KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

(A sister concern of Khan Brothers Group)

Head Office : KBG Tower, 15 Malibagh Chowdhurypara, DIT Road, Ramna, Dhaka-1219, Bangladesh.
Phone : +880-2-8332069, 8332108, 9354270, **Fax :** 880-2-8332576
E-mail : info@kbppwovenbag.com, **Website :** www.kbppwovenbag.com

Ref: KBPPWBIL/BSEC/2018/12 Date: November 14, 2018

The Chairman
Bangladesh Securities and Exchange Commission
Plot- E-6/C, Agargaon
Sher-e-Bangla Nagar,
Dhaka-1207

Sub: Submission of 1st Quarter Un – Audited Accounts of Khan Brothers PP Woven Bag Industries Ltd. (July 2018 to September 2018)

Dear Sir,

We are pleased to inform you that the management of Khan Brother PP woven Bag Industries Ltd. have approved the un-audited First Quarter (Q1) accounts for the period from **1 July 2018 to 30th Sept 2018** in its last Board Meeting was held on 13th November 2018 at 3.00 pm at 15, DIT Road (10th Floor), Malibagh Chowdhurypara, Dhaka-1219.

Therefore, now we are submitting the First Quarter (Q1) un-audited Financial Statements as per regulation 17(1) of Dhaka Stock Exchange (Listing) Regulations, 2015 for your kind acknowledgement and records.

This is for your kind information and necessary action.

Sincerely,

Tapan Kumar Sarker
Company Secretary

Copy for kind information and necessary action:

1. Chief Executive Officer, Dhaka Stock Exchange Limited
2. Chief Executive Officer, Chittagong Stock Exchange Limited

Received By ..... 14 NOV 2019 Time 5:18 Sig. ..... Dhaka Stock Exchange Ltd.

Bangladesh Securities & Exchange Commission 14 NOV 2018 SL NO. RECEIVED Signature

CHITTAGONG STOCK EXCHANGE LTD DHAKA OFFICE EUNOOS TRADE CENTRE (LEVEL-15 52-53, DILKUSHA C/A, DHAKA-1000 14 NOV 2.13 RECEIVED TIME 4:45 SIGN.

Khan Brothers PP Woven Bag Industries Ltd.

KBG Tower (8th 9th Floor), 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

Statement of Financial Position

As of September 30, 2018

UN-AUDITED

Particulars	Notes	Amount In Tk. 30-Sep-18	Amount In Tk. 30-Jun-18
Assets:			
NON-CURRENT ASSETS (A)		**567,430,461**	**576,542,932**
Property, Plant and Equipments	3.00	566,380,461	575,492,932
Investment in Share	4.00	1,050,000	1,050,000
CURRENT ASSETS (B)		**828,737,275**	**843,458,589**
Inventories	5.00	455,372,347	481,594,421
Trade and other Receivables	6.00	125,023,567	126,368,950
Advances, Deposits & Pre-Payments	7.00	106,773,762	106,173,289
Cash and Cash Equivalents	8.00	141,567,599	129,321,929
TOTAL ASSETS A+B)		**1,396,167,736**	**1,420,001,520**
Equity and Liabilities:			
SHAREHOLDERS' EQUITY (C)		**1,239,367,641**	**1,229,263,453**
Share Capital	9.00	980,798,775	980,798,775
Revaluation Reserve	10.00	89,638,039	89,754,876
Retained Earnings	11.00	168,930,827	158,709,802
NON-CURRENT LIABILITIES (D)		**24,909,027**	**24,405,275**
Deferred Tax Liability	12.00	24,909,027	24,405,275
CURRENT LIABILITIES (E)		**131,891,067**	**166,332,792**
Trade and other Payables	13.00	835,930	930,720
Short term Bank loan	14.00	102,946,818	137,078,845
Accrued Expenses	15.00	3,092,539	5,512,611
IPO Application Fund	16.00	5,765,857	5,765,858
Provision for Workers Profit Participation Fund	17.00	5,712,168	5,102,020
Provision for Taxation	18.00	13,537,755	11,942,738
TOTAL EQUITY & LIABILITIES (C+D+E)		**1,396,167,736**	**1,420,001,520**
Net Asset Value (NAV) including Revaluation Surplus	27.00	**12.64**	**12.53**
Net Asset Value (NAV) excluding Revaluation Surplus	27.00	**11.72**	**11.62**

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Place: Dhaka

Dated: 13 November, 2018

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Khan Brothers PP Woven Bag Industries Ltd.

