AUDITOR'S REPORT

&

AUDITED FINANCIAL STATEMENTS

OF

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED

KBG Tower, 15 Malibagh Chowdhurypara,
DIT Road, Dhaka-1219

FOR THE YEAR ENDED 30 JUNE 2023.

ARTISAN
Chartered Accountants

House # 7 (2nd Floor),
Road # 2/1,Block – L, Banani,
Dhaka- 1213, Bangladesh.

Independent Auditor's Report
and
Financial Statements
of

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED

As at and for the year ended 30 June 2023

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
Auditor's Report and Audited Financial Statements
For the year ended 30 June 2023

Table of Content

SL. No.	Particulars	Page No.
01	Independent Auditor's Report	1-8
02	Statement of Financial Position	9
03	Statement of Profit or Loss and other Comprehensive Income	10
04	Statement of Changes in Equity	11
05	Statement of Cash Flows	12
06	Notes to the Financial Statements	13-30
07	Schedule of Property, Plant & Equipment	31

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS' OF
KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
Report on the Audit of the Financial Statements

Qualified Opinion:

We have audited the financial statements of **Khan Brothers PP Woven Bag Industries Ltd.** (the "Company"), which comprise the Statement of Financial Position as at 30 June 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

Because of the significance of the matters described in the *Basis for Qualified Opinion section and Matter of Emphasis section* of our report, the accompanying financial statements of the Company *present fairly in all material respects of* the financial position of the company as at 30 June 2023 and It's operational performance & cash flows for the year then ended in conformity with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion:

1. The financial statement shows Inventories of Raw Materials Tk. 553,314,755, and Finished Goods of Tk. 44,145,422 (Total Tk. 597,460,177) as shown under note # 5.00 as on 30 June 2023, which are being carrying forward since last couple of years. Item wise breakup of which have been shown under note # 20.06 & 20.07. During our physical verification of those, we found significant deficiency therein. The amount of deficiency of Raw Materials and Finished Goods would be Tk. 377,875,557 & Tk. 29,162,428 respectively (Total Tk. 407,037,985) as per our calculation. Magnitude of which has been under stated Net loss of the company as well as Inventory, Net Assets and Retained Earning/Equity have also been overstated by the equivalent amount. We were also not provided with any copy of the annual audit report submitted by the office of Bond Commissioner despite of our repeated request though those were bonded stock.

2. The financial statement shows Tk. 140,887,199 against value of 461.5 decimal land in the name of the company under Land and Land Development and Tk. 150,173,388 against WDV of Building and Other Constructions, but we were not provided with any documents, statements, registers of those line items for our verification. During our visit to the factory it revealed that, other two factories in the name of i) Khan Brothers Bag Industries Ltd. and ii) Khan Brothers Marble & Granite Ltd. are established and operating in full swing within the same premises having single and common entry and approach road. As such we were unable to confirm whether the physical as well legal custody of those are lying to the company or not. Management of the company were also unable to provide sufficient appropriate audit evidence together with the original copies of ownership documents, khazna receipts, approved layout plan etc. for our review and satisfaction for providing our opinion, and conclude ourselves that, there are no undetected material misstatements in the financial statement in these regard using alternative approach.

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

3. The financial statement shows Export Bills Receivable Tk. 62,212,203 as on 30 June 2023 under note # 06, which have been carried forward from the year 2020-21 without any movement, against which no provision for bad debts have been created in the financial statements. Whereas the management were unable to produce us with any communication documents within a couple of year relating to follow up and progress for realization of the amount. Management were also unable to provide sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude ourselves using alternative approach that, there are no undetected material misstatements in the financial statement in this regard.

4. Cash and Cash Equivalent of the financial statement shows Fixed Deposits of Tk. 30,000,000 in Note # 08, lying with Peoples Leasing and Financial Services Ltd since long, in Note # 08. The scam of that NBFI is very widely known to all depositors and to the peoples in home and abroad, against which no provision for Impairment loss of the financial instrument have been recognized by the company as per IFRS-9.

5. The company have not paid any VAT and AIT against the Sub-Contact Income during the year according to the VAT Act 2012, Rule 2016 and Income Tax Ordinance 1984 and/Or Income Tax Act-2023. The amount of unpaid VAT on the revenue shown in the Financial Statement during the year under audit would be Tk. (100,942,193 X 15%) = Tk. 15,141,329, which is a misstatement as well as non-compliance of the related Acts & Rules We were also not provided with any copy of monthly VAT Return (Mushak-9.1) for the year under audit and annual income tax return.

6. The company have not yet introduced employee provident fund and Gratuity/Compensation benefit as per guideline of Bangladesh Labor Laws/Rules 2015, As such no provision have been made for these purpose, which is a non-compliance and misstatement in the financial statement.

Matter of Emphasis:

1. The company is not maintaining books of accounts, registers etc. properly as per section 181 of the Companies Act-1994, which are the obligation of the management of the company, and also not submitting VAT Returns, Mushak 9.1 and Annual Income Tax Returns regularly which are major noncompliance of Companies Act-1994, VAT Act & Rule 2012 and Income Tax Ordinance 1984 and/or Income Tax Act 2023.
2. To the best of our understanding the company is running through subcontract works on cancellation of export orders. Recovery from the finished goods as showing in the financial statements is looking very remote and insignificant. The company is suffering from severe working capital crisis which has laid down the company's dependency on the related party subcontract works. All those have ultimately created going concern threats to the company though the financial statement of the company has prepared by considering it as a going concern, but we were not provided with any written management plan to effectuate and ensuring this. Notwithstanding our opinion on the financial statements, we would recommend to set up proper management plan in this regard ensure going concern of the entity.
3. The financial statement shows Revenue of 100,942,193 during the year under audit from Sub-Contact work of manufacturing bags for the buyers of Khan Brothers Bag Industries Ltd. and realization of Tk. 74,349,794 but we were unable to trace those amount of realization, since those were realized in cash instead of receiving through bank as revealed from the bank statement produced to us by the company. Without modifying our opinion, we would advise the management to use banking channel for the financial transactions

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Valuation of Property, Plant and Equipment (PPE)	
The carrying value of the PPE amounted to BDT 480,944,696 as at 30th June 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements. Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.	Our audit included the following procedures: • We reviewed the opening balances of PPE which was audited by another auditors including assessed the addition during the year under our audit, checked the related accounting treatment and associated deferred tax as recognized by the company. • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent; • We obtained a details of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals; • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price; • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the classification from capital in progress to ready for use, with the date of the act of completion of the work. • We have visited the factory and observe the fixed assets but management could not produce any register, statements of those to cross check physically. ***[See note number 3.00 for details]***

