Khan Brothers PP Woven Bag Industries Limited
KBG Tower (8th & 9th Floor), 15 DIT Road,
Malibagh Choudhurypara, Rampura, Dhaka-1219

AUDITORS' REPORT &
FINANCIAL STATEMENTS
As at and for the year ended June 30, 2016

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AMARSTOCK

Khan Brothers PP Woven Bag Industries Limited

As at and for the year ended June 30, 2016

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INDEPENDENT AUDITORS' REPORT
To The shareholders of
Khan Brothers PP Woven Bag Industries Ltd.

We have audited the accompanying financial statements of **Khan Brothers PP Woven Bag Industries Ltd**, which comprise the Statement of Financial Position as at 30 June 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and a summary of significant accounting policies and other explanatory information for the year ended 30 June 2016.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Bangladesh Accounting Standards (BASs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other 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.

Auditors' responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis of Opinion:
We have conducted the audit in accordance with Bangladesh Standards on Auditing (BSA) and accordingly we have obtained reasonable assurance about whether the Financial Statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the state of the affairs of the company as at 30 June 2016 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We further report that:

a) We have obtained all the information and explanation which to the best of our knowledge and believe were necessary for the purpose 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;

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; and

d) The expenditure incurred was for the purpose of the company's business.

Dated: Dhaka,
27 October 2016

Mahfel Huq & Co.
Chartered Accountants

AMARSTOCK

Mahfel Huq & Co.
Chartered Accountants

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 June 30, 2016

	Notes	Amount In Tk. 30-Jun-16	Amount In Tk. 30-Jun-15	Amount In Tk. 01-July-14
Assets:				
NON-CURRENT ASSETS (A)		**579,816,883**	**586,548,886**	**394,888,558**
Property, Plant and Equipments	3.00	578,766,883	585,498,886	393,838,558
Investment in Share	4.00	1,050,000	1,050,000	1,050,000
CURRENT ASSETS (B)		**653,338,895**	**562,850,158**	**385,223,409**
Inventories	5.00	442,874,955	340,103,689	254,225,797
Trade and other Receivables	6.00	127,384,005	120,202,023	83,843,972
Advances, Deposits & Pre-Payments	7.00	60,538,463	84,760,087	41,940,113
Cash and Cash Equivalents	8.00	22,541,472	17,784,359	5,213,527
TOTAL ASSETS A+B)		**1,233,155,778**	**1,149,399,044**	**780,111,967**
Equity and Liabilities:				
SHAREHOLDERS' EQUITY (C)		**1,086,908,388**	**983,138,347**	**686,039,217**
Share Capital	9.00	803,275,000	698,500,000	435,000,000
Revaluation Reserve	10.00	94,467,599	94,467,599	94,467,599
Retained Earnings		189,165,790	190,170,749	156,571,618
NON-CURRENT LIABILITIES (D)		**16,675,470**	**10,879,508**	**17,912,526**
Deferred Tax Liability	11.00	16,675,470	10,879,508	17,912,526
CURRENT LIABILITIES (E)		**129,571,919**	**155,381,188**	**76,160,224**
Current Portion of Long Term Loan		-	-	6,018,458
Trade and other Payables	12.00	875,750	69,480,670	534,450
Short term Bank loan	13.00	93,722,722	50,843,449	37,795,353
Accrued Expenses	14.00	6,054,980	4,605,128	8,770,115
IPO Application Fund	15.00	5,938,776	6,162,308	-
Provision for Workers Profit Participation Fund	16.00	7,243,592	6,523,243	5,668,144
Provision for Taxation	17.00	15,736,099	17,766,391	17,373,704
TOTAL EQUITY & LIABILITIES (C+D+E)		**1,233,155,778**	**1,149,399,044**	**780,111,967**
Net Asset Value (NAV) including Revaluation Surplus (Restated)	27.00	**13.53**	**12.24**	**9.82**
Net Asset Value (NAV) excluding Revaluation Surplus (Restated)	27.00	**12.35**	**11.06**	**8.47**

The Annexed notes from 1 to 36 form an integral part of these Financial Statements.

Chief Financial Officer | Company Secretary

Director | Managing Director | Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October, 2016

Mahfel Huq & Co.
Chartered Accountants

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 Year ended 30 June, 2016

	Notes	Amount In Tk. 2015-2016	Amount In Tk. 2014-2015
Turnover	18.00	1,142,896,239	1,072,611,059
Less: Cost of Sales	19.00	965,202,987	920,288,239
Gross Income		**177,693,252**	**152,322,820**
Operating Expenses:		**36,291,695**	**61,903,657**
Administrative Expenses	20.00	28,599,927	25,317,574
IPO Expenses	21.00	-	29,552,230
Marketing and Distribution Expenses	22.00	7,691,768	7,033,853
Income from Operating Activities		**141,401,557**	**90,419,164**
Financial expenses	23.00	(9,901,871)	(12,721,773)
Net Income from Operation		**131,499,686**	**77,697,391**
Non Operating Income	25.00	67,521	35,524,728
Net Income before WPPF & Income Tax		**131,567,207**	**113,222,119**
Provision for WPPF	16.00	(6,265,105)	(5,389,615)
Net Income before Tax		**125,302,102**	**107,832,504**
Provision for Income Tax:	24.00	**21,532,061**	**10,733,373**
Current Tax	17.00	**15,736,099**	**17,766,391**
Deferred Tax	11.00	5,795,962	(7,033,018)
Net Income after Tax		**103,770,041**	**97,099,131**
Earnings Per Share	26.00	**1.29**	**1.49**
Earnings Per Share (Restated)	26.00	**1.29**	**1.21**

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Director | Managing Director | Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October, 2016

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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 Year ended 30 June, 2016

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
				Amount in Taka
Balance as on 01 July, 2015	**698,500,000**	**94,467,599**	**190,170,749**	**983,138,347**
Net Income for the year	-	-	103,770,041	103,770,041
Deferred Tax Liability	-	-	-	-
Share Money Deposit	-	-	-	-
Dividend for the 2015	104,775,000	-	(104,775,000)	-
Allotment of Ordinary Share		-		-
Balance as on 30 June, 2016	**803,275,000**	**94,467,599**	**189,165,790**	**1,086,908,388**

Balance as on 01 July, 2014	**435,000,000**	**97,975,485**	**156,571,618**	**689,547,103**
Deferred Tax Liability		(3,507,886)		(3,507,886)
Restated at 01 July 2014	**435,000,000**	**94,467,599**	**156,571,618**	**686,039,217**
Net Income for the year	-	-	97,099,131	97,099,131
Share Money Deposit	-	-	-	-
Dividend for the year 2014	63,500,000	-	(63,500,000)	-
Allotment of Ordinary Share	200,000,000	-		200,000,000
Balance as on 30 June, 2015	**698,500,000**	**94,467,599**	**190,170,749**	**983,138,347**

The Annexed notes from 1 to 36 form an integral part of these Financial Statements.

