Loading Unloading Charge		37,821	73,229
	Cutting Expense		2,117,642	3,072,876
	Mobile bill		40,760	45,760
	Fuel bill		157,287	84,306
	Medical & Medicine		5,483	36,514
	Gas Generator Upkeep		19,200	743,300
	Insurance Premium		457,171	-
	Canteen Expenses		74,515	112,709
	Gas Bill- Canteen		25,114	30,101
	Tea, Tiffin Expesnes		138,100	165,522
	Depreciation	Note: 4.01	12,233,115	11,417,686
			103,920,074	**101,326,420**
27.00	**ADMINISTRATIVE EXPENSES:**			
	Director Remuneration	Notes-27.01	900,000	900,000
	Salaries & Allowances		2,391,123	1,996,158
	Office Rent		90,000	90,000
	Telephone & Mobile Bill		59,372	61,610
	Entertainment		66,449	62,866
	Tiffin and Refreshment		66,760	71,000
	Travelling Expenses		118,359	210,483
	Dhaka Office Expenses		34,385	24,470
	Canteen Expenses		16,810	11,390
	Postage & Courier		4,365	9,410
	Forms, Stamp & Legal Documents		1,370	2,150
	Fees, Renewal & Subscription		143,000	143,345
	Printing & Stationery		10,965	29,191

Pulp & Paper Mills PLC Chittagong

		1st July to 30 September 2026	1st July to 30 September 2025
		Taka	Taka
Gas Bill-Head Office		-	3,070
Meeting Expenses		18,854	41,836
Meeting Attendance Fees		183,750	147,000
Office Maintenance		162,441	155,066
Internet Bill		39,300	38,100
Legal & Professional Fee		15,950	70,000
Annual Subscription Fee of CDBL		190,000	-
Electric Bill- Head Office		9,668	49,412
Electric Bill- Dhaka Office		21,576	6,532
Fuel Bill		129,469	37,088
Vehicle Upkeep		118,137	52,556
Rent, Rates & Taxes		-	5,640
Depreciation	Note: 4.01	200,738	155,214
		4,992,841	**4,373,587**

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	900,000	900,000
Long term employee benefits	-	-
Post employee benefits	-	-
Termination benefits	-	-
Share -based payments expenses	-	-
Total	**900,000**	**900,000**

(a) The above short-term employee benefits include provisions for remuneration of Tk. 6,00,000 for the Managing Director and Tk. 3,00,000 for the Deputy Managing Director for the period.

(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:

Salaries & Allowances		3,002,662	4,060,942
Conveyance		363,918	675,329
Carriage Outward		7,406,198	7,608,200
Mobile bill		141,850	156,716
Entertainment		351,495	564,213
Advertisement		71,750	64,731
Loss on disposal of PPE	Note-28.01	362,593	-
		11,700,466	**13,130,131**

28.01 DISPOSAL OF PROPERTY,PLANT AND EQUIPMENT

Motor Vehicle at cost	566,444	-
Less: Accumulated depreciation	203,851	-
Written down value at the time of disposal	**362,593**	-
Insurance claim receipt	-	-
Loss on disposal	**362,593**	-

29.00 FINANCIAL EXPENSES:

Bank Charges	53,720	30,685
Bank Guarantee Commission	119,921	-
Interest Expenses on Cash Credit	1,292,329	1,649,606
Interest Expenses on Short Term Loan	245,672	357,077
Interest Expenses on Long Term Loan	17,788,200	29,568,662
Interest Expenses on UPAS Loan	-	110,656
	19,499,842	**31,716,687**

		1st July to 30 September 2026	1st July to 30 September 2025
		Taka	Taka
30.00	**NON-OPERATING INCOME:**		
	Dividend Income	30,317	132,145
	Interest Income	134,423	113,810
	Miscellaneous Income	-	9,817
		164,740	**255,773**
31.00	**DEFERRED TAX EXPENSES:**		
	(a) Deferred Tax Liability on 30 September	54,712,764	54,992,972
	(b) Deferred Tax Liability on 01 July	55,119,728	55,395,565
	Deferred Tax Expenses for the period (a-b)	**(406,964)**	**(402,593)**
32.00	**EARNINGS PER SHARE:**		
	Net Profit after tax	2,280,010	998,830
	Number of shares outstanding	19,000,000	19,000,000
	EPS (per value of Tk. 10)	0.12	0.05

The Company's EPS increased compared to the previous year, primarily due to a significant reduction in financial expenses, which more than offset the decrease in sales revenue and gross profit.