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

Impairment of Property, Plant and Equipment	
The economic climate and levels of competition remain challenging for the Company. The Company has completed a Strategic Review and as a result has decided to close or curtail some of its operations. There is therefore a risk that the impairment charge may be misstated. Determining the level of impairment involves forecasting and discounting future cash flows and estimation of recoverable amounts which are inherently uncertain. This is one of the key judgmental areas that our audit has concentrated on.	Our audit procedures including, among others, considering the impairment risk associated with the following different types of asset: • Assets within factory area and in the office which continue to trade - we critically assessed and challenged the Company's impairment model. The included consideration of the discounted cash flow forecasts on a shop by shop basis and assessing the cash flow forecasts against the historical performance of those shops and against similar national retailers. We also recalculated the impairment model of assess the sensitivity of the key assumptions including growth rate and discount rate; • Fixtures and fitting within the premises which had either been closed or were identified by the Company for closure – we critically assessed the Company's identification of assets that were obsolete, using our experience of the Company and review of historical experience, whether such assets have any recoverable value; • Land and buildings which had been identified as surplus to requirements, or where development plans had been aborted – We considered whether such assets had been written off or impaired where necessary down to their recoverable amounts. • We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in the determining the amount of impairment and the sensitivity to key assumptions involved.

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

Measurement of Deferred Tax Assets	
The Company reported net deferred tax assets to totaling BDT as at 30,475,749. Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	• We obtained an understanding, evaluated the design and tested the operational effectiveness of the company over the recognition and measurement and the assumptions used in estimating the future taxable income. • We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. • We involved our tax expertise to assess key assumptions, controls, recognition and measurement of Taxes. • Finally, assessed the appropriateness and presentation of disclosure against IAS 12 Income Tax. ***[See note number 13.00 for details]***
Revenue Recognition	
At year end the Company reported total revenue of BDT 100,941,193, comprising with Subcontract Income Tk. 100,941,193. Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales.	We have tested the design and operating effectiveness of key controls focusing on the following: ➢ Calculation of discounts, incentives and rebates; ➢ Segregation of duties in invoice creation and modification; and ➢ Timing of revenue recognition. Our substantive procedures in relation to the revenue recognition comprises the following: ➢ Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; ➢ Critically assessing manual journals posted to revenue to identify unusual or irregular items; and ➢ Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards. ***[See note number 19.00 for details]***

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

Employee Benefits:	
(a) Short-term employee benefits, such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services: (i) wages, salaries and social security contributions; (ii) paid annual leave and paid sick leave; (iii) profit sharing and bonuses; and (iv) non-monetary benefits (such as medical care, housing, cars and free of subsidized goods or services) for current employees; (b) Other long-term employee benefits, such as following: (i) long-term paid absences such as long-service leave. (ii) jubilee or other long-service benefits; and (iii) long-term disability benefits; and (c) Termination benefits	The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize; (a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and (b) an expense when the entity consumes the economic benefit arising from service provided by (c) an employee in exchange for employee benefits.

Other information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C,
Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, without modifying our basis for qualified opinion and emphasis of matters, we also report that:

- We have obtained all the information and explanations except for those mentioned under the basis for qualified opinion and emphasis of matters, which to the best of our knowledge and belief were necessary for the purpose of our audit opinion and made due verification thereof;
- In our opinion, proper books of accounts, records and other statutory books as required by law except for those mentioned under the basis for qualified opinion and emphasis of matters have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit;
- The 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 returns;
- The expenditures incurred were for the purpose of the Company's business.

27 Nov 2023
Dhaka, Bangladesh
DVC: 2311270697AS953347

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

Sonargaon Terrace (2nd floor), House # 52, Road # 13/C, Block # E, Banani, Dhaka-1213, Bangladesh.
hrashidfca.artisan@gmail.com
thamina.artisan@gmail.com

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF FINANCIAL POSITION
As on June 30, 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
ASSETS:			
Non -Current Assets (A)			
Property, Plant and Equipments	3	480,944,696	511,814,855
Investment in Share	4	1,050,000	1,050,000
Total Non -Currents Assets		**481,994,696**	**512,864,855**
Current Assets (B)			
Inventories	5	597,579,917	597,555,933
Trade and other Receivables	6	88,992,129	62,400,730
Advances, Deposits & Pre-Payments	7	12,082,529	11,938,689
Cash and Cash Equivalents	8	60,199,881	63,497,454
		758,854,456	**735,392,807**
Total Assets (A+B)		**1,240,849,152**	**1,248,257,662**
EQUITY AND LIABILITIES:			
Shareholder's Equity (C)			
Share Capital	9	980,798,770	980,798,770
Revaluation Reserve	10	88,647,297	88,815,155
Retained Earnings	11	94,821,411	101,002,773
Total shareholders' Equity		**1,164,267,479**	**1,170,616,698**
LONG TERM LIABILITIES (D)			
Non Current Portion of Long Term Loan	12	15,824,894	18,594,871
Deferred Tax Liability	13	30,475,749	30,365,508
Total Long Term Liabilities		**46,300,643**	**48,960,379**
Current Liabilities (E)			
Trade and other Payables	14	-	125,777
Current Portion of Long Term Loan	15	8,585,868	8,605,868
Accrued Expenses	16	5,642,204	4,560,925
Provision for Taxation	17	14,580,625	13,682,984
Dividend Payable	18	1,472,333	1,705,031
Total Current Liabilities		**30,281,030**	**28,680,585**
Total Shareholder's Equity and Liabilities (C+D+E)		**1,240,849,152**	**1,248,257,662**
Net Asset Value Per Share including Revaluation Surplus	27	**11.87**	**11.94**
Net Asset Value Per Share excluding Revaluation Surplus	27	**10.97**	**11.03**

These Fiinancial Statements should be read in conjunction with the annexed note No. 1 to 36 which are an integral part of these financial statements and were approved by the board of directors and were signed on its behalf by:

Chief Financial Officer
Azizul Jabbar

Company Secretary
Tapan Kumar Sarker

Director
Md. Ruhul Kabir Khan

Managing Director
Tofayel Kabir Khan

Chairman
Mohammed Enamul Kabir Khan

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

27-Nov-2023
Dhaka, Bangladesh
DVC: 2311270697AS953347

ARTISAN Dhaka Chartered Accountants

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year ended 30 June, 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Revenue			
Turnover/Sub-Contract Revenue	19	100,941,193	91,064,046
Less: Cost of Sales/Service	20	89,032,245	80,246,756
Gross Profit		**11,908,948**	**10,817,290**
Operating Expenses:		**15,711,445**	**19,670,449**
Administrative Expenses	21	13,963,952	18,143,428
Marketing,Selling and Distribution Expenses	22	1,747,493	1,527,020
Operating Profit/(Loss)		**(3,802,497)**	**(8,853,159)**
Add: Non Operating Income	25	1,167,979	1,870,731
Less : Financial Expenses	23	2,706,818	8,886,754
Net Income/ (Loss) before Tax		**(5,341,336)**	**(15,869,182)**
Provision for Income Tax	24	**1,007,883**	**2,217,403**
Current Tax	17	897,642	1,014,067
Deferred Tax	13	110,241	1,203,336
Net Profit/ (Loss) after Tax		**(6,349,219)**	**(18,086,585)**
Earnings Per Share	26	**(0.06)**	**(0.18)**

