

KARNAPHULI PAPER MILLS LTD.

Chandraghona, Chittagong Division, Bangladesh

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Financial Statements & Auditor's Report

For the year ended June 30, 2024

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A. HOQUE & CO.

CHARTERED ACCOUNTANTS

KHAN MANSION, 5TH FLOOR,

107, MOTIJHEEL C/A, DHAKA-1000.

Tel.: +880-2223382786, 9564295,

E-Mail: a.hoquecompany@gmail.com

জি, কিব্রিয়া এন্ড কোং

G. KIBRIA & CO.

CHARTERED ACCOUNTANTS

SADHARAN BIMA SADAN, 5TH FLOOR,

24-25, DILKUSHA C/A, DHAKA-1000.

Tel.: +8802-223388071,

E-Mail: gkibria@gkibriaandco.com

**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF KARNAPHULI PAPER MILLS LIMITED**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Karnaphuli Paper Mills Limited, which comprise the Statement of Financial Position as at 30th June, 2024, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Shareholders' & Govt. Equity and Statement of Cash Flows for the year then ended as on that date and notes to the Financial Statements, including a Summary of Significant Accounting Policies and other explanatory information as described in note no. 1 to 20 and Annexure-A.

In our opinion, exception for the possible effects of the matters describe in the Basis for Qualified Opinion Section of our report, the accompanying Financial Statements present fairly in all material respects the financial position of the Company as at 30th June, 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Qualified Opinion

Property, Plant & Equipment:

Tk. 164,388,324

We draw attention to Note 5.01 of Property, Plant & Equipment amounting to Tk. 164,388,324. During the course of our audit, we were provided with details of the fixed asset schedule. Physical verification of fixed assets was not taken at the end of the year as well as the fixed assets valuation was not taken yet and also for a long year. This was reported last years also. Fixed Assets Identification number was not available on individual items of fixed assets.

Capital Work-in-Progress:

Tk. 2,313,232,876

We draw attention to Note 5.02 of Capital Working Progress amounting to Tk. 2,313,232,876 regarding BMRE Project amounting to Tk. 2,218,794,318 and other of KPML amounting to Tk. 94,438,558. After discussion with management, we came to know that the work of the Projects has been stopped for several years ago and they have no intention to complete both the Projects. In our physical verification, we also found the same. As the Projects are unlikely to be completed and we have significant doubt regarding the fair value of the existing infrastructure, so it has to conduct an impairment test in compliance with IAS-36. The management didn't perform any impairment test, and we are unable to quantify the necessary adjustment for this impairment. So, assets are overstated, and expenses are understated.

Deferred Expenses:

Tk. 387,830,600

We draw attention to the note no. 5.03, which describes Deferred Expenses for accumulated interest against Government loan of Tk. 1,047,420,000, which is a 60% of total Government loan of Tk. 1,745,700,000 for BMRE Project. In our checking, we have found that the above amount includes the interest @ 5% on Government loan amounting to Tk. 125,975,600 upto 30.06.2019, which had been accounted for into the KMPL accounts, but no interest for the rest period amounting to Tk. 261,855,000 (Tk. 52,371,000*5 years) has been accounted for by the management since 01.07.2019.



Inventories:

Tk. 898,071,024

We draw attention to note no. 7.00, which describes Inventories, is amounting to Tk. 898,071,024.

Raw Materials (FRM Stock, Chipper House), Capital Store, Non-Moveable Stores, Deferred Stores (DS-1), (DS-2) Stores in Hand-FRM, Stores in Hand-(RTD), Liquid/Solid Alum Calcium Hypo, and Chips in Silo, which have no movement.

Advance, Deposit, and Pre-payments:

Tk. 5,296,643

We draw attention to note no. 7.03.2 of Advance to Contactors & Suppliers under sub-head FRM Suppliers to (Tk. 5,296,643), which is shown in a negative figure, under no circumstances the negative figure to be included to the above head. Further, we have observed that the balance has been carried forward since long. After the discussion with management, the management was unable to give a proper explanation regarding this advance, as well as unable to provide sufficient and appropriate supporting against advanced to Contractors & Suppliers. So, the amount is understated.

Advance against Income Tax:

Tk. 155,334,596

We draw attention to note no. 7.04 of Advances against Income Tax to (Tk. 155,334,596). Our audit procedures identified that the amount remained unadjusted for a long period of time. As a result, we have concluded that the balance may be materially misstated.

Accounts Receivable/Trade Debtors:

Tk. 253,258,487

We draw attention to note no. 7.05 of Accounts Receivable/Trade Debtors amounting of Tk. 253,258,487, which includes receivable For Govt. and Industries at Tk. 2,083,250 and Depot Control Account FPS- Chittagong of Tk. 12,029,795. Our audit procedures identified that the amount remained uncollected for a long period of time. In line with IFRS 9, there is a Higher Credit Risk of collection related to this receivable, but the Company has not made an assessment of the expected credit loss for these assets and recorded an impairment expense.

Other Receivable/Other Debtors:

Tk. 79,403,137

We draw attention to note no. 7.06 of Accounts Receivable/Trade Debtors amounting to Tk. 79,403,137. Our Observations on the debtors' balance are as follows:

Claims Receivables:

Tk. 6,558,618

We draw attention to note no. 7.06.2 of Claims Receivables of Tk. 6,558,618. Our audit procedures identified that the amount remained uncollected for a long period of time. In line with IFRS 9, there is a Higher Credit Risk of collection related to this receivable, but the Company has not made an assessment of the expected credit loss for these assets and recorded an impairment expense.

Setasa Trading:

Tk 4,400,000

The above balance has been carried forward since a long time, details of which, as per the previous year's audit report, are given below:

The above balance has been carried forward since the date of the merger between KPM and Karnaphuli Paper Mills Limited. We have been informed that two barges were destroyed on 31 December 1988 in an accident, which was a trader charter with Setasha Trading Co., Chittagong. Those two barges were not covered by the insurance policy. The management lodged a money suit vide No. 79/90 dated 05 August 1990 (Present No. 163/1994) and at present appointed law firm M/s. B. Ahmed & Co. is dealing with the matter. However, the matter remains unsettled until the date of our audit. The Company has not made an assessment of the expected credit loss for these assets and recorded an impairment expense.



Cash & Bank Balance:

Tk. 264,181,864

We draw attention to note 7.08.2 of cash at banks, Tk. 264,181,864. Out of this, we are unable to confirm the existence of the following 15 banks' balance amounting to Tk. 117,808,044 for which we have not obtained any supporting documentary evidence:

Bank name	Branch name	A/c. no.	Balance as per Accounts	Remarks
Sonali Bank PLC	Chandraghona		0.00	No supporting documents found
Basic Bank PLC	Sholoshahar	CD.....3128	5,530,604	
Sonali Bank PLC	Lalmonirhat Branch		2,790	
Agrani bank PLC	CTG. (D.C.L) Branch		1,156	
Sonali Bank PLC	Narayanganj Branch		4,892	
Sonali Bank PLC	Matiranga Branch		5,112	
Sonali Bank PLC	Kalibari Branch	13046	59,408	
Agrani bank PLC	CTG Branch	RTD	6,247	
Sonali Bank PLC	CTG Branch	STD 37	145,103	
Janata Bank PLC	Batakandi Branch		1,038	
Agrani bank PLC	Chandraghona	4593	112,047,602	
Sonali Bank PLC	Chandraghona	54.....0054	0.00	
Sonali Bank PLC	Mymnsingh		1,880	
Sonali Bank PLC	CTG.(DC..L)		1156	
Agrani bank PLC	Baburhat, Chadpur		1056	
Total			117,808,044	

And the other Bank Accounts for which Bank statements have been provided, total balances do not match with the balance of the Balance sheet which was shown by the Company.

Bank name	Branch name	A/c. no.	Balance as per Accounts	Balance as per statement	Remarks
Sonali Bank PLC	Chandraghona	54.....0008	1,204,299	1,203,595.37	overstated
Sonali Bank PLC	Chandraghona	54.....0032	39,635,754	1,324	Overstated
Sonali Bank PLC	Malibagh	16.....018	35,388	1,692,723.27	Understated
Sonali Bank PLC	Malibagh	16.....3875	2,888,721	294,655.64	Overstated
Agrani bank PLC	Chandraghona	708	102,610,814	70,885,598.91	Overstated
Basic Bank PLC	Sholoshahar	SND.....866	0.00	12,164,984.53	Understated
Total			146,374,976	86,242,882	

The total Balance is overstated by Tk. 73,954,414 & understated TK. 13,822,320. The bank balance does not comply with the accounts balance, and the management does not maintain reconciliation statements, which may create misstatements in the financial statements as well as the financial statements may not be presented as a true and fair view.



Bank Overdraft:

Tk. 320,000,086

We also draw attention to the note no. 12.08 for bank overdraft maintained with the under-mentioned 4 nos., Sonali Bank PLC., for which the comparative break-up as per accounts and as per bank statements is as follows:

Name of the Bank	As per Account	As per Bank Statement	
Sonali Bank PLC., A/c. # 0643	944,721	1,884.50	Cash at Bank
Sonali Bank PLC., A/c. # 1704	13,881,442	(474,901.29)	Overdraft
Basic Bank PLC., A/c. # 0866	280,340,039	12,164,984.52	Cash at Bank
Sonali Bank PLC., A/c. # 0017	15,006,046	8,719.00	Cash at Bank
Sonali Bank PLC., A/c. # 0054	9,827,838	9,293,356.66	Cash at Bank
Total	320,000,086	20,994,043	Net Cash at Bank

In our checking, we have found that as per the above breakup the account is shown at Tk. 320,000,086 as a bank overdraft, whereas the bank statements are shown at Tk. 20,994,043 as net cash at bank. For this, no reconciliation as well as proper explanation was provided to us. It appears that the balance of Tk. 20,994,043 is mismatched with the accounts and the bank statement, and the balance may be materially overstated for bank overdraft.

Work-in-Process:

Tk. 109,910,140

We draw attention to the note no. 7.01.4, which describes work in Process. We identified that the amount of work-in-process has been carried forward from several years. The company is unable to provide any supporting documents against work in process. So, the Assets are overstated.

Interest-free Govt. Loan:

Tk. 57,100,000

As disclosed in the note. 11.01, the Company has recognized an Interest-free Govt. Loan of Tk. 57,100,000 as at 30 June 2024 (Tk. 57,100,000 as at 30 June 2023 and 2022). Out of these loans, our audit procedures identified that the amount remained unpaid for a long period of time. The loan was taken in 1994 from Janata Bank. The Company has not made any adjustments yet, as well as the company was unable to provide the current position of the loan balances for us to ascertain the completeness of this loan. As a result, we have concluded the balance may be materially misstated.

Debenture Loan:

Tk. 112,280,951

As disclosed in the note. 11.03, the Company has recognized a Debenture Loan of BDT 112,280,951 as at 30 June 2024 (Tk. 112,280,951 as at 30 June 2023 and 2022). Out of these loans, our audit procedures identified that the amount remained unpaid for a long period of time. The loan had been taken before the liberation war in Bangladesh from a bank. The Company has not made any adjustments yet, as well as the company was unable to provide the current position of the loan balances for us to ascertain the completeness of this loan. As a result, we have concluded the balance may be materially misstated.

