



Annual Report

2024

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.



ANNUAL REPORT 2024

18th Annual General Meeting

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

Registered & Corporate Office: KBG Tower , 15 DIT Road,
Malibagh Chowdhurypara, Dhaka-1219, Bangladesh.

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LETTER OF TRANSMITTAL

The
Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

Sub.: Annual Report for the year ended June 30, 2024

Dear Sir(s)

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2024, Statement of Comprehensive Income, Changes in Equity and Statement of Cash Flows for the year ended June 30, 2024 along with notes thereon and for your record and necessary action.

Yours sincerely,



(Tapan Kumar Sarker)
Company Secretary
Dated: 7th December 2024

Khan Brothers PP Woven Bag Industries Ltd.

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

NOTICE OF 18TH ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of Khan Brothers PP Woven Bag Industries Ltd. will be held on Monday the 30th December 2024 at 11.30 AM at KBG Tower (10th Floor), by using Hybrid system to transact the following business:

- | | |
|----------------------|---|
| Item No. 18/2024-01: | To confirm the proceedings of the 17th Annual General Meeting held on 30th December 2023. |
| Item No. 18/2024-02: | To receive, consider and adopt the Directors and the Auditors report to the shareholders and the Audited Accounts of the Company for the year ended 30th June 2024. |
| Item No. 18/2024-03: | To approve 1% (one percent) Cash Dividend for the year ended 30th June 2024. |
| Item No. 18/2024-04: | To elect/re-elect the Directors as per Articles of Association of the company. |
| Item No. 18/2024-05: | To appoint Auditors for the year 2024-2025 and to fix their remuneration. |
| Item No. 18/2024-06: | To appoint professionals for Corporate Governance Code. |
| Item No. 18/2024-07: | To appoint of Independent Director. |
| Item No. 18/2024-08: | To transact any other business of the company with the permission of the chair. |

By order of the Board



Tapan Kumar Sarker
Company Secretary

Place: Dhaka

Dated: 7th December 2024

Notes:

The Shareholders, whose names will appear in the Share Register of the Company or in the Depository Register of the record date i. e. 20th November 2024, will be entitled to receive the link to attend at the Annual General Meeting and to receive the dividend.

No gift or benefit in cash or kind shall be paid to the holders of equity securities in terms of Clause (c) of the Notification No. SEC/SRMI/2000-953/1950 dated 24 October 2000 for attending the AGM of the Company.

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Chairman	Mr. Mohammed Enamul Kabir Khan
Managing Director	Mr. Tofayel Kabir Khan
Director	Mr. Md. Ruhul Kabir Khan
Director	Mr. Md. Hazrat Ali
Director	Mrs. Jarin Kabir Khan Representative Director from Khan Brothers Infotech Ltd.
Independent Director	Mr. AKM Fazlul Haque
Independent Director	Mr. Utpal Dhar

MANAGEMENT COMMITTEE

Chairman	Mr. Mohammed Enamul Kabir Khan
Managing Director & CEO	Mr. Tofayel Kabir Khan
Director (Administration)	Mr. Md. Ruhul Kabir Khan
Director (Production)	Mr. Hazrat Ali
Company Secretary	Mr. Tapan Kumar Sarker
Chief Financial Officer	Mr. Azizul Jabbar, M.Com, PGDIM, FCMA
General Manager (Marketing)	Mr. Md. Mokhsedur Rahman Shirajee

AUDITORS :

Islam Aftab Kamrul & Co.

Chartered Accountants

Z-Tower (5th Floor), Plot # 4, Road # 132,
54, Gulshan Avenue, Gulshan-1, Dhaka, Bangladesh

LEGAL ADVISER:

Amir & Amir Law Associates

203, Concord Tower (2nd Floor), 113, Kazi Nazrul
Islam Avenue Dhaka-1000

TAX ADVISER:

Biswas & Associates

16/A, B.B. Avenue (2nd Floor)
Dhaka-1000

COMPANY SECRETARY:

Mr. Tapan Kumar Sarker

BANKER:

Mutual Trust Bank Limited.
Principal Branch
Dhaka-1000, Bangladesh.

FACTORY:

Borochala, Borobhabanipur, Joydebpur, Gazipur,
Bangladesh

REGISTERED & CORPORATE OFFICE :

KBG Tower, 15 DIT Road, Malibagh Chowdhury-
para, Dhaka-1219
Phone:+880-2-8332069,8332108;
Fax:+880-2-8332576
Email: info@kbgbd.com,
Website: www.kbgbd.com

BOARD OF DIRECTORS



Mohammed Enamul Kabir Khan
Chairman



Tofayel Kabir Khan
Managing Director



Md. Ruhul Kabir Khan
Director



Hazrat Ali
Director



Jarin Kabir Khan
Representative Director



Mr. AKM Fazlul Haque
Independent Director



Utpal Dhar
Independent Director



CHAIRMAN'S MESSAGE

Dear Shareholders,
Bismillahir Rahmanir Rahim and Assalamualaikum.

On behalf of the board of directors, I welcome you all and take immense pleasure and delight in addressing the 18th Annual General Meeting of the company. I also want to convey my sincere gratitude to you all, the honorable shareholders for joining us to make the event successful.

As most are aware, the year ending June 30, 2024 was a very challenging year for the PP Woven Bag sector in Bangladesh, if not the most challenging till date. Apart from the embargo applied by the Government of Bangladesh not to use PP Bags for the domestic market, we have been facing challenges globally due to global environmental issues as well as world economic crisis which is still continuing to effect the international market.

Despite significant economic challenges over the year, we are trying to improve and to deliver consistent results and creating substantial value for our shareholders. Furthermore, we have continued our effort to raise both the performance and standard of the company. In spite of various limitations and hindrance paved by the pandemic, the company has managed to cope with those challenges in 2024. This could not be possible without your continuous support, conscious suggestions, board prudent strategic decisions and management's successful execution for the same with passion and zeal.

I, on behalf of the board would like to express my sincere appreciations to the respected shareholders that their confidence on the company has fuelled the board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Register of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, our Banking & financial partners, insurances and financial Institutions for their support and patronage extended to the company from time to time.

I embrace all your support and seek your co-operation by all means for a brighter future for all.

Thanking You.
Best Regards.

A handwritten signature in black ink, appearing to read 'Enamul Kabir Khan'.

Mohammad Enamul Kabir Khan
Chairman



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,
Bismillahir Rahmanir Rahim and Assalamualaikum.

It gives me immense honor and pleasure to greet you, our partners, to this 18th Annual General Meeting (AGM) of Khan Brothers PP Woven Bag Industries Ltd. I also feel privileged and humbled to address this 18th AGM of the company.

Despite the fact that the PP Woven Bag Sector is facing problems for the imposed regulations by the government, I am happy to inform you that our company has tried its best to keep the trend of stability by effective management and strategic manoeuvres throughout the year. Considering the present situation the management has also been trying to bring diversity to the products and markets in the near future so that we can cater to this 'new normal' after a challenging pandemic.

On behalf of the Board, I would like to express my sincere gratitude to the respected shareholders for the confidence that they have shown on the Board of the company throughout the year. I am also grateful to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms, Central Depository Bangladesh Limited, Banks, Insurances and Financial Institutions for their support and Patronage extended to the company from time to time.

With warm regards

A handwritten signature in black ink, appearing to read 'Tofayel Kabir Khan'. The signature is fluid and cursive.