Chief Financial Officer | Company Secretary

Director | Managing Director | Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October, 2016

Mahfel Huq & Co.
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Khan Brothers PP Woven Bag Industries Ltd.

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Statement of Cash Flows

For the Year ended 30 June, 2016

	Amount In Tk.	
	2015-2016	2014-2015
A. Cash Flows from Operating Activities :		
Collection from Turnover	1,135,781,779	1,071,777,736
Payment to suppliers and creditors for expenses	(1,104,542,211)	(990,588,721)
Payment for Financial Expenses	(9,901,871)	(12,721,773)
Payment for WPPF	(5,544,757)	(4,534,516)
Payment for Income Tax	(14,923,913)	(19,108,795)
Net cash inflow/(outflow) from operating activities	**869,027**	**44,823,931**
B. Cash flow from Investing Activities:		
Acquisition of Property, Plant & Equipment	(38,767,656)	(237,279,044)
Net cash inflow/ (outflow) in Investing Activities	**(38,767,656)**	**(237,279,044)**
C. Cash flow from Financing Activities:		
Receipts from ordinary shares issued	-	200,000,000
Payment of Cash Dividend	-	(8,166,000)
Short term loan Received/(Re-paid)	42,655,741	19,210,403
Current portion of Long term loan Received/(Re-paid)	-	(6,018,458)
Net cash inflow/(outflow) in financing activities	**42,655,741**	**205,025,945**
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	**4,757,113**	**12,570,832**
E. Opening Cash and Cash Equivalent	17,784,359	5,213,527
F. Ending Cash and Cash Equivalent (D+E)	**22,541,472**	**17,784,359**
Net Operating Cash flows per Shares (NOCFPS)	**0.01**	**0.69**
Cash Flows Per Share from Operating Activities (Restated)	**0.01**	**0.56**

The Annexed notes from 1 to 36 form an integral part of these Financial Statements.

Chief Financial Officer Company Secretary

Director Managing Director Chairman

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 27 October, 2016

Mahfel Huq & Co.
Chartered Accountants

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 June 30, 2016

1.00 Corporate History of the Reporting Entity

1.01 Legal Status of the Entity

Khan Brothers PP Woven Bag Industries Ltd. (The Company) was incorporated in Bangladesh as a Private Limited Company under The Companies Act, 1994 vide Registration No. C-61800(3809)/2006 dated 18 May, 2006 subsequently converted into a public limited company vide special resolution dated 26.10.2011. The company applied for Initial Public Offering and consent has been accorded by Bangladesh Securities and Exchange Commission vide their letter no. SSC/CI/IPO-208/2012/447 dated 24 June 2014.

1.02 Corporate Business

The Company's main business is to Manufacture of different types PP Woven Bag, FIBC bag, Jumbo bag, HDPE Bag, LDPE Bag, Liner, Multi-layer Sack Kraft Paper and selling them in local and the international market.

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

The financial statements have been prepared under historical cost convention on a going concern basis following accrual basis of accounting in accordance with the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs), The Companies Act 1994 and Securities and Exchange Rules, 1987.

2.02 Other regulatory compliances

In addition the Company is also required to comply with the following major legal provisions.
The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 1991
The Value Added Tax Rules, 1991
The Customs Act 1969

2.03 Corporate Financial Statements and Reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and explanatory notes and disclosures covering accounting policies.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.
The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and assets and liabilities at the reporting date. Uncertainty involved in making estimates and actual result reported might differ from those estimates.

2.04 Fundamental Accounting Concepts/ Assumption

The financial statements have been prepared under historical cost concept, based on Going concern assumption, under Accrual basis and such other convention as required by BAS-1 for fair presentation of financial statements.

2.05 Going Concern

The company has adequate resources to continue in operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reasons the directors continue to adopt going concern basis in preparing the financial statements.

2.06 Reporting Period

The period of the financial statements covers period from July 01 to June 30 of the following year.

2.07 Provisions

In accordance with the guidelines as prescribed by BAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a. when the company has an obligation (legal or constructive) as a result of past events;

b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

c. reliable estimates can be made of the amount of the obligation.

2.08 Events after the Reporting Period

In compliance with the requirements of BAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the company's position at the reporting date are reflected in the financial statements and events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.09 Functional and Presentational (Reporting) Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), Which is the company's' functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Figures in brackets indicated negative balance.

2.10 Comparative Information and Rearrangement Thereof

Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current period without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.11 Principal Accounting Policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect in preparation and presentation of financial statements within the framework of BAS-1 " Presentation of Financial Statements", have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation:

BAS 1	Presentation of Financial Statements
BAS 2	Inventories
BAS 7	Statement of Cash Flows
BAS 8	Accounting Policies Changes in Accounting Estimate and Errors
BAS 10	Events After the Reporting Period
BAS 12	Income Taxes
BAS 16	Property Plant & Equipment
BAS 18	Revenues
BAS 19	Employees Benefits
BAS 21	The Effect of Changes in Foreign Exchange Rate
BAS 23	Borrowing Cost
BAS 33	Earnings Per Share
BAS 36	Impairment of Assets
BAS-37	Provisions, Contingent Liabilities and Contingent Assets,
BAS-39	Financial Instruments: Recognition and Measurement

The related BFRSs are also complied for the preparation of these financial statements.

2.12 Property, Plant & Equipment (PPE)

These are stated at cost and revalued amount less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the PPE, the expenditure is capitalized as an additional cost of the PPE.

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

2.13 Revaluation of Property, Plant & Equipment (PPE)

PPE have been stated at revalued amounts in accordance with BAS: 16 Property, Plant & Equipment.

i) Effective date of revaluation to the financial Statements 30.06.2010

ii) Land & Land Developments, Building (Factory), Plant & Machinery and Generator & Electric Equipment has been revalued by an independent G.KIBRIA & CO. Chartered Accountants an independent valuer.

iii) Revaluation surplus of Tk. 9,79,75,485 has been transferred to Revaluation Reserve and distribution of such surplus to the shareholders is restricted.

2.14 Depreciation

Depreciation on Property, Plant & Equipment other than Land and land development has been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on additions on the basis of when it is available for use.