These Financial Statements should be read in conjunction with the annexed note No. 1 to 36 which are an integral part of these financial statements and were approved by the board of directors and were signed on its behalf by:

Chief Financial Officer
Azizul Jabbar

Company Secretary
Tapan Kumar Sarker

Director
Md. Ruhul Kabir Khan

Managing Director
Tofayel Kabir Khan

Chairman
Mohammed Enamul Kabir

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

27-Nov-23
Dhaka, Bangladesh
DVC: 2311270697AS953347

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

ARTISAN Dhaka Chartered Accountants

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June, 2023

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July, 2022	**980,798,770**	**88,815,155**	**101,002,773**	**1,170,616,698**
Net Income for the year	-	-	(6,349,219)	(6,349,219)
Dividend for the year	-	-	-	-
Dep. on Revaluation Surplus	-	(167,858)	167,858	-
Balance as on 30 June, 2023	**980,798,770**	**88,647,297**	**94,821,411**	**1,164,267,479**

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June, 2022

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July, 2021	**980,798,770**	**88,999,254**	**132,611,274**	**1,202,409,297**
Net Income for the year	-	-	(18,086,585)	(18,086,585)
Dividend for the year	-	-	(13,706,014)	(13,706,014)
Dep. on Revaluation Surplus	-	(184,098)	184,098	-
Balance as on 30 June, 2022	**980,798,770**	**88,815,155**	**101,002,773**	**1,170,616,698**

These Financial Statements should be read in conjunction with the annexed note No. 1 to 36 which are an integral part of these financial statements and were approved by the board of directors and were signed on its behalf by:

Chief Financial Officer
Azizul Jabbar

Company Secretary
Tapan Kumar Sarker

Director
Md. Ruhul Kabir Khan

Managing Director
Tofayel Kabir Khan

Chairman
Mohammed Enemul Kabir Khan

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

27-Nov-23
Dhaka, Bangladesh
DVC: 2311270697AS953347

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

ARTISAN Dhaka Chartered Accountants

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

STATEMENT OF CASH FLOWS

For the Year ended 30 June, 2023

Particulars	Amount in Taka	
	30 June, 2023	30 June, 2022
A. Cash Flows from Operating Activities :		
Collection from Turnover	74,349,794	91,550,536
Payment to suppliers and creditors for expenses	(73,085,853)	(34,450,035)
Payment for Financial Expenses	(2,706,818)	(8,886,754)
Payment for Income Tax	-	(1,062,106)
Add: Receipt From Other Sources	1,167,979	1,840,988
Add: Gain/(Loss) on Foreign Currency Fluctuation	-	29,743
Net cash generated from operating activities	**(274,899)**	**49,022,372**
B. Cash flow from Investing Activities:		
Acquisition of Property, Plant & Equipment	-	-
Net cash used in Investing Activities	-	-
C. Cash flow from Financing Activities:		
Receipts from ordinary shares issued	-	-
Payment of Cash Dividend	(232,698)	(13,220,604)
Payment of Unclaimed Dividend to Capital Market Stabilization Fund	-	(365,953)
Payment of IPO Fund to Capital Market Stabilization Fund	-	(5,008,500)
Short term loan Received/(Re-paid)	(20,000)	(51,318,918)
Long term loan Received/(Re-paid)	(2,769,977)	831,293
Net cash used in financing activities	**(3,022,675)**	**(69,082,682)**
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	**(3,297,573)**	**(20,060,310)**
E. Opening Cash and Cash Equivalent	63,497,454	83,557,764
F. Ending Cash and Cash Equivalent (D+E)	**60,199,880**	**63,497,454**
Net Operating Cash flows per Shares (NOCFPS)	**(0.00)**	**0.50**

These Financial Statements should be read in conjunction with the annexed note No. 1 to 36 which are an integral part of these financial statements and were approved by the board of directors and were signed on its behalf by:

Chief Financial Officer
Azizul Jabbar

Company Secretary
Tapan Kumar Sarker

Director
Md. Ruhul Kabir Khan

Managing Director
Tofayel Kabir Khan

Chairman
Mohammed Enamul Kabir Khan

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

27-Nov-23
Dhaka, Bangladesh
DVC: 2311270697AS953347

ARTISAN Dhaka Chartered Accountants

Md. Harun Or Rashid FCA (697)
Partner
ARTISAN
Chartered Accountants

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

Notes to the Financial Statements

As on and for the year ended June 30, 2023

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. The company is listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and its shares are traded in the regular market.

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 assumption following accrual basis of accounting in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), The Companies Act 1994 and Securities and Exchange Rules, 1987.

2.02 Other regulatory compliances

In addition the Company also complied with the following laws and regulations.
The Income Tax Ordinance, 1984
The Income Tax Rules, 1984
The Value Added Tax Act, 2012
The Value Added Tax Rules, 2012
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 International Accounting Standards (IASs) 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 IAS-1 for fair presentation of financial statements.

ARTISAN Dhaka Chartered Accountants

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 covered the period from July 01, 2022 to June 30, 2023 of the following year.

2.07 Provisions, Contingent Liabilities and Contingent Assets

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

a. When the company has an obligation (legal or constructive) a sufficient provision supposed to be kept;

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 IAS 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 IAS-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 IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation:

IAS 1 Presentation of Financial Statements
IAS 2 Inventories
IAS 7 Statement of Cash Flows
IAS 8 Accounting Policies Changes in Accounting Estimate and Errors
IAS 10 Events after the Reporting Period
IAS 12 Income Taxes
IAS 16 Property Plant & Equipment
IFRS 9 Financial Instruments
IAS 19 Employees Benefits

ARTISAN Dhaka Chartered Accountants

IAS 21 The Effect of Changes in Foreign Exchange Rate
IAS 23 Borrowing Cost
IAS 33 Earnings Per Share
IAS 36 Impairment of Assets
IAS-37 Provisions, Contingent Liabilities and Contingent Assets,
IFRS 8 Segment Reporting's
IFRS 15 Revenue from contract with customers
The other 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 1AS 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 **G.KIBRIA & CO.** Chartered Accountants, an independent value.