Tofayel Kabir Khan
Managing Director

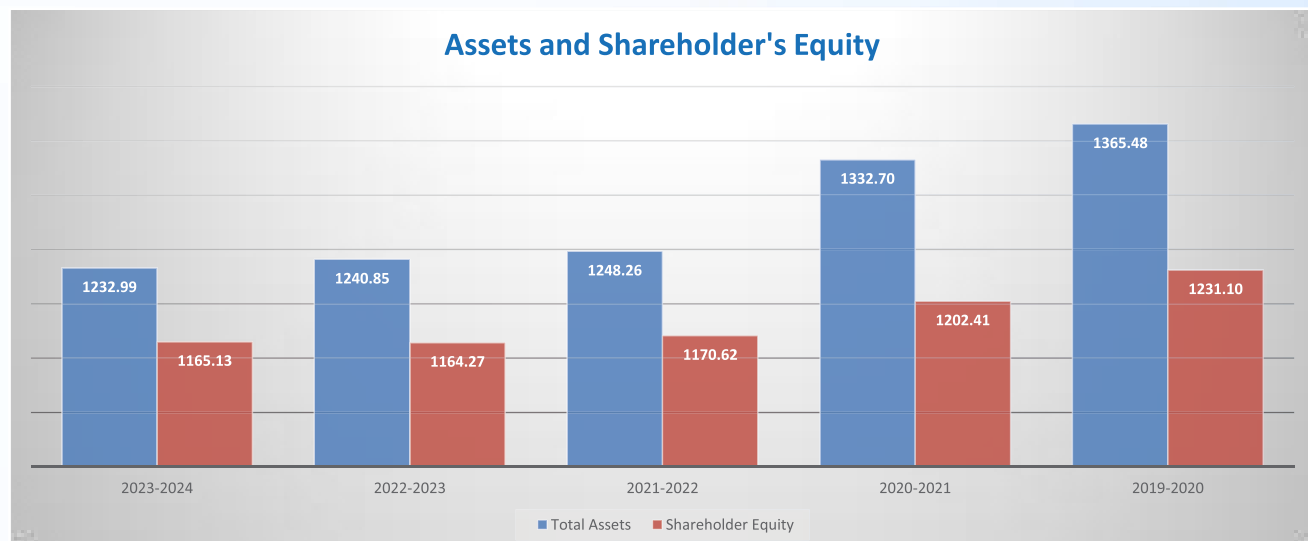
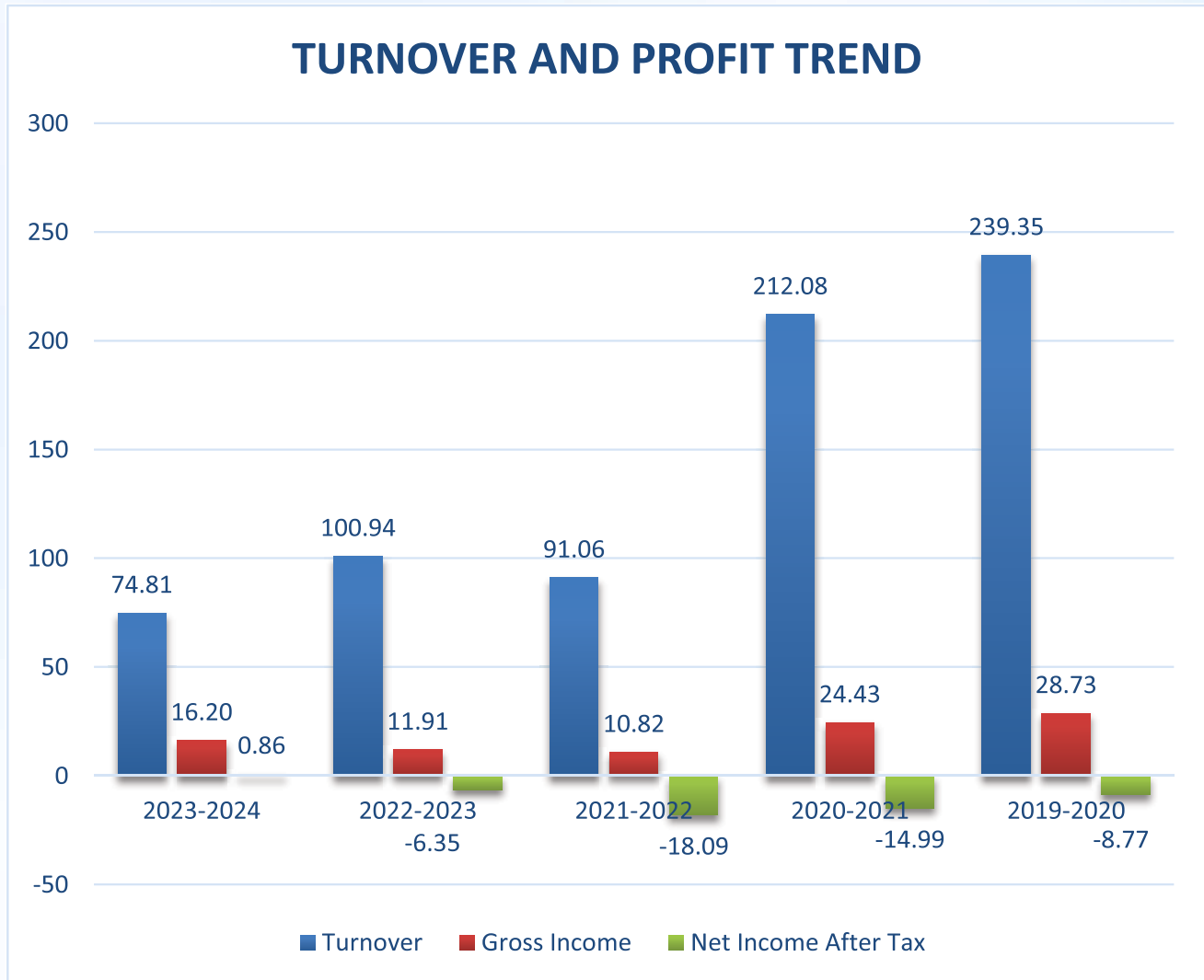
COMPANY PROFILE

Year of Incorporation	:	2006
Commercial Production	:	1st December, 2007
Type of business	:	Manufacturing different types of Polypropylene Woven Bags. The company procure polypropylene yarn, HDPE, LDPE, LLDPE, Calcium Carbonate, Printing Ink, Master Batch, etc from both overseas and local market to produce PP woven cloth / PP cloth laminated craft paper bags for cement, fertilizer, food grains, animal feeds, fish feeds, Spinning etc and then sells those goods to foreign and local customers.
Authorized Capital	:	Tk. 1,500.00 Million
Issued & paid up capital	:	Tk. 980.80 Million
Turnover in 2022-2023	:	Tk. 74.81 Million
Number of Employees	:	Officer-12 Nos. Staff- 8 Nos. Workers: Permanent-150 Nos. Temporary-44 Nos.
Production Capacity	:	6.95 Crore pcs./per year
Share Office	:	KBG Tower (8th Floor), 15, DIT Road, Malibagh Chowdhurypara, Dhaka-1217, Bangladesh.

COMPARATIVE GROWTH STATEMENT

Particulars	2024	2023	2022	2021	2020
Authorised Capital	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Paid up Capital	980.80	980.80	980.80	980.80	980.80
Turnover	74.81	100.94	91.06	212.08	239.35
Gross Profit	16.20	11.91	10.82	24.43	28.73
Net Profit/(Loss) Before Tax	2.41	(5.34)	(15.87)	(12.01)	(3.52)
Net Profit/(Loss) After Tax	0.86	(6.35)	(18.09)	(14.99)	(8.77)
Total Assets	1232.99	1240.85	1248.26	1332.70	1365.48
Shareholder's Equity	1165.13	1164.27	1170.62	1202.41	1231.10
Value Per Share	Tk.10/=	Tk.10/=	Tk.10/=	Tk.10/=	Tk.10/=
Dividend	Nil	Nil	2% Cash	Nil	2% Cash
Return on Equity (ROE)	0.07%	(0.55%)	(1.55%)	(1.25%)	(0.71%)
Return on Assets (ROA)	0.07%	(0.51%)	(1.45%)	(1.12%)	(0.64%)
Earnings per share (Tk.)	0.01	(0.06)	(0.18)	(0.15)	(0.09)
Net Asset Value per share (NAVPS)	11.88	11.87	11.94	12.26	12.55

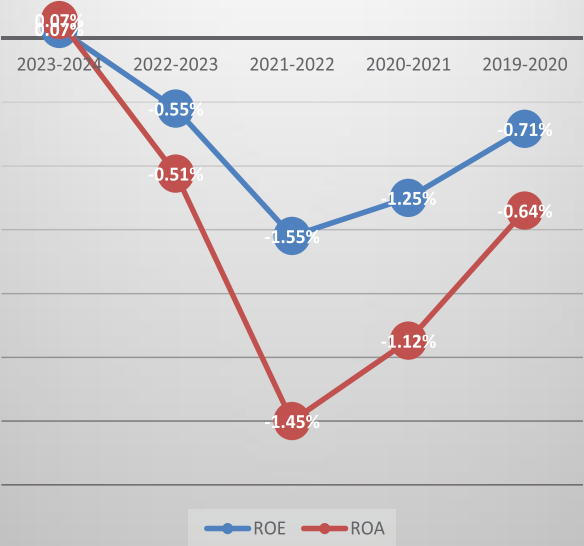
Financial Analysis



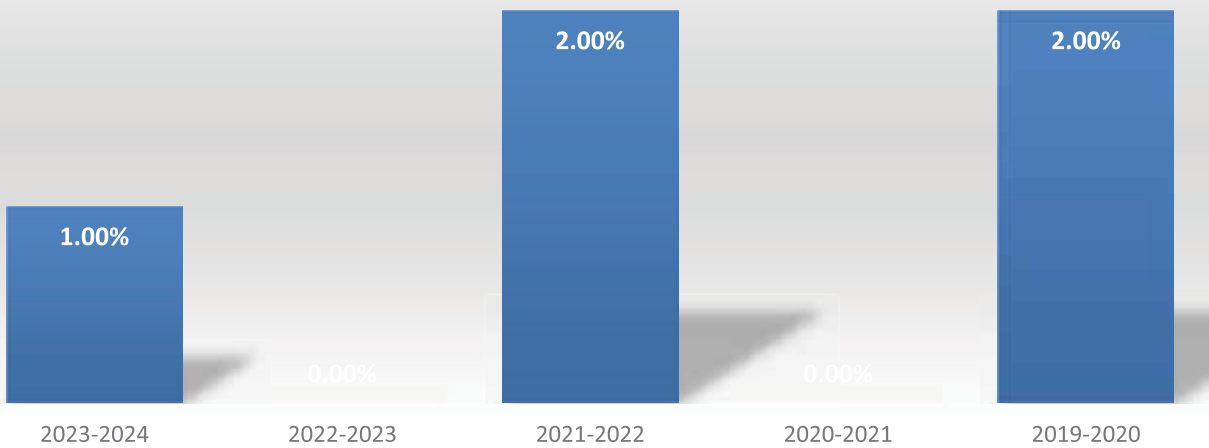
EPS and NAVPS



ROE and ROA



Dividend History



DIRECTORS REPORT

Bismillahir Rahman-Ir-Rahim

Dear Shareholders,

Assalam-U-alaikum,

On behalf of the Board of Directors of Khan Brothers PP Woven Bag Industries Limited, I welcome you all to the 18th Annual General Meeting of the company. It is a pleasure to present to you the Audited Financial Statements of the company for the year ended June 30, 2024, Auditors' Report and the Directors' Report thereon along with company's performance and other matters in the term of Companies Act 1994, Listing Regulations of DSE and CSE, the Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) and International Financial reporting Standards & International Accounting Standards and other applicable rules & regulations.

Operations:

During the financial year 2023-2024 the company has achieved total turnover of Taka 74,807,500.00 and earned a net profit before tax of Taka 2,405,254.00 by controlling and minimising the operational expenditures compared to sales turnover of Taka 100,941,193.00 and net loss before tax of Taka (5,341,336.00) respectively in the previous year. This reflects a decrease of around 25.89% on sales and net profit before tax earned instead of previous year net loss before tax which is around 3.22% on sales.