After considering the useful life of PPE as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars	30-Jun-2016	30-Jun-2015
Land & Land Development	0%	0%
Building & Other Construction	5%	5%
Plant & Machinery	10%	10%
Generator & Electric Equipment	15%	15%
Motor Vehicle	20%	20%
Office Decoration & Fittings	10%	10%
Furniture & Fixture	10%	10%

2.15 Impairment of assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

2.16 Revenue Recognition

Revenue are Recognized when goods are delivered from the factory godown, delivery Challan is issued and ownership transferred as per BAS-18.

2.17 Accrued Expenses and Other Payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services.

2.18 Inventories

Inventories comprises of Raw Materials, Work-in-Process, Finished goods and Stores & Spares. Raw materials and Stores and Spares have been valued at lower of cost or market value. Work-in-Process have been valued at prime cost basis as required by BAS-2 with proportionate addition of Factory Overheads. Finished goods have been valued at cost of material and other production Overheads attributable to bringing the goods to the state of sale under the convention of BAS-2.

2.19 Income Tax:

Provision for Tax

A provision for Taxation @ 25.00% on net profit Less 50% rebate on export sales has been made during the year under audit.

Deferred Tax

Deferred tax is recognized using balance sheet method, providing for all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they are revised, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legal enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that is no longer probable that the related tax benefit will be realized.

2.20 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flow" and the cash flows from the operating activities have been presented under direct method.

2.21 Borrowing Costs

Financial Expenses (Borrowing Costs) incurred during the year was recognized as revenue expenses in accordance with BAS-23 "Borrowing Cost".

2.22 Financial Instruments

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

2.22.1 Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which a contractual right is created to receive cash or another financial asset from another company. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.

Cash and Cash Equivalents

According to BAS 7 'Statement of Cash Flows ' cash comprises of cash in hand, demand deposits and cash equivalents which are short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. BAS 1 ``Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances including FDR have been treated as Cash & Cash Equivalents.

Available for Sale of Financial Assets

During the year the company had no financial asset for sale.

Trade and other Receivables

Trade Receivable is measured at fair value without making any provision for doubtful debts, because of the fact that sales / export are based on 100% confirmed letter of credit with fixed maturity date.

2.22.2 Financial Liabilities

The company initially recognizes financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when it's contractual obligations are discharged or cancelled or expired. Financial liabilities are recognized initially at fair value less any directly attributable transactions costs. Subsequently to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities include loan and borrowing, trade creditors, liabilities for expenses and liabilities for other finance.

2.23 Employee Benefit Plan

The company maintains defined benefit 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 BAS 19: Employee Benefits.

The cost of employee benefit 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 etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) Workers Profit Participation Fund, Welfare Fund and Workers Welfare Foundation Fund

The Company makes a regular allocation of 5% on net Profit before tax to these funds and payment is made to the workers as per provisions of Labour Act 2006, Chapter-15.

2.24 Related Party Disclosures

There is no transactions with related parties carried out in the normal course of business in accordance with the requirements of BAS 24: Related Party Disclosures.

2.25 Segment Reporting

No segmental reporting is applicable for the company as required by BFRS 8: "Segment Reporting" as the company operates in a single industry segment and within a single geographical territory.

2.26 Earnings Per Share

This has been calculated in compliance with the requirements of BAS 33: Earnings Per Share has been calculated by the profit attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the period and retrospective effect has also been given for calculation of previous years earnings as well to conform the current years presentation.

2.27 Non operating Income

Non Operating income includes the interest income of IPO Fund, Interest on FDR and gain/loss from foreign currency fluctuation.

2.28 General

a) The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Taka.

b) Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

	Amount in TK	Amount in TK
	30-Jun-16	30-Jun-15

3.00 Property, Plant and Equipments: Tk. 578,766,883

This includes the written down value as on 30 June, 2015. Break up of the PPE is as follows; :

Land & Land Development	99,430,849	99,430,849
Building & Others Construction	167,423,302	162,659,455
Plant & Machinery	270,637,493	300,708,326
Generator & Electric Equipment	28,997,512	14,593,314
Motor Vehicle	976,858	1,221,072
Office Decoration & Fittings	8,506,351	3,780,851
Furniture & Fixture	2,794,517	3,105,019
	578,766,883	**585,498,886**

Fixed assets have been physically verified by management as at the balance sheet date.
Details of PPE has been given in Annexure-'A'

The property, plant and equipment of the company has been pledged as security against loan with Jamuna Bank Ltd, Shantinagar Branch, Dhaka.

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. 442,874,955

Break-up of this item is as follows:

Finished Goodes: Notes- 5.01	15,362,360	13,339,502
Raw Materials: Notes- 19.05	390,039,013	289,120,309
Working-in-process	29,983,448	30,142,633
Store Materials	7,490,134	7,501,245
	442,874,955	**340,103,689**

The above Inventories are as per physical counting made by the inventory team consisting of management staff and auditors and valued and certified by management. Inventories in hand have been valued at lower of cost and net realizable value as per BAS-2. Inventories are hypothecated against working capital facilities from the bank (Islami Bank BD Ltd.).

5.01 Closing Stock of Finished Goods: Tk. 15,362,360

Particulars	Qty	Unit	Rate	Amount in Taka
PP Woven Bag	76,240	Kg	201.50	15,362,360
Total				**15,362,360**

6.00 Trade and other Receivables: Tk. 127,384,005

Break-up of this item is as follows:

Export Bills Recevable: Note- 6.01	125,210,925	118,695,354
Ashirbad Syndicate	254,000	105,648
Bombay Sweets & Co.	162,500	172,988
D H Plastic	165,250	135,744
Kabir Enterprise	742,100	546,211
Kazi Agro	102,200	62,448
Mehera Corporation	245,015	62,501
R M Trade Line	110,240	96,423
Shuvo Enterprise	187,450	144,251
S N Traders	204,325	180,455
	127,384,005	**120,202,023**

These are considered good.