KBG Tower (8th 9th Floor), 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 September, 2018

UN-AUDITED

Particulars	Notes	Amount In Tk. 1st Jul 2018 to 30 Sep 2018	Amount In Tk. 1st Jul 2017 to 30 Sep 2017
Turnover	19.00	163,055,260	221,513,000
Less: Cost of Sales	20.00	136,572,117	188,003,611
Gross Income		**26,483,143**	**33,509,389**
Operating Expenses:		**9,802,549**	**8,344,489**
Administrative Expenses	21.00	8,284,549	6,435,363
Marketing and Distribution Expenses	22.00	1,518,000	1,909,126
Income from Operating Activities		**16,680,594**	**25,164,900**
Financial expenses	23.00	4,258,578	2,158,001
Net Income from Operation		**12,422,016**	**23,006,899**
Non Operating Income	25.00	391,090	1,152,179
Net Income before WPPF & Income Tax		**12,813,106**	**24,159,078**
Provision for WPPF	17.00	(610,148)	(1,150,432)
Net Income before Tax		**12,202,958**	**23,008,646**
Provision for Income Tax:	24.00	**2,098,770**	**3,806,810**
Current Tax	18.00	1,595,017	3,048,431
Deffered Tax	12.00	503,753	758,379
Net Income after Tax		**10,104,188**	**19,201,836**
Earnings Per Share	26.00	**0.10**	**0.20**

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Place: Dhaka

Dated: 13 November, 2018

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Khan Brothers PP Woven Bag Industries Ltd.

KBG Tower (8th 9th Floor), 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

Statement of Changes in Equity

For the period ended 30 September, 2018

UN-AUDITED

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July, 2018	**980,798,775**	**89,754,876**	**158,709,802**	**1,229,263,453**
Net Income for the year	-	-	10,104,188	10,104,188
Deferred Tax Liability	-	-	-	-
Share Money Deposit	-	-	-	-
Dividend	-	-	-	-
Allotment of Ordinary Share		-		-
Depreciation on Revaluation Surplus	-	(116,837)	116,837	-
Balance as on 30 September, 2018	**980,798,775**	**89,638,039**	**168,930,827**	**1,239,367,641**

Balance as on 01 July, 2017	**891,635,250**	**94,467,599**	**172,667,020**	**1,158,769,869**
Net Income for the year	-	-	19,201,836	19,201,836
Share Money Deposit	-	-	-	-
Dividend	89,163,525	-	(89,163,525)	-
Allotment of Ordinary Share		-		-
Balance as on 30 September, 2017	**980,798,775**	**94,467,599**	**102,705,331**	**1,177,971,705**

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Place: Dhaka
Dated: 13 November, 2018

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Khan Brothers PP Woven Bag Industries Ltd.

KBG Tower (8th 9th Floor), 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

Statement of Cash Flows

For the period ended 30 September, 2018

UN-AUDITED

Particulars	Amount In Tk. 1st Jul 2018 to 30 Sep 2018	Amount In Tk. 1st Jul 2017 to 30 Sep 2017
A. Cash Flows from Operating Activities :		
Collection from Turnover	164,400,643	220,241,294
Payment to suppliers and creditors for expenses	(114,155,458)	(178,080,413)
Payment for Financial Expenses	(4,258,578)	(2,158,001)
Payment for WPPF	-	(4,637,028)
Payment for Income Tax	-	298,558
Add: Receipt From Other Sources	350,989	-
Add: Gain /(Loss)on Foreign Currency	40,101	-
Net cash inflow/(outflow) from operating activities	**46,377,697**	**35,664,410**
B. Cash flow from Investing Activities:		
Acquisition of Property, Plant & Equipment	-	(41,456,350)
Net cash inflow/ (outflow) in Investing Activities	**-**	**(41,456,350)**
C. Cash flow from Financing Activities:		
Receipts from ordinary shares issued	-	-
Payment of Cash Dividend	-	-
Short term loan Received/(Re-paid)	(34,132,027)	(38,660,434)
Current portion of Long term loan Received/(Re-paid)	-	-
Net cash inflow/(outflow) in financing activities	**(34,132,027)**	**(38,660,434)**
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	**12,245,670**	**(44,452,374)**
E. Opening Cash and Cash Equivalent	129,321,929	98,617,718
F. Ending Cash and Cash Equivalent (D+E)	**141,567,599**	**54,165,342**
Net Operating Cash flows per Shares (NOCFPS)	**0.47**	**0.36**

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Place: Dhaka

Dated: 13 November, 2018

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Khan Brothers PP Woven Bag Industries Ltd.