Financial Results and Profit Appropriations:

The Directors are pleased to report the financial results of the Company for the year ended 30th June 2024 are as follows:

PARTICULARS	2023-2024	2022-2023	Percentage + / (-)
Turnover	74,807,500	100,941,193	10.85%
Gross Profit	16,197,125	11,908,948	10.09%
Net Profit/(Loss) before tax	2,405,254	(5,341,336)	(66.34%)
Provision for Tax (incl. deferred tax)	1,542,639	1,007,883	(54.55%)
Net Profit/(Loss) after Tax	862,615	(6,349,219)	(64.90%)
Gross Profit to Turnover	21.65%	11.80%	-
Net Profit/(Loss) to Turnover	1.15%	(6.29%)	-
Earning Per Shares (EPS)	Tk.0.01	Tk.(0.06)	-

Profit appropriation:

Considering the need for ploughing back, available surplus and net profit for the year under review, the Board of Directors have the pleasure to recommend for profit appropriation as follows:

SI No.	Particulars	Amount in Taka
1	Un-appropriated Profit from previous year	94,821,411
2	Add: Net profit after tax for the year	862,615
3	Total funds available for appropriation	95,684,026
4	Dividend	-
5	Depreciation on Revaluation Surplus	153,231
6	Balance to be carried forward	95,837,257

Declaration of dividend:

The Board recommended 1% Cash Dividend for the year ended 30th June 2024, subject to approval of the shareholders in ensuing Annual General Meeting (AGM). Due to world market crisis export order declined resulting negative impact on revenue which has compelled Board not to declare dividend for the year as a precautionary measure.

Industry Outlook and possible future developments in the industry:

As mentioned, the company is a 100% export-oriented pp woven bag manufacturer and its products mainly used for packaging of fertilizer, foods, chemical, textile, cement, sand, poultry feed etc. Competitive wage rate together with easily trainable workforce, entrepreneurial skill, expanding supply side capacity and government policy support have helped to translate the comparative advantages into competitive advantages of this industry. We are the leading pp woven bag manufacturer in Bangladesh and our endeavour to explore the market globally while our business potentials and dynamics to benefit proportionally from the accelerating economic growth. Nevertheless, we always bear in mind to keep uphold of the interest of our shareholders.

Bangladesh is a cost competitive country especially in respect of labour cost and thus our future aim is to grab the international market by diversifying our products considering global environmental aspects e.g. producing environment friendly products which will obviously attract the global market as well as local market.

Segment report

The company operates only in one segment, which is manufacturing Poly Propylene (PP) Woven Bag for the packing of fertilizer, foods, chemical, textile, cement, sand, poultry feed etc.

Risk Management

Risk management refers to the practice of identifying potential risk in advance, analysing them and taking precautionary steps to reduce the risk. There are internal and external risks to be dealt with. Internal risks are low production and sales, shortage of power, worker unrest and internal risks are interest rate, exchange rate, market risk, political risk and other regulatory risk.

The company is aware of the concerned risks and is well prepared to manage them by incorporating systematic control procedure. Efficient management of all the process help to minimize the above risks

Discussion on Cost of Goods Sold, Gross Profit Margin, Net Profit Margin

During this reporting year, Revenue is decreased by Tk. 2.61 crore from last year. Cost of Goods Sold/Service has also been decreased by Tk. 3.04 crore in the different ratios because of the turnover is only sub-contract service. The Company having strong internal control system along with proper supervision of Internal Audit Committee in every operational activities and timely report and recommendation to the management committee to take appropriate plan and action, keep the cost in right profile. Management is also maintaining robust inventory system and raw materials purchase policy to keep production cost competitive with market. Comparative performances have been shown below:

Comparative Presentation of Related Financial Data:

Particulars	2023-2024		2022-2023	
	Amount in Taka	In Percentage	Amount in Taka	In Percentage
Cost of Sales	58,610,375	78.35%	89,032,245	88.12%
Gross Income	16,197,125	21.65%	11,908,948	11.88%

Discussion on continuity of any extra ordinary gain–loss:

Khan Brothers PP Woven Bag Industries Ltd. is a 100% export-oriented industry, and everybody know, Corona Virus Covid-19 pandemic and Russia-Ukraine war affected all over the world specially in Europe country and that is our main export market. Due to world market crisis of export orders declined, as a result negative impact reflected on revenue on the financial statements for the year ended 30th June 2024.

Basis for related party transaction:

There are transactions with related parties carried out in the normal course of business in accordance with the requirements of IAS 24 Related Party Disclosure in note no. 31.00 of the financial statements.

Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements:

There was no significant variance between the quarterly and Annual Financial Statement.

Directors also report that:

The Directors are responsible for the governance of the Company, and in that capacity, the Directors confirm, to the best of their knowledge that–

- I. the financial statements, prepared by the Management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- II. proper books of account of the Company have been maintained;
- III. appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgments;
- IV. the IAS, IFRS, The Companies ACT 1994, the Securities and Exchange rules,2020 and other applicable laws and regulations have been followed in preparation of the financial statements;
- V. the system of internal control is sound in design and has been effectively implemented and monitored;
- VI. there is no doubt, whatsoever, upon the Company’s ability to continue as a going concern.
- VII. Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- VIII.No bonus share or stock dividend has been or shall be declared as interim dividend.

Ability to Continue as going concern:

As per IAS-1 paragraph 26 ‘In assessing whether the going concern assumption is appropriate’. Due to worldwide spread of COVID-19 pandemic and Russia-Ukraine war export of the company declined to a great extent. Thereafter it is very difficult to restore the export market. To overcome this situation and the better interest of the shareholders company decided to operate the factory on contract basis producing wpp bags required by other industries at cost plus profit for the time being. During the financial year 2023-2024 the company was able to provide services and earned service revenue worth Tk. 748.08 lac. Since the company is an export-oriented company, management is trying to regain the export market and also side by side to continue rendering services to other companies to improve the profitability and financial strength of the company in future.

Company invested Tk. 300.00 lac to Peoples Leasing and Financial Services Ltd.(PLFS) in 2017 which could not be encashed due to financial incapability of PLFS. It is well known to all concerns that, some of the members of the previous Board of Directors of Peoples Leasing and Financial

Services Ltd.(PLFS) misappropriated the money of the depositors, resulting financial insolvency. The financial organization is not capable to repay the depositors money. Govt. has reconstituted the Board of Directors of PLFS and the present Board of Directors of PLFS assured the investors to refund their deposited money gradually in a meeting held on 19th November 2022. If any depositor wants may convert their deposit into share capital of PLFS. Our company will give option for refund the deposited amount of Tk.3.00 crore. If the money is refunded by PLFS there no possibility of financial loss of Khan Brothers PP Woven Bag Industries Ltd. Hence, management think that it is not wise to make any provision for bad and doubtful debts in the books of accounts during the income year 2023-2024. In other cases, management may need to consider a wide range of factors relating to current and future expected profitability, debt repayment schedules and potential sources of financing for Balancing, Modernization, Replacement and Expansion of the existing PPE to satisfy itself that the going concern is appropriate.

On the above circumstances, it can be said that there is no doubt that the company has the ability to continue as going concern.

Significant deviation from last year:

During the reporting period, very large deviation has been occurred in financial performance from last year. The Company's revenue have decreased by Tk. 26.13 million from last year. Gross Profit increased Tk. 7.75 million and Net Profit also have increased Tk. 7.21 million respectively.

Financial Highlights:

Particulars	Amount in Taka				
	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Property, Plant & Equipment	453,075,270	480,944,696	511,814,855	546,075,159	555,600,248
Current Assets	778,865,601	758,854,456	735,392,807	785,577,724	808,827,154
Total Assets	1,232,990,872	1,240,849,152	1,248,257,662	1,332,702,883	1,365,477,401
Equity attributable to the shareholders	1,165,130,093	1,164,267,479	1,170,616,698	1,202,409,297	1,231,101,192
Non-current Liabilities	40,748,600	46,300,643	48,960,379	46,925,750	45,480,358
Current Liabilities	27,112,178	30,281,030	28,680,585	83,367,835	88,895,851
Total liabilities and Equities	1,232,990,872	1,240,849,152	1,248,257,662	1,332,702,883	1,365,477,401
Revenue	74,807,500	100,941,193	91,064,046	212,080,445	239,352,526
Cost of Sales	58,610,375	89,032,245	80,246,756	187,646,057	210,624,937
Gross Income	16,197,125	11,908,948	10,817,290	24,434,388	28,727,589
Operating Income/(Loss)	3,692,058	(3,802,497)	(8,853,159)	(5,815,719)	(1,955,041)
Net Income/(Loss) after Tax	862,615	(6,349,219)	(18,086,585)	(14,985,881)	(8,769,701)

Number of Board Meetings held during the year and attendance:

During the year ended 30 June 2024, there were 5 Board of Directors Meeting hold and the presence was as follows:

Name	Designation	Total Board Meeting Held	Total Attendance
Mr. Mohammed Enamul Kabir Khan	Chairman	5	5
Mr. Tofayel Kabir Khan	Managing Director	5	5
Md. Ruhul Kabir Khan	Director	5	5
Mr. Hazrat Ali	Director	5	4
Mrs. Jarin Kabir Khan	Nominee Director	5	3
Mr. AKM Fazlul Haque	Independent Director	5	3
Mr. Utpal Dhar	Independent Director	5	3

Pattern of Shareholdings:

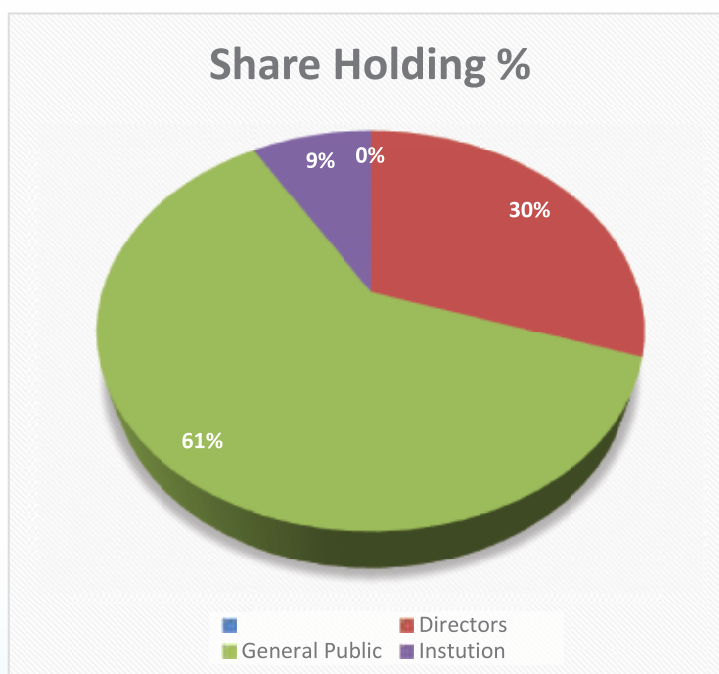
Sl.	Particulars	Designation	No. of Shares Holding	Holding %
A	Parent/ Subsidiary/ Associated Companies and Other Related Companies	-	No such holding	-
B	Directors, CEO, CS, CFO, Head of Internal Audit & their spouse and minor children:			
	Mr. Mohammed Enamul Kabir Khan	Chairman	7,534,369	7.68%
	Mr. Tofayel Kabir Khan	Managing Director	9,746,980	9.94%
	Md. Ruhul Kabir Khan	Director	7,208,079	7.35%
	Mr. Hazrat Ali	Director	1,971,249	2.01%
	Khan Brothers Infotech Ltd.	Nominee Director	3,089,130	3.15%
	Mr. AKM Fazlul Haque	Independent Director	No such holding	-
	Mr. Utpal Dhar	Independent Director	No such holding	-
	CS, Head of Internal Audit & their spouse and minor children:	-	No such holding	-

C	Executives:	-	No such holding	-
	Mr. Tapan Kumar Sarker	Company Secretary	No such holding	-
	Mr. Azizul Jabbar FCMA	CFO	No such holding	-
	Md. Moksedur Rahman Shirajee	GM Marketing	No such holding	-
	Md. Fakhrul Islam	GM Commercial	No such holding	-
	Md. Mahboob Alam	DGM Admin & Commercial	No such holding	-
D	Shareholders holding Ten percent (10%) or more voting interest in the company	Shareholder	No such holding	-

Shareholding Pattern:

Sl.	Particulars	No. of Shares Holding	Holding %
1	General Public	60,168,354	61.35%
2	Directors	29,549,807	30.13%
3	Institution	8,361,716	8.53%
	Total	98,079,877	100.00%

Graphical Presentation of Shareholding Pattern as on 30 June 2024 Date:



Brief Resume of Directors:

Tofayel Kabir Khan

Managing Director

Tofayel Kabir Khan was born on February 03, 1972 in Kishoregonj, Bangladesh. He received a Bachelor of commerce degree in Business Administration from Dhaka University and a Master of Commerce degree majoring in Marketing from Dhaka University. After having these degrees he also did his MBA to enrich his knowledge.

After completing his graduation, he joined Miracle Industries Ltd. as an Assistant Manager (marketing) and serves that company for the period of 1997 to 1998. His interests are in the areas of Marketing, Project Management, Communication, Team Building and Knowledge-Based Expert Systems give him the opportunity to work for Meghna Group in 1999 to 2001. He always looked forward to diversification and challenges which made him the employee of Ananda Bag Industries Ltd. in 2002 to 2006.

He has over 23 years' experience in the planning, design, procurement, operation and manufacturing of PP woven Bag projects while he was working in Ananda Bag Industries Ltd. All these qualities make him to join Khan Brothers PP Woven Bag Industries Ltd.

Currently he is the Managing Director of Khan Brothers PP woven Bag Industries Ltd. and some others company of Khan Brothers Group.

Mr. Mohammed Enamul Kabir Khan

Chairman

Mohammed Enamul Kabir Khan the chairman of Khan Brothers PP Woven Bag Industries Ltd. was born in December 30, 1965 in Kishoregonj, Bangladesh. He completed his Honors and Masters in Accounting from the University of Dhaka in 1990 & 1991 respectively and he started his journey in corporate life in City Bank Ltd. with his accounting background. He served that company 19 years as a manager and he used to maintain the bank Account of Aljajira, Jeddah and Saudi Arab. He was gathered experience to serve managerial position in different companies.

During his tenure period in corporate life and abroad he learns the key objectives of a business and those objectives encourage him to an entrepreneur of Khan Brothers PP Woven Bag Industries Ltd.

Md. Ruhul Kabir Khan

Director

Md. Ruhul Kabir Khan, one of the Directors of Khan Brothers PP Woven Bag Industries Ltd., is holding his position with his knowledge of Business management as he graduated (M.Com) from Dhaka University majoring in Management.

He joined Khan Brothers Group with his 21 years working experience in Bag Industries and he is showing his significant work from those years. Company faces a lot of achievement only because of his contribution and this contribution gives some new innovative idea for business.

Md. Hazrat Ali

Director

Hazrat Ali is one of the industrialists in Bangladesh in his early age of forty one. He holds directorship position in Khan Brothers PP Woven Bag Industries Ltd. As he has 20 years working experience in Bag industries operations. This company is looking forward to utilize his experience and insight in marketing and management. He is not only the director of this company but also the Managing Director of Khan Brothers Knitwear Industries Ltd.

Jarin Kabir Khan*Nominee Director*

Jerin Kabir Khan was born on November 01, 1978 and completed B.A (Pass) from National University. She is wife of Tofayel Kabir Khan and holds some shares in Khan Brothers Infotech Ltd.

Now she is a Representative Director of Khan Brothers PP Woven Bag Industries Limited for Khan Brothers Infotech Limited.

Mr. AKM Fazlul Haque*Independent Director*

He was born in 1965 and completed his Masters Degree in Social Welfare from Dhaka University. He was an Ex. Member (Permanent Secretary), Agriculture, Water & Rural Institutions Division, Planning Commission, Ministry of Planning, Government of Bangladesh. As the Head of the Division, his responsibility was to assess, scrutinize and evaluate projects under the Ministry of Power, Energy & Mineral Resources/Division, Ministry of Industry, Ministry of Civil Aviation & Tourism, Ministry of Youth & Sports, Ministry of Textiles & Jute, Ministry of Commerce, Statistics and Informatics Division, Ministry of Expatriates' Welfare and Overseas Employment, Financial Institutions Divisions, Prime Minister's Office. He had the opportunity to place all these government proposals before the Executive Committee of National Economic Council (ECNEC) chaired by the Honorable Prime Minister for approval of the same.

Mr. Utpal Dhar*Independent Director*

Mr. Utpal Dhar, Masters in Accounting from Dhaka University having 21 years experiences in the field of accounting, finance, auditing, administration and public relation. He served in various renowned organizations like Real Estate, Readymade Garments and Textile, Hospitals and Frozen Foods etc. as head of Finance & Accounts and other Corporate Affairs. Now he is an entrepreneur of a business having capital of 200.00 million.

Expertise in Specific functional area:

Name of Directors	Expertise
Mr. Tofayel Kabir Khan	All Business functional areas specially Marketing activities
Mr. Mohammed Enamul Kabir Khan	Overseas all activities specially export development
Mr. Md. Ruhul Kabir Khan	Production and Operational activities
Mr. Hazrat Ali	Strategic Business function, internal control and analytical review

Holding of Directorship and membership of the committees of the board other than this company:

Mr. Mohammed Enamul Kabir Khan	Chairman	Khan Brothers Bag Ind. Ltd.
	Chairman	Khan Brothers Slipways & Engr.Works. Ltd.
	Chairman	Khan Brothers Shipping Lines Ltd
	Chairman	ST Int. Ltd.
	Chairman	Khan Brothers Knitwear Ind. Ltd.
	Chairman	Khan Brothers Equi-Build Ltd.
	Chairman	Khan Brothers Marble & Granite Ltd.
Mr.Tofayel Kabir Khan	Managing Director	Khan Brothers Bag Ind. Ltd.
	Managing Director	Khan Brothers Slipways & Engr.Works. Ltd.
	Managing Director	Khan Brothers Shipping Lines Ltd
	Managing Director	ST Int. Ltd.
	Director	Khan Brothers Knitwear Ind. Ltd.
	Managing Director	Khan Brothers Equi-Build Ltd.
	Managing Director	Khan Brothers Marble & Granite Ltd.
Mr. Ruhul Kabir Khan	Director	Khan Brothers Bag Ind. Ltd.
	Director	Khan Brothers Shipping Lines Ltd
	Director	Khan Brothers Slipways & Engr.Works. Ltd.
	Director	ST Int. Ltd.
	Director	Khan Brothers Equi-Build Ltd.
	Director	Khan Brothers Marble & Granite Ltd.
Mr. Hazrat Ali	Managing Director	Khan Brothers Knitwear Ind. Ltd.
	Managing Director	Madina Texware Ltd.
Mrs. Jarin Kabir Khan	Director	Khan Brothers Infotech Ltd.

Human Resources Development:

Company has initiated a comprehensive human resources development program keeping in view the regulatory changes and the latest technological advancements of the company. Local manpower of the factory have already been trained up by foreign engineers & technical personnel and they have now become well equipped to operate all the new modern machineries maintaining optimum level of quality & quantity of the diversified products.