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6.01	**Export Bills Receivables: Tk. 125,210,925**		
	Party Name & Country		
	M/S BERY MARITIME AS, NORWAY	9,751,063	17,991,168
	OCEAN WISDOM ENTERPRISE UAE	18,277,215	-
	KIMONO GENERAL TRADING CO LLC UAE	-	35,034,160
	COMMODITY FIRST PTE LTD SINGAPORE	24,747,811	15,337,877
	URALKALI TRADING SA SWITZARLAND	18,431,425	32,552,447
	BLUE OCEAN SHIPPING PTE LTD. SINGAPORE	54,003,410	17,779,701
	Total	**125,210,925**	**118,695,353**
6.02	**Ageing of Receivables: Tk. 125,210,925**		
	Dues up to 60 days	125,210,925	118,695,353
	Dues Over 60 days	-	
		125,210,925	**118,695,353**
6.03	**The classification of receivables as required by the schedule XI of the Companies Act, 1994 are given below:**		
	Receivable considered good in respect of which the company is fully secured.	125,210,925	118,695,353
	Receivable considered good in respect of which the company holds no security other than the debtor personal security.	2,173,080	1,506,669
	Receivables considered doubtful bad.	-	-
	Receivable to Directors.	-	-
	Receivables due by common management.	-	-
	The maximum amount of receivable due by any director or other officer of the company.	-	-
	Total	**127,384,005**	**120,202,023**
7.00	**Advances, Deposits & Pre-Payments: Tk. 60,538,463**		
	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	6,836,087	9,678,565
	CDBL-Security deposit	500,000	500,000
	Advance agst. L/C : Note- 7.02	43,386,196	63,689,767
	Salary Advance	753,200	688,000
	Advance against Local Purchase : Note: 7.03	8,365,480	9,506,255
		60,538,463	**84,760,087**
7.01	**Advance Income Tax Tk. 6,836,087**		
	This consist of the following:		
	Advance Tax on Export	6,789,682	6,138,853
	Advance Tax on other Income (Interest Income)	18,359	3,510,060
	Advance Tax on FDR Interest Income)	28,046	29,652
		6,836,087	**9,678,565**

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7.02 Advance against L/C: Tk. 43,386,196

LC No	Bank Name	Amount in Taka	
LC No-304116010062	Jamuna Bank Ltd	1,489,224	-
LC No-221715010720	Mutual Trust Bank Ltd	2,019,525	-
LC No-221715010721	Mutual Trust Bank Ltd	2,227,335	-
LC No-221715020342	Mutual Trust Bank Ltd	2,365,288	-
LC No-221716020132	Mutual Trust Bank Ltd	2,420,998	-
LC No-221716020133	Mutual Trust Bank Ltd	1,420,998	-
LC No-221716020176	Mutual Trust Bank Ltd	2,373,808	-
LC No-221716020177	Mutual Trust Bank Ltd	2,373,808	-
LC No-221716020178	Mutual Trust Bank Ltd	2,432,967	-
LC No-221716020179	Mutual Trust Bank Ltd	2,432,967	-
LC No-221716020197	Mutual Trust Bank Ltd	2,229,989	-
LC No-221716020198	Mutual Trust Bank Ltd	3,229,989	-
LC No-221716020204	Mutual Trust Bank Ltd	3,374,220	-
LC No-221716020205	Mutual Trust Bank Ltd	2,436,590	-
LC No-221716020210	Mutual Trust Bank Ltd	3,461,160	-
LC No-221716020211	Mutual Trust Bank Ltd	2,461,160	-
LC No-221716020245	Mutual Trust Bank Ltd	1,818,087	-
LC No-221716020246	Mutual Trust Bank Ltd	2,818,087	-
LC No-304115010053	Jamuna Bank Ltd	-	4,651,543
LC No-304115010058	Jamuna Bank Ltd	-	9,343,168
LC No-304115010064	Jamuna Bank Ltd	-	9,280,440
LC No-304115010065	Jamuna Bank Ltd	-	9,454,542
LC No-304115010074	Jamuna Bank Ltd	-	11,573,726
LC No-304115010082	Jamuna Bank Ltd	-	10,395,441
LC No-304115010094	Jamuna Bank Ltd	-	314,556
LC No-304115010110	Jamuna Bank Ltd	-	79,322
LC No-304115010112	Jamuna Bank Ltd	-	74,936
LC No-221714020170	Mutual Trust Bank Ltd	-	758,718
LC No-221715010156	Mutual Trust Bank Ltd	-	3,349,737
LC No-221715010157	Mutual Trust Bank Ltd	-	3,300,244
LC No-221715020180	Mutual Trust Bank Ltd	-	1,113,394
		-	
		43,386,196	**63,689,767**

7.03 Advance against Local Purchases: Tk. 8,365,480

Mr. Mehbubul Hasan Pavel	4,851,978	5,798,816
Mr. Ekramul Haque	3,513,502	3,707,439
	8,365,480	**9,506,255**

7.04 Disclosures as per Schedule-XI, Part-I of the Companies Act, 1994

Advance, Deposit and pre-payments exceeding 6 Months and considered good and secured	1,197,500	1,197,500
Advance, deposit and pre-payments considered good without security	58,587,763	82,874,587
Advance, deposit and pre-payments considered doubtful and bad	-	-
Advance, deposit and pre-payments due by directors or others officers	753,200	688,000
Advance, deposit and pre-payments due from companies from same management	-	-
Maximum advance, deposit and pre-payments due by Directors or other officers at any time	-	-
Total	**60,538,463**	**84,760,087**

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8.00 Cash and Cash Equivalents: Tk. 22,541,472

This consist of the following balances;

Cash in hand	12,687,987	8,438,380
Cash at Banks:		
Jamuna Bank Ltd.-CD-6233	5,183	6,505
One Bank Ltd. CD-490006	7,915	50,548
Mutual Trust Bank Ltd.-CD-11251	544,544	250
Mutual Trust Bank Ltd.-STD-2508	5,140,361	5,379,927
Mutual Trust Bank Ltd.-FC-4399 (USD)	564,220	564,220
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	1,841	4,523
FDR	3,355,226	3,105,810
	9,853,485	9,345,979
	22,541,472	**17,784,359**

Bank balance have been certified by the bank and Cash balance by the management.

9.00 Share Capital: Tk. 803,275,000

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	
4,35,00,000 Ordinary shares of Taka 10/- each, fully paid up in cash	-	435,000,000
2,00,00,000 Allotment of New Ordinary shares of Taka 10/- each, fully paid up in cash	-	200,000,000
Bonus (Note: 09.01)	168,275,000	63,500,000
	803,275,000	**698,500,000**

9.01 Bonus share Capital Tk. 168,275,000

Opening Balance	63,500,000	-
63,50,000 Bonus Share Issued @ Tk.10 each	-	63,500,000
1,04,77,500 Bonus Share Issued @ Tk.10 each	104,775,000	-
	168,275,000	**63,500,000**

The position of shareholders as on 30 June 2016 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2015-2016	Percentage of Share Holding 2014-2015
Sponsor	6	24831950	30.91%	30.91%
Directors other than Sponsor	-	-	-	-
General Public	5700	47608951	59.27%	55.25%
Investor's A/c	-	-	-	-
Financial Institutes	161	7886599	9.82%	13.84%
Total		**80327500**	**100.00%**	**100.00%**

Classification of Shareholders by Holding :

