Khan Brothers PP Woven Bag Industries Ltd.

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

Statement of Financial Position (Un-audited)

As of December 31, 2018

Particulars	Notes	31-Dec-18 Taka	30-Jun-18 Taka
ASSETS:			
NON-CURRENT ASSETS (A)		**558,317,990**	**576,542,932**
Property, Plant and Equipments	3.00	557,267,990	575,492,932
Investment in Share	4.00	1,050,000	1,050,000
CURRENT ASSETS (B)		**835,857,377**	**843,458,588**
Inventories	5.00	455,690,704	481,594,421
Trade Receivable	6.00	110,378,747	126,368,950
Advances, Deposits & Pre-Payments	7.00	127,176,829	106,173,289
Cash and Cash Equivalents	8.00	142,611,097	129,321,929
TOTAL ASSETS (A+B)		**1,394,175,367**	**1,420,001,520**
EQUITY AND LIABILITIES:			
SHAREHOLDER'S EQUITY (C)		**1,232,004,905**	**1,229,263,453**
Share Capital	9.00	980,798,775	980,798,775
Revaluation Reserve	10.00	89,557,720	89,754,876
Retained Earnings	11.00	161,648,410	158,709,802
NON-CURRENT LIABILITIES (D)		**25,412,779**	**24,405,275**
Deferred Tax Liability	12.00	25,412,779	24,405,275
CURRENT LIABILITIES (E)		**136,757,683**	**166,332,792**
Trade & Others Payables	13.00	645,245	930,720
Short term Bank loan	14.00	92,594,869	137,078,845
Accrued Expenses	15.00	3,115,249	5,512,611
IPO Application Fund	16.00	5,958,547	5,765,858
Provision for Workers Profit Participation Fund	17.00	6,109,066	5,102,020
Provision for Taxation	18.00	14,628,693	11,942,738
Provision for Dividend		13,706,014	-
TOTAL EQUITY & LIABILITIES (C+D+E)		**1,394,175,367**	**1,420,001,520**
Net Assets Value (NAV) Per Share including Revaluation Surplus	**27.00**	**12.56**	**12.53**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Place: Dhaka
Dated: 29 January, 2019

AMARSTOCK

Khan Brothers PP Woven Bag Industries Ltd.

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

Statement of Comprehensive Income (Un-Audited)

For the Period 1st July 2018 to 31st December 2018

Particulars	Notes	Six Months Ended		2nd Quarter	
		July 01- Dec 31 2018	Jul 01- Dec 31 2017	Oct 01- Dec 31 2018	Oct 01- Dec 31 2017
Turnover	**19.00**	**317,695,203**	**441,522,915**	**154,639,943**	**220,009,915**
Less: Cost of Sales	**20.00**	272,848,265	376,720,669	136,276,148	188,717,058
Gross Income		**44,846,938**	**64,802,246**	**18,363,795**	**31,292,857**
Less: Operating Expenses:		**17,864,865**	**16,953,350**	**8,062,316**	**8,608,861**
Administrative Expenses	**21.00**	14,784,515	13,266,204	6,499,966	6,830,841
Marketing and Distribution Expenses	**22.00**	3,080,350	3,687,146	1,562,350	1,778,020
Income from Operating Activities		**26,982,073**	**47,848,896**	**10,301,479**	**22,683,996**
Less: Financial expenses	**23.00**	(6,889,269)	(3,909,653)	(2,630,691)	(1,751,652)
Net Income from Operation		**20,092,804**	**43,939,243**	**7,670,788**	**20,932,344**
Add: Non Operating Income	**25.00**	1,055,169	8,619,861	664,079	7,467,682
Less: WPPF Expenses	**17.00**	(1,007,046)	(2,502,814)	(396,898)	(1,352,382)
Net Income before Tax		**20,140,926**	**50,056,290**	**7,937,968**	**27,047,644**
Provision for Income Tax	**24.00**	(3,693,460)	(8,816,187)	(1,594,690)	(5,009,377)
Net Income after Tax		**16,447,466**	**41,240,103**	**6,343,278**	**22,038,266**
Less: Provision for Dividend		**(13,706,014)**	**-**	**(13,706,014)**	**-**
Net Income Transferred to Retained Earnings		**2,741,452**	**41,240,103**	**(7,362,736)**	**22,038,266**
Earning Per Share (Par Value Tk. 10/- Restated)	**26.00**	**0.16**	**0.42**	**0.06**	**0.22**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Place: Dhaka
Dated: 29 January, 2019

Khan Brothers PP Woven Bag Industries Ltd.