Non-Development Govt. Loan (ADP):

Tk. 130,500,000

As disclosed in the note. 11.04, the Company has recognized a Non-Development- ADP Loan of BDT 130,500,000 as at 30 June 2024 (Tk. 130,500,000 as at 30 June 2023 and 2022). Out of these loans, our audit procedures identified that the amount remained unpaid for a long period of time. The Company has not made any adjustments yet, as well as the company was unable to provide the current position of the loan balances for us to ascertain the completeness of this loan. As a result, we have concluded the balance may be materially misstated.

Loan from CUFL (Chittagong Urea Fertilizer Limited):

Tk. 104,162,192

As disclosed in the note. 11.05, the Company has recognized a CUFL Loan of Tk. 104,162,192 as at 30 June 2024. Out of these loans, our audit procedures identified that the loan had been taken in 2001 from Chittagong Urea Fertilizer Limited of Tk. 40,000,000. The company did not make any payment of the principal amount as well as interest accrued. As a result, the loan amount increased due to adding yearly Tk. 2,800,000 interest accrued, and now it stands at Tk. 104,162,192. The Company has not made any adjustment yet. As a result, we have concluded the balance may be materially misstated.

BCIC Current Account A/c. no. 210301:

Tk. 1,289,393,137

We draw attention to note no. 12.02 regarding BCIC Current Account A/c. no. 210301 of Tk. 1,289,393,137. The Company was unable to provide sufficient and reliable audit evidence other than the ledger for us to ascertain the completeness of the amount. As a result, we have concluded the balance may be materially misstated.

Other Expenses:

Tk. 66,120,665

We draw attention to note 12.03.2 of Other & Miscellaneous Expenses payable as on 30th June, 2024. The above balance includes Tk. 43,985,122 as per last account, except Self Manufacturing Clearing A/C Alum amounting to 21,895,543 and Provision for Audit Fees amounting to Tk. 240,000, and the remaining amount of Tk. 43,985,122 are being carried forward since long. In our opinion, after proper checking the balance which are not liable to pay, it should be written back to the accounts after obtaining approval from the competent authority.

Provision for Interest on Loan:

Tk. 17,569,504

As disclosed in the note. 12.03.4, the Company has recognized a Provision for Interest on Loan of Tk. 17,569,504 as at 30 June 2024. (Tk. 17,569,504 as at 30 June 2023 and 2022). Out of these loans, our audit procedures identified that the amount remained unadjusted for a long period of time. The Company has not made any adjustments yet, as well as the company was unable to provide the current position of the interest balances for us to ascertain the completeness of this interest provision. As a result, we have concluded the balance may be materially misstated.

Creditors for other Finance (Int. on Agrani Bank Debenture & Adv. Received Agt. Scrap Sales):

Tk. 10,446,721

We draw attention to note. 12.04 regarding Creditors for other Finance. The Company has been recognized under the sub-note no. 12.04.7 Advance Received Against Scrap Sales of Tk. 3,879,224 as at 30 June 2024. (Tk. 3,879,224 as at 30 June 2023 and 2022) and under sub note 12.04.9 Interest on Agrani Bank Debenture of Tk. 6,567,497 as at 30 June 2024 (Tk. 6,567,497 as at 30 June 2023 and 2022). Our audit procedures identified that the amount remained unadjusted for a long period of time. The Company has not made any adjustment yet, as well as the company was unable to provide the current position of the liability balances for us to ascertain the completeness of this liability. As a result, we have concluded the balance may be materially misstated.

Current Account with Enterprise (BISF, Polash Urea Fertilizer Factory (PUFF) Ltd., BMR Of KPM Ltd., KNM Ltd, NBPM Ltd.):

Tk. 154,517,568

We draw attention to note. 12.06 regarding Current Account with Enterprise. The Company has recognized under sub note 12.06.1 Bangladesh Insulator & Sanitary Wire Factory Ltd. (BISFL) of Tk. 1,666,360 as at 30 June 2024 (Tk. 1,666,360 as at 30 June 2023 and 2022), Polash Urea Fertilizer

Factory Ltd. (PUFF) of Tk. 2,333,905 as at 30 June 2024 (Tk. 2,333,905 as at 30 June 2023 and 2022), BMR of KPM Ltd. of Tk. 142,905,987 as at 30 June 2024 (Tk. 142,905,987 as at 30 June 2023 and 2022) and under sub note 12.06.2 Khulna Newsprint Mills Ltd. (KNML) of Tk. 4,381,319 as at 30 June 2024 (Tk. 4,381,319 as at 30 June 2023 and 2022), North Bangla Paper Mills Ltd. (NBPML) of Tk. 3,229,997 as at 30 June 2024 (Tk. 3,229,997 as at 30 June 2023 and 2022). Our audit procedures identified that the amount remained unadjusted for a long period of time. The Company has not made any adjustments yet, as well as the company was unable to provide the current position of the liability balances for us to ascertain the completeness of this liability. As a result, we have concluded the balance may be materially misstated.

Handling and Transportation:

(Tk. 1,626,616)

We draw attention to note 14.01.3 regarding factory overhead under the sub-head Handling and Transportation of Tk. (1,626,616) is shown in a negative figure, in no circumstances negative figure to be included to the above head. The Company was unable to provide sufficient and reliable audit evidence other than the ledger for us to ascertain the completeness of the credit amount. As a result, we have concluded that the balance has reduced the factory overhead, which may be materially misstated.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International *Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Emphasis of Matter:

Material Uncertainty Related to Going Concern

We draw attention to the note no. 10.02 in the financial statements, which indicates that the Company incurred a cumulative loss of Tk. 7,921,302,429 as on 30th June, 2024, and, as of that date the Company's current & non-current liabilities exceeded its total assets by Tk. 6,581,926,077. We also draw attention to the new contracts with customer difficulties, inability to pay creditors on the due date, inefficiency of key management indicated by the financial statements of the Company. As stated in note no. 10.02 and others stated above, these events or conditions, along with other matters as set forth in note no. 10.02 indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The management is, however, confident that the Company will continue in operational existence for the foreseeable future on the basis of continued support of the Company's banks and shareholders. 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 year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters, and accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
Revenue: The Company has reported a sale (revenue) of Taka 453,647,502 for the year ended 30th June, 2024. Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies. Under IFRS 15, revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer. Goods are considered as transferred when (or as) the customer obtains control of those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates, and Value Added Tax (VAT).	Our procedures included obtaining an understanding of management's revenue recognition process; we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in notes 3.05 and 13.00 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards. For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions. With regard to the implementation of IFRS 15, we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry-specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15-related disclosures.

Key Audit Matters	How our audit addressed the key audit matters
The sales of the company are derived from a large number of distributors located over the country with a relatively small amount of transactions. As a result, to obtain sufficient audit evidence, a high magnitude of audit work and resources is required. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company, and therefore, there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company's distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods. See note no. 3.05 and 13.00 to the financial statements	These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates. Our audit approach was a combination of tests of internal controls and substantive procedures, which included the following: ♦ Evaluated the design of internal controls relating to the recording of efforts incurred and estimation of efforts required to complete the performance obligations. ♦ We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents, including sales invoices and depot-wise sales bank reconciliation reports, bank statements, and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers ♦ We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of the cut-off. ♦ We tested the completeness of journal entries compared to financial statements, as well as whether any exceptions existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable, or advances from customers. ♦ Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Inventory (Stock & Stores)	How our audit addressed the key audit matters
The Company had inventory (Stock & Stores) of Taka 898,071,024 at 30th June, 2024, held in different depots and warehouses. Inventories consisting of raw materials, work-in-progress, finished goods, spare parts, and stock in transit are valued at the lower of cost and net realizable value. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition.	We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: ♦ evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of factory production houses, warehouses, and sales depots; ♦ evaluating internal controls to monitor or keep track of Inventory Movement; ♦ attending inventory count on 30th June, 2024, and reconciling the count results to the inventory listing to test the completeness of data;

Valuation of Inventory (Stock & Stores)	How our audit addressed the key audit matters
Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete, and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value. Net realizable value is based on the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale Moreover, the process of estimating provision for inventories is judgmental and complex. Due to the high level of judgment involved and the use of some manual processes in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter. See note no. 3.06 and 7.01 to the financial statements.	♦ comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; ♦ reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; ♦ challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete; ♦ evaluating the correctness of the batch-wise costing of final products; ♦ evaluating the correctness of the valuation of raw materials and packing materials as per the weight average method; ♦ reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production, and reviewing the process of valuing work-in-process; ♦ We have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.
Current Tax Provisioning	How our audit addressed the key audit matters
At the year-end, the Company reported total income tax expense (Current Tax) of Taka. 2,793,189. The opening balance of the provision for tax amounting to Taka. 16,630,396, and the provision made during the year under audit is Tk. 2,793,189, and thus the total provision is Tk. 19,423,585. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and requires specific knowledge and competencies. We have determined this to be a key audit matter due to the complexity in income tax provisioning. See note no. 3.11 (a) and 12.09 to the Financial Statements.	Our audit procedure in this area included, among others: Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation. To analyse and challenge the assumptions used to determine tax provision based on our knowledge and experience of the application of the local legislation. Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive information related to tax.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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 identified above when it becomes available 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.

Ref: GKC/25-26/A/680



After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987, and applicable laws and regulations, 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. The Companies Act, 1994 requires the management to ensure effective internal audit, internal control, and risk management functions of the Company.

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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism 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 for one 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 an 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 a 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, related safeguards.

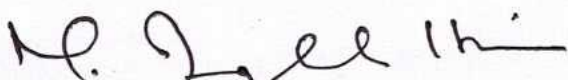
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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.

We have not come across any key audit issues for the year under audit, and as such, nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs), and the Securities and Exchange Rules, 2020, we also report that:

- (a) 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;
- (b) 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 those books adequate for the purposes of our audit;
- (c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred for the purposes of the company's business.