Revaluation surplus of Tk. 97,975,485 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 IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Particulars	30-Jun-23	30-Jun-22
Land and Land Development	0%	0%
Building and other Constriction	5%	5%
Plant and Machinery	10%	10%
Generator and Electric Equipment	15%	15%
Motor Vehicle	20%	20%
Office Decoration and Fittings	10%	10%
Furniture and Fixture	10%	10%

2.15 Impairment of assets

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

ARTISAN Dhaka Chartered Accountants

2.16 Revenue Recognition

Revenue has been recognized as per IFRS 15: Revenue from contract with customers under 05 (five) step approach of recognizing revenue. According to the core principal of IFRS15, the entity has recognized revenue to the depict transfer of promise goods or service to custom in an amount that reflects the consideration (payment) to which the entity expects to be entitled in exchanging for those goods or services.

05 (five) step approach applied are as follows:

i. Identify the contract
ii. Identify the separate performance obligation
iii. Determine the transaction price
iv. Allocate the price to the performance obligations
v. Recognize revenue.

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 comprise of raw materials, finished yarn, stores, spares & packing materials, store- in – transit and work – in – process. They are stated at the lower of cost and net realizable value in accordance with IAS 2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost formula. Net realizable value is determined after deducting the estimated cost of completion and/or cost to be incurred for effecting the sale from sales price.

2.19 Income Tax

Provision for Tax

A provision for Taxation @ 0.60% on Turnover due to incurring loss by the company during the year under audit.

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date. The company has recognized Deferred Tax as per provision of IAS-12 (Income Taxes).

2.20 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-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 IAS-23 "Borrowing Cost".

2.22 Foreign currency transactions

The financial statements are presented in Taka/Tk./BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Assets and liabilities outstanding at 30 June 2021 denominated in foreign currencies have been shown in Taka at the rate in terms of foreign currencies ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

2.23 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.

ARTISAN Dhaka Chartered Accountants

2.23.1 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 IAS 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. IAS 1 ``Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provision of IAS 7 & IAS 1, Cash in Hand & Bank Balances including FDR have been treated as Cash and 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.

2.23.2 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 its 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.

2.24 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 IAS 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, bounses 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 and after charging of such WPPF to these funds and payment is made to the workers as per provisions of Labor Act 2006 as amended in 2013.

ARTISAN Dhaka Chartered Accountants

2.25 Related Party Disclosures

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

During the year the company did not have any transactions with related party other than payment to directors disclosed in note # 21.01 to the financial statements.

2.26 Segment Reporting

No segmental reporting is applicable for the company as required by IFRS 8: "Segment Reporting" as the company operates in a single industry segment. Though the company has some local sale but this is very insignificant as such the geographical territory has also been considered single.

2.27 Earnings Per Share

This has been calculated in compliance with the requirements of IAS 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 year earnings as well to confirm the current year presentation.

2.28 Non-operating Income

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

2.29 General

a) The figures appearing in these financial statements are expressed in Taka currency and rounded off to the nearest Ta
b) Previous year's figures have been rearranged, where necessary, to confirm to current year's presentation.

ARTISAN Dhaka Chartered Accountants

	Amount in Taka	
	30 June 2023	30 June 2022

3.00 Property, Plant and Equipments: Tk. 480,944,696

This includes the written down value as on 30 June, 2023. Break up of the PPE is as follows :

Land & Land Development	140,887,199	140,887,199
Building & Other Construction	150,173,388	158,077,251
Plant & Machinery	166,107,514	184,563,904
Generator & Electric Equipment	9,295,938	10,936,397
Motor Vehicle	9,075,487	11,344,359
Office Decoration & Fittings	4,068,561	4,520,623
Furniture & Fixture	1,336,609	1,485,121
Total	**480,944,696**	**511,814,855**

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
Total		**1,050,000**	**1,050,000**

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

5.00 Inventories Tk. 597,579,917

Break-up of this item is as follows:

Finished Goods	44,145,422	44,145,422
Raw Materials	553,314,755	553,314,755
Store Materials	119,740	95,756
Total	**597,579,917**	**597,555,933**

Inventories in hand have been valued at lower of cost and net realizable value as per IAS-2. All Inventories are hypothecated against financial facilities enjoying form banks and imported under bonded facilities.

6.00 Trade and other Receivables: Tk. 88,992,129

Break-up of this item is as follows:

Export Bills Receivable	62,212,203	62,212,203
Khan Brothers Bag Industries Ltd.	26,779,926	143,450
Ashirbad Syndicate	-	10,820
Kazi Agro	-	11,725
Mehera Corporation	-	13,912
S N Traders	-	8,620
Total	**88,992,129**	**62,400,730**

These are considered good.

6.01 Ageing of Receivables: Tk. 62,400,730

Dues up to 60 days	188,527	188,527
Dues Over 60 days	62,212,203	62,212,203
Total	**62,400,730**	**62,400,730**

6.02 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.	88,992,129	62,355,653
Receivable considered good in respect of which the company holds no security other than the debtor personal security.	-	45,077
Receivables considered doubtful bad.	-	-
Total	**88,992,129**	**62,400,730**

ARTISAN Dhaka Chartered Accountants

7.00 Advances, Deposits & Pre-Payments: Tk. 12,082,529

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	10,790,029	10,566,189
CDBL-Security deposit		500,000	500,000
Advance against Purchase		-	120,000
Salary Advance		95,000	55,000
Total		**12,082,529**	**11,938,689**

7.01 Advance Income Tax Tk. 10,790,029

This consist of the following:

Opening Balance	10,566,189	10,278,807
Advance Tax on other Income (Interest Income)	-	4,167
Advance Tax on FDR Interest Income & others	223,840	283,215
Total	**10,790,029**	**10,566,189**

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

Advance, Deposit & Pre-payments exceeding 6 Months and considered good and secured	11,987,529	11,763,689
Advance, deposit & Pre-payments considered good without security	-	-
Advance, deposit and pre-payments due by directors or others officers	95,000	175,000
Total	**12,082,529**	**11,938,689**

8.00 Cash and Cash Equivalents: Tk. 60,199,881

This consist of the following balances;

Cash in hand	**1,745,350**	**864**
Cash at Banks:		
Jamuna Bank Ltd.-CD-6233	-	-
Mutual Trust Bank Ltd.-CD-11251	8,168	8,106
Mutual Trust Bank Ltd.-STD-2508	9,034	13,184
Mutual Trust Bank Ltd.-CD-0002-0210029939	1,457,577	1,693,965
FDR (Mutual Trust Bank Ltd.)	24,980,878	29,865,598
FDR (Jamuna Bank Ltd.)	1,998,874	1,915,737
FDR (People's Leasing And Financial Services Ltd.)	30,000,000	30,000,000
	58,454,531	**63,496,590**
Total	**60,199,881**	**63,497,454**

9.00 Share Capital: Tk. 980,798,770

	30 June 2023	**30 June 2022**
This represents the followings:		
Authorized Capital:		
150,000,000 ordinary Shares of tk 10/= each	1,500,000,000	1,500,000,000
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
34,579,877 Ordinary Shares Issued as Bonus (Note: 09.01)	345,798,770	345,798,770
Total	**980,798,770**	**980,798,770**