KBG Tower (8th 9th Floor), 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

Notes to the Financial Statements

As at and for the year ended September 30, 2018

3.00 Property, Plant and Equipments: Tk. 566,380,461

This includes the written down value as on 30 September, 2016. Break up of the PPE is as follows; :

Land & Land Development	140,887,199	140,887,199
Building & Others Construction	160,384,699	162,414,885
Plant & Machinery	235,424,722	241,461,253
Generator & Electric Equipment	20,165,051	20,950,702
Motor Vehicle	593,930	625,189
Office Decoration & Fittings	6,717,891	6,890,144
Furniture & Fixture	2,206,970	2,263,559
	566,380,461	**575,492,932**

4.00 Investment in Share: Tk. 1,050,000

This includes the investment made in shares of associate companies under Khan Brothers Group as following:

Khan Brothers Knitwear Industries Ltd.	10,000 Shares	1,000,000	1,000,000
Khan Brothers Group of Industries Ltd.	500 Shares	50,000	50,000
		1,050,000	**1,050,000**

This represents the face value shares held by Khan Brothers PP Woven Bag Industries Ltd.

5.00 Inventories Tk. 455,372,347

	Amount in TK 30-Sep-18	Amount in TK 30-Jun-18
Break-up of this item is as follows:		
Finished Goodes: Notes- 5.01	19,136,304	19,797,375
Raw Materials: Notes- 20.05	398,193,829	424,166,776
Working-in-process	30,552,080	29,504,870
Store Materials	7,490,134	8,125,400
	455,372,347	**481,594,421**

6.00 Trade and other Receivables: Tk. 125,023,567

	Amount in TK 30-Sep-18	Amount in TK 30-Jun-18
Break-up of this item is as follows:		
Export Bills Recevable: Note- 6.01	122,074,382	124,120,590
Ashirbad Syndicate	254,000	275,480
Bombay Sweets & Co.	262,570	162,540
D H Plastic	284,560	155,870
Kabir Enterprise	698,570	695,870
Kazi Agro	335,480	140,250
Mehera Corporation	284,540	195,140
R M Trade Line	230,240	135,460
Shuvo Enterprise	284,655	182,540
S N Traders	314,570	305,210
	125,023,567	**126,368,950**

These are considered good.

7.00 Advances, Deposits & Pre-Payments: Tk. 106,773,762

This consist of the following:

T & T Phone	8,000	8,000
Titas Gas	448,900	448,900
Pallibidyut	240,600	240,600
Advance Income Tax: Note- 7.01	6,198,437	5,809,560
CDBL-Security deposit	500,000	500,000
Advance agst. L/C : Note- 7.02	87,227,255	85,997,988
Salary Advance	739,800	673,500
Advance against Local Purchase : Note: 7.03	11,410,770	12,494,741
	106,773,762	**106,173,289**

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8.00 Cash and Cash Equivalents: Tk. 141,567,599

This cosist of the following balances;

Cash in hand	7,350,402	5,855,994
Cash at Banks:		
Jamuna Bank Ltd.-CD-6233	36,350	10,052
Mutual Trust Bank Ltd.-CD-11251	2,333	5,748
Mutual Trust Bank Ltd.-STD-2508	5,170,888	5,170,888
Mutual Trust Bank Ltd.-FC-4399 (USD)	504,484	504,484
Mutual Trust Bank Ltd.-FC-4406 (POUND)	126,168	126,168
Mutual Trust Bank Ltd.-FC-4415 (EURO)	108,028	108,028
Jamuna Bank Ltd.-SND-0389	-	-
FDR	128,268,947	117,540,567
	134,217,197	123,465,935
	141,567,599.11	**129,321,929**

9.00 Share Capital: Tk. 980,798,775

This represents the followings:

Authorized capital:		
100,000,000 ordinary Shares of tk 10/= each	1,000,000,000	1,000,000,000
Issued Subscribed and Paid up Capital:		
This amount consists as follows:		
6,35,00,000 Ordinary shares of Taka 10/- each, fully paid up in cash	635,000,000	635,000,000
Bonus (Note: 09.01)	345,798,775	345,798,775
	980,798,775	**980,798,775**

10.00 Revaluation Reserve: Tk. 89,638,039

This is made up as follows:

Opening balance	89,754,876	94,467,599
Depreciation on Revaluation Surplus	(116,837)	(4,712,723)
	89,638,039	**89,754,876**

11.00 Retained Earnings TK. 172,703,018

This is made up as follows:

Opening Balance	158,709,802	172,596,120
Net Income for the year	10,104,188	70,564,484
Dividend for the year	-	(89,163,525)
Depreciation on Revaluation Surplus	(116,837)	4,712,723
Closing Balance	**172,703,018**	**158,709,802**