Md. Iqbal Hossain, FCA (# 0528)
Senior Partner
A. Hoque & Co.
Chartered Accountants



A.K. Gulam Kibria, FCA (# 0392)
Engagemet Partner
G.Kibria & Co.
Chartered Accountants
DVC: 2606300392AS638078

Dated: 30 June 2026
Place: Dhaka, Bangladesh



KARNAPHULI PAPER MILLS LTD.
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2024

Property and Assets	Notes	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
Non-Current Assets:	5.00	2,865,451,800	2,823,972,637
Property, Plant and Equipments	5.01	164,388,324	175,280,161
Capital Work-in-Progress	5.02	2,313,232,876	2,313,232,876
Deferred Expenses	5.03	387,830,600	335,459,600
Long term Investment		2,807,550	2,807,550
Investment (Karnaphuli Rayon & Chemicals Ltd.)	6.00	2,807,550	2,807,550
Current Assets:	7.00	1,820,719,876	1,810,488,790
Inventories	7.01	898,071,024	1,040,471,981
Investment in FDR	7.02	20,512,732	130,512,732
Advance, Deposit & Pre-payments	7.03	129,709,006	119,606,565
Advance against Income Tax	7.04	155,334,596	155,334,596
Accounts Receivable/Trade Debtors	7.05	253,258,487	89,870,322
Other Receivable/Other Debtors	7.06	79,403,137	24,594,353
Current Account with Enterprise	7.07	19,889,728	19,588,747
Cash and Cash Equivalents	7.08	264,541,165	230,509,492
Total Property and Assets		4,688,979,226	4,637,268,978
Shareholders' Equity and Liabilities			
Authorized Share Capital	8.00	1,500,000,000	1,500,000,000
Shareholders' & Government Equity:		(6,581,926,077)	(6,346,226,739)
Paidup Capital and Govt. Equity:	9.00	995,242,685	995,242,685
Issued, Subscribed & Paidup Capital	9.01	46,000,070	46,000,070
Govt. Equity/Capital Contribution	9.02	949,242,615	949,242,615
Reserve & Contingent Account:	10.00	(7,577,168,762)	(7,341,469,424)
Capital Reserve	10.01	344,133,667	344,133,667
Retained Earnings	10.02	(7,921,302,429)	(7,685,603,091)
Long Term Liabilities:	11.00	2,748,073,013	2,737,885,851
Interest Free Govt. Loan	11.01	57,100,000	57,100,000
Government Loan (BMRE)	11.02	1,782,369,318	1,729,998,318
Debenture Loan	11.03	112,280,951	112,280,951
Non-Development Govt. Loan (ADP)	11.04	130,500,000	130,500,000
Loan From CUFL	11.05	104,162,192	101,362,192
Deferred Liabilities (Gratuity)	11.06	561,660,552	606,644,390
Current Liabilities & Provisions:	12.00	8,522,832,290	8,245,609,865
BCIC Loan Account	12.01	5,262,223,556	5,149,579,041
BCIC Current Account	12.02	1,289,393,137	1,285,416,373
Creditors for Expenses	12.03	237,715,543	254,452,124
Creditors for Other Finance	12.04	794,951,872	795,617,576
Creditors for Goods Supply	12.05	337,728,115	342,524,951
Current Account with Enterprise	12.06	260,121,071	259,721,788
Creditors for WPPF	12.07	1,275,325	1,054,405
Bank Overdraft	12.08	320,000,086	140,613,211
Provision for Income Tax	12.09	19,423,585	16,630,396
Total Shareholders' Equities & Liabilities		4,688,979,226	4,637,268,978

The annexed notes from 1 to 20 and Annexure-A form an

This is the Statement of Financial Position referred to in our separate report of even date annexed

Company Secretary

Managing Director

Director

Md. Iqbal Hossain, FCA (# 0528)
Senior Partner
A. Hoque & Co.
Chartered Accountants
Dated: 30 June 2026
Place: Dhaka, Bangladesh

A. K. Gulam Kibria, FCA (# 0392)
Engagement Partner
G. Kibria & Co.
Chartered Accountants
DVC: 2606300392AS638078



KARNAPHULI PAPER MILLS LTD.

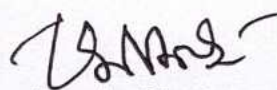
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2024

Particulars	Notes	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
Sales (Revenue) (A)	13.00	453,647,502	279,453,595
Less: Cost of Goods sold (B)	14.00	611,031,040	531,002,419
Gross Profit/(Loss) (A-B)=(C)		(157,383,538)	(251,548,824)
Less: Operating Expenses:			
General & Administrative Expenses	15.00	59,777,143	70,821,298
Sales & Distribution Expenses	16.00	3,334,627	4,478,085
Total Operating Expenses (D)		63,111,770	75,299,382
Operating Profit/(Loss) (C-D)=(E)		(220,495,308)	(326,848,206)
Add: Non-Operating Income			
Other Income	17.00	11,884,056	5,507,133
Total Non-Operating Income (F)		11,884,056	5,507,133
Less: Non-Operating Expenses			
Financial Expenses	18.00	4,294,897	3,043,066
Total Non-Operating Expenses (G)		4,294,897	3,043,066
Net Profit/(Loss) before Tax (E+F-G)=(H)		(212,906,149)	(324,384,139)
Income Tax Expenses	19.00	2,793,189	1,709,764
Net Profit/(Loss) after Tax (H-I)=(J)		(215,699,338)	(326,093,903)

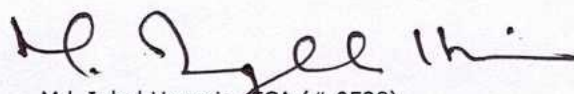
The annexed notes from 1 to 20 and Annexure-A form an integral part of these financial statements

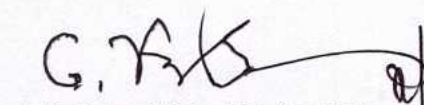
This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date annexed


Company Secretary


Managing Director

Director


Md. Iqbal Hossain, FCA (# 0528)
Senior Partner
A. Hoque & Co.
Chartered Accountants


A. K. Gulam Kibria, FCA (# 0392)
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Chartered Accountants
DVC: 2606300392AS638078

Dated: 30 June 2026
Place: Dhaka, Bangladesh

KARNAPHULI PAPER MILLS LTD.

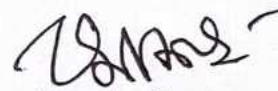
**STATEMENT OF SHAREHOLDERS' & Govt. EQUITY
ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 2024**

Particulars	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023		
A) Paid-Up-Capital :	46,000,070	46,000,070		
4,600,007 Ordinary Shares of Tk.10/ each fully paid in Cash				
B) Govt.Equity :	949,242,615	949,242,615		
Share Money in Advance	46,500,000	46,500,000		
Conversion of ADP Loan Local Currency into Equity (81)	8,154,715	8,154,715		
Transferred Out of Reserve (1981-1982)	49,345,215	49,345,215		
Transferred from ADP (KPM)	36,180,285	36,180,285		
Transferred from ADP (FRM)	110,782,400	110,782,400		
Govt.Equity portion on BMR-40%	698,280,000	698,280,000		
Sub Total (A+B)	995,242,685	995,242,685		
C) Reserve & Contingent Account				
Particulars	Capital Reserve	Retained Earnings	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
Balance B/F	344,133,667	(7,685,603,091)	(7,685,603,091)	(7,359,509,188)
Capital Fund (DCL)	23,452,053	-	23,452,053	23,452,053
Share Capital of KSL 50000 Ordinary Shares of Tk.	500,000	-	500,000	500,000
Capital Gain from disposal of Fix Assets	7,845,614	-	7,845,614	7,845,614
Capital Reserve Transf from Foreign Grant	312,336,000	-	312,336,000	312,336,000
Add: Income/(Loss) for the year	-	(215,699,338)	(215,699,338)	(326,093,903)
Prior year's Adjustments	-	(20,000,000)	(20,000,000)	-
Sub Total	344,133,667	(7,921,302,429)	(7,577,168,762)	(7,341,469,424)
Grand Total- D (A+B+C)	344,133,667	(7,921,302,429)	(6,581,926,077)	(6,346,226,739)

The annexed notes from 1 to 20 and Annexure-A form an integral part of these financial statements

This is the Statement of Changes in Equity referred to in our separate report of even date annexed


Company Secretary


Managing Director

Director



KARNAPHULI PAPER MILLS LTD.
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2024

Particulars	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
A. Cash Flows from Operating Activities:		
Net Profit/(Loss) for the year	(215,699,338)	(326,093,903)
Add: Prior year's Adjustment	(20,000,000)	-
Add: Deprecation	10,891,838	11,754,381
Deferred Expenses	(52,371,000)	
(Increase)/Decrease in Inventories	142,400,957	151,253,399
(Increase)/Decrease in Accounts Receivable/Trade Debtors	(163,388,165)	71,505,066
(Increase)/Decrease in Other Receivable/Other Debtors	(54,808,784)	1,918,994
(Increase)/Decrease in Advance, Deposit & Pre-payment	(10,102,441)	(14,180,487)
(Increase)/Decrease in Current Account with Enterprise	(300,981)	1,015,822
(Increase)/Decrease in Advance Income Tax	-	-
Increase/(Decrease) in Creditors for Goods Supply	(4,796,836)	9,573,217
Increase/(Decrease) in Creditors for Expenses	(16,736,581)	(147,926,623)
Increase/(Decrease) in Provision for Income Tax	2,793,189	1,709,764
Increase/(Decrease) in Provision for W.P.P.F	220,920	43,000
Increase/(Decrease) in Current Account with Enterprise	399,283	(10,757)
Increase/(Decrease) in Deferred Liabilities (Gratuity)	(44,983,838)	(54,786,496)
Net Cash provided in Operating Activities	(426,481,778)	(294,224,625)
B. Cash Flows from Investing Activities:		
(Increase)/Decrease in Property, Plant & Equipments	-	-
(Increase)/Decrease in Investment in FDR	110,000,000	(130,000,000)
Net Cash Generated (Used) in Investing Activities	110,000,000	(130,000,000)
C. Cash Flows from Financial Activities:		
BCIC Loan Account	112,644,515	239,542,362
Increase/Decrease in Of Bank Loan & Overdraft	179,386,875	100,609,500
Increase/(Decrease) in Creditors for Other Finance	(665,704)	7,203,737
Increase/(Decrease) in BCIC Current Account	3,976,764	3,514,370
Increase/(Decrease) in Other Long Term Loan	55,171,000	2,800,000
Net Cash Flows from Financial Activities	350,513,450	353,669,969
D. Net Cash Increase/(Decrease) Flows from All	34,031,672	(70,554,655)
Add: Cash and cash equivalent at the beginning of the year	230,509,492	301,064,147
Cash and Cash Equivalents at the end of the year	264,541,165	230,509,492

The annexed notes from 1 to 20 and Annexure-A form an integral part of these financial statements

This is the Statement of Cash Flows referred to in our separate report of even date annexed


Company Secretary


Managing Director

Director

KARNAPHULI PAPER MILLS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2024
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**

1.00 Reporting Entity

1.01 Company Profile and Its Objectives

Karnaphuli Paper Mills Limited was incorporated on 23 October 1952 as a Public Limited Company by taking over paper mills set up by the erstwhile Pakistan Industrial Development Corporation (PIDC) at Chandraghona, Rangamati. The date of Commencement of business was on 22 September 1953. M/s. Dawood Industry was appointed as managing agent in the Extraordinary General Meeting of the shareholders held on April 1958, and the managing agency was formally assigned to the new managing agent on 02 July 1958. After liberation, the shares were vested with the government of Bangladesh, which engaged BIDC/BPBC to manage the affairs of the Company. After the merger of BPBC with Bangladesh Chemical Industries Corporation (BCIC), the management of the company vested with BCIC effecting from 1st July, 1976.

The installed Capacity of the Mills was to produce 30,000 M. Tons of paper per annum. The company produces writing, printing, and brown sulphate papers of various grades ranging from 40 GSM to 350 GSM. It also produces corrugated board/box, bituminized paper, paper con, gum tape, etc.

1.02 Other Corporate Information

- (i) Trade License: 67737, dated 07.09.2009
- (ii) e-TIN No.: 557159317201, dated 03.10.2016
- (iii) BIN No.: 000490428-0504, dated 07.10.2019

1.03 Nature of Business

The principal activities of the Company are the manufacture of Papers.

1.04 Structure, Content, and Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- ☞ Statement of Financial Position as at 30th June, 2024;
- ☞ Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2024;
- ☞ Statement of Changes in Equity for the year ended 30th June, 2024;
- ☞ Statement of Cash Flows for the year ended 30th June, 2024;
- ☞ Notes comprising a summary of significant accounting policies and other explanatory information.