9.01 Bonus share Capital Tk. 345,798,770

Opening Balance		
34,579,877 Ordinary Shares Issued as Bonus	345,798,770	345,798,770
Total	**345,798,770**	**345,798,770**

ARTISAN Chartered Accountants Dhaka

9.02 The position of shareholding as on 30 June 2023 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2022-2023	Percentage of Share Holding 2021-2022
Sponsor	5	29,549,807	30.13%	30.13%
Directors other than Sponsor	-	-	-	-
General Public	6,844	31,239,845	31.85%	42.24%
Investor's A/c	-	-	-	-
Institutes	300	37,290,225	38.02%	27.63%
Total	**7,149**	**98,079,877**	**100%**	**100%**

9.03 Classification of Shareholding by Holding :

Holdings	Numbers of Holders		Shareholdings %	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Less than 500 Shares	2,167	1,692	0.50%	0.35%
501 to 5,000	3,775	3,772	6.42%	7.35%
5,001 to 10,000	522	780	4.09%	6.08%
10,001 to 20,000	290	460	4.32%	6.81%
20,001 to 30,000	131	172	3.33%	4.45%
30,001 to 40,000	58	89	2.08%	3.19%
40,001 to 50,000	42	56	1.96%	2.64%
50,001 to 100,000	84	107	6.13%	7.65%
100,001 to 1,000,000	70	55	17.19%	10.00%
Over 1,000,000	10	7	53.98%	51.48%
Total	**7,149**	**7,190**	**100%**	**100%**

9.04 Market Price:

The shares of the company are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.Quoted market price was Tk. 23.20 at Dhaka Stock Exchange Limited and Tk. 23.20 at Chittagong Stock Exchange Limited as on 30 June 2023.

10.00 Revaluation Reserve: Tk. 88,647,297

This is made up as follows:

Opening balance		88,815,155	88,999,254
Dep. On Revaluation Surplus (Net off Deferred Tax)		(167,858)	(184,098)
Total		**88,647,297**	**88,815,155**

11.00 Retained Earnings Tk. 94,821,411

This is made up as follows:

Opening Balance		101,002,773	132,611,274
Net Income/ (Loss) for the year		(6,349,219)	(18,086,585)
Dividend for the year		-	(13,706,014)
Depreciation on Revaluation Surplus (Net off Deferred Tax)	Note:11.01	167,858	184,098
Closing Balance		**94,821,411**	**101,002,773**

11.01 Depreciation on Revaluation Surplus (Net off Deferred Tax)

Excess Depreciation of Revalution Reserve		197,480	216,586
Less: Deferred Tax (15%)		29,622	32,488
Total		**167,858**	**184,098**

12.00 Non Current Portion of Long Term Loan: Tk. 15,824,894

This is made up as follows:

MTBL A/C No: 21113002819 Total Term Loan	24,410,762	
Less: Current portion of Long term Loan	8,585,868	
Non Current Portion of Long Term Loan	**15,824,894**	**18,594,871**

This represent loan from Mutual Trust Bank Ltd. against import pf machinery which is repayble within three years. The loan is secured against hypothecation of machinery. Balance of Term Loan Secured Tk. 24,410,762 has been allocated as Non Current Portion Tk. 15,824,894 & Current Portion Tk. 8,585,868 which has been shown under note no: 15.

ARTISAN Dhaka Chartered Accountants

13.00 Deferred Tax Liability Tk. 30,475,749

This has been arrived as under:

A. Temporary difference:			
Carrying Amount of PPE		340,057,497	370,927,656
Tax Base Value of PPE		128,721,317	160,150,928
Taxable Timing Differences		**211,336,181**	**210,776,729**
Tax rate (25%)		25.00%	25.00%
Deferred Tax Liabilities Closing Balance (A)	Note- 13.01	**27,104,866**	**26,965,003**
Less: Opening balance of Deferred Tax Liabilities		26,965,003	25,729,179
Deferred Tax Expenses (C)		**139,863**	**1,235,824**
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: (B)		**3,370,883**	**3,400,505**
Land		1,988,617	1,988,617
Other than Land (After adjustment of Deferred tax)		1,382,266	1,411,888
Less: Opening Deferred Tax Liabilities:		**3,400,505**	**3,432,993**
Land		1,988,617	1,988,617
Other than Land		1,411,888	1,444,376
Deferred Tax Income/ Expense (D)		**29,622**	**32,488**
Deferred Tax Liabilities at the end of the year (A+B)		**30,475,749**	**30,365,508**
Total Deferred Tax Income/Expense (C+D)		**110,241**	**1,203,336**

The company has recognised deferred tax in accordance with the International Accounting Standard 12 (IAS). 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 recognised Deferred Tax on revaluation reserve from land as per provision of IAS-12 (Income Taxes).

13.01 Calculation of Deferred Tax

Particulars	Carrying amount	Tax base	Taxable Differences	DTL/(DTA) Upto 30.06.2022	Deferred Tax Expenses/(Income) for the year	DTL/(DTA)as on 30.06.2023
Building & Others Construction	150,173,388	40,747,708	109,425,680	13,944,552	570,766	14,515,319
Plant & Machinery	166,107,514	67,910,573	98,196,941	12,548,830	(369,687)	12,179,143
Generator & Electric Equipemnts	9,295,938	5,582,378	3,713,560	471,621	(61,216)	410,404
Motor Vehicle	9,075,487	9,075,487	-	-	(0)	(0)
Office Decoration & Fittings	4,068,561	4,068,561	-	-	0	0
Furniture & Fixture	1,336,609	1,336,609	-	-	-	-
Total	**340,057,497**	**128,721,317**	**211,336,181**	**26,965,003**	**139,863**	**27,104,866**

14.00 Trade and other Payables: Tk. 0

This is made up as follows:

Bills Payable	Note- 14.01	-	125,777
Total		**-**	**125,777**

14.01 Bills Payable: Tk. 0

This is made up as follows:

Desh Electric Co.		50,125
Janata Machinery		75,652
Total	**-**	**125,777**

ARTISAN Dhaka Chartered Accountants

15.00 Current Portion of Long Term Loan: Tk. 8,585,868

This is made up as follows:

MTBL A/C No: 21113002819 Total Term Loan	24,410,762	
Less: Non Current Portion of Long Term Loan	15,824,894	
Current portion of long term loan	**8,585,868**	**8,605,868**

Balance of Term Loan (Secured) Tk. 24,410,762 has been allocated as Non Current Portion Tk. 15,824,894 shown under Note no: 12 & Current portion Tk. 8,585,868

16.00 Accrued Expenses Tk. 5,642,204

This is made up as follows:

Factory Electricity Bill	60,797	58,316
Factory Gas Bill	263,477	372,348
Audit Fee Payable	172,500	172,500
Annual Listing fee payable	980,798	980,798
CDBL Fees Payable	106,000	106,000
Telephone Bill	1,975	1,945
Internet Bill	12,650	12,650
Printing Bill	-	9,800
Office Electricity, Wasa & Others	97,456	87,455
Salary and Allowance	275,300	633,239
Wages & salary	3,671,251	2,125,874
Total	**5,642,204**	**4,560,925**

17.00 Provision for Tax: Tk. 14,580,625

This has been arrived as under:

Opening Balance	**13,682,984**	**13,731,022**
Provision during the year:		
Tax charge during the period on Turnover	605,647	546,384
Tax charge during the period on Non Operating Income	291,995	467,683
	897,642	**1,014,067**
Less :Adjusted/ Payment during the period:		
Payment	-	1,062,106
	-	**1,062,106**
Closing Balance	**14,580,625**	**13,682,984**

18.00 Dividend Payable : Tk. 1,472,333

	Opening Payable	Paid during the Period	Balance on'30 June 2023	Balance on'30 June 2022
Dividend-2020	1,209,024	116,360	1,092,664	1,209,024
Dividend-2022 (Interim)	496,007	116,339	379,668	496,007
Total	**1,705,031**	**232,699**	**1,472,333**	**1,705,031**

19.00 Turnover: Tk. 100,941,193

The above Turnover comprises with the following:

Export	-	-
Local Sales	-	614,500
Sub-Contract Revenue	100,941,193	90,449,546
Total	**100,941,193**	**91,064,046**

*As per Sub-Contract agreement executed between Khan Brothers PP Woven Bag Ind. Ltd. & Khan Brothers Bag Ind. Ltd. on 22nd June, 2021 as per Board Resolution dated 17th June, 2021

ARTISAN Dhaka Chartered Accountants

20.00 Cost of Sales/Service: Tk. 89,032,245

This has been arrived as under:

Opening Work-in-Process		-	17,925,222
Raw materials consumed		-	-
Wages & Salaries	Note- 20.02	44,152,456	36,545,620
Manufacturing overhead	Note- 20.03	44,879,789	43,701,136
Less: Closing Work-in-Process		-	-
Cost of Production/Services		**89,032,245**	**98,171,978**
Opening stock of Finished Goods		44,145,422	26,220,200
Cost of Goods Available for Sale/Service		**133,177,667**	**124,392,178**
Closing stock of Finished Goods		(44,145,422)	(44,145,422)
Cost of Sales/Service		**89,032,245**	**80,246,756**

20.01 Raw Materials Consumed: Tk. 0

This is made up as follows:

Opening Stock	Note- 20.04	553,314,755	553,314,755
Add: Purchase during the Year	Note- 20.05	-	-
		553,314,755	**553,314,755**
Less: Closing Stock	Note- 20.06	(553,314,755)	(553,314,755)
Raw Materials Consumed during the year		**-**	**-**

20.02 Wages & Salaries: Tk. 44,152,456

This consists of the following:

Wages & Salary	44,152,456	33,945,560
Overtime & Incentive	-	2,600,060
Total	**44,152,456**	**36,545,620**

20.03 Manufacturing Overhead: Tk. 44,879,789

This consists of the following:

Workers Food Allowance	1,152,453	942,560
Electricity Bill	837,557	725,962
Gas Bill	2,548,876	2,208,449
Diesel for Generator	685,540	998,545
Spare Parts	1,540,304	1,886,309
Factory Maintenance	1,685,142	1,125,655
Machinery Maintenance	2,044,745	1,347,560
Electric Materials	1,802,748	999,850
Daily Labor	1,278,452	934,560
Worker Transport Expenses	1,591,552	825,650
Medical Expenses	437,450	114,568
Hardware Materials	1,274,257	834,560
Depreciation	28,000,713	30,756,908
Total	**44,879,789**	**43,701,136**

ARTISAN Dhaka Chartered Accountants

20.04 Opening Stock of Raw Materials: Tk. 553,314,755

Item wise break up of stock have been given below;

Particulars	Qty/Pcs/Lot	Unit		Unit Price	Total (Tk.)
PP Yarn Grade	64,598	Pcs		3,893	251,504,654
CaCo3	11,584	Pcs		1,595	18,475,702
HDPE	24,200	Pcs		3,303	79,931,177
LDPE	18,320	Pcs		3,946	72,285,881
LLDPE	16,656	Pcs		3,748	62,422,821
Omagh CaCo3	1,932	Pcs		2,215	4,279,700
Master Batch(White)	1,862	Pcs		3,803	7,080,717
Master Batch(Red)	912	Pcs		4,430	4,040,160
Master Batch(Blue)	400	Pcs		4,250	1,700,000
Master Batch(Beige)	1,030	Pcs		4,280	4,408,400
Master Batch(Yellow)	286	Pcs		4,150	1,186,900
Master Batch(Green)	1,450	Pcs		4,320	6,264,000
Master Batch(Orange)	1,242	Pcs		4,225	5,247,450
PP Lamination	4,604	Pcs		4,220	19,428,880
Sweing Thread	10,272	Kg		198	2,031,829
Poly Tape	1,204	Roll		355	427,420
PP Clip	1,053	Pkt		75	78,975
Printing Ink	6,951	Kg		308	2,138,555
Sweing Oil	719	Ltr		175	125,825
Gear Oil	652	Ltr		181	118,012
Mobil	2,373	Ltr		76	180,084
Diamond Gum	200	Kg		221	44,200
Retader	3,376	Ltr		136	459,136
Exetiter	240	Ltr		126	30,240
Adhesive Tape(Both side) -2"	390	Roll		45	17,550
Solvent/Thiner	25,304	Ltr		189	4,791,976
Hydrolic Oil	476	Ltr		155	73,780
Compassor Oil	67	Ltr		165	11,055
Nalco-2000	57	Kg		709	40,412
Greeze	15	Kg		107	1,617
Adhesive Gum(Glue)	3,151	Kg		29	91,379
Adhessive Tape-2"	51	Roll		48	2,440
Krapt Paper	66,573	Kg		66	4,393,830
Total					**553,314,755**

20.05 Purchase Raw Materials: Tk. 0

Item wise break up of purchase have been given below;