12.00 Deferred Tax Liability TK. 24,909,027

This has been arrrived as under:

A. Temporary difference:		
Carrying Amount of PPE	425,493,262	434,605,733
Tax Base Value of PPE	254,284,136	267,426,625
Taxable Timing Differences	171,209,126	167,179,108
Tax rate (50% of 25%)	12.50%	12.50%
Deferred Tax Liabilities Closing Balance	21,401,141	20,897,388
Less: Opening balance of Deferred Tax Liabilities	20,897,388	17,730,192
Deferred Tax Expenses/(Income)	**503,753**	**3,167,196**
B. Revalution:		
Carrying value of land	99,430,849	99,430,849
Other than land	10,128,463	10,128,463
Tax rate:		
Land	2%	2%
Other than land	15%	15%

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Closing Deferred Tax Liabilities:	**3,507,886**	**3,507,886**
Land	1,988,617	1,988,617
Other than land	1,519,269	1,519,269
Less: Opening Deferred Tax Liabilities:	**3,507,886**	**3,507,886**
Land	1,988,617	1,988,617
Other than land	1,519,269	1,519,269
D.Tax asset / liability:	-	-
Deffered Tax Liabilities at the end of the year (A+B)	**24,909,027**	**24,405,274**

13.00 Trade and other Payables: Tk. 835,930

This is made up as follows:

Bills Payable (Note 12.01)	835,930	930,720
Payable against LC	-	-
	835,930	**930,720**

14.00 Short Term Bank Loan: Tk. 102,946,818

This is made up as follows:

Cash Credit (Hypo) From JBL, Account No. 0240	30,958,865	448,277
Loan Against Trust Receipts (LTR): (Note # 14.01)	71,987,953	49,677,882
	102,946,818	**50,126,159**

15.00 Accrued Expenses Tk. 3,092,539

This is made up as follows:

Factory Electricity Bill	29,226	61,519
Factory Gas Bill	364,120	384,074
VAT Payable	73,215	80,450
Audit Fee	-	115,000
Telephone Bill	2,890	3,100
Internet Bill	15,500	15,500
Printing Bill	11,950	12,540
Office electricity, Wasa & Others	55,840	62,540
Salary and Allowance	1,081,880	1,352,450
Wages & salary	1,395,418	2,287,540
Dividend Payable	62,500	62,500
	3,092,539	**4,437,212**

16.00 IPO Application Fund Tk. 5,765,857

Mutual Trust Bank Ltd.-STD-2508	5,027,178	5,027,178
Mutual Trust Bank Ltd.-FC-4399 (USD)	504,484	504,484
Mutual Trust Bank Ltd.-FC-4406 (POUND)	126,168	126,168
Mutual Trust Bank Ltd.-FC-4415 (EURO)	108,028	108,028
	5,765,857	**5,765,858**

17.00 Provision for Workers Profit Participation Fund Tk. 5,712,168

Opening balance	5,102,020	5,455,327
Add: Addition during the year	610,148	4,283,721
Paid during the period as per rule	-	(4,637,028)
	5,712,168	**5,102,020**

The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit before charging such expense .

18.00 Provision for Tax: Tk. 13,537,755

This has been arrrived as under:

Opening Balance	**11,942,738**	**11,022,574**
Provision during the year:		
Tax charge during the period@25%	3,050,740	21,418,605
Tax Rebate on Export Sales Note- 18.01	(1,455,723)	(9,475,867)
	1,595,017	**11,942,738**