Appointment of Independent Directors:

As per provision of Corporate Governance Code issued by Bangladesh Securities and Exchange

Commission (BSEC), Mr. Mohammad Nur-E-Jenan Chowdhury and Mr. Utpal Dhar have full filled the required qualifications as per BSEC Notification for appointment of Independent Directors and they were appointed on 23.12.2021 and 22.12.2023 respectively for three years. Mr. Mohammad Nur-E-Jenan Chowdhury completed three years and Mr. Utpal Dhar completed one year as Independent Director. Mr. Mohammad Nur-E-Jenan Chowdhury has retired from the Board and Mr. AKM Fazlul Haque appointed in the Board Meeting held on 26th May 2024 as new Independent Director for next three years. Mr. Utpal Dhar has resigned from the post of Independent Director before completion of his three years tenure. We are searching an eligible person for this post and immediately we will fill up the gap.

Auditors:

M/S. Islam Aftab Kamrul & Co., Chartered Accountants appointed as auditor for the financial year 2023-2024 in the 17th Annual General Meeting and they have completed one year audit successfully. Further M/S. Islam Aftab Kamrul & Co., Chartered Accountants have expressed their willingness and the Board of Directors appointed them as Auditor for the financial year 2024-2025. Now to be placed to the shareholders for approval and fixation their fees.

Appointment of Professional:

M/s. Haruner Rashid and Associates, Chartered Secretaries have completed the Audit for the year 2023-2024 and issued us a certificate as professional for Corporate Governance Code. Further M/s. Haruner Rashid and Associates, Chartered Secretaries have expressed their willingness as professional for auditing Corporate Governance Code for the year 2024-2025 and subsequently M/s. Haruner Rashid and Associates, Chartered Secretaries appointed in the last Board Meeting to complete the audit of Corporate Governance Code for the year 2024-2025.

Directors' Remuneration and Allowances:

The Directors who are engaged in the company's day to day operations are receiving remuneration and other benefits from the company as disclosed in Notes No. 21.01 of the Financial Statements. No attendance allowances paid to executive directors.

Audit Committee:

The Board of Directors have constituted the Audit Committee as follows:

- | | |
|---|--------------------|
| 1. Mr. AKM Fazlul Haque, Independent Director | : Chairman |
| 2. Mr. Utpal Dhar, Independent Director | : Member |
| 3. Mrs. Jarin Kabir Khan, Representative Director | : Member |
| 4. Mr. Tapan Kumar Sarker, Company Secretary | : Member Secretary |

Nomination and Remuneration Committee

As per provision of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC), Nomination and Remuneration Committee has formed as follows:

- | | |
|---|--------------------|
| 1. Mr. AKM Fazlul Haque, Independent Director | : Chairman |
| 2. Mr. Utpal Dhar, Independent Director | : Member |
| 3. Mrs. Jarin Kabir Khan, Representative Director | : Member |
| 4. Mr. Tapan Kumar Sarker, Company Secretary | : Member Secretary |

Review of financial statements by the Audit Committee:

Audit Committee has reviewed the annual financial statements for the year ended June 30, 2024 and placed its recommendation to the Board of Directors.

Corporate Governance Compliance Status Report:

In accordance with the requirement of the Bangladesh Securities and Exchange Commission, Corporate Governance Compliance Status Report has been annexed.

Retirement/Re-appointment of Directors:

As per provision of the Companies Act, 1994 & Articles of the Company, one-third of the total Directors of the Company shall have to retire in this annual general meeting except of the Managing Director. Following Directors of the Company shall have retired in 18th Annual General Meeting on their seniority basis:

1. Mr. Md. Ruhul Kabir Khan
2. Mrs. Jarin Kabir Khan, Nominee Director

The above retiring Directors shall also be eligible for re-appointment, and they have also applied for re-appointment.

Acknowledgement:

The Board of Directors take this opportunity of expressing its heart-felt appreciation and gratitude to the all members of the company, as well as all customers, suppliers and associates for their continued support and cooperation. The Board also expresses its deep gratitude to Securities & Exchange Commission, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms and other regulatory bodies for their help, assistance, valuable guidance and advice being extended to the Company from time to time. Our performance would not have been possible without their support.

Conclusions:

The Board of Directors now presents the accounts and auditors reports for the year 2023-2024 and requests our valued shareholders to kindly accept the annual accounts for which we shall remain ever grateful to you all.

I again express my thanks for your kindly making it convenient to attend this annual general meeting. May Allah, in His infinite mercy, grant peace and happiness to us all.

On behalf of the Board of Directors



Mohammed Enamul Kabir Khan
Chairman

Management Discussion and Analysis on Financial Position and Performance

During the year 2023-2024 the company has achieved total turnover of Taka 74,807,500.00 and earned a net profit before tax of Taka 2,405,254.00 by controlling and minimising the operational expenditures compared to sales turnover of 100,941,193.00 and net loss before tax of Taka (5,341,336.00) respectively in the previous year. This reflects a decrease of around 25.89% on sales and earned net profit before tax around 3.22% . During this reporting year, Revenue is decreased by Tk. 2.61 crore from last year. Cost of Services has also been decreased by Tk 3.03 crore in the different ratios because of turnover includes only service revenue. The Company having strong internal control system along with proper supervision of Internal Audit Committee in every operational activities and timely report and recommendation to the management committee to take appropriate plan and action, keep the cost in right profile. Management is also maintaining robust inventory system and raw materials purchase policy to keep production cost competitive with market.

Risk management refers to the practice of identifying potential risk in advance, analysing them and taking precautionary steps to reduce the risk. There are internal and external risks to be dealt with. Internal risks are low production and sales, shortage of power, worker unrest and internal risks are interest rate, exchange rate, market risk, political risk and other regulatory risk.

The company is aware of the concerned risks and is well prepared to manage them by incorporating systematic control procedure. Efficient management of all the process help to minimize the above risks



Tofayel Kabir Khan
Managing Director & CEO

Declaration by CEO and CFO

Date: 14.11.2024

Board of Directors
Khan Brothers PP Woven Bag Industries Ltd.
KBG Tower, 15 DIT Road, Malibagh Chowdhurypara,
Dhaka-1219.

Subject: Declaration on Financial Statement for the year ended on 30 June 2024

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/2017/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Khan Brothers PP Woven Bag Industries Ltd. for the year ended on 30 June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: --

- (i) We have reviewed the financial statements for the year ended on 30 June 2024 and that to the best of our knowledge and belief:
 - (a)) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Tofayel Kabir Khan
Managing Director



Azizul Jabbar, M.Com, PGDIM, FCMA
Chief Financial Officer (CFO)

Status of compliance with the Corporate Governance Code (CGC) of Khan Brothers PP Woven Bag Industries Limited

[As per condition No. 1(5) (xxvii)]

Status of compliance for the period ended 30th June 2024 of **Khan Brothers PP Woven Bag Industries Limited** with the conditions imposed by **BSEC** Notification No. **BSEC/CMRRC/2006-158/207/ Admin/80** dated **03 June 2018** and it's latest amendments issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Non-complied	
(1)	Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board of Directors of Khan Brothers PP Woven Bag Industries Limited is comprised of 7 Directors.
1(2)	Independent Directors			
1(2)(a)	At least 2 (two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;		✓	There are 2(two) Independent Directors. Both are Male
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director –			
1(2)(b)(i)	Who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company;	✓		
1(2)(b)(ii)	Who is not a sponsor of the Company or is not connected with the Company's any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company. Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members ;	✓		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated Companies;	✓		

1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of Stock Exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be consider for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:	√		
1(3)	Qualification of Independent Director :			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regularity requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3)(b)	Independent Director shall have following qualifications :			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	-		N/A
1(3)(b)(ii)	Corporate leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	-		N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	-		N/A

1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	-		N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission;			No such issue arose
1(4)	Duality of Chairpersons of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairpersons of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and / or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the chairperson and the Managing Director and/ or Chief Executive Officer;	√		
1(4)(e)	In the absence of the chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such issue arose
1(5)	The Directors' Report to Shareholders:			
1(5)(i)	An industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;			No such issue arose
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.;			No such issue arose
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performance and Annual Financial statements;			Included in the annual report
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		
1(5)(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		

1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		No bonus share or stock dividend declared as interim dividend
1(5)(xxii)	The total number of Board meeting held during the year and attendance by each director;	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives; and [Executives means top salaries person other than Directors, CEO, CS, CFO & HIAC]	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	√		
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his her expertise in specific functional areas; and	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		

1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance and financial position as well as cash flows in absolute figure for such changes;	√		N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	The financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors :			
	The Company shall conduct its Board Meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board members and Chief Executive Officer of the Company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest, compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency;	√		
2	Governance of Board of Directors of Subsidiary Company :			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;			N/A
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;			N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			N/A
2(e)	The Audit Committee of the holding company shall also review the financial Statements, in particular the investments made by the subsidiary company.			N/A
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).-			
3.1	Appointment			

3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		They are different individuals.
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		No such even in the reporting year
3(2)	Requirement to attend the Board Meetings:			
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	√		No such issue arose
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee:			
4(i)	For ensuring good governance in the Company, The Board shall have at least following sub-committees: Audit Committee; and			
4 (i)	Audit Committee;	√		
4 (ii)	Nomination and Remuneration Committee;	√		
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board;	√		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	√		

5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		
5.2	Constitution of the Audit Committee (AC)			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		The Audit Committee comprised of 3 (three) members.
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the Company excepting Chairpersons of the Board and shall include at least 1 (one) independent director;	√		
5(2)(c)	All members of the audit committee should be “financially literate” and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such incident arose
5(2)(e)	The Company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		
5(3)	Chairperson of Audit Committee:			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such incident arose
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the committee;	√		The Audit committee conducted four meetings during the reporting year
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		
5(5)	Role of Audit Committee:			
	The Audit Committee shall:-			