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

Statement of Changes in Equity (Unaudited)

For the period from July 01, 2018 to December 31, 2018

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2018	**980,798,775**	**89,754,876**	**158,709,802**	**1,229,263,453**
Net Income for the Period	-	-	2,741,452	2,741,452
Share Money Deposit	-	-	-	-
Dividend	-	-	-	-
Allotment of Ordinary Share	-	-	-	-
Depreciation on Revaluation Surplus	-	(197,156)	197,156	-
Balance as on December 31, 2018	**980,798,775**	**89,557,720**	**161,648,410**	**1,232,004,905**

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2017	**891,635,250**	**94,467,599**	**172,667,020**	**1,158,769,869**
Net Income for the year	-	-	41,240,103	41,240,103
Share Money Deposit	-	-	-	-
Dividend	89,163,525	-	(89,163,525)	-
Allotment of Ordinary Share	-	-	-	-
Balance as on December 31, 2017	**980,798,775**	**94,467,599**	**124,743,598**	**1,200,009,972**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Place: Dhaka
Dated: 29 January, 2019

Khan Brothers PP Woven Bag Industries Ltd.

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

Statement of Cash Flow (Unaudited)

For the period ended December 31, 2018

Particulars	31-Dec-18 Taka	31-Dec-17 Taka
A. Cash Flows from Operating Activities :		
Collection from Coustomer	333,685,406	447,173,396
Payment to suppliers and creditors for expenses	(270,078,161)	(383,974,789)
Payment for Financial Expenses	(6,889,269)	(3,909,653)
Payment for WPPF	-	(4,637,028)
Payment for Income Tax	-	-
Add: Receipt From Other Sources	972,219	-
Add: Gain /(Loss)on Foreign Currency Fluctution	82,950	-
	57,773,145	54,651,926
B. Cash flow from Investing Activities:		
Acquisition of Property, Plant & Equipment	-	(45,576,978)
Net cash inflow/ (outflow) in Investing Activities	-	(45,576,978)
		-
C. Cash flow from Financing Activities:		-
Subscription Money Received	-	-
Subscription Money Refunded/Transferred	-	-
Share Capital Issued	-	-
Short term loan Received/(Re-paid)	(44,483,976)	(41,513,882)
Current portion of Long term loan Received/(Re-paid)	-	-
Net cash inflow/(outflow) in financing activities	(44,483,976)	(41,513,882)
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	13,289,168	(32,438,934)
E. Opening of Cash and Cash Equivalent	129,321,929	98,617,718
F. Ending Cash and Cash Equivalent (D+E)	**142,611,097**	**66,178,784**
Net Operating Cash Flow Per Share (NOCFPS)	**0.59**	**0.56**

Chief Financial Officer **Company Secretary** **Director** **Managing Director** **Chairman**

Place: Dhaka

Dated: 29 January, 2019

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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 period ended 31 Dec, 2018

3.00 Property, Plant and Equipments: Tk. 557,267,990

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

	Amount in TK 31-Dec-18	Amount in TK 30-Jun-18
Land & Land Development	140,887,199	140,887,199
Building & Others Construction	158,354,513	162,414,885
Plant & Machinery	229,388,191	241,461,253
Generator & Electric Equipment	19,379,399	20,950,702
Motor Vehicle	562,670	625,189
Office Decoration & Fittings	6,545,637	6,890,144
Furniture & Fixture	2,150,381	2,263,559
	557,267,990	**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. 455,690,704