Particulars	Qty/Pcs/Lot		Unit		Unit Price	Total (Tk.)
Total						-

ARTISAN Chartered Accountants Dhaka

20.06 Closing Stock of Raw Materials: Tk. 553,314,755

Particulars	Qty/Pcs/Lot	Unit		Unit Price	Total (Tk.)
PP Yarn Grade	64,598	Pcs		3,893	251,504,654
CaCo3	11,584	Pcs		1,595	18,475,702
HDPE	24,200	Pcs		3,303	79,931,177
LDPE	18,320	Pcs		3,946	72,285,881
LLDPE	16,656	Pcs		3,748	62,422,821
Omagh CaCo3	1,932	Pcs		2,215	4,279,700
Master Batch(White)	1,862	Pcs		3,803	7,080,717
Master Batch(Red)	912	Pcs		4,430	4,040,160
Master Batch(Blue)	400	Pcs		4,250	1,700,000
Master Batch(Beige)	1,030	Pcs		4,280	4,408,400
Master Batch(Yellow)	286	Pcs		4,150	1,186,900
Master Batch(Green)	1,450	Pcs		4,320	6,264,000
Master Batch(Orange)	1,242	Pcs		4,225	5,247,450
PP Lamination	4,604	Pcs		4,220	19,428,880
Sweing Thread	10,272	Kg		198	2,031,829
Poly Tape	1,204	Roll		355	427,420
PP Clip	1,053	Pkt		75	78,975
Printing Ink	6,951	Kg		308	2,138,555
Sweing Oil	719	Ltr		175	125,825
Gear Oil	652	Ltr		181	118,012
Mobil	2,373	Ltr		76	180,084
Diamond Gum	200	Kg		221	44,200
Retader	3,376	Ltr		136	459,136
Exetiter	240	Ltr		126	30,240
Adhesive Tape(Both side) -2"	390	Roll		45	17,550
Solvent/Thiner	25,304	Ltr		189	4,791,976
Hydrolic Oil	476	Ltr		155	73,780
Compassor Oil	67	Ltr		165	11,055
Nalco-2000	57	Kg		709	40,412
Greeze	15	Kg		107	1,617
Adhesive Gum(Glue)	3,151	Kg		29	91,379
Adhessive Tape-2"	51	Roll		48	2,440
Krapt Paper	66,573	Kg		66	4,393,830
Total					**553,314,755**

20.07 Closing Stock of Finished Goods : Tk. 44,145,422:

Size Of Bag	Qty/Pcs/Lot	Unit		Unit Price	Total (Tk.)
20"*38"	775,193	Bag		32.2500	24,999,976
22"*38"	536,287	Bag		35.70	19,145,446
Total					**44,145,422**

21.00 Administrative Expenses: Tk. 13,963,952

This consists of the following:

AGM Expenses		56,400	44,500
Salary and Allowances		2,460,000	8,045,620
Directors Meeting Allowances	Note: 21.01	43,800	43,800
Donation & Subscription		149,935	278,450
Entertainment		1,117,452	745,120
Fuel & Lubricant		609,455	224,560
Listing Fee		980,798	980,798
CDBL Fee		106,000	106,000
Traveling & Conveyance		843,012	514,560
Office Electricity, Wasa and Others Bill		973,456	674,560
Office Maintenance		728,365	614,744
Printing & Stationery		1,147,143	785,474
Postage & Telegram		7,805	7,415
Registration & Renewals		168,902	345,855
Telephone Bill		23,735	20,456
Mobile Bill		169,200	169,200
Internet Bill		151,800	151,800
Audit Fees		172,500	172,500
RJSC Expenses		-	-
Vehicle Maintenance		991,478	574,560
Newspaper & Periodicals		9,960	9,125
Other Expenses		234,525	194,956
Depreciation		2,818,231	3,439,375
Total		**13,963,952**	**18,143,428**

ARTISAN Dhaka Chartered Accountants

21.01 Directors Meeting Allowances Tk.43,800

Name	Designation		
Tofayel Kabir Khan	Managing Director	9,000	9,000
Mohammed Enamul Kabir Khan	Chairman	9,000	9,000
Md. Ruhul Kabir Khan	Director	7,200	7,200
Hazrat Ali	Director	5,400	5,400
Md. Zakirul Kabir Khan	Nominee Director	-	-
Mrs. Jarin Kabir Khan	Nominee Director	7,200	7,200
Bahalul Kabir	Independent Director	6,000	6,000
Md. Shahid Ullah	Independent Director	-	-
Total		**43,800**	**43,800**

(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.

22.00 Marketing, Selling & Distribution Expenses: Tk. 1,747,493

This consists of the following:

Fuel & Lubricants	685,004	545,785
Salary & Allowances	912,609	852,460
Toll Expenses	98,665	64,756
Depreciation	51,215	64,019
Total	**1,747,493**	**1,527,020**

23.00 Financial Expenses: Tk. 2,706,818

This consists of the following:

Bank Charges & Others	12,645	33,181
Bank Interest on CC (hypo)	-	3,767,340
Interest & Charges on LTR	-	2,079,661
Interest on Term Loan	2,625,023	2,913,421
Excise Duty on CC (hypo)	-	30,000
Excise Duty FDR & TDR	54,150	48,150
Excise Duty on Term Loan	15,000	15,000
Total	**2,706,818**	**8,886,754**

24.00 Income Tax Expenses: Tk. 1,007,883

This has been arrived as under:

Current Tax :			
1. Tax on Turnover/Revenue: (100,941,193*0.6%)		605,647	-
Tax on Non Operating Income: (1,167,979*25%)		291,995	-
		897,642	-
2. Tax on Profit:		-	-
Which one is higher		897,642	1,014,067
Deferred Tax :	Note- 13.00	110,241	1,203,336
Income tax expenses		**1,007,883**	**2,217,403**

25.00 Non Operating Income : Tk. 1,167,979

This consists of the following:

Interest on IPO Subscription Fund	-	833,917
Gain/(Loss) on Foreign Currency Fluctuation	-	29,743
Interest on FDR fund	1,167,979	1,007,071
Total	**1,167,979**	**1,870,731**

ARTISAN Dhaka Chartered Accountants

26.00 Earnings Per Share: Tk. -0.06

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

Earnings Per Share

Net Income after tax	(6,349,219)	(18,086,585)
Weighted average no. of ordinary Shares	98,079,877	98,079,877
	(0.06)	**(0.18)**

Due to world market crisis, export orders have declined significantly as a result negetive impact reflected on revenue and Earnings per Share (EPS). On the other hand there was no significant change of fixed cost and that is the reason for significant deviation in Earnings per Share (EPS).