Holdings	Numbers of Holders		Shareholdings %	
	2016	2015	2016	2015
Less than 500 Shares	1591	1991	0.35%	0.67%
501 to 5,000	3418	6041	5.32%	10.83%
5,001 to 10,000	320	462	2.92%	4.96%
10,001 to 20,000	213	263	3.82%	5.42%
20,001 to 30,000	98	92	2.99%	3.22%
30,001 to 40,000	40	32	1.78%	1.60%
40,001 to 50,000	36	26	2.09%	1.75%
50,001 to 100,000	61	57	5.44%	6.31%
100,001 to 1,000,000	86	46	28.25%	14.59%
Over 1,000,000	7	8	47.02%	50.66%
Total	**5870**	**9018**	**100.00%**	**100.00%**

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10.00	**Revaluation Reserve: Tk. 94,467,599**		
	This is made up as follows:		
	Opening balance	94,467,599	94,467,599
		94,467,599	**94,467,599**
11.00	**Deferred Tax Liability TK. 16,675,470**		
	This has been arrived as under:		
	A. Temporary difference:		
	Carrying Amount of PPE	479,336,033	486,068,037
	Tax Base Value of PPE	373,995,365	427,095,062
	Taxable Timing Differences	105,340,669	58,972,975
	Tax rate (50% of 25%)	12.50%	12.50%
	Deferred Tax Liabilities Closing Balance	13,167,584	7,371,622
	Less: opening balance of Deferred Tax Liabilities	7,371,622	14,404,640
	Deferred Tax Expenses	**5,795,962**	**(7,033,018)**
	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
	D.Tax asset / liability:	-	-
	Deferred Tax Liabilities at the end of the year (A+B)	**16,675,470**	**10,879,508**

The company has decided to adopt policy of reorganization of deferred tax in accordance with the Bangladesh Accounting Standard 12 (BAS). Deferred tax is provided using the liability method for temporary difference between the carrying value of fixed assets as per accounts and the corresponding income tax written down value. Deferred tax is calculated at the effective Income Tax rate Prevailing at balance sheet date. The company has introduced Deferred Tax on revaluation reserve from land as per provision of BAS-12 (Income Taxes) during the year and comparative information has been re-stated accordingly.

12.00	**Trade and other Payables: Tk. 875,750**		
	This is made up as follows:		
	Bills Payable (Note 12.01)	875,750	1,045,612
	Payable against LC	-	68,435,058
		875,750	**69,480,670**
12.01	**Bills Payable: Tk. 875,750**		
	This is made up as follows:		
	Sumayed Enterprise	45,780	35,480
	Desh Electric Co.	65,300	78,500
	Rahman Traders	124,500	134,500
	Tanuka Traders	124,825	142,545
	Sheikh Enterprise	68,950	98,750
	Janata Machineries	245,700	302,500
	Dewan Enterprise	124,870	145,430
	The J.S Machineries Stores	75,825	107,907
		875,750	**1,045,612**

13.00 Short Term Bank Loan: Tk. 93,722,722

This is made up as follows:

Cash Credit (Hypo) From JBL, Account No. 0240	30,993,686	20,528,001
Loan Against Trust Receipts (LTR): (Note # 13.01)	62,729,036	30,315,448
	93,722,722	**50,843,449**

13.01 LTR Number

	Bank Name	Amount in Taka	
0009-0124012550	JBL	-	2,181,551
0009-0124012587	JBL	-	8,952,883
0009-0124012596	JBL	-	9,104,013
0009-0124012603	JBL	-	4,474,154
0009-0124012710	JBL	-	5,602,847
0009-0124013184	JBL	37,122	-
0009-0124013255	JBL	4,534,147	-
0009-0124013317	JBL	4,392,285	-
0009-0124013326	JBL	4,393,985	-
0009-0124013380	JBL	2,526,810	-
0009-0124013488	JBL	7,214,953	-
0009-0124013504	JBL	13,360,486	-
0002-0124090786	MTBL	2,807,999	-
0002-0124090928	MTBL	2,426,084	-
0002-0124091418	MTBL	1,696,051	-
0002-0124091669	MTBL	7,955,131	-
0002-0124092382	MTBL	8,137,417	-
0002-0124092408	MTBL	3,246,565	-
	Total	**62,729,036**	**30,315,448**

This represents amount provided by the following Banks as working capital which is fully secured by stock hypothecation and Export bills receivable at terms & condition is given below.

1. Purpose of Investment - To purchase/import raw materials.
2. Period of Investment - 01 (one) year on revolving basis.
3. Rate of return -15 % per annum or the rate to be determined by the bank from time to time.
4. Collateral:
   - A. Lien on Shipping Documents.
   - B. Counter Guarantee.
   - C. Post-dated Cheque covering the entire limit.
   - D.Usual Charge Documents.

14.00 Accrued Expenses Tk. 6,054,980

This is made up as follows:

Factory Electricity Bill	72,175	78,132
Factory Gas Bill	1,866,188	932,009
VAT Payable	315,400	300,000
Audit Fee	115,000	100,000
Telephone Bill	3,838	2,160
Internet Bill	15,500	15,360
Printing Bill	8,500	5,600
Office electricity, Wasa & Others	54,680	43,567
Salary and Allowance	1,286,700	1,064,500
Wages & salary	2,254,500	2,001,300
Dividend Payable	62,500	62,500
	6,054,980	4,605,128

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15.00	**IPO Application Fund Tk. 5,938,776**		
	Mutual Trust Bank Ltd.-STD-2508	5,140,361	5,379,927
	Mutual Trust Bank Ltd.-FC-4399 (USD)	564,220	567,381
	Mutual Trust Bank Ltd.-FC-4406 (POUND)	126,168	121,410
	Mutual Trust Bank Ltd.-FC-4415 (EURO)	108,028	93,590
		5,938,776	**6,162,308**
16.00	**Provision for Workers Profit Participation Fund Tk. 7,243,592**		
	Opening balance	6,523,243	5,668,144
	Add: Addition during the year	6,265,105	5,389,615
	Paid during the year as per rule	(5,544,757)	(4,534,516)
		7,243,592	**6,523,243**