1.05 Operating Segments

No operating segment is applicable for the Company as required by **IFRS 8: Operating Segments**, as the Company has only one operating segment and the operation of the Company is within the geographical territory in Bangladesh.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 2020, and other relevant laws as applicable.

Pursuant to recent amendments to the Companies Act, 1994, incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies, including listed ones. Necessary formalities are in progress in implementing these changes.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act, 1994, and other applicable laws and regulations:

The Income Tax Act, 2023;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Customs Act, 2023;
The Stamp Act, 1899;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company has followed International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates, and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt Assistance	Complied
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	N/A
16	28	Investment in Associated and Joint Venture	N/A
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	N/A
21	34	Interim Financial Reporting	N/A
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	N/A
25	40	Investment Property	N/A
26	41	Agriculture	N/A



Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share-based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	N/A
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	N/A

2.04 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepared under the historical cost convention, except for the revaluation of certain non-current assets, which are stated either at revalued amount or fair market value as explained in the accompanying notes.

2.05 Accrual Basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income, and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.06 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT"), which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.07 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses, and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation, and other payables.

2.08 **Materiality, Aggregation, and Off Setting**

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has a legal right to set off the amounts and intends to settle on a net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exists a legal right, therefore no such incident existed during the year.

2.09 **Going Concern Assumption**

The financial statements are prepared on the basis of going concern assumption. As per management assessment, there is no material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

2.10 **Comparative Information**

Comparative information has been disclosed in respect of 2021-2022 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 period of financial statements. Prior year figures have been re-arranged wherever considered necessary to ensure comparability with the current period.

2.11 **Changes in Accounting Policies**

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.12 **Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation and presentation of the financial statements as per the requirements of the Companies Act, 1994.

2.13 **Reporting Period**

The reporting period of the Company covers one year from 1st day of July 2023 to 30th June, 2024.

2.14 **Approval of Financial Statements**

The financial statements have been approved by the Board of Directors on the 30th day of June, 2026.

3.00 **Significant Accounting Principles and Policies selected and applied for significant transactions and events**

For significant transactions and events that have a material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS 1: Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with that use in earlier years.

For proper understanding of the financial statements, accounting policies are set out below in one place as prescribed by the IAS 1: Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 **Property, Plant and Equipment**

3.01.1 **Recognition and Measurements**

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use, inclusive of inward freight, duties, and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item, and restoring this site (generally called asset retirement obligation), which are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated, and any gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of assets and the net sales proceeds.

Capital Work-in-Progress represents capital works of a unit still in progress and not in operation. Once a unit is completed, it is transferred to "Property, Plant and Equipment".

No revaluation of fixed assets has been made by the company.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance, is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The cost of the day-to-day servicing of property and equipment is recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provisions of IAS 16 "Property, Plant and Equipment".

Depreciation on all other fixed assets except land and land development is computed using the diminishing balance method in an amount sufficient to write off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals, and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation, and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
Land	0%
Building (KPM)	2.5-7.5%
Building (CC Plant)	2.5-7.5%
Jetty Roads	10-15%
Plant & Machinery (KPM)	7.5%
Plant & Machinery (CC Plant)	7.5%
Motor Vehicle	20-25%
Flotilla	20%
Furniture & Fixture (KPM)	10-25%
Furniture & Fixture (CCP)	10-25%
Ropeway	5%
Sundry Assets	5%

The whole amount of depreciation has been charged off partly to cost of sales and partly as expense in consistent with the practice followed in the earlier years.

3.01.5 Impairment

The carrying amounts of property, plant, and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated to determine the extent of the impairment loss, if any, and impairment loss is recorded on a judgmental basis, for which provision may differ in future years based on the actual experience.

3.01.6 Disposal of Property, Plant and Equipment's

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.01.7 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.02 Investment in FDR

Investment is stated at its cost of acquisition, and interest earned on deposits lying with the different banks has been duly accounted for on an accrual basis. The statement of profit or loss and other comprehensive income reflects the income on account of interest on investment in FDR.

3.03 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.04 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business, which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.05 Revenue Recognition

In compliance with the requirements of IFRS 15, "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue represents the invoiced value of policies. Revenue is recognized when the policies are made.

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, this standard establishes a five-step model as follows:

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

Considering the five-step 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 those goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates, and Value Added Tax (VAT).



(a) **Sale of Goods**

Revenue from the sale of goods is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) **Profit on Bank Deposits**

Profit on bank deposits has been accounted on an accrual basis.

(c) **Other Revenues**

Other revenues are recognized when services are rendered, and bank interests are earned.

3.06 **Inventories**

In compliance with the requirements with IAS-2 "Inventories," Raw Materials, Work-in-process, Spare Parts, Stock in Transit, and Finished goods are valued at the lower of average cost and the net realizable value. Stock of finished vehicles and bus body building units is valued at cost, which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes, wherever applicable, appropriate overheads based on the normal level of activity.

No provision has been made for slow-moving and obsolete stocks during the financial year.

3.07 **Financial Instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.07.1 **Financial Assets**

The company initially recognises a financial asset in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI), or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

- (a) The entity's business model for managing the financial assets; and
- (b) The contractual cash flow characteristics of the financial assets.

3.07.1.1 **Financial Assets measured at amortized cost**

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

3.07.1.2 **Financial Assets measured at fair value through other comprehensive income**

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and

- (b) The contractual terms of the financial asset give rise on specified dates to cash flows solely of payments of principal and interest on the principal amount outstanding.

3.07.1.3 Financial Assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein that take into account, and dividend income are recognized in profit or loss.

Financial assets include accounts receivable, advances, deposits & prepayments, investments, and cash & cash equivalents.

(i) **Accounts Receivable**

Accounts receivable represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost, which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

(ii) **Advance, Deposits & Prepayments**

Advances are initially measured at cost. After initial recognition, advances are carried at a cost less deductions, adjustments, or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(iii) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank, and fixed deposits having a maturity of less than three months, which are available for use by the company without any restriction.

3.07.2 Financial Liabilities

A financial liability is recognized when its contractual obligations arising from post-event events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognises financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Non-derivative financial liabilities comprise accrued and other current liabilities, interest-bearing borrowings, and short-term loans.

(i) **Accrued and Other Current Liabilities**

Accrued and Other Current Liabilities are recognized at the amount payable for services rendered to the company.

(ii) **Interest-bearing borrowings**

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of the statement of financial position are classified as non-current liabilities, whereas the portion of borrowings repayable within twelve months from the date of the statement of financial position, unpaid interest, and other charges are classified as current liabilities.

(iii) **Short-term loan**

Short-term loan is recognized at the amount payable to the bank.

3.08 **Equity Instruments**

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid-up share capital represents the total amount contributed by the shareholders and bonus shares issued by the Company.

3.09 **Impairment**

(i) **Non-derivative Financial Assets**

Financial assets not classified as at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) Observable data indicating that there is a measurable decrease in expected cash flows from a Company of financial assets.

(ii) **Financial Assets measured at amortized cost**

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) **Non-Financial Assets**

The carrying amounts of the Company's non-financial assets (other than biological assets, investment property, inventories, and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.



Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.10 Derivatives

The company is not a party to any derivative contract at the statement of financial position date, such as a forward exchange contract, currency swap agreement, or interest rate option contract to hedge currency exposure related to the import of raw materials and others, or principal and interest obligations of foreign currency loans.

3.11 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

(b) Deferred Tax:

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company, and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

In view of the above, no deferred tax has been provided.

(c) Value Added Tax:

Revenues, expenses, and assets are recognized net of the amount of Value Added Tax, except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of value-added tax included.

The net amount of value-added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.12 Cost of Post-Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

(a) **Short-Term Employee Benefits:**

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transportation, accommodation, etc. Obligations for such benefits are measured on an undiscounted basis and are expenses as the related service is provided.

(b) **Contribution to Workers' Profit Participation and Welfare Funds:**

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (amendment) Act, 2014, and is payable to Workers as defined in the said law.

(c) **Defined Contribution Plan (Provident Fund):**

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund, and the company also makes an equal contribution.

The company recognizes contributions to the defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal constructive obligation is limited to the amount it agrees to contribute to the fund.

(d) (e) **Defined Benefit Plan (Gratuity)**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The company operates an unfunded gratuity scheme, provision in respect of which is made annually for the company's permanent eligible employees as per IAS-19, "Employee Benefits".

3.13 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.14 Accruals, Provisions, and Contingencies

(a) **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 amounts due to employees. Accruals are reported as part of trade and other payables.

(b) **Provisions**

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year, the company has made sufficient provisions where applicable.

(c) **Contingencies**

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 or 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.

A 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 company. At the reporting date, the company does not have any contingent assets.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.15 **Cash and Cash Equivalents**

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the *IAS 1 "Presentation of Financial Statements"* and *IAS 7 "Cash Flow Statement"* which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.16 **Statement of Cash Flows**

The Statement of Cash Flows has been prepared in accordance with the requirements *IAS 7: Statement of Cash Flows*. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 2020, and considering the provisions of *Paragraph 19 of IAS 7*, which provided that "*Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method*".

3.17 **Events after the Reporting Period**

Events after the reporting period that provide additional information about the Company's position at the date of the 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.

4.00 **General**

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;
- (h) No bank guarantee was issued by the company on behalf of its directors.