Break-up of this item is as follows:

Finished Goodes: Notes- 5.01	21,280,682	19,797,375
Raw Materials: Notes- 20.05	396,766,144	424,166,776
Working-in-process	30,142,633	29,504,870
Store Materials	7,501,245	8,125,400
	455,690,704	**481,594,421**

6.00 Trade and other Receivables: Tk. 110,378,747

Break-up of this item is as follows:

	Amount in TK 31-Dec-18	Amount in TK 30-Jun-18
Export Bills Recevable: Note- 6.01	107,587,732	124,120,590
Ashirbad Syndicate	185,460	275,480
Bombay Sweets & Co.	149,565	162,540
D H Plastic	179,670	155,870
Ma Enterprise	164,365	-
Kabir Enterprise	440,210	695,870
Kazi Agro	534,250	140,250
National Polymer	33,450	-
Mehera Corporation	150,845	195,140
R M Trade Line	105,140	135,460
Sayed Enterprise	228,765	-
Shuvo Enterprise	213,500	182,540
S N Traders	405,795	305,210
	110,378,747	**126,368,950**

These are considered good.

7.00 Advances, Deposits & Pre-Payments: Tk. 127,176,829

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	7,339,133	5,809,560
CDBL-Security deposit	500,000	500,000
Advance agst. L/C : Note- 7.02	97,499,526	85,997,988
Salary Advance	8,609,500	673,500
Advance against Local Purchase : Note: 7.03	12,531,170	12,494,741
	127,176,829	**106,173,289**

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		Amount in TK 31-Dec-17	Amount in TK 30-Jun-18
8.00	**Cash and Cash Equivalents: Tk. 142,611,097**		
	This consist of the following balances;		
	Cash in hand	7,947,393	5,855,994
	Cash at Banks:		
	Jamuna Bank Ltd.-CD-6233	9,186	10,052
	Mutual Trust Bank Ltd.-CD-11251	54,451	5,748
	Mutual Trust Bank Ltd.-STD-2508	5,219,868	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	128,641,520	117,540,567
		134,663,704	123,465,935
	Bank balance have been certified by the bank and Cash balance by the management.	**142,611,097**	**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	635000000
	Bonus (Note: 09.01)	345,798,775	345,798,775
		980,798,775	**980,798,775**
10.00	**Revaluation Reserve: Tk. 89,557,720**		
	This is made up as follows:		
	Opening balance	89,638,039	94,467,599
	Depreciation on Revaluation Surplus	(80,319)	(4,712,723)
		89,557,720	**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	2,741,452	70,564,484
	Dividend for the year	-	(89,163,525)
	Depreciation on Revaluation Surplus	197,156	4,712,723
	Closing Balance	**161,648,410**	**158,709,802**
12.00	**Deferred Tax Liability TK. 25,412,779**		
	This has been arrived as under:		
	A. Temporary difference:		
	Carrying Amount of PPE	416,380,791	434,605,733
	Tax Base Value of PPE	241,141,648	267,426,625
	Taxable Timing Differences	175,239,144	167,179,107
	Tax rate (50% of 25%)	12.50%	12.50%
	Deferred Tax Liabilities Closing Balance	21,904,893	20,897,388
	Less: opening balance of Deferred Tax Liabilities	20,897,388	17,730,192
	Deferred Tax Expenses	**1,007,505**	**3,167,196**
	B. Revaluation:		
	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%
	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
	Tax asset / liability:	-	-
	Deferred Tax Liabilities at the end of the year (A+B)	**25,412,779**	**24,405,275**
13.00	**Trade and other Payables: Tk. 645,245**		
	This is made up as follows:		
	Bills Payable (Note 13.01)	645,245	930,720
	Payable against LC	-	-
		645,245	**930,720**