26.01 Weighted Average Number of shares: 98,079,877

Item	Number of Shares	Issue date	End Date	Days		Factor	Weighted Number
Balance	98,079,877	1-Jul-20	30-Jun-21	365		1.00	98,079,877
Stock Dividend	-	1-Jul-20	30-Jun-21	365		1.00	-
	98,079,877						
Weighted Average Number of Shares							**98,079,877**

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

27.00 Net Asset Value Per Share (NAVPS)

Total Assets	1,240,849,152	1,248,257,662
Current Liabilities+Long Term Liabilities	76,581,673	77,640,964
Net Assets Value(NAV) including Revaluation surplus	**1,164,267,479**	**1,170,616,698**
Number of ordinary shares outstanding	98,079,877	98,079,877
Net Assets Value(NAV) Per Share including Revaluation surplus	**11.87**	**11.94**
Net Assets Value(NAV) excluding Revaluation surplus	**1,075,620,182**	**1,081,801,542**
Net Assets Value(NAV) Per Share excluding Revaluation surplus	**10.97**	**11.03**

28.00 Net Operating Cash flows per Shares (NOCFPS)

Cash inflow/ (outflow) per share	**(0.00)**	**0.50**
The composition of cash inflow/(outflow) value per share is given below		
Operating cash flow during the year	(274,899)	49,022,372
Number of ordinary shares	98,079,877	98,079,877
	(0.00)	**0.50**

Payment to Suppliers & Creditors were decreased in the financial year ended 30th June 2023 in comparison to the previous year.This is the reason for which Net Operating Cash Flow Per Share (NOCFPS) compare to significant changes over Previous Year NOCFPS.

29.00 Capacity and Capacity Utilization

Installed Capacity	Actual Capacity	Utilization
8.70 Crore Pieces of Different types of Bags	6.95 Crore	30%

30.00 Rconciliation of Net Cash Flows From Operating Activities

Net Profit after Tax	**(6,349,219)**	**(18,086,585)**
Add: Depreciaton	30,870,159	34,260,303
Add:Deferred Tax	110,241	1,203,336
Add: Increase/Decrease of Current Assets	(26,759,223)	30,124,608
Less: Decrease of Current Liabilities	1,853,144	1,520,711
Net Cash Flows From Operating Activities	**(274,899)**	**49,022,372**

ARTISAN Dhaka Chartered Accountants

31.00 Related Party Tansaction:

The company has carried on transactions with related parties in the normal course of business.The name of related parties and nature of transactions have been pesented in accordance with the provision of IAS 24 Related Party Disclosures.

Name of The Related Party	Opening Balance		During The Year		Closing Balance		Purpose
	Dr.	CR.	Dr.	Cr.	Dr.	Cr.	
Khan Brothres Bag. Ind. Ltd.	143,450	-	100,941,193	74,304,718.00	26,779,925	-	Sub-Contract
Khan Brothers Shipping Lines Ltd	-	-	-	-	-	-	N/A
Khan Brothers Equibuild Ltd.	-	-	-	-	-	-	N/A
Khan Brothers Marble & Granite Ltd.	-	-	-	-	-	-	N/A
Khan Brothers Slipways & Eng. Works Ltd.	-	-	-	-	-	-	N/A
Pancom International (Pvt.) Co. Ltd.	-	-	13,250,000	13,250,000	-	-	Temporary Loan
ST International Ltd.	-	-	10,430,000	10,430,000	-	-	Temporary Loan
Khan Brothers International(Proprietorship)	-	-	-	-	-	-	N/A

32.00 General:

Initial Public Offering

The company applied for initial public offering for 2,00,00,000 ordianry shares @ Tk.10.00 per share and consent from Bangladesh Securities Exchange Commission has been accorded vide their letter no. SEC/CI/IPO-208/2012/447 Dated 24 June 2014. Subscription closed on 6 September 2014 and allotment made observing due formalities.

32.01 Capital Expenditure Commitment

There was no commitment for capital expenditure contracted or provided as on 30.06.2023.

32.02 Claims not Acknowledged

There is no claim against the Company acknowledged as debt as on 30.06.2023

32.03 Directors Responsibility Statements

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

32.04 Employee Details:

i) During the year there were 437 employees employed for the full year and 147 employees less than the full year at a remuneration of Taka 9,000 per month and above.
ii) At the end of the period, there were 584 employees in the company.
iii) Each employees received salaries more than Tk. 8,000 per month

33.00 Event after the reporting period

Following events occurred since the balance sheet date:

(a) The board of directors recommended no dividend at the Board meeting held on for the year ended June 30, 2023. This is subject to final approval by the shareholders at the forthcoming Annual General Meeting (AGM) of the company.

(b) Except for the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

ARTISAN Dhaka Chartered Accountants

34.00 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 2022 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.

35.00 Authorization for issue

The financial statements were authorized for issue by the Board of Directors of the company on 14 November 2023

36.00 Re-arrangement in Presentation

Last year's figures have been re-arranged where necessary to conform with the current years presentation.

ARTISAN Dhaka Chartered Accountants

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 (Cost Value)

For the Year ended June 30, 2023

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2023
	As at 01.07.2022	Addition During the year	Total value As at 30.06.2023		As at 01.07.2022	Addition During the year	As at 30.06.2023	
Land & Land Development	53,040,177	-	53,040,177	0%	-	-	-	53,040,177
Building & Other Construction	241,736,451	-	241,736,451	5%	85,330,669	7,820,289	93,150,958	148,585,493
Plant & Machinery	454,858,123	-	454,858,123	10%	271,676,885	18,318,124	289,995,009	164,863,114
Generator & Electric Equipment	55,642,469	-	55,642,469	15%	45,010,412	1,594,809	46,605,220	9,037,249
Motor Vehicle	31,722,303	-	31,722,303	20%	20,377,944	2,268,872	22,646,816	9,075,487
Office Decoration & Fittings	10,922,885	-	10,922,885	10%	6,402,261	452,062	6,854,323	4,068,562
Furniture & Fixture	4,869,065	-	4,869,065	10%	3,383,944	148,512	3,532,456	1,336,609
Total as on 30 June 2023	**852,791,473**	**-**	**852,791,473**		**432,182,115**	**30,602,668**	**462,784,782**	**390,006,691**

Schedule of Property, Plant and Equipment (Revaluation Surplus Value)

For the Year ended June 30, 2023

Particulars	REVALUATION			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2023
	As at 01.07.2022	Addition During the year	Total value As at 30.06.2023		As at 01.07.2022	Addition During the year	As at 30.06.2023	
Land & Land Development	87,847,022	-	87,847,022	0%	-	-	-	87,847,022
Building & Other Construction	3,093,250	-	3,093,250	5%	1,421,781	83,573	1,505,355	1,587,895
Plant & Machinery	4,895,614	-	4,895,614	10%	3,512,948	138,267	3,651,215	1,244,399
Generator & Electric Equipment	2,139,599	-	2,139,599	15%	1,835,259	45,651	1,880,910	258,689
Total as on 30 June 2023	**97,975,485**	**-**	**97,975,485**		**6,769,988**	**267,491**	**7,037,479**	**90,938,006**
Grand Total as on 30 June 2023(Cost Value +Revaluation Surplus Value)	**950,766,958**	**-**	**950,766,958**	**-**	**438,952,103**	**30,870,159**	**469,822,262**	**480,944,696**

Note: Land & Land Development represents only Land.

Allocation of depreciation:

Admin	2,818,231
Marketing	51,215
Manufacturing	28,000,713
	30,870,159

ARTISAN Chartered Accountants Dhaka