		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
5.00	Non-Current Assets	2,865,451,800	2,823,972,638
	This is made up as follows:		
	5.01 Property, Plant and Equipments	164,388,324	175,280,162
	5.02 Capital Work-in-Progress	2,313,232,876	2,313,232,876
	5.03 Deferred Expenses	387,830,600	335,459,600
		<u>2,865,451,800</u>	<u>2,823,972,638</u>
5.01	Property, Plant and Equipments	164,388,324	175,280,162
	This is made up as follows:		
	5.01.1 Accumulated Cost	1,410,471,046	1,410,471,046
	5.01.2 Accumulated Depreciation	1,246,082,722	1,235,190,884
	Written Down Value (A-B)	<u>164,388,324</u>	<u>175,280,162</u>
5.01.1	Accumulated Cost	1,410,471,046	1,410,471,046
	This is made up as follows:		
	Opening Balance	1,410,471,046	1,410,471,046
	Add: Addition during the year	-	-
		<u>1,410,471,046</u>	<u>1,410,471,046</u>
5.01.2	Accumulated Depreciation	1,246,082,722	1,235,190,884
	This is made up as follows:		
	Opening Balance	1,235,190,884	1,223,436,503
	Add: Charged during the year	10,891,838	11,754,381
		<u>1,246,082,722</u>	<u>1,235,190,884</u>
	Allocation of Depreciation/Basis of Allocation	10,891,838	11,754,380
	This is made up as follows:		
	For Factory 86%	9,366,981	10,108,767
	For Administration 12%	1,307,021	1,410,526
	For Selling & Distribution 2%	217,837	235,088
		<u>10,891,838</u>	<u>11,754,380</u>
	The details of which have been shown in Annexure - A		
5.02	Capital Work-in-Progress	2,313,232,876	2,313,232,876
	This is made up as follows:		
	5.02.1 BMRE Project	2,218,794,318	2,218,794,318
	5.02.2 Other of KPM	94,438,558	94,438,558
		<u>2,313,232,876</u>	<u>2,313,232,876</u>
5.02.1	BMRE Project	2,218,794,318	2,218,794,318
	This is made up as follows:		
	BMRE Govt.	1,745,700,000	1,745,700,000
	Interest on Loan	473,094,318	473,094,318
		<u>2,218,794,318</u>	<u>2,218,794,318</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
5.02.2	Other of KPML	94,438,558	94,438,558
	This is made up as follows:		
	Maintenance Work for Recovery & Boiler of KPML	18,710,099	18,710,099
	Green Jute Project of KPML	75,728,459	75,728,459
		<u>94,438,558</u>	<u>94,438,558</u>
5.03	Deferred Expenses	387,830,600	335,459,600
	This is made up as follows:		
	Interest as per KPM up to 30.06.2019	125,975,600	125,975,600
	Interest for Fy - 2019-2020	52,371,000	52,371,000
	Interest for Fy - 2020-2021	52,371,000	52,371,000
	Interest for Fy - 2021-2022	52,371,000	52,371,000
	Interest for Fy - 2022-2023	52,371,000	52,371,000
	Interest for Fy - 2023-2024	52,371,000	-
		<u>387,830,600</u>	<u>335,459,600</u>
6.00	Long Term Investment	2,807,550	2,807,550
	This is as per last year account.		
7.00	Current Assets	1,567,461,389	1,810,488,790
	This is, made up as follows:		
	7.01 Inventories	898,071,024	1,040,471,981
	7.02 Investment in FDR	20,512,732	130,512,732
	7.03 Advances, Deposits & Prepayments	129,709,006	119,606,565
	7.04 Advances against Income Tax	155,334,596	155,334,596
	7.05 Trade Debtors/Accounts Receivables	-	89,870,322
	7.06 Other Debtors/Other Receivables	79,403,137	24,594,353
	7.07 Currents A/C with Enterprise	19,889,728	19,588,747
	7.08 Cash and Cash Equivalents	264,541,165	230,509,492
		<u>1,567,461,389</u>	<u>1,810,488,790</u>
7.01	Inventories	898,071,024	1,040,471,981
	This is made up as follows:		
	7.01.1 Raw-Materials, Chemicals & Packing Materials	51,891,037	70,334,932
	7.01.2 Spare Parts & Accessories	336,530,368	327,108,929
	7.01.3 Stock-in-Transit	284,356,894	285,361,336
	7.01.4 Work-in-Process	109,910,140	109,910,140
	7.01.5 Finished Goods	115,382,585	247,756,644
		<u>898,071,024</u>	<u>1,040,471,981</u>
7.01.1	Raw-Materials, Chemicals & Packing Materials	51,891,037	70,334,932
	This is made up as follows:		
	7.01.1.1 FRM Stock (Chandraghona Yard)	28,124,630	28,124,630
	7.01.1.2 Chipper House	25,297,184	25,297,184
	7.01.1.3 Chemicals & Others	(1,530,778)	16,913,117
		<u>51,891,037</u>	<u>70,334,932</u>



	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
7.01.1.1 FRM Stock (Chandraghona Yard)	28,124,630	28,124,630
This is made up as follows:		
Bamboo Muli	6,341,692	6,341,692
Bamboo Baria	598,246	598,246
Wood	21,184,692	21,184,692
	<u>28,124,630</u>	<u>28,124,630</u>
The above amount represents as per last year account without any movement.		
7.01.1.2 Chipper House	25,297,184	25,297,184
The above amount represents as per last year account without any movement.		
7.01.1.3 Chemicals & Others	(1,530,778)	16,913,117
This is made up as follows:		
Chandraghona Stores	(17,414,907)	2,150,705
Chittagong Stores	151,007	151,005
Packing Materials	2,500,698	2,245,770
Materials in Plant	13,232,424	12,365,635
	<u>(1,530,778)</u>	<u>16,913,117</u>
7.01.2 Spare Parts & Accessories	336,530,368	327,108,929
This is made up as follows:		
Furnace Oil & Lubricants	7,661,687	5,588,436
Construction Materials	1,666,986	1,152,441
Iron & Nonferrous Materials	7,597,684	5,854,999
Machine Clothing	15,718,477	14,761,158
Capital Store	29,650,687	29,650,687
General Stores	44,380,741	42,692,710
Spares & Accessories	200,133,941	197,874,010
Non-Moveable Stores	313,138	313,138
Deferred Stores (DS-1)	327,963	327,963
Deferred Stores (DS-2)	510,108	510,108
Stores in Hand-FRM	27,214,256	27,214,256
Stores in Hand-(RTD)	518,861	518,861
Stores Claring A/C	6,069	6,069
Fuel Stock in Kcss	829,770	644,093
	<u>336,530,368</u>	<u>327,108,929</u>
7.01.3 Stock-in-Transit	284,356,894	285,361,336
It represents total balance of Stock-in-Transit as on 30th June,2024.		
7.01.4 Work-in-Process	109,910,140	109,910,140
This is made up as follows:		
7.01.4.1 Liquid/Solid Alum	91,929,585	91,929,585
7.01.4.2 Calcium Hypo	17,980,555	17,980,555
	<u>109,910,140</u>	<u>109,910,140</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
7.03	Advance, Deposit & Pre-payments	129,709,006	119,606,565
	This is made up as follows:		
	7.03.1. Advance to Employee	10,014,483	14,165,410
	7.03.2 Advance to Contractors & Supplirs	59,296,761	57,098,998
	7.03.3 Audit Objection	2,817,292	3,334,880
	7.03.4 Deposits	46,686,209	34,124,369
	7.03.5 Prepayments	10,894,261	10,882,908
		<u>129,709,006</u>	<u>119,606,565</u>
7.03.1	Advance to Employee	10,014,483	14,165,410
	This is made up as follows:		
	Advance against TA/DA	648,826	691,492
	Advance against Medical	234,039	246,039
	Advance against Purchase	1,208,389	4,508,255
	Cyclone Advance	5,860	5,860
	Advance to Relief Fund	90,000	90,000
	Advance against wages Commission	3,334,180	3,551,533
	Advance against Final Settement	489,000	739,000
	Advance against Facilities & Others	4,004,189	4,333,231
		<u>10,014,483</u>	<u>14,165,410</u>
7.03.2	Advance to Contractors & Supplirs	59,296,761	57,098,998
	This is made up as follows:		
	Contractors labour & Others	1,934,105	1,904,105
	FRM Suppliers	(5,296,643)	(5,296,643)
	Stores Suppliers	62,659,299	60,491,536
		<u>59,296,761</u>	<u>57,098,998</u>
7.03.3	Audit Objection	2,817,292	3,334,880
	This is made up as follows:		
	Audit Objection against Arrear Overtime	856,370	951,205
	Audit Objection against Maternity Allowance	15,700	15,700
	Audit Objection against Medical Tretment	1,685,838	1,685,838
	Audit Objection against Electricity Bill	259,384	682,137
		<u>2,817,292</u>	<u>3,334,880</u>
7.03.4	Deposits	46,686,209	34,124,369
	This is made up as follows:		
	Security Deposit to Govt.Agencies	27,455,369	32,775,899
	VAT payable	19,230,840	1,348,470
		<u>46,686,209</u>	<u>34,124,369</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
7.03.5	Prepayments	10,894,261	10,882,908
	This is made up as follows:		
	Royalty on FRM	6,204,178	6,204,178
	Salary Income Tax	(406,166)	(293,596)
	Land Revenue	-	-
	Insurance	5,096,249	4,972,326
		<u>10,894,261</u>	<u>10,882,908</u>
7.04	Advances, Against Income Tax	155,334,596	155,334,596
	This is made up as follows:		
	Advance.againts Taxes U/S-64 (A/C-KPM)	1,698,633	1,698,633
	Advance.againts Taxes A/C-RTD	50,000	50,000
	Income Tax deducted at Source from paper Bill:	1,748,633	1,748,633
	B.S.O	59,596	59,596
	Controller of Military A/C	18,260	18,260
	Director General of Defense Purchase,Dhaka	40,965	40,965
	Advance deducted for Paper Bill under Rule-16	118,075,035	118,075,035
	Advance deducted from Imported Materials (Rule-17)	16,331,557	16,331,557
	Advance deduction of VAT	19,060,550	19,060,550
		<u>155,334,596</u>	<u>155,334,596</u>
7.05	Trade Debtors/Accounts Receivable	253,258,487	89,870,322
	This is made up as follows:		
	7.05.1 Government & Other Industries	185,007,303	13,316,616
	7.05.2 Depot Control A/C FPS- Chittagong	12,029,795	12,029,795
	7.05.3 Depot Control A/C FPS- Dhaka	56,221,389	64,523,911
		<u>253,258,487</u>	<u>89,870,322</u>
7.05.1	Government & Other Industries	185,007,303	13,316,616
	This is made up as follows:		
	Chittagong Dealer	4,897,991	-
	For Govt. and Industries:		
	BD Sty office,Tejgaon	178,158,361	11,365,665
	Security Printing Corporation	-	-
	Lever Brothers (BD) Ltd./Uniliver (BD) Ltd.	707,223	707,223
	Denish Condensed Milk	5,507	5,507
	Mehar Industries (BD) Ltd.	29,833	29,833
	Karnafuli Jute Mills Ltd.	16,457	16,457
	Sagar Screen Printers	6,373	6,373
	Seedat Brothers	125,490	125,490
	Bangladesh Bureace of Statistics	1,157,297	1,157,297
	Unicef Account	11,945	11,945
	Others	23,125	23,125
		<u>180,241,611</u>	<u>13,448,915</u>
	Less: Bad Debt Provision	132,299	132,299
		<u>180,109,312</u>	<u>13,316,616</u>
		<u>185,007,303</u>	<u>13,316,616</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
7.05.2	Depot Control Account FPS- Chittagong	12,029,795	12,029,795
	It represents total balance of Depot Control A/C FPS- Chittagong as on 30th June,2024.		
7.05.3	Depot Control Account FPS- Dhaka	56,221,389	64,523,911
	It represents total balance of Depot Control A/C FPS- Dhaka as on 30th June,2024.		
7.06	Other Debtors/Other Receivables	79,403,137	24,594,353
	This is made up as follows:		
	7.06.1 Other Debtors	18,282,069	17,982,540
	7.06.2 Claims Receivables	6,558,618	6,558,618
	7.06.3 Others	54,562,450	53,195
		<u>79,403,137</u>	<u>24,594,353</u>
7.06.1	Other Debtors	18,282,069	17,982,540
	This is made up as follows:		
	River Transport Department (RTD)	780,444	780,444
	Shop Keepers	8,860,172	8,479,813
	Other Debtors (Misc)	1,071,222	954,319
	Setasa trading	4,400,000	4,400,000
	Testing fee receivable	319,500	319,500
	Employee Co-Operative Society	285,848	285,848
	Other Debtors karnaphuli Jute Mills	2,442,655	2,442,655
	KPM Welfare Fund	-	152,550
	Officers Welfare Accociation	122,228	167,411
		<u>18,282,069</u>	<u>17,982,540</u>
7.06.2	Claims Receivables	6,558,618	6,558,618
	This is as per last year account.		
7.06.3	Others	54,562,450	53,195
7.07	Current Account with Enterprise	19,889,728	19,588,747
	This is made up as follows:		
	Khulna Hard Board Mills Ltd.(KHBM)	135,895	135,895
	Chhatak Cement Co.Ltd.	989,495	1,004,083
	Usmania Glass Sheet Factory Ltd.(UGSF)	397,354	356,914
	BCIC Branch Office	21,985	21,985
	Chittagong Urea Fertilizer Ltd.(CUFL)	4,488,032	4,272,729
	Shahjalal Fertilizer Company Ltd.(Former NGFE)	154,756	41,242
	TSP Complex Ltd.	9,261,579	9,305,883
	DAP Fertilizer Company Ltd.	3,662,941	3,672,325
	SPPM Ltd.	287,242	287,242
	Dhaka. Leather Company Ltd.	56,430	56,430
	Ujala Mach Factory Ltd.	317,530	317,530
	North Bengal Paper Mills Ltd.	-	-
	BCIC Mktg & Distribution	116,489	116,489
		<u>19,889,728</u>	<u>19,588,747</u>