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		Amount in TK 31-Dec-18	Amount in TK 30-Jun-18
14.00	**Short Term Bank Loan: Tk. 92,594,869**		
	This is made up as follows:		
	Cash Credit (Hypo) From JBL, Account No. 0240	30,615,214	30,841,949
	Loan Against Trust Receipts (LTR): (Note # 14.01)	61,979,655	106,236,896
		92,594,869	**137,078,845**
15.00	**Accrued Expenses Tk. 3,115,249**		
	This is made up as follows:		
	Factory Electricity Bill	109,303	155,647
	Factory Gas Bill	723,342	1,455,377
	VAT Payable	77,265	340,600
	Audit Fee	-	115,000
	Telephone Bill	7,279	5,953
	Internet Bill	16,750	18,500
	Printing Bill	13,760	25,430
	Office electricity, Wasa & Others	63,360	58,325
	Salary and Allowance	972,750	1,045,870
	Wages & salary	1,068,940	2,229,409
	Dividend Payable	62,500	62,500
		3,115,249	**5,512,611**
16.00	**IPO Application Fund Tk. 5,958,547**		
	Mutual Trust Bank Ltd.-STD-2508	5,219,868	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
		5,958,547	**5,765,858**
17.00	**Provision for Workers Profit Participation Fund (WPPF) Tk. 6,109,066**		
	Opening balance	5,102,020	5,455,327
	Add: Addition during the period	1,007,046	4,283,721
	Paid during the year as per rule	-	(4,637,028)
		6,109,066	**5,102,020**
	The Company made provision for Workers Profit Participation Fund (WPPF) @ 5% of the profit before charging such		
18.00	**Provision for Tax: Tk. 14,628,693**		
	This has been arrived as under:		
	Opening Balance	**11,942,738**	**11,022,574**
	Provision during the year:		
	Tax charge during the period@25%	5,035,232	21,418,605
	Tax Rebate on Export Sales Note- 18.01	(2,349,277)	(9,475,867)
		2,685,955	**11,942,738**
	Adjusted/ Payment during the period:		
	Adjustment	-	5,553,428
	Payment	-	5,469,146
		-	11,022,574
	Closing Balance	**14,628,693**	**11,942,738**

		Amount in TK Half Yearly-18	Amount in TK Half Yearly-17
19.00	**Turnover: Tk. 154,639,943**		
	This is the value of export made during the year through Advance TT and L/Cs:		
	Export	311,824,488	435,352,200
	Local	5,870,715	6,170,715
		317,695,203	**441,522,915**
20.00	**Cost of Sales: Tk. 136,276,148**		
	This has been arrived as under:		
	Opening Work-in-Process	60,056,950	57,767,558
	Raw materials consumed: (Notes-20.01)	237,115,626	333,527,649
	Manufacturing overhead (Note-20.02)	37,853,709	44,982,796
	Less: Closing Work-in-Process	(60,694,713)	(58,535,528)
	Cost of Production	**274,331,571**	**377,742,475**
	Opening stock of Finished Goods	**38,933,679**	38,562,552
	Cost of Goods Available for Sale	**313,265,250**	**416,305,027**
	Less: Closing stock of Finished Goods	**(40,416,986)**	(39,584,358)
	Cost of Sales	**272,848,265**	**376,720,669**

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21.00 Administrative Expenses: Tk. 6,499,966

This consists of the following:	Amount in TK Half Yearly-18	Amount in TK Half Yearly-17
AGM Expenses	-	150,000
Salary and Allowances	6,366,390	6,673,674
Directors Remuneration Note: 21.01	2,178,600	2,280,000
Directors Meeting Allowances Note: 21.02	36,800	46,015
Donation & Subscription	229,000	164,000
Credit Rating Fee	34,500	-
Entertainment	265,600	145,709
Fuel & Lubricant	698,500	469,293
Listing Fee	1,491,046	445,818
Traveling & Conveyance	267,600	163,835
Office Rent	400,000	300,000
Office Electricity, Wasa and Others Bill	263,745	230,700
Office Maintenance	153,785	128,140
Printing & Stationery	378,950	184,660
Postage & Telegram	28,640	17,440
Registration & Renewals	203,040	219,130
Telephone Bill	15,779	8,050
Legal Fee	22,200	16,500
Mobile Bill	245,000	75,800
Internet Bill	80,000	51,600
Audit Fees	-	100,000
RJSC Expenses	2,750	1,000
Vehicle Maintenance	588,570	471,800
Newspaper & Periodicals	6,250	4,095
Other Expenses	274,325	340,568
Depreciation	553,445	578,377
	14,784,515	**13,266,204**