5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of significant related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	√		No such cases in the reporting year
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Internal Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission. Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	√		N/A
5(6)	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)	The Audit committee shall immediately report to the Board of Directors on the following findings, if any;			
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such incident arose
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident arose
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations; and			No such incident arose

5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such incident arose
5(6)(b)	Reporting to the Authorities:			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.			No such incident arose
5.(7)	Reporting to the Shareholders and General Investors:			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	√		Audit committee report duly given in the annual Report
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			No such incident arose
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such incident arose
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive any remuneration for any advisory role or otherwise, other than Director's fees or honorarium from the company;	√		

6(3)	Chairperson of the NRC:			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No such incident arose
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder,s queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	√		No such even in the reporting yera
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and accountable to the Board and shareholders;	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, considering the following:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identification the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		

6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The Company shall disclose the nomination and remuneration police and the evaluation criteria and activities of NRC during the year at a glance in its annual report.			
7	External or Statutory Auditors:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		As declared by the Auditor.
7(1)(ii)	Financial information systems design and implementation	√		Do
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		Do
7(1)(iv)	Broker-dealer services;	√		Do
7(1)(v)	Actuarial services;	√		Do
7(1)(vi)	Internal audit services or special audit services;	√		Do
7(1)(vii)	Any services that the Audit Committee determines;	√		Do
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	√		Do
7(1)(ix)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members ;	√		Do
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company:			
8(1)	The company shall have an official website linked with the website of the stock exchange;	√		
8(2)	The company shall keep the website functional from the date of listing;	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporation Governance:			
9(1)	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			
9(3)	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	√		



Haruner Rashid & Associates
Chartered Secretaries & Management Consultants

**Report to the Shareholders of
Khan Brothers PP Woven Bag Industries Limited
on
Compliance with the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Khan Brothers PP Woven Bag Industries Limited** for the year ended 30th June, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and its latest amendments issued under section 2CC of the Securities and Exchange Ordinance, 1969 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Haruner Rashid & Associates
Chartered Secretaries

A.K.M. Haruner Rashid, LL.B, FCS
CEO & Consultant

Place: Dhaka

Dated: November 03, 2024

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Report of the Audit Committee For the Year 2023-2024

I am pleased to present the Report of the Audit Committee for the year of 2023-2024.

The Audit Committee Report presented under condition No.3.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Guidelines provides an insight on the functions of the Audit Committee.

The Audit Committee Report presented under condition No.3.5 of the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Guidelines provides an insight on the functions of the Audit Committee.

The Audit Committee are governed by the Terms of Reference (TOR) approved by the Board of Directors in line with the conditions of BSEC Guidelines which is appended with the Compliance Report and also enclosed with the Directors' Report.

The Committee is comprised of Mr. AKM Fazlul Haque, Mr. Utpal Dhar, Mrs. Jarin Kabir Khan. Mr. AKM Fazlul Haque is an Independent Director and also the Chairman of the Committee. Mr. Tapan Kumar Sarker Company Secretary performs as Member Secretary to the Audit Committee. The Audit Committee is appointed by the main Board and all the Members are Non-Executive Directors. As required, all Members of the Audit committee are 'financially literate' and are able to analysis and interpret financial statements to effectively discharge their duties and responsibilities as Members of the Audit Committee.

Reporting to the Board of Directors

The Audit Committee is acting as a sub-committee of the Board and reports to the Board of Directors immediately to the Board of Directors on the following outcomes, if any:

- Report on conflicts of interests;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter that it deems necessary.

The Role of Audit Committee

The role of the Audit Committee is to monitor their liability of the financial statements of the Company and make recommendations, when appropriate to the Board on operational risk, internal controls and compliance. The committee gets satisfied, using suitable steps and appropriate information, that proper and satisfactory internal control system are in place and ensured that the Company's business is directed in a proper and economically sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

The role of the Audit Committee includes the following:

- a. Review and recommend to the Board to approve the 1st quarter, 2nd quarter, 3rd quarter and Annual Financial Statements prepared for statutory purpose;

- b. Monitor and oversee choice of accounting policies and principles, internal control, risk Management process, auditing matter, hiring and performance of external auditors;
- c. Review statement of significant related party transactions submitted by the management.
- d. Carry on a supervision role to safeguard the systems of governance and independence of statutory auditors;
- e. Review and consider the report of internal auditors and statutory auditors' observations on internal control; and
- f. Review of IPO proceeds utilization
- g. Evaluate the company's continuous growth.
- h. Monitoring the company's standard operating procedures followed or not.
- i. Observe the Companies overall policies and procedures.
- j. Other matters as per Terms of Reference (TOR) of the Audit Committee and also as directed by the Board.

Audit Committee Meetings held during the year and attendance:

During the year ended 30 June 2024, there were 4 Audit Committee Meetings hold and the presence was as follows:

Name	Designation	Meeting Held	Total Attendance
Mr. AKM Fazlul Haque	Chairman	4	4
Mr. Utpal Dhar	Member	4	3
Mrs. Jarin Kabir Khan	Member	4	3
Mr. Tapan Kumar Sarker	Member Secretary	4	4

Authority

In terms of Corporate Governance Guidelines, the Audit Committee is authorized by the Board to review any activity within the business as per its Terms of Reference (TOR). It is authorized to seek any information it requires from, and requires the attendance at any of its meeting of any Director or Member of Management, and all employees are expected to co-operate with any request made by the Committee. The Committee is also authorized to have information and advice from the Company Legal Advisor, Tax Consultant and Statutory Auditor if required. The TOR of the Audit Committee may be amended from time to time as required for the business in line with BSEC Notifications subject to approval by the Board of the Company.

Activities carried out during the year

The Audit Committee met four times during the year 2023-2024. All the Members were present in all meetings of The Committee. The Committee reviewed the integrity of the quarterly and annual financial statement in due time. The Committee found, adequate arrangements were taken to present a true and fair view of the activities and the financial status of the company and didn't find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting. The Committee, therefore, recommended for onward submission of the Audited Financial Statements to the Board for its approval and recommended to the Board for consideration. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.

Conclusion:

The Audit Committee is satisfied that the effectiveness of the organization structure of the company in implementation of the accounting policies and operational controls, provide reasonable assurance that the affair of the company are managed in accordance with accepted policies and the assets are properly accounted for and adequately safeguarded.

The Committee is also satisfied that the company's internal and external audit have been effective and independent throughout period under review. The Committee is also pleased of having adequate arrangement to present a true and fair view of the activities and the financial status of the Company and did not find any material deviation, discrepancies or any adverse findings/ observation in the areas of reporting.



AKM Fazlul Haque
Chairman
Audit Committee

Khan Brothers PP Woven Bag Industries Limited

Report on the Nomination & Remuneration Committee (NRC):

In accordance with the best practice of Corporate Governance, the Board of Directors established a Nomination and Remuneration committee (the “Nomination and Remuneration Committee”) and the status of compliance with the conditions imposed by the Commission notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

The Committee examine specific topics chosen by the Board of Directors and report on them to the Board of Directors. Decision-making remains the collective responsibility of the Board of Directors and the committee may only make suggestions to the Board of Directors.

The main purpose of Remuneration and Nomination Committee is to assist the Board of Directors, via proposal of appointment and /or removal of Directors, review of the remuneration Policy of the Company, to make proposals, together with the CEO, on the individual remuneration of Directors, and to provide advice on any benefit or incentive schemes.

1. Roles and Responsibilities

According to the CG code, the role and responsibility of the Nomination and Remuneration Committee

» With respect to Nominations:

The Committee shall:

- a) Assist the Board in formulation of the Nomination Criteria or policy for determining qualifications, positive Attributes, experiences and independence of directors and top level executive;
- b) Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- c) Regularly review the structure, size and composition (including the skills, experience, independence, knowledge and diversity, including gender) of the Board and to make recommendations to the Board with regard to any changes that are deemed necessary;
- d) Devise a policy on Board’s diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- e) Formulate the criteria for evaluation of performance of independent directors and board;
- f) Identify the Company needs for employees at different levels and determining their selection, transfer or replacement and promotion criteria;
- g) Develop, recommend and review annually the Company’s human resource and training policies.

» With respect to Remuneration:

The Committee shall:

- a) Recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to return the Company successfully;
 - ii) The relationship of remuneration to performance is clear and meets appropriate benchmarks;
 - iii) Remuneration to directors, top level executives involves a balance between fixed and incentive pay

reflecting short and long-term performance objective appropriate to the working of the Company and its goals;

b) Determine and agree with the Board the policy for the remuneration of the Directors.

» **With respect to Appointments to the Board**

The committee shall assess the qualifications, background knowledge and experience necessary to sit on the Board of Directors. Accordingly, the duties and qualifications required of the candidates to fill each vacancy and decide the time and dedication necessary for them to properly perform their duties. The Chairman may request the Remuneration and Nomination Committee to consider possible candidates to fit vacancies for the position of Director. Provided that Remuneration and Nomination Committee may as well independently search for and consider alternative such position. Such directors shall be appointed by approval of the Shareholders.

» **With respect to Conflict of interest**

The committee shall before appointment of a Director, require the proposed appointee to disclose any other business interest that may result in a conflict of interest and to report any future business interests that could result in a conflict of interest.

» **With respect to Board Evaluation**

The Committee shall:

a) Assist the Chairperson of the Board with the implementation of annual evaluation process;

b) Review the results of the Board performance evaluation process that relate to the composition of the Board.

2. Composition of the NRC

According to the CG code 2018 issued by Bangladesh Securities and Exchange Commission (BSEC). The Committee shall be appointed and nominated by the Board consist of at least three members including an Independent Director. All members of the Committee shall be non-executive directors and any removal and appoint of any member in a committee is the subject to prior approval and full authority of the Board. A chairman of the Nomination and Remuneration Committee shall be selected from among its members and shall be an Independent Director. Composition of the NRC has given below.