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	Adjusted/ Payment during the period:		
	Adjustment	-	5,553,428
	Payment	-	5,469,146
		-	**11,022,574**
	Closing Balance	**13,537,755**	**11,942,738**
19.00	**Turnover: Tk. 163,055,260**		
	This is the value of export made during the year through Advance TT and L/Cs:		
	Export	160,509,560	218,667,300
	Local	2,545,700	2,845,700
		163,055,260	**221,513,000**
20.00	**Cost of Sales: Tk. 136,572,117**		
	This has been arrrived as under:		
	Opening Work-in-Process	29,504,870	29,215,478
	Raw materials consumed: (Notes-20.01)	118,761,814	164,080,754
	Manufacturing overhead (Note-20.02)	18,196,442	22,969,515
	Less Closing Work-in-Process	(30,552,080)	(28,552,080)
	Cost of Production	**135,911,046**	**187,713,667**
	Opening stock of Finished Goods	19,797,375	19,426,248
	Cost of Goods Available for Sale	**155,708,421**	**207,139,915**
	Closing stock of Finished Goods	(19,136,304)	(19,136,304)
	Cost of Sales	**136,572,117**	**188,003,611**
21.00	**Administrative Expenses: Tk. 8,284,549**		
	This consists of the following:		
	Salary and Allowances	3,245,640	3,327,804.00
	Directors Remuneration Note: 20.01	1,089,300	1,140,000.00
	Directors Meeting Allowances Note: 20.02	18,400	18,400.00
	Donation & Subscription	105,000	40,000.00
	Credit Rating Fee	34,500	-
	Entertainment	130,000	60,839.00
	Fuel & Lubricant	350,000	260,723.00
	Listing Fee	1,491,046	-
	Traveling & Conveyance	135,000	73,485.00
	Office Rent	200,000	150,000.00
	Office Electricity, Wasa and Others Bill	132,000	120,450.00
	Office Maintenance	75,000	69,355.00
	Printing & Stationery	198,000	103,710.00
	Postage & Telegram	13,000	1,800.00
	Registration & Renewals	167,590	183,680.00
	Telephone Bill	8,500	4,200.00
	Legal Fee	5,700	-
	Mobile Bill	122,500	-
	Internet Bill	40,000	20,100.00
	Audit Fees	-	-
	RJSC Expenses	1,250	-
	Vehicle Maintenance	290,000	273,230.00
	Newspaper & Periodicals	3,100	2,245.00
	Other Expenses	135,680	291,998.00
	Depreciation	293,343	293,344.00
		8,284,549	**6,435,363**
22.00	**Marketing, Selling & Distribution Expenses: Tk. 1,518,000**		
	This consists of the following:		
	Sales Commission	305,500	518,450
	Carriage Outward & Delivery	270,000	439,100
	Advertisement	60,000	45,800
	Fuel & Lubricants	220,500	214,716
	Salary & Allowances	645,500	642,540
	Toll Expenses	16,500	48,520
		1,518,000	**1,909,126**

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23.00 Financial Expenses: Tk. 4,258,578

This consists of the following:

Bank Charges & Commission	45,865	52,450
Bank Interest on CC (hypo)	958,916	259,771
Interest & Charges on LTR	3,253,797	1,845,780
	4,258,578	**2,158,001**

24.00 Income Tax Expenses: Tk. 2,098,770

This has been arrived as under:

Current Tax Note- 18	1,595,017	3,048,431
Deferred Tax Note- 12	503,753	758,379
Income tax expenses	**2,098,770**	**3,806,810**

25.00 Non Operating Income : Tk. 391,090

This consists of the following:

Interest on IPO Subscription Fund	-	-
Gain/(Loss) on Foreign Currency Fluctuation	40,101	1,152,179
Interest on FDR fund	350,989	-
	391,090	**1,152,179**

26.00 Earnings Per Share: Tk. 0.10

This has been calculated in compliance with the requirements of BAS 33: Earning per share is the basic earning dividing by the weighted average number of ordinary shares outstanding the end of the year.

The composition of earning per shares (EPS) is given below:

Profit after taxation	10,104,188	19,201,836
Number of ordinary share at the period end	98,079,878	98,079,878
Weighted average no. of Shares Note- 26.01	98,079,878	98,079,878
Earning per share	**0.10**	**0.20**

Earnings Per Share (Restated)

Profit after taxation	10,104,188	19,201,836
Weighted average no. of Shares Note-26.01	98,079,878	98,079,878
	0.10	**0.20**

27.00 Net Asset Value Per Share (NAVPS)

	30-Sep-18	**30-Jun-16**
Total Assets	**1,396,167,736**	**1,420,001,520**
Non-Current Liabilities+Current Liabilities	**156,800,095**	**190,738,067**
Net Assets Value(NAV) including Revaluation surplus	**1,239,367,642**	**1,229,263,453**
Number of ordinary shares outstanding	**98,079,878**	**98,079,878**
Net Assets Value(NAV) Per Share including Revaluation surplus	**12.64**	**12.53**
Net Assets Value(NAV) excluding Revaluation surplus	**1,149,729,602**	**1,139,508,577**
Net Assets Value(NAV) Per Share excluding Revaluation surplus	**11.72**	**11.62**

28.00 Net Operating Cash flow per share (NOCFPS)

Cash inflow/ (outflow) per share	**0.47**	**0.36**

The composition of cash inflow/(outflow) value per share is given below

Operating cash inflow/(outflow) during the period	46,377,697	35,664,410
Number of shares	98,079,878	98,079,878
	0.47	**0.36**

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