22.00 Marketing, Selling & Distribution Expenses: Tk. 1,562,350

This consists of the following:	Amount in TK Half Yearly-18	Amount in TK Half Yearly-17
Sales Commission	631,300	953,850
Carriage Outward & Delivery	555,400	824,570
Advertisement	120,750	106,550
Fuel & Lubricants	455,950	450,166
Salary & Allowances	1,280,970	1,278,010
Toll Expenses	35,980	74,000
	3,080,350	**3,687,146**

23.00 Financial Expenses: Tk. 2,630,691

This consists of the following:	Amount in TK Half Yearly-18	Amount in TK Half Yearly-17
Bank Charges & Commission	94,710	105,990
Bank Interest on CC (hypo)	1,925,265	858,773
Interest & Charges on LTR	4,869,294	2,944,890
Excise Duty FDR & TDR	34,150	61,000
	6,889,269	**3,909,653**

24.00 Income Tax Expenses: Tk. 3,693,460

This has been arrived as under:		
Current Tax Note- 18	2,685,955	7,356,057
Deferred Tax Note- 12	1,007,505	1,460,130
Income tax expenses	**3,693,460**	**8,816,187**

25.00 Non Operating Income : Tk. 664,079

This consists of the following:		
Interest on IPO Subscription Fund	192,690	46,271
Gain/(Loss) on Foreign Currency Fluctuation	82,950	1,152,179
Interest on FDR & TDR	779,529	7,421,411
	1,055,169	**8,619,861**

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		Amount in TK	Amount in TK
		Half Yearly-18	Half Yearly-17
26.00	**Earnings Per Share: Tk. 0.06**		
	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	16,447,466	41,240,103
	Number of ordinary share at the period end	196,159,756	196,159,756
	Weighted average no. of Shares Note- 26.01	196,159,756	196,159,756
	Earning per share	**16.00**	**0.42**
	Earnings Per Share (Restated)		
	Profit after taxation	16,447,466	**41,240,103**
	Weighted average no. of Shares Note-26.01	196,159,756	**196,159,756**
		16.00	**0.42**

		Amount in TK	Amount in TK
		31-Dec-18	31-Dec-17
27.00	**Net Asset Value Per Share (NAVPS)**		
	Total Assets	**1,394,175,367**	**1,420,001,520**
	Non-Current Liabilities+Current Liabilities	**162,170,462**	**190,738,067**
	Net Assets Value(NAV) including Revaluation surplus	**1,232,004,905**	**1,229,263,453**
	Number of ordinary shares outstanding	**98,079,878**	**98,079,878**
	Net Assets Value(NAV) Per Share including Revaluation surplus	**12.56**	**12.53**
	Net Assets Value(NAV) excluding Revaluation surplus	**1,142,447,185**	**1,139,508,577**
	Net Assets Value(NAV) Per Share excluding Revaluation surplus	**11.65**	**11.62**

		Amount in TK	Amount in TK
		Half Yearly-18	Half Yearly-17
28.00	**Net Operating Cash Flow Per Share (NOCFPS)**		
	Cash inflow/(outflow) per Sahre	**0.59**	**0.56**
	The composition of cash inflow/(outflow) value per share is given below		
	Operating cash inflow/(outflow) during the period	57,773,145	54,651,926
	Number of shares	98,079,878	98,079,878
		0.59	**0.56**
	Cash Flows Per Share from Operating Activities (Restated)		
	Operating cash inflow/(outflow) during the period	57,773,145	54,651,926
	Number of shares	98,079,878	98,079,878
		0.59	**0.56**

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