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

17.00	**Provision for Tax: Tk. 15,736,099**		
	This has been arrived as under:		
	Opening Balance	**17,766,391**	**17,373,704**
	Provision during the year:		
	Tax charge during the period@25%	31,325,525	26,958,126
	Tax Rebate on Export Sales Note- 17.01	(15,589,426)	(9,191,735)
		15,736,099	**17,766,391**
	Adjusted/ Payment during the period:		
	Adjustment	9,678,565	7,943,474
	Payment	8,087,826	9,430,230
		17,766,391	**17,373,704**
	Closing Balance	**15,736,099**	**17,766,391**
17.01	**Tax Rebate on Export Sales Tk. 15,589,426**		
	Total Tax Charged during the period	31,325,525	26,958,126
	Tax on Other Income	(16,076)	(8,458,419)
	Tax on Operating Income	**31,309,449**	**18,499,707**
	Tax on Local Sales	(130,597)	(116,237)
	Tax on Export Sales	31,178,852	**18,383,470**
	50% of Tax on Export Sales	(15,589,426)	(9,191,735)
		15,589,426	**9,191,735**
18.00	**Turnover: Tk. 1,142,896,239**		
	This is the value of export made during the year through Advance TT and L/Cs:		
	Export	1,138,129,029	1,065,871,644
	Local	4,767,210	6,739,415
		1,142,896,239	**1,072,611,059**
19.00	**Cost of Sales: Tk. 965,202,987**		
	This has been arrived as under:		
	Opening Work-in-Process	30,142,633	25,242,680
	Raw materials consumed: (Notes-19.01)	864,732,344	832,285,218
	Manufacturing overhead (Note-19.02)	102,334,315	94,859,545
	Less: Closing Work-in-Process	(29,983,448)	(30,142,633)
	Cost of Production	**967,225,845**	**922,244,810**
	Opening stock of Finished Goods	13,339,502	11,382,930
	Cost of Goods Available for Sale	**980,565,347**	**933,627,741**
	Closing stock of Finished Goods	(15,362,360)	(13,339,502)
	Cost of Sales	**965,202,987**	**920,288,239**
19.01	**Raw Materials Consumed: Tk. 864,732,344**		
	This is made up as follows:		
	Opening Stock (Note: 19.03)	289,120,310	212,736,537
	Add: Purchase during the Year (Note: 19.04)	965,651,047	908,668,991
		1,254,771,357	**1,121,405,528**
	Less: Closing Stock (Note: 19.05)	390,039,013	289,120,310
	Raw Materials Consumed during the year	**864,732,344**	**832,285,218**

19.02 Manufacturing Overhead: Tk. 102,334,315

This consists of the following:

Wages & salary	25,963,449	24,022,356
Overtime & Incentive	9,894,830	8,342,916
Workers Food Allowance	763,411	759,843
Electricity Bill	693,939	1,136,615
Gas Bill	6,784,331	3,924,076
Diesel for Generator	746,479	664,728
Spare Parts	3,313,641	3,125,763
Factory Maintenance	909,953	843,611
Machinery Maintenance	5,160,657	4,362,116
Electric Materials	1,300,335	1,032,618
Daily Labor	835,140	461,288
Worker Transport Expenses	1,310,387	1,139,467
Medical Expenses	119,256	102,435
Car Repair & Maintenance	162,014	56,873
Hardware Materials	376,700	336,489
Depreciation	43,999,793	44,548,351
	102,334,315	**94,859,545**

19.03 Opening Stock of Raw Materials: Tk. 289,120,310

Item wise break up of stock have given below;

Particulars	Unit	Unit	Unit Price	Total (Tk.)
PP Yarn Grade	30,251	Bag	4,450	134,616,950
CaCo3	2,750	Bag	1,520	4,180,000
HDPE	3,223	Bag	3,740	12,054,020
LDPE	3,771	Bag	4,530	17,082,630
LLDPE	2,154	Bag	3,920	8,443,680
Omagh CaCo3	759	Bag	2,415	1,832,985
Master Batch(White)	350	Bag	3,710	1,298,500
Master Batch(Red)	814	Bag	4,825	3,927,550
Master Batch(Blue)	142	Bag	4,450	631,900
Master Batch(Beige)	725	Bag	4,650	3,371,250
Master Batch(Yellow)	312	Bag	4,350	1,357,200
Master Batch(Green)	105	Bag	4,620	485,100
Master Batch(Orange)	15	Bag	4,620	69,300
PP Lamination	17,355	Bag	5,110	88,683,710
Sewing Thread	2,504	Kg	195	488,280
Poly Tape	96	Roll	360	34,560
PP Clip	87	Pkt	70	6,090
Printing Ink	5,198	Kg	268	1,393,064
Sewing Oil	432	Ltr	180	77,760
Gear Oil	461	Ltr	178	82,058
Mobil	159	Ltr	48	7,632
Diamond Gum	141	Kg	220	31,020
Retader	2,702	Ltr	135	364,770
Exetiter	51	Ltr	125	6,375
Adhesive Tape(Both side) -2"	25	Roll	40	1,000
Solvent/Thiner	19,811	Ltr	175	3,466,925
Hydrolic Oil	37	Ltr	150	5,550
Compassor Oil	91	Ltr	160	14,560
Nalco-2000	74	Kg	710	52,540
Greeze	48	Kg	110	5,280
Adhesive Gum(Glue)	6,182	Kg	25	154,550
Adhessive Tape-2"	19	Roll	40	760
Krapt Paper	81,546	Kg	60	4,892,760
Total				**289,120,310**

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19.04 **Purchase Raw Materials: Tk. 965,651,047**

Item wise break up of stock have given below;

Particulars	Unit	Unit	Unit Price	Total (Tk.)
PP Yarn Grade	143,500	Bag	4,455	639,292,500
CaCo3	14,600	Bag	1,521	22,206,600
HDPE	13,500	Bag	3,744	50,544,000
LDPE	13,075	Bag	4,535	59,295,125
LLDPE	12,600	Bag	3,925	49,455,000
Omagh CaCo3	4,025	Bag	2,417	9,728,425
Master Batch(White)	1,950	Bag	3,714	7,242,300
Master Batch(Red)	2,849	Bag	4,831	13,763,519
Master Batch(Blue)	1,425	Bag	4,456	6,349,800
Master Batch(Beige)	1,750	Bag	4,655	8,146,250
Master Batch(Yellow)	936	Bag	4,355	4,076,280
Master Batch(Green)	315	Bag	4,625	1,456,875
Master Batch(Orange)	350	Bag	4,626	1,619,100
PP Lamination	9,325	Bag	5,116	47,706,700
Sewing Thread	8,764	Kg	195	1,708,980
Poly Tape	288	Roll	360	103,680
PP Clip	261	Pkt	70	18,270
Printing Ink	14,814	Kg	268	3,970,232
Sewing Oil	1,296	Ltr	180	233,280
Gear Oil	1,383	Ltr	178	246,174
Mobil	477	Ltr	48	22,896
Diamond Gum	564	Kg	220	124,080
Retader	6,975	Ltr	135	941,625
Exetiter	153	Ltr	125	19,125
Adhesive Tape(Both side) -2"	120	Roll	40	4,800
Solvent/Thiner	58,442	Ltr	175	10,227,429
Hydrolic Oil	880	Ltr	150	132,000
Compassor Oil	880	Ltr	160	140,800
Nalco-2000	450	Kg	705	317,250
Greeze	625	Kg	105	65,625
Adhesive Gum(Glue)	9,820	Kg	27	265,142
Adhessive Tape-2"	600	Roll	42	25,200
Krapt Paper	436,700	Kg	60	26,201,985
Total				**965,651,047**