Name	Position
Mr. AKM Fazlul Haque	Chairman
Mr. Utpal Dhar	Member
Mrs. Jarin Kabir Khan	Member
Mr. Tapan Kumar Sarker	Member Secretary

3 Meeting and Activities of the Nomination and Remuneration Committee

Meeting held during FY 2023-2024

Name	Meeting	Attended
Mr. AKM Fazlul Haque Chairman	1	1
Mr. Utpal Dhar Member	1	1
Mrs. Jarin Kabir Khan Member	1	1
Mr. Tapan Kumar Sarker Secretary	1	1

4. Activities Carried out

- i) Reviewed the Business operation during Covid-19 Pandemic and recommended Board of Directors (BOD) for concise the Shifting of operation and Retrenchment;
- ii. Reviewed the NRC Policy for approval of the Board and it was approved through the BOD meeting dated on 13 November, 2019;
- iii. Reviewed Code of Conduct as per Condition no: 7(a) & 7(b) under CG code ; iv. Reviewed the Diversity Policy and Prohibition of Insider Trading Policy;
- v. Reviewed the Whistleblower Policy for approval of the Board and it was approved through the BOD meeting dated on 27 June, 2019;
- vi. Reviewed of the NRC policy relating to the Remuneration of the Directors and top level Executives of the Company and recommended for approval to the Board;
- vii. Reviewed the process & criteria regarding performance evaluation of Board & Independent Director;
- viii. Reviewed the process & criteria for Board and Director's Performance Evaluation;
- ix. Review the results of the Board performance evaluation process done during FY 23-24;
- x. Reviewed Vacancy positions or new positions and reported and/or recommended about recruitment for Board appraisal.
- xi. Recommended to appoint M/S. Harunur Rashid & Associates, Chartered Secretaries in practice as Compliance Auditors of the Company for the next financial year.
- xii. Recommended to appoint M/S. ARTISAN, Chartered Accountants in practice as External Auditors of the Company for the next financial year.
- xiii. Recommended to appoint M/S. Mohammadullah & Associates, 222/1, Tejkunipara, Bijoy Sarani Link Road, Tejgaon, Dhaka-1215 as Independent Scrutinizer for the 18th AGM 2024;

On behalf of the Nomination & Remuneration Committee,



Mr. AKM Fazlul Haque

Chairperson

Nomination & Remuneration Committee (NRC)

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 2024 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.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for Qualified Opinion:

1. 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. 142,664,719 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 this regard using alternative approach.
2. 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 2024, which are being carrying forward since last couple of years. Item wise breakup of which have been shown under note # 20.06 & 20.07. As we have been appointed after the year end so we could not confirm the physical inventory position as on 30 June 2024. However, to confirm the physical inventory of the Company we visited the factory of the Company where we found raw material in the bonded warehouse but no proper register has been maintained for the movement of the inventory except for a list along with quality, value in excel format. As a result, we could not confirm the actual quantity and value of the inventory under the control of the Company. In addition to that a similar sister concern is also operating in the same premises and the Company is operating under sub-contract agreement with the sister concern so the ownership of the inventory could not be identified.

3. 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 NBFIs 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. Under note # 06, The financial statement shows Export Bills Receivable Tk. 62,212,203 as on 30 June 2024, 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.
4. The company have not paid any VAT and AIT against the Sub-Contract Income during the year according to the Value Added Tax and Supplementary Duty Act 2012, Value Added Tax and Supplementary Duty Rule 2016 and 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. $(74,807,500 \times 15\%) = \text{Tk. } 11,221,125$ which is a misstatement as well as non-compliance of the related Acts & Rules. They were also not provided with any copy of monthly Withholding Tax Return for the year under audit. The entire income has been arisen from a sub-contract agreement with Khan Brothers Bag Industries Ltd. and no income is realized in Banking channel except for the loan installment amount Tk. 8,948,000.

Matter of Emphasis:

1. 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.
2. During our audit we found that factory overhead and wages and salaries Tk. 58,610,375, operating expenses 12,505,067 of the company has been paid from one of its sister concerns named "Khan Brothers Bag Industries Ltd" as per the Subcontract Agreement as part of realization of revenue. As a result, we could not confirm whether the sister concern deduct any TDS or VDS against the expenses during the financial year.
3. The company have not yet introduced employee provident fund, Workers Profit Participation Fund, Welfare Fund and Gratuity/Compensation benefit as per guideline of Bangladesh Labor Rules 2015 and according to the Sec 232 (1) of the Bangladesh Labor Act 2006 (Amended in 2018).

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)	
<p>The carrying value of the PPE amounted to Tk. 453,075,270 as at 30th June 2024. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>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.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> • We reviewed the opening balances of PPE which was audited by other 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 reviewed the calculation of depreciation charged during the year. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price; • We have visited the factory and observe the fixed assets but management could not produce any register, statements of those to cross check physically; <p>[See note number 3.00 for details]</p>
Impairment of Property, Plant and Equipment	
<p>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.</p> <p>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.</p>	<p>Our audit procedures including, among others, considering the impairment risk associated with the following different types of asset:</p> <ul style="list-style-type: none"> • 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; • 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.

Measurement of Deferred Tax Liabilities	
<p>The Company reported net deferred tax liabilities to totaling BDT as at 31,115,128.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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. <p>[See note number 13.00 for details]</p>
Revenue Recognition	
<p>At year end the Company reported total revenue of BDT 74,807,500 comprising with Subcontract Income Tk. 74,807,500.</p> <p>Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Calculation of discounts, incentives and rebates; • Segregation of duties in invoice creation and modification; and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • 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. <p>[See note number 19.00 for details]</p>
Employee Benefits	
<p>(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:</p> <ol style="list-style-type: none"> (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; <p>(b) Other long-term employee benefits, such as following:</p> <ol style="list-style-type: none"> (i) long-term paid absences such as long-service leave. (ii) jubilee or other long-service benefits; and (iii) long-term disability benefits; and <p>(c) Termination benefits</p>	<p>The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize;</p> <ol style="list-style-type: none"> (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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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

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

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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- ▶ we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

- ▶ 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 these books;
- ▶ the consolidated statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- ▶ the expenditure incurred was for the purposes of the Company's business.

28 Oct 2024
Dhaka, Bangladesh



AKM Kamrul Islam, FCA
Enrollment No- 0670 (ICAB)
Senior Partner
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC: 2410300670AS435998


KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF FINANCIAL POSITION
As on June 30, 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
ASSETS:			
Non -Current Assets (A)			
Property, Plant and Equipments	3	453,075,270	480,944,696
Investment in Share	4	1,050,000	1,050,000
Total Non -Currents Assets		454,125,270	481,994,696
Current Assets (B)			
Inventories	5	597,579,917	597,579,917
Trade and other Receivables	6	107,398,597	88,992,129
Advances, Deposits & Pre-Payments	7	12,391,378	12,082,529
Cash and Cash Equivalents	8	61,495,709	60,199,881
		778,865,601	758,854,456
Total Assets (A+B)		1,232,990,872	1,240,849,152
EQUITY AND LIABILITIES:			
Shareholder's Equity (C)			
Share Capital	9	980,798,770	980,798,770
Revaluation Reserve	10	88,494,066	88,647,297
Retained Earnings	11	95,837,257	94,821,411
Total shareholders' Equity		1,165,130,093	1,164,267,479
LONG TERM LIABILITIES (D)			
Non Current Portion of Long Term Loan	12	9,633,472	15,824,894
Deferred Tax Liability	13	31,115,128	30,475,749
Total Long Term Liabilities		40,748,600	46,300,643
Current Liabilities (E)			
Trade and other Payables	14	-	-
Current Portion of Long Term Loan	15	8,585,868	8,585,868
Accrued Expenses	16	3,571,894	5,642,204
Provision for Taxation	17	13,483,886	14,580,625
Dividend Payable	18	1,470,530	1,472,333
Total Current Liabilities		27,112,178	30,281,030
Total Shareholder's Equity and Liabilities (C+D+E)		1,232,990,872	1,240,849,152
Net Asset Value Per Share including Revaluation Surplus	27	11.88	11.87
Net Asset Value Per Share excluding Revaluation Surplus	27	10.98	10.97

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 on 28 October 2024 and were signed on its behalf by:

 Chief Financial Officer Azizul Jabbar	 Managing Director Tofayel Kabir Khan	 Company Secretary Tapan Kumar Sarker	 Chairman Mohammed Enamul Kabir Khan
 Director Md. Ruhul Kabir Khan			

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


AKM Kamrul Islam, FCA
Enrolment No:- 0670 (ICAB)
Senior Partner
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC: 2410300670AS435998

Place: Dhaka
Date: 28 October, 2024

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year ended 30 June, 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Revenue			
Turnover/Sub-Contract Revenue	19	74,807,500	100,941,193
Less: Cost of Sales/Service	20	58,610,375	89,032,245
Gross Profit		16,197,125	11,908,948
Operating Expenses:		12,505,067	15,711,445
Administrative Expenses	21	11,034,125	13,963,952
Marketing, Selling and Distribution Expenses	22	1,470,942	1,747,493
Operating Profit/(Loss)		3,692,058	(3,802,497)
Add: Non Operating Income	25	1,207,787	1,167,979
Less : Financial Expenses	23	2,494,591	2,706,818
Net Income/ (Loss) before Tax		2,405,254	(5,341,336)
Provision for Income Tax	24	1,542,639	1,007,883
Current Tax	17	903,260	897,642
Deferred Tax	13	639,379	110,241
Net Profit/ (Loss) after Tax		862,615	(6,349,219)
Earnings Per Share	26	0.01	(0.06)

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 on 28 October 2024 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.