33.00	**NET ASSET VALUE PER SHARE WITH REVALUATION:**		
	Net Asset with Revaluation	460,764,595	458,666,669
	Number of shares outstanding	19,000,000	19,000,000
	Net asset value per share (per value of Tk. 10)	24.25	24.14
34.00	**NET ASSET VALUE PER SHARE WITHOUT REVALUATION:**		
	Net Asset without revaluation	235,622,906	231,841,477
	Number of shares outstanding	19,000,000	19,000,000
	Net asset value per share (per value of Tk. 10)	12.40	12.20
35.00	**NET OPERATING CASH FLOWS PER SHARE:**		
	Net cash flows from operation	95,876,283	36,335,118
	Number of shares outstanding	19,000,000	19,000,000
	Net operating cash flows by per share (per value of Tk. 10)	5.05	1.91

"Net cash flows generated by operating activities increased significantly compared to the previous period, primarily due to a substantial decrease in payments to suppliers, operating and other expenses, along with a slight increase in receipts from customers."

36.00 Number of Employees:

The total employees of the company as on 30 Sep 2026 stood at 365 nos. comprising Head office staff 23 nos, Sales & Marketing staff 31 nos, Factory office staff 20 nos, Security 26 nos, Driver and helper 92 nos, Permanent worker 75 nos and Temporary worker 188 nos.

Number of employees whose monthly salary was below Tk. 3,000	-	-
Number of employees whose monthly salary was above Tk. 3,000	365	437

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, M.G News print, Medium Paper and Tissues paper.

Maximum exposure to credit risk of the company at reporting date are as follows:	1st July to 30 September 2026	1st July to 30 September 2025
a) Exposure of Credit risk:	Taka	Taka
Trade receivables	126,915,425	163,561,040
Advance, Deposit and Prepayments (excluding Deposit & Prepayments.)	87,813,246	112,937,599
Bank Balances	166,341,425	61,202,576
	381,070,096	**337,701,215**
b) Ageing of Trade Receivables are as follows:		
Below-30 Days	21,575,622	27,805,377
Within 31-60 Days	25,383,085	32,712,208
Within 61-90 Days	17,768,160	22,898,546
Within 90 - 180 Days	15,229,851	19,627,325
Above 180 Days	46,958,707	60,517,585
	126,915,425	**163,561,040**

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	804,981,718	142,992,095	661,989,623	804,981,718
Short Term Loan & Overdraft	35,005,268	35,005,268	-	35,005,268
Liability for Expenses	52,206,850	52,206,850	-	52,206,850
Workers Profit Participation and Welfare Fund	4,719,647	4,719,647	-	4,719,647
Trade Payables	23,252,149	23,252,149	-	23,252,149
Current Tax Liabilities	31,006,934	31,006,934	-	31,006,934
Liabilities for Other Finance	27,234,802	27,234,802	-	27,234,802
Unclaimed Dividend	1,444,561	1,444,561	-	1,444,561
Directors Current Account	84,501,833	84,501,833	-	84,501,833
Total	**1,122,053,752**	**402,364,139**	**719,689,613**	**1,122,053,752**

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	1st July to 30 September 2026	1st July to 30 September 2025
Installed Capacity (in M.T)	3375	3375
Actual Production (in M.T)	1711	1846
% of Capacity Utilization	50.68%	54.70%

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 2026	Transaction during the period	Balance as on 30 Sep 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 Muktadir	Chairman	Loan Received	4,707,475	-	4,707,475
Mr. Md. Golam Kibria	Managing Director	Loan Received	13,114,175	-	13,114,175
Mr. Md. Golam Morshed	Deputy Managing Director	Loan Received	4,707,475	-	4,707,475
Mr. Md. Golam Mostofa	Ex- Managing Director	Loan Received	4,464,830	-	4,464,830
		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**	-	**84,501,833**

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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**

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:

		1st July to 30 September 2026	1st July to 30 September 2025
		Taka	Taka
Profit after Provision for Income Tax		2,280,010	998,830
Adjustment for:			
Depreciation		12,433,853	11,572,900
Provision for Deferred Tax Expenses		(406,964)	(402,593)
(Gain)/ Loss on disposal PPE		362,593	-
Financial Expenses		19,499,842	31,716,687
Workers Profit Participation and Welfare Fund		237,453	189,182
Deferred tax on unrealized gain/(loss) in investment in share		(47,917)	56,684
	A	**34,358,870**	**44,131,690**
Changes in Working Capital			
(Increase)/Decrease in Inventories		24,698,872	(1,224,690)
(Increase)/Decrease in Trade Receivables		32,638,477	1,664,129
(Increase)/Decrease in Advance, Deposits & Prepayments		(14,950,142)	6,353,468
Increase/(Decrease) in Liability for Expenses		13,363,148	(21,895,277)
Increase/(Decrease) in Current portion of Long Term Loan		2,996,732	5,070,183
Increase/(Decrease) in Trade Payables		(105,691)	(951,784)
Increase/(Decrease) in Current Tax Liabilities		2,876,017	3,187,399
	B	61,517,413	(7,796,572)
Net cash inflows/(out flows) from operating activities (A+B)		**95,876,283**	**36,335,118**

Hakkani Pulp & Paper Mills PLC Chittagong