AMR STOCK

19.05 **Closing Stock of Raw Materials: Tk. 390,039,013**

Item wise break up of stock have given below;

Particulars	Unit	Unit	Unit Price	Total (Tk.)
PP Yarn Grade	49,175	Bag	4,454	219,025,450
CaCo3	6,450	Bag	1,521	9,810,450
HDPE	6,500	Bag	3,743	24,329,500
LDPE	5,750	Bag	4,534	26,070,500
LLDPE	5,175	Bag	3,924	20,306,700
Omagh CaCo3	925	Bag	2,417	2,235,725
Master Batch(White)	375	Bag	3,713	1,392,375
Master Batch(Red)	875	Bag	4,830	4,226,250
Master Batch(Blue)	275	Bag	4,455	1,225,125
Master Batch(Beige)	650	Bag	4,654	3,025,100
Master Batch(Yellow)	375	Bag	4,354	1,632,750
Master Batch(Green)	175	Bag	4,624	809,200
Master Batch(Orange)	75	Bag	4,626	346,950
PP Lamination	12,625	Bag	5,112	64,539,000
Sweing Thread	2,350	Kg	195	458,250
Poly Tape	120	Roll	360	43,200
PP Clip	144	Pkt	70	10,080
Printing Ink	5,975	Kg	268	1,601,300
Sweing Oil	374	Ltr	180	67,320
Gear Oil	370	Ltr	178	65,860
Mobil	160	Ltr	48	7,680
Diamond Gum	125	Kg	220	27,500
Retader	2,750	Ltr	135	371,250
Exetiter	120	Ltr	125	15,000
Adhesive Tape(Both side) -2"	48	Roll	40	1,920
Solvent/Thiner	18,750	Ltr	175	3,281,250
Hydrolic Oil	80	Ltr	150	12,000
Compassor Oil	72	Ltr	160	11,520
Nalco-2000	80	Kg	706	56,480
Greeze	60	Kg	105	6,300
Adhesive Gum(Glue)	5,250	Kg	26	136,500
Adhessive Tape-2"	84	Roll	42	3,528
Krapt Paper	81,450	Kg	60	4,887,000
Total				**390,039,013**

MAHFEL HUQ & CO. DHAKA Chartered Accountants

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20.00 Administrative Expenses: Tk. 28,599,927

This consists of the following:

AGM Expenses	144,106	-
Salary and Allowances	13,841,791	12,775,182
Directors Remuneration Note: 20.01	4,560,000	4,183,600
Directors Meeting Allowances Note: 20.02	79,000	70,879
Donation & Subscription	175,000	164,310
Credit Rating Fee	34,500	-
Entertainment	687,403	602,436
Fuel & Lubricant	339,561	266,428
Listing Fee	1,366,828	-
Traveling & Conveyance	552,296	513,854
Office Rent	600,000	266,897
Office Electricity, Wasa and Others Bill	456,720	413,827
Office Maintenance	201,213	134,060
Printing & Stationery	570,794	924,369
Postage & Telegram	107,918	-
Registration & Renewals	212,800	591,958
Telephone Bill	36,960	28,317
Legal Fee	45,000	25,100
Mobile Bill	302,050	563,720
Internet Bill	168,390	110,000
Audit Fees	115,000	100,000
RJSC Expenses	5,000	6,000
Vehicle Maintenance	1,311,792	1,141,008
Newspaper & Periodicals	16,500	16,700
Other Expenses	1,169,439	1,348,564
Depreciation	1,499,866	1,070,365
	28,599,927	**25,317,574**

20.01 Directors Remuneration Tk.4,560,000

Name of Director	Designation		
Tofayel Kabir Khan	Managing Director	1,182,000	990,000
Mohammed Enamul Kabir Khan	Chairman	877,200	806,400
Md. Ruhul Kabir Khan	Director	846,000	798,000
Hazrat ali	Director	721,200	721,200
Khairul Kabir Khan	Executive Director	933,600	868,000
Md. Zakirul Kabir Khan	Nominee Director	-	-
Mrs. Jarin Kabir Khan	Nominee Director	-	-
Mohammad Lukman	Independent Director	-	-
Mr. Utpal Dhar	Independent Director	-	-
		4,560,000	**4,183,600**

20.02 Directors Meeting Allowances Tk.79,000

Name of Director	Designation		
Tofayel Kabir Khan	Managing Director	13,000	9,500
Mohammed Enamul Kabir Khan	Chairman	13,000	9,500
Md. Ruhul Kabir Khan	Director	10,400	8,400
Hazrat ali	Director	7,200	8,400
Md. Zakirul Kabir Khan	Nominee Director	7,200	8,600
Mrs. Jarin Kabir Khan	Nominee Director	7,200	8,679
Mohammad Lukman	Independent Director	11,000	8,900
Mr. Utpal Dhar	Independent Director	10,000	8,900
		79,000	**70,879**

(a) No compensation was made to the Managing Director of the company except as stated above.

(b) No amount was spent by the company for compensating any member of the Board of Directors except as stated above.

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21.00 IPO Expenses: Tk. 0

This consists of the following:

Managers to Issue Fees	-	2,300,000
Fees Related to listing the Stock Exchange	-	-
BSEC Fees	-	-
IPO Related Bank Commission	-	8,317,900
CDBL fees and Expenses	-	219,625
Printing with Post Public offer expenses	-	3,314,705
Underwriters Commission	-	500,000
Post Issue Manager Fee	-	14,900,000
	-	**29,552,230**

22.00 Marketing, Selling & Distribution Expenses: Tk. 7,691,768

This consists of the following:

Sales Commission	2,081,400	1,965,300
Carriage Outward & Delivery	1,725,820	1,673,640
Advertisement	320,000	147,757
Fuel & Lubricants	1,010,089	943,677
Salary & Allowances	2,338,817	2,107,042
Toll Expenses	215,642	196,437
	7,691,768	**7,033,853**

23.00 Financial Expenses: Tk. 9,901,871

This consists of the following:

Bank Charges & Commission	279,862	209,677
Bank Interest on CC (hypo)	3,560,546	2,370,558
Interest & Charges on LTR	6,061,463	10,141,538
	9,901,871	**12,721,773**

24.00 Income Tax Expenses: Tk. 21,532,061

This has been arrived as under:

Current Tax Note- 17	15,736,099	17,766,391
Deferred Tax Note- 11	5,795,962	(7,033,018)
Income tax expenses	**21,532,061**	**10,733,373**

25.00 Non Operating Income : Tk. 67,521

This consists of the following:

Interest on IPO Subscription Fund	183,593	35,100,600
Gain/(Loss) on Foreign Currency Fluctuation	(396,534)	127,603
Interest on FDR fund	280,462	296,525
	67,521	**35,524,728**

26.00 Earnings Per Share: Tk. 1.29

	30-Jun-16	30-Jun-15

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	103,770,041	97,099,131
Number of ordinary share at the period end	80,327,500	69,850,000
Weighted average no. of Shares Note- 26.01	80,327,500	65,137,671
Earning per share	**1.29**	**1.49**

Earnings Per Share (Restated)

Profit after taxation	103,770,041	97,099,131
Weighted average no. of Shares Note-26.01	80,327,500	80,327,500
	1.29	**1.21**

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26.01 Weighted Average Number of shares: 80,327,500

Item	Number of Shares	Issue date	End Date	Days	Factor	Weighted Number
Balance	69,850,000	1-Jul-15	30-Jun-16	365	1.00	69,850,000
Stock Dividend	10,477,500	1-Jul-15	30-Jun-16	365	1.00	10,477,500
	80,327,500					
Weighted Average Number of Shares						**80,327,500**

*Previous year's EPS has been adjusted as per the requirement of BAS-33 "Earning per share".

27.00 Net Asset Value Per Share (NAVPS)

	2015-2016	2014-2015
Total Assets	1,233,155,778	1,149,399,044
Non-Current Liabilities+Current Liabilities	144,728,119	164,741,427
Net Assets Value(NAV) including Revaluation surplus	1,088,427,658	984,657,617
Number of ordinary shares outstanding	80,327,500	80,327,500
Net Assets Value(NAV) Per Share including Revaluation surplus	13.55	12.26
Net Assets Value(NAV) excluding Revaluation surplus	992,440,790	888,670,749
Net Assets Value(NAV) Per Share excluding Revaluation surplus	12.35	11.06

28.00 Cash flow per share from operating activities

Operating cash inflow/(outflow) during the period	869,027	44,823,931
Number of shares	80,327,500	65,137,671
	0.01	0.69
Cash Flows Per Share from Operating Activities (Restated)		
Operating cash inflow/(outflow) during the period	869,027	44,823,931
Number of shares	80,327,500	80,327,500
	0.01	0.56

29.00 The requirement of schedule XI part-II, Para 3 (a) : Turn Over

Turnover in BDT.	1,142,896,239	1,072,611,059
Turnover in Quantity	58,644,865	54,820,812

30.00 Information relating to Purchase, Production, Sale and Stock on Quantity Basis

Particulars	30-Jun-16 Total		30-Jun-15 Total	
Opening Stock				
Raw Materials	1568	MT	1271	MT
Finished Goods	66	MT	58	MT
Purchase				
Raw Materials	5505	MT	5312	MT
Production				
Finished Goods	5648	MT	5225	MT
Closing Stock				
Raw Materials	2235	MT	1568	MT
Finished Goods	76	MT	66	MT
Total available for Consumption/Sale				
Raw Materials	4838	MT	5225	MT
Finished Goods	5714	MT	5283	MT
Consumed/Sold				
Raw Materials	2603	MT	3657	MT
Finished Goods	5638	MT	5217	MT

31.00 Value of Import on CIF Basis

Import of raw materials (US Dollar)	12,450,375	11,862,519
Import of raw materials (BDT)	965,651,047	908,668,991

32.00 Value of Export on FOB Basis

Export of finished goods (US Dollar)	14,661,216	13,705,203
Export of finished goods (BDT)	1,138,129,029	1,052,790,435

33.00 Capacity and Capacity Utilization

Installed Capacity	Actual Capacity	Utilization
8.70 Crore Pieces of Different types of Bags	6.95 Crore Pcs	80.00%

34.00 General:

34.01 Capital Expenditure Commitment

There was no commitment for capital expenditure contracted or provided as on 30.06.2016.

34.02 Claims not Acknowledged

There is no claim against the Company acknowledged as debt as on 30.06.2016

34.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the year ended June 30, 2016

34.04 Directors Responsibility Statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

34.05 Employee Details:

i) During the year there were 428 employees employed for the full year and 162 employees less than the full year at a

ii) At the end of the period, there were 590 employees in the company.

ii) Each employees received salaries more than Tk. 5,000.00 per month

35.00 Event after Balance sheet date

There was no significant event between the cut of date and report signing date which would require adjustments to, disclosure in, the financial statements or notes thereto.

36.00 Financial Risk Management

The management of company has overall for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk
Liquidity Risk
Market Risk

Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place that are controlled and monitored in accordance with terms and conditions prescribed in export letter of credit. As at 30th June 2016 the entire part of the receivables are related to export of goods and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach in managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

(b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk . The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

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Khan Brothers PP Woven Bag Industries Ltd.

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

Schedule of Property, Plant and Equipment

For the year ended June 30, 2016

Annexure A

Particulars	COST/REVALUATION			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2016	Written down value as on 30.06.2015
	As at 01.07.2015	Addition During the year	As at 30.06.2016		As at 01.07.2015	Addition During the year	As at 30.06.2016		
Land & Land Development	99,430,849	-	99,430,849	0%	-	-	-	99,430,849	99,430,849
Building & Others Construction	190,140,897	13,575,600	203,716,497	5%	27,481,442	8,811,753	36,293,195	167,423,302	162,659,455
Plant & Machinery	398,589,404	-	398,589,404	10%	97,881,078	30,070,833	127,951,911	270,637,493	300,708,326
Generator & Electric Equipment	38,260,662	19,521,406	57,782,068	15%	23,667,348	5,117,208	28,784,556	28,997,512	14,593,314
Motor Vehicle	4,651,303	-	4,651,303	20%	3,430,231	244,214	3,674,445	976,858	1,221,072
Office Decoration & Fittings	5,252,235	5,670,650	10,922,885	10%	1,471,384	945,150	2,416,534	8,506,351	3,780,851
Furniture & Fixture	4,869,065	-	4,869,065	10%	1,764,046	310,502	2,074,548	2,794,517	3,105,019
	741,194,415	**38,767,656**	**779,962,071**		**155,695,529**	**45,499,660**	**201,195,189**	**578,766,883**	**585,498,886**

Depreciation Allocation:

Admin	1,499,866
Manufacturing	43,999,793
	45,499,660

Note: Land & Land Development represents only Land.

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