		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
7.08	Cash and Cash Equivalents	264,541,165	230,509,492
	This is made up as follows:		
	7.08.1 Cash in Hand	359,301	308,905
	7.08.2 Cash at Bank	264,181,864	230,200,587
		<u>264,541,165</u>	<u>230,509,492</u>
7.08.1	Cash in Hand	359,301	308,905
	This is made up as follows:		
	Imprest CAN	45,607	17,756
	Imprest at Chittagong Office	168,235	168,235
	Imprest for Chittagong Guest House	5,000	5,000
	Imprest for Dhaka Sales Center	56	47
	Imprest for KPM Hospital	1,800	1,800
	Imprest for Transport (KPM)	61,430	44,450
	Imprest for Transport (FRM)	22,465	19,385
	Imprest for School & College	1,000	1,000
	Imprest for Kaptai Bamboo yard	2,000	2,000
	Imprest for FRM Garage	49,408	46,932
	Imprest for Ctg Transport	2,300	2,300
		<u>359,301</u>	<u>308,905</u>
7.08.2	Cash at Bank	264,181,864	230,200,587
	This is made up as follows:		
	Sonali Bank PLC.C/A	-	302,327
	Sonali Bank PLC.,Mymensingh	1,880	1,880
	Sonali Bank PLC., Lalmonirhat	2,790	2,790
	Agrani Bank PLC.,Ctg (DCL)	1,156	1,156
	BASIC Bank PLC.,Ctg (2401010003128)	5,530,604	5,530,604
	Sonali Bank PLC., Dhaka/N.Ganj	4,892	4,892
	Sonali Bank PLC., Matiranga	5,112	5,112
	Sonali Bank PLC.,Kalibari (AC No.13046)	59,408	59,408
	Agrani Bank PLC., Ctg (RTD)	6,247	6,247
	Janata Bank PLC.,Batakandi	1,038	1,038
	Agrani Bank PLC.,Baburhat,Chandpur	1,056	1,056
	Sonali Bank PLC., Ctg(STD-37)	145,103	145,103
	Sonali Bank PLC., Malibagh Branch Dhaka (k-968)	35,388	463,777
	Sonali Bank PLC., Malibagh Branch Dhaka (STD-12)	2,888,721	5,176,897
	Sonali Bank PLC., Chandraghona	39,635,754	52,630,656
	BASIC Bank PLC., Ctg (2416010000866)	-	-
	Sonali Bank PLC CNA. (A/c No.000054)	-	15,091,210
	Agrani Bank PLC CAN (A/c No. 833708)	102,610,814	-
	Sonali Bank PLC CNA. (A/c No.000008)	1,204,299	-
	Agrani Bank PLC.,Chandraghona-(AC No.06)	112,047,602	116,816,045
	CC (SB Ctg.AC No.1704)	-	33,960,389
		<u>264,181,864</u>	<u>230,200,587</u>
8.00	Authorized Share Capital	1,500,000,000	1,500,000,000
	150,000,000 Ordinary shares of Tk. 10/- each		



		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
9.00	Paidup Capital & Govt. Equity	995,242,685	995,242,685
	This is made up as follows:		
	9.01 Issued, Subscribed & Paidup Capital	46,000,070	46,000,070
	9.02 Government Equity/Capital Contribution	949,242,615	949,242,615
		<u>995,242,685</u>	<u>995,242,685</u>
9.01	Issued, Subscribed & Paidup Capital	46,000,070	46,000,070
	4600,007 Ordinary Shares of Tk. 10/- each fully paid in cash.		
9.02	Government Equity/Capital Contribution	949,242,615	949,242,615
	This is made up as follows:		
	Government Contribution in Cash (1976-1978)	46,500,000	46,500,000
	Transferred From General Reserve (1981-1982)	49,345,215	49,345,215
	Conversion of ADP Loan (1981-1982)	8,154,715	8,154,715
	Conversion of ADP (BMRE) Loan (1986-1987)	36,180,285	36,180,285
	Conversion of ADP (RD and BE) Loan (1986-1987)	110,782,400	110,782,400
	Government Equity Portion an BMR 40%	698,280,000	698,280,000
		<u>949,242,615</u>	<u>949,242,615</u>
	The above amount represents Government Equity/Capital Contribution as on 30th June, 2024.		
10.00	Reserve & Contingent Account	(7,577,168,762)	(7,341,469,424)
	This is made up as follows:		
	10.01 Capital Reserve	344,133,667	344,133,667
	10.02 Retained Earnings	(7,921,302,429)	(7,685,603,091)
		<u>(7,577,168,762)</u>	<u>(7,341,469,424)</u>
10.01	Capital Reserve	344,133,667	344,133,667
	This is made up as follows:		
	Capital Fund of Dawood Corporation Ltd.	23,452,053	23,452,053
	Share Capital of River Transport Department	500,000	500,000
	Capital Gain on Sales of fixed Assets	7,845,614	7,845,614
	Capital Reserve	312,336,000	312,336,000
		<u>344,133,667</u>	<u>344,133,667</u>
	The balance is as per last account.		
10.02	Retained Earnings	(7,921,302,429)	(7,685,603,091)
	This is made up as follows:		
	Opening Balance	(7,685,603,091)	(7,359,509,188)
	Add. Net Profit/(Loss) after Tax	(215,699,338)	(326,093,903)
	Add. Prior year's adjustment	(20,000,000)	
		<u>(7,921,302,429)</u>	<u>(7,685,603,091)</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
11.00	Long Term Liabilities	2,748,073,013	1,899,379,269
	This is made up as follows:		
	11.01 Interest Free Govt loan	57,100,000	57,100,000
	11.02 Government Loan (BMRE)	1,782,369,318	1,729,998,318
	11.03 Debenture Loan	112,280,951	112,280,951
	11.04 Non-Development Govt Loan (ADP)	130,500,000	130,500,000
	11.05 Loan From CUFL	104,162,192	101,362,192
	11.06 Deferred Liabilities (Gratuity)	561,660,552	606,644,390
		<u>2,748,073,013</u>	<u>1,899,379,269</u>
11.01	Interest Free Govt. Loan	57,100,000	57,100,000
	This is as per last year account.		
11.02	Government Loan (BMRE)	1,782,369,318	1,729,998,318
	This is made up as follows:		
	Principal loan amount	1,047,420,000	1,047,420,000
	Interest amount	734,949,318	682,578,318
		<u>1,782,369,318</u>	<u>1,729,998,318</u>
11.03	Debenture Loan	112,280,951	112,280,951
	This is made up as follows:		
	Balance B/F	112,280,951	112,280,951
	Overdraft (Principal)	-	-
	Add: Interest	-	-
	Less: Repayment	-	-
		<u>112,280,951</u>	<u>112,280,951</u>
11.04	Non-Development Govt. Loan (ADP)	130,500,000	130,500,000
	This is as per last year account.		
11.05	Loan From CUFL	104,162,192	101,362,192
	This is made up as follows:		
	Principal Loan	40,000,000	40,000,000
	Add: Interest	64,162,192	61,362,192
		<u>104,162,192</u>	<u>101,362,192</u>
11.06	Deferred Liabilities (Gratuity)	561,660,552	606,644,390
	This is made up as follows:		
	Opening Balance	606,644,390	661,430,886
	Add: Recovered from Other Office	3,510,577	3,638,328
	Add: Provision during the year	12,443,520	14,207,920
	Add: Prior years adjustment	-	-
		<u>622,598,487</u>	<u>679,277,134</u>
	Less: Payments/Adjustment for the year	60,937,935	72,632,744
		<u>561,660,552</u>	<u>606,644,390</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.00	Current Liabilities	8,522,832,290	8,245,609,865
	This is made up as follows:		
	12.01 BCIC Loan Account	5,262,223,556	5,149,579,041
	12.02 BCIC Current Account	1,289,393,137	1,285,416,373
	12.03 Creditors for Expenses	237,715,543	254,452,124
	12.04 Creditors for Other Finance	794,951,872	795,617,576
	12.05 Creditors for Goods Supply	337,728,115	342,524,951
	12.06 Current A/C With Enterprise	260,121,071	259,721,788
	12.07 Creditors for WPPF	1,275,325	1,054,405
	12.08 Bank Overdraft	320,000,086	140,613,211
	12.09 Provision Income for Tax	19,423,585	16,630,396
		<u>8,522,832,290</u>	<u>8,245,609,865</u>
12.01	BCIC Loan Account	5,262,223,556	5,149,579,041
	This is made up as follows:		
	Opening Balance	5,149,579,041	4,910,036,679
	Add: Addition for the year	<u>112,644,515</u>	<u>239,542,362</u>
		5,262,223,556	5,149,579,041
	Less: Payment/Adjustments	<u>-</u>	<u>-</u>
		<u>5,262,223,556</u>	<u>5,149,579,041</u>
12.02	BCIC Current Account	1,289,393,137	1,285,416,373
	This is made up as follows:		
	Opening Balance	1,285,416,373	1,281,902,003
	Add: Addition for the year	<u>14,590,009</u>	<u>4,308,693</u>
		1,300,006,382	1,286,210,696
	Less: Payment/Adjustments	<u>10,613,245</u>	<u>794,323</u>
		<u>1,289,393,137</u>	<u>1,285,416,373</u>
12.03	Creditors for Expenses	237,715,543	254,452,124
	This is made up as follows:		
	12.03.1 Construction, Handling & Labor Supply	53,965,958	76,950,507
	12.03.2 Other Expenses	66,120,665	65,390,776
	12.03.3 Unpaid Salaries & Allowances	99,960,636	94,442,557
	12.03.4 Provision for Interest on Loan	17,569,504	17,569,504
	12.03.5 Welfare Expenses	60,000	60,000
	12.03.6 Arrerar Salaries for Wages Commission	38,780	38,780
		<u>237,715,543</u>	<u>254,452,124</u>
12.03.1	Construction, Handling & Labor Supply	53,965,958	76,950,507
	This is made up as follows:		
	For Construction Contract	4,457,625	4,488,464
	For Handling & Labor Supply	2,429,208	6,142,768
	For Others	46,800,256	66,040,406
	For Work-in-progress	<u>278,869</u>	<u>278,869</u>
		<u>53,965,958</u>	<u>76,950,507</u>



		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.03.2	Other Expenses	66,120,665	65,390,776
	This is made up as follows:		
	Self Manufacturing Clearing A/C workshop Made	4,642,223	4,642,223
	Self Manufacturing Clearing A/C Alum	21,895,543	21,285,654
	Self Manufacturing Lime Cline	1,156,005	1,156,005
	Self Manufacturing Bleached Chemicals	495,000	495,000
	Liabilities for Audit Objection	3,809,025	3,809,025
	Provision for Tici levy	131,439	131,439
	Provision for Insurance	480,000	480,000
	Provision for Audit fees	240,000	120,000
	Provision for Head Office Levy	262,602	262,602
	Provision for Other Expenses KPM	5,503,200	5,503,200
	Provision for Other Expenses RTD	25,960,468	25,960,468
	Loan Revenue	1,545,160	1,545,160
		<u>66,120,665</u>	<u>65,390,776</u>
12.03.3	Unpaid Salaries & Allowances	99,960,636	94,442,557
	This is made up as follows:		
	Opening Balance	94,442,557	138,010,519
	Add: Addition for the year	169,589,952	190,519,586
		<u>264,032,509</u>	<u>328,530,105</u>
	Less: Payment/Adjustments	164,071,873	234,087,548
		<u>99,960,636</u>	<u>94,442,557</u>
12.03.4	Provision for Interest on Loan	17,569,504	17,569,504
	This is as per last year account.		
12.03.5	Welfare Expenses	60,000	60,000
	The amount represents as per last account.		
12.03.6	Arrear Salaries for Wages Commission	38,780	38,780
	The amount represents as per last account.		
12.04	Creditors for Other Finance	794,951,872	795,617,576
	This is made up as follows:		
	12.04.1 Deposit from Customers	41,355,417	56,485,009
	12.04.2 KPM/FPS Account (Ctg/Dhaka)	-	-
	12.04.3 Secretary Providend Fund	675,210,198	671,863,788
	12.04.4 Income Tax on Party's Bill Payables	(18,674,953)	(17,701,599)
	12.04.5 VAT on party's Bill Payables	(3,164,860)	(1,507,815)
	12.04.6 Contractor Security Deposit	58,696,867	62,311,045
	12.04.7 Avance Received Against Scrap Sales	3,879,224	3,879,224
	12.04.8 Sundry Creditors for Other Finance	31,082,482	13,720,427
	12.04.9 Interest on Agrani Bank debenture	6,567,497	6,567,497
		<u>794,951,872</u>	<u>795,617,576</u>

The above amount represents Creditors for Other Finance as on 30th June,2024.



	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.04.1 Deposit from Customers	41,355,417	56,485,009
This is made up as follows:		
Chittagong Dealers	-	8,344,432.00
Dhaka Dealers	38,319,239	45,104,399.00
Moffasal Dealers	3,036,178	3,036,178.00
	<u>41,355,417</u>	<u>56,485,009</u>
12.04.2 KPML/FPS Account (Ctg/Dhaka)	-	-
It represents total Balance of KPM/FPS Account (Ctg/Dhaka) as on 30th June,2024.		
12.04.3 Secretary Providend Fund	675,210,198	671,863,788
This is made up as follows:		
Employees Own Contribution	77,107,424	72,614,409
Company,s Contribution	76,761,438	72,318,909
21/2 Add Own Contribution	1,410,011	1,334,497
PF Loan Recovered	59,640,552	57,030,791
Current Account With Secretay PF	460,290,773	468,565,182
	<u>675,210,198</u>	<u>671,863,788</u>
12.04.4 Income Tax on Party's Bill Payables	(18,674,953)	(17,701,599)
This is made up as follows:		
For the year tax deducted from Stores Suppliers & Others	(19,624,772)	(17,778,895)
Less: Payment/Adjustment during the year	-	-
	<u>(19,624,772)</u>	<u>(17,778,895)</u>
Add. FRM Suppliers	872,523	
Add: Contractors	77,296	77,296
	<u>(18,674,953)</u>	<u>(17,701,599)</u>
12.04.5 VAT on party's Bill Payables	(3,164,860)	(1,507,815)
This is made up as follows:		
VAT Revolving A/C	-	1,606,524
Contractors VAT Payable	193,241	193,241
Suppliers VAT Payable	(5,448,964)	(3,315,388)
VAT Realized from Materials Sales	7,808	7,808
FRM Suppliers	2,083,055	-
	<u>(3,164,860)</u>	<u>(1,507,815)</u>
12.04.6 Contractor Security Deposit	58,696,867	62,311,045
This is made up as follows:		
FRM Lease Forest	15,099,457	15,099,457
FRM Local Suppliers	7,597,996	7,597,996
FRM Out Station	214,761	214,761
Civil Constraction	1,803,321	1,974,591
Stores Suppliers & Others	22,768,311	26,211,219
Paper Dealers	11,049,500	11,049,500
Chips Carrying	59,121	59,121
Cha House Holder 2019	104,400	104,400
	<u>58,696,867</u>	<u>62,311,045</u>

	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.04.7 Advance Received Against Scrap Sales	3,879,224	3,879,224
This is as per last year account.		
12.04.8 Sundry Creditors for Other Finance	31,082,482	13,720,427
This is made up as follows:		
Advance Against Salary	97,172	90,172
Recovery of Other PF Cont. & Interest	(359,445)	4,159,386
Recovery of Welfare Loan, & Interest	431,952	-
BCIC Welfare Fund	475,660	475,660
Recovery of House Building Loan & Interest	3,516,365	3,416,065
Liabilities Against Godown Rent	4,366,707	4,366,707
KV Club (Subscription)	24,089	62,787
Mohila Club (Subscription)	39,317	25,452
KPM Sramik Karmachari CB Kendra	128,969	124,343
Karnaphuli Club Ctg	21,246	21,246
BCIC Club Ctg	690	690
Officers Welfare Association	-	-
Hajj Scheme	289,447	289,447
Bangladesh Chemical Societ	31,710	28,160
Payable to Agrani Bank Ltd.	2,000	2,000
Donation (Medical Treatment)	62,572	62,572
VAT payable	21,333,904	-
Red Crescent Fee	2,370	1,530
Union Subscription (Employees Union)	9,649	3,652
School Fund	538,544	538,544
Prokoushali Samity	1,861	661
Diploma Association	9,626	4,126
Hindu Mondir	19,680	16,700
Scout Fee	27,540	26,420
Buddist Fund	10,857	4,107
	31,082,482	13,720,427
12.04.9 Interest on Agrani Bank debenture	6,567,497	6,567,497
This is as per last year account.		
12.05 Creditors for Goods Supply.	337,728,115	342,524,951
This is made up as follows:		
12.05.1 Creditors for Stores Supply	134,493,056	104,747,396
12.05.2 Creditors for FRM Purchase/Expenses	71,786,927	55,442,505
12.05.3 Creditors for Materials and Chemicals	94,113,604	94,226,905
12.05.4 Creditors for Cost and Other Expenses	37,227,928	88,001,545
12.05.5 Creditors for Stores received on Loan	106,600	106,600
	337,728,115	342,524,951

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.05.1	Creditors for Stores Supply	134,493,056	104,747,396
	This is made up as follows:		
	Opening Balance	104,747,396	93,534,478
	Add: Stores Received	143,432,141	111,217,830
		248,179,537	204,752,308
	Less: Payments/Adjustment during the year	113,686,481	100,004,912
		<u>134,493,056</u>	<u>104,747,396</u>
	The above represents creditors for store supply as on 30th June,2024.		
12.05.2	Creditors for FRM Purchase/Expenses	71,786,927	55,442,505
	This is made up as follows:		
	Royalty Payable	4,911,202	4,911,202
	FRM Suppliers	20,395,021	895,021
	FRM Cutting & rafting	434,180	634,180
	FRM Out Station	840,048	840,048
	Advance Against Bamboo Chips Carrying Expenses	130,140	130,140
	Provision for Accrued Expenses	45,076,336	48,031,914
		<u>71,786,927</u>	<u>55,442,505</u>
12.05.3	Creditors for Materials and Chemicals	94,113,604	94,226,905
	This is made up as follows:		
	Amin Jute Mills Ltd.	806,918	799,128
	Cash Purchase Clearing Account	(284,341)	(163,250)
	Creditors for Raw-Materials	93,591,027	93,591,027
		<u>94,113,604</u>	<u>94,226,905</u>
	This is made up as follows:		
	Opening Balance 1st July,2023	(163,250)	(169,116)
	Add: Addition for the year	(131,750)	-
		(295,000)	(169,116)
	Less: Received/Adjustment	10,659	5,866
		<u>(284,341)</u>	<u>(163,250)</u>
12.05.4	Creditors for Cost and Other Expenses	37,227,928	88,001,545
	This is made up as follows:		
	12.05.4.1 Store in Transit	15,353,748	66,127,365
	12.05.4.2 Imprt Clearing Account	21,874,180	21,874,180
		<u>37,227,928</u>	<u>88,001,545</u>
12.05.4.1	Store in Transit	15,353,748	66,127,365
	This is made up as follows:		
	Opening Balance	66,127,365	66,472,932
	Add: Addition for the year	-	84,069
		66,127,365	66,557,001
	Less: Received/Adjustment	50,773,617	429,636
		<u>15,353,748</u>	<u>66,127,365</u>

	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.05.4.2 Import Clearing Account	21,874,180	21,874,180
This as per Last account		
12.05.5 Creditors for Stores Received on Loan	106,600	106,600
This is as per last year account.		
12.06 Current Account with Enterprises	260,121,071	259,721,788
This is made up as follows:		
12.06.1 Running Factories	150,081,369	149,682,086
12.06.2 Pay Off/Closed Factories	110,039,702	110,039,702
	260,121,071	259,721,788
12.06.1 Running Factories	150,081,369	149,682,086
This is made up as follows:		
Bangladesh Insulator and Sanitary Ware Factory Ltd.	1,666,360	1,666,360
Ashugonj Fertilizer & Chemical Co.Ltd	605,073	530,981
Jamuna Fertilizer Co.Ltd	1,563,573	1,238,382
Urea Fertilizer Factory Ltd.Ghorashal	668,311	668,311
Polash Urea Fertilizer Factory Ltd.	2,333,905	2,333,905
Trainig Institute for Chemical Industries (TICI)	337,060	337,060
BMR of KPM Ltd.	142,905,987	142,905,987
GPUFP	1,100	1,100
	150,081,369	149,682,086
12.06.2 Pay Off/Closed Factories	110,039,702	110,039,702
This is made up as follows:		
Chittagong Chemical Complex (CCC)	5,223,822	5,223,822
Karnaphuli Rayon and Chemicals Ltd.(KRC)	97,181,882	97,181,882
Takerghat Lime Stone Mining Project (TIMP)	22,682	22,682
Khulna Newsprint Mills Ltd (KNM)	4,381,319	4,381,319
North Bengal Paper Mills Ltd.(NBPM) Pabna	3,229,997	3,229,997
	110,039,702	110,039,702
12.07 Creditors for WPPF	1,275,325	1,054,405
This is made up as follows:		
Opening Balance	1,054,405	1,011,405
Add: Addition for the year	220,920	43,000
	1,275,325	1,054,405
Less: Received/Adjustment	-	-
	1,275,325	1,054,405
12.08 Bank Overdraft	320,000,086	140,613,211
This is made up as follows:		
Sonali Bank PLC. Ctg A/c # 643	944,721	944,721
Sonali Bank PLC. Ctg A/c # 1704	13,881,442	-
Sonali Bank PLC. (CNA) A/c # 0017	15,006,046	44,373,287
BASIC Bank PLC. Ctg (A/C 0866)	280,340,039	95,295,203
Sonali Bank PLC. (CNA) A/c # 0054	9,827,838	-
	320,000,086	140,613,211

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
12.09	Provision for Income Tax	19,423,585	16,630,396
	This is made up as follows:		
	Opening Balance	16,630,396	14,920,632
	Add: Addition for the year	2,793,189	1,709,764
		<u>19,423,585</u>	<u>16,630,396</u>
	The above balance represents accumulated Provision for Income Tax as on 30th June 2024. During the year under audit minimum tax 0.6% on gross receipts (Net Sales & Other Income) as per Provision of Section 82C of the Income Tax Ordinance, 1984.		
13.00	Net Sales (Revenue)	453,647,502	279,453,595
	This is made up as follows:		
	Sales (Local)	476,329,876	293,426,280
	Less: VAT	22,682,374	13,972,685
		<u>453,647,502</u>	<u>279,453,595</u>
	Sales Quantity (MT)	4,094.958	2,936.884
	This is made up as follows:		
	Sales-External (MT)	3,952.897	2,825.511
	Sales-Own Consumption	142.061	111.373
		<u>4,094.958</u>	<u>2,936.884</u>
	The above represents sales quantity in Matric Tone as on 30th June,2024. During the year under audit sales per ton (average) Tk.110,781.967 and cost of goods sold per ton (average) Tk.149,215.46		
14.00	Cost of Goods Sold	611,031,040	531,002,419
	This is made up as follows:		
	Opening Finished Goods	247,756,644	387,506,727
	Add: Cost of Production	559,873,281	471,728,898
		807,629,925	859,235,625
	Less: Recoverd from KRC & Others	81,216,298	80,476,561
		726,413,627	778,759,064
	Less: Closing Finished Goods	115,382,585	247,756,644
		<u>611,031,040</u>	<u>531,002,419</u>
14.01	Cost of Production	559,873,281	471,728,898
	This is made up as follows:		
	Opening Stock in process	109,910,140	109,910,140
	Add: Raw Material consumed	122,436,051	89,418,164
	Add: Chemical and Other Materials	8,775,528	3,686,573
		241,121,719	203,014,877
	Less: Closing Work-in-Process	109,910,140	109,910,140
		131,211,579	93,104,737
	Add: Direct Labour	50,975,902	43,952,413
	Add: Factory Overhead	377,685,800	334,671,748
		<u>559,873,281</u>	<u>471,728,898</u>

	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
14.01.1 Raw Material Consumption	122,436,051	89,418,164
This is made up as follows:		
14.01.1.1 FRM Materials	159,409	1,807,427
14.01.1.2 PULP Materials	121,421,756	86,370,554
14.01.1.3 Talcum Powder	854,886	1,240,183
	<u>122,436,051</u>	<u>89,418,164</u>
14.01.1.1 FRM Materials	159,409	1,807,427
This is made up as follows:		
Bamboo Muli	-	-
FRM Expenses	159,409	1,807,427
	<u>159,409</u>	<u>1,807,427</u>
14.01.1.2 PULP Materials	121,421,756	86,370,554
This is made up as follows:		
Foreign Pulp	32,546,407	14,252,708
Old C.C & Other	88,875,349	72,117,846
	<u>121,421,756</u>	<u>86,370,554</u>
14.01.1.3 Talcum Powder	854,886	1,240,183
It represents total balance of Talcum Powder as on 30th June, 2024.		
14.01.2 Chemical and Other Materials	8,775,528	3,686,573
This is made up as follows:		
Rosin	-	219,640
AKD/SK/KE	3,715,075	1,318,886
Starch	729,401	66,665
Salt Cake/s.sulphate	-	-
Colours and Dyes	4,084,599	1,942,197
Calcium and Carbonate	-	-
Other Chemicals	141,371	4,054
Alum Plant	105,082	135,131
	<u>8,775,528</u>	<u>3,686,573</u>
14.01.3 Factory Overhead	377,685,800	334,671,748
This is made up as follows:		
Factory Salaries & wages	109,618,673	130,799,194
Gas	198,289,022	105,516,509
Electricity	39,362,842	49,560,031
Oil & Lubricants	2,362,252	1,079,354
Gas for Residential & Comm.	-	1,552,327
Stores & Spares	14,482,935	15,717,270
Handling & Transportation	(1,626,616)	(1,184,129)
Repairs & Maintenance	1,429,325	13,010,517
Advertisement & Publicity	1,294,918	618,765
Accident/Death Compensation	-	5,542,733
Uniform & Dresses	1,563,083	1,181,748
Medical Expenses	7,839	-
Other Welfare	1,534,546	1,168,662
Factory Depreciation	9,366,981	10,108,767
	<u>377,685,800</u>	<u>334,671,748</u>



	Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
15.00 General & Administrative Expenses	59,777,143	70,821,298
This is made up as follows:		
Salary & Allowances	37,540,641	44,794,245
Head Office Expanse	-	900,000
Subscription & Donation	40,000	60,000
Enterprise Board Meeting Expenses	366,494	66,000
Entertainment Expenses & Others	390,952	499,108
Entertainment Expenses Guest House	939,727	1,045,838
Professional Charges	213,390	502,500
News Paper & Periodicals	10,307	11,640
Office Expenses	101,016	64,801
Printing & Stationery	550,098	462,013
Postage, Telegraph	44,662	110,697
Telephone & Talex	163,838	204,267
Travelling & Conveyance	3,224,943	3,070,230
Audit Fees	120,000	120,000
Bus Hire Charges	35,903	3,390
Vehicles Running & Maintenance	1,340,645	1,223,778
Vehicles Maintenance	90,904	32,682
Training Expenses	1,200	20,500
Security Expenses	7,656,994	6,147,667
Accident/ Death Compasation	-	923,789
Advertisment and Publicity	109,210	52,185
Colony Maint and Others	457,384	4,163,365
Gas for Residential & Comm.	-	916,128
Land Revenue	1,055,305	217,672
Lighting & Electricity	103,519	75,550
Office Rent	213,794	65,155
Vehicle Tax	600	550
Renewal Rate & Taxes	359,497	724,310
Municipal Tax	1,866,720	1,816,268
Welfare Expenses (Medical)	2,299	-
Welfare Expenses (Other)	905,634	689,702
Welfare Expenses (Uniform)	564,446	426,742
Depreciation	1,307,021	1,410,526
	<u>59,777,143</u>	<u>70,821,298</u>
16.00 Sales & Distribution Expenses	3,334,627	4,478,085

This is made up as follows:

Salaries & Allowances	3,003,251	3,583,540
Handling and Transportation	(180,735)	(131,570)
Accident/Death Compensation	-	376,358
Advertisement & Publicity	156,014	74,550
Repairs & Maintenance	19,058	173,474
Gas for Residential & Comm.	-	76,344
Welfare Expenses (Uniform)	43,419	32,826
Welfare Expenses (Medical)	314	-
Welfare Expenses (Other)	75,469	57,475
Depreciation	217,837	235,088
	<u>3,334,627</u>	<u>4,478,085</u>

		Amount (Tk.) 30.06.2024	Amount (Tk.) 30.06.2023
17.00	Other Income	11,884,056	5,507,133
	This is made up as follows:		
	Sale of stores Matrs & Others	-	2,183,633
	Interest on FDR	8,229,213	674,125
	Interest on STD A/C	1,291,205	780,993
	K.C. Service Station	1,172,384	218,894
	School & College	578,563	1,126,063
	Sundry Receipts	612,691	523,425
		<u>11,884,056</u>	<u>5,507,133</u>
18.00	Financial Expenses	4,294,897	3,043,066
	This is made up as follows:		
	Interest on Commercial Bank Loan	1,184,979	-
	Bank Charges Misc	256,164	243,066
	Commission on Bank Guarantee	53,754	-
	Interest on CUFL Loan	2,800,000	2,800,000
		<u>4,294,897</u>	<u>3,043,066</u>
19.00	Income Tax Expenses	2,793,189	1,709,764
	This is made up as follows:		
	A. Regular Tax	-	-
	Net Profit/(Loss) Before Income Tax	(212,906,149)	(324,384,139)
	Tax @ Rate 30% (Being Loss)	-	-
		<u>-</u>	<u>-</u>
	B. Minimum Tax U/S-82c		
	Gross Receipts	465,531,558	284,960,728
	Minimum Tax @ 0.60%	2,793,189	1,709,764
	Tax Expenses (A or B Whichever is higher)	<u>2,793,189</u>	<u>1,709,764</u>

During the year under audit as per above calculation the minimum income tax expenses is Tk. 2,793,189.

20.00 Subsequent Events-Disclosures under IAS-10 "Events After the Reporting Period".

There was no adjusting post statement of Financial Position events of such importance, non-disclosure of which would affect the ability of the users of financial statements to make proper evaluation and decisions.

Annexure-A

KARNAPHULI PAPER MILLS LTD.

SCHEDULE OF FIXED ASSETS AS ON 30TH JUNE, 2024

Particulars	Accumulated Cost			Rate of Dep.	Accumulated Depreciation			Written Down Value	
	Balance as on 30.06.2023	Addition during the year	Total as on 30.06.2024		Balance as on 30.06.2023	Charged during the year	Total as on 30.06.2024	As on 30.06.2024	As on 30.06.2023
Land	2,384,354	-	2,384,354	0%	307,579	-	307,579	2,076,775	2,076,775
Building (KPM)	201,026,300	-	201,026,300	2.5-7.5%	153,285,550	1,610,580	154,896,130	46,130,170	49,415,584
Building (CC Plant)	21,798,465	-	21,798,465	2.5-7.5%	13,753,643	402,241	14,155,884	7,642,581	8,468,234
Jetty Roads	89,553,530	-	89,553,530	10-15%	88,021,845	158,365	88,180,210	1,373,320	1,708,665
Plant & Machinery (KPM)	760,297,819	-	760,297,819	7.5%	690,272,986	5,251,845	695,524,831	64,772,988	75,702,516
Plant & Machinery (CC Plant)	138,175,912	-	138,175,912	7.5%	102,416,790	2,681,934	105,098,724	33,077,188	38,658,510
Motor Vehicle	108,353,944	-	108,353,944	20-25%	107,219,293	254,659	107,473,952	879,992	1,464,553
Flotilla	1,036,468	-	1,036,468	20%	1,036,308	32	1,036,340	128	200
Furniture & Fixture (KPM)	31,268,364	-	31,268,364	10-25%	29,621,785	130,267	29,752,052	1,516,312	1,791,457
Furniture & Fixture (CCP)	4,296,333	-	4,296,333	10-25%	3,578,817	71,752	3,650,569	645,764	797,240
Ropeway	39,480,995	-	39,480,995	5%	35,496,539	199,223	35,695,762	3,785,233	4,194,165
Sundry Assets	12,798,562	-	12,798,562	5%	10,179,749	130,941	10,310,690	2,487,872	2,756,645
Total	1,410,471,046	-	1,410,471,046		1,235,190,884	10,891,838	1,246,082,722	164,388,324	187,034,544