Place: Dhaka
Date: 28 October, 2024


AKM Kamrul Islam, FCA
Enrolment No:- 0670 (ICAB)
Senior Partner
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC: 2410300670AS435998

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June, 2024

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 01 July, 2023	980,798,770	88,647,297	94,821,411	1,164,267,479
Net Income for the year	-	-	862,615	862,615
Dividend for the year	-	-	-	-
Dep. on Revaluation Surplus	-	(153,231)	153,231	-
Balance as on 30 June, 2024	980,798,770	88,494,066	95,837,257	1,165,130,094

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

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 on 28 October 2024 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.



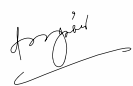
AKM Kamrul Islam, FCA
Enrolment No:- 0670 (ICAB)
Senior Partner
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC: 2410300670AS435998

Place: Dhaka
Date: 28 October, 2024

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.
STATEMENT OF CASH FLOWS
For the Year ended 30 June, 2024

Particulars	Amount in Taka	
	30 June, 2024	30 June, 2023
A. Cash Flows from Operating Activities :		
Collection from Turnover	56,401,032	74,349,794
Payment to suppliers and creditors for expenses	(45,625,175)	(73,085,853)
Payment for Financial Expenses	(2,494,591)	(2,706,818)
Payment for Income Tax	(2,000,000)	-
Add: Receipt From Other Sources	1,207,787	1,167,979
Add: Gain/(Loss) on Foreign Currency Fluctuation	-	-
Net cash generated from operating activities	7,489,054	(274,899)
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	(1,802)	(232,698)
Payment of Unclaimed Dividend to Capital Market Stabilization Fund	-	-
Payment of IPO Fund to Capital Market Stabilization Fund	-	-
Short term loan Received/(Re-paid)	-	(20,000)
Long term loan Received/(Re-paid)	(6,191,422)	(2,769,977)
Net cash used in financing activities	(6,193,224)	(3,022,675)
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	1,295,829	(3,297,573)
E. Opening Cash and Cash Equivalent	60,199,880	63,497,454
F. Ending Cash and Cash Equivalent (D+E)	61,495,709	60,199,880
Net Operating Cash flows per Shares (NOCFPS)	0.08	(0.00)

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 on 28 October 2024 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.



AKM Kamrul Islam, FCA
Enrolment No:- 0670 (ICAB)
Senior Partner
Islam Aftab Kamrul & Co.
Chartered Accountants
DVC: 2410300670AS435998

Place: Dhaka
Date: 28 October, 2024

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD

Notes to the Financial Statements

As at and for the year ended June 30, 2024

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

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

The Income Tax Act, 2023

The Value Added Tax & Supplementary Duty Act, 2012

The Value Added Tax and Supplementary Duty Rules, 2016

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.

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, 2023 to June 30, 2024 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
 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-24	30-Jun-23
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.

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.

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, bourses 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.

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 # 31.01 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 Taka.
- b) Previous year's figures have been rearranged, where necessary, to confirm to current year's presentation.

Amount in Taka	
30 June 2024	30 June 2023

3.00 Property, Plant and Equipments: Tk. 453,075,270

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	142,664,719	150,173,388
Plant & Machinery	149,496,762	166,107,514
Generator & Electric Equipment	7,901,547	9,295,938
Motor Vehicle	7,260,390	9,075,487
Office Decoration & Fittings	3,661,705	4,068,561
Furniture & Fixture	1,202,948	1,336,609
Total	453,075,270	480,944,696

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	119,740
Total	597,579,917	597,579,917

The above Inventories are as per physical counting made by the inventory team of management staff, valued and certified by management. 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 from banks and imported under bonded facilities.

6.00 Trade and other Receivables: Tk. 107,398,597

Break-up of this item is as follows:

Export Bills Receivable	62,212,203	62,212,203
Khan Brothers Bag Industries Ltd.	45,186,394	26,779,926
Total	107,398,597	88,992,129

These are considered good.

6.01 Ageing of Receivables: Tk. 107,398,597

Dues up to 60 days

Dues Over 60 days

Total

45,186,394	26,779,926
62,212,203	62,212,203
107,398,597	88,992,129

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.

Receivable considered good in respect of which the company holds no security other than the debtor personal security.

Receivables considered doubtful bad.

Total

107,398,597	88,992,129
-	-
-	-
107,398,597	88,992,129

		Amount in Taka	
		30 June 2024	30 June 2023
7.00	Advances, Deposits & Pre-Payments: Tk. 12,391,378		
	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	11,136,378	10,790,029
	CDBL-Security deposit	500,000	500,000
	Advance against Purchase	-	-
	Salary Advance	57,500	95,000
	Total	12,391,378	12,082,529
7.01	Advance Income Tax Tk. 11,136,378		
	This consist of the following:		
	Opening Balance	10,790,029	10,566,189
	Advance Tax on other Income (Interest Income)	136	-
	Advance Tax on FDR Interest Income & others	346,213	223,840
	Total	11,136,378	10,790,029
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	12,333,878	11,987,529
	Advance, deposit & Pre-payments considered good without security	-	-
	Advance, deposit and pre-payments due by directors or others officers	57,500	95,000
	Total	12,391,378	12,082,529
8.00	Cash and Cash Equivalents: Tk. 61,495,709		
	This consist of the following balances;		
	Cash in hand	2,205,752	1,745,350
	Cash at Banks:		
	Mutual Trust Bank Ltd.-CD-11251	-	8,168
	Mutual Trust Bank Ltd.-STD-2508	-	9,034
	Mutual Trust Bank Ltd.-CD-0002-0210029939	1,452,085	1,457,577
	FDR (Mutual Trust Bank Ltd.)	25,770,047	24,980,878
	FDR (Jamuna Bank Ltd.)	2,067,825	1,998,874
	FDR (People's Leasing And Financial Services Ltd.)	30,000,000	30,000,000
	Total	59,289,957	58,454,531
	Total	61,495,709	60,199,881
9.00	Share Capital: Tk. 980,798,770		
	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

9.02 The position of shareholders as on 30 June 2024 is as follows:

Particulars of Investors	Number of Investors	Number of Shares	Percentage of Share Holding 2023-2024	Percentage of Share Holding 2022-2023
Sponsor	5	29,549,807	30.13%	30.13%
Directors other than Sponsor	-	-	-	-
General Public	1,888	60,168,354	61.35%	31.85%
Investor's A/c	-	-	-	-
Institutes	32	8,361,716	8.53%	38.02%
Total	1,925	98,079,877	100%	100%

9.03 Classification of Shareholders by Holding :

Holdings	Numbers of Holders		Shareholdings %	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Less than 500 Shares	1,025	2,167	0.12%	0.50%
501 to 5,000	687	3,775	0.98%	6.42%
5,001 to 10,000	67	522	0.51%	4.09%
10,001 to 20,000	32	290	0.46%	4.32%
20,001 to 30,000	12	131	0.31%	3.33%
30,001 to 40,000	8	58	0.27%	2.08%
40,001 to 50,000	15	42	0.68%	1.96%
50,001 to 100,000	13	84	0.97%	6.13%
100,001 to 1,000,000	38	70	16.70%	17.19%
Over 1,000,000	28	10	79.00%	53.98%
Total	1,925	7,149	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. 98.90 at Dhaka Stock Exchange Limited and Tk. 110.90 at Chittagong Stock Exchange Limited as on 30 June 2024.

10.00 Revaluation Reserve: Tk. 88,494,066

This is made up as follows:

Opening balance

88,647,297

88,815,155

Dep. On Revaluation Surplus (Net off Deferred Tax)

(153,231)

(167,858)

Total

88,494,066

88,647,297

11.00 Retained Earnings Tk. 95,837,257

This is made up as follows:

Opening Balance

94,821,411

101,002,773

Net Income/ (Loss) for the year

862,615

(6,349,219)

Dividend for the year

-

-

Depreciation on Revaluation Surplus (Net off Deferred Tax)

Note:11.01

153,231

167,858

Closing Balance

95,837,257

94,821,411

11.01 Depreciation on Revaluation Surplus (Net off Deferred Tax)

Excess Depreciation of Revaluation Reserve

180,272

197,480

Less: Deferred Tax (15%)

27,041

29,622

Total

153,231

167,858

12.00 Non Current Portion of Long Term Loan: Tk.

This is made up as follows:

MTBL A/C No: 21113002819 Total Term Loan

18,219,340

24,410,762

Less: Current portion of Long term Loan

8,585,868

8,585,868

Non Current Portion of Long Term Loan

9,633,472

15,824,894

This represent loan from Mutual Trust Bank Ltd. against import of machinery which is repayable within three years. The loan is secured against hypothecation of machinery. Balance of Term Loan Secured Tk. 18,219,340 has been allocated as Non Current Portion Tk. 9,633,472 & Current Portion Tk. 8,585,868 which has been shown under note no: 15.

13.00 Deferred Tax Liability Tk. 31,115,128

This has been arrived as under:

A. Temporary difference:

Carrying Amount of PPE

Tax Base Value of PPE

Taxable Timing Differences

Tax rate (25%)

Deferred Tax Liabilities Closing Balance (A)

Less: Opening balance of Deferred Tax Liabilities

Deferred Tax Expenses (C)**B. Revaluation:**

Carrying value of land

Other than Land

Tax rate:

Land

Other than Land

Closing Deferred Tax Liabilities: (B)

Land

Other than Land (After adjustment of Deferred tax)

Less: Opening Deferred Tax Liabilities:

Land

Other than Land

Deferred Tax Income/ Expense (D)

Deferred Tax Liabilities at the end of the year (A+B)**Total Deferred Tax Income/Expense (C+D)**

	312,188,071	340,057,497
	103,517,570	128,721,317
	208,670,501	211,336,181
	25.00%	25.00%
Note- 13.01	27,771,286	27,104,866
	27,104,866	26,965,003
	666,420	139,863
	99,430,849	99,430,849
	10,128,463	10,128,463
	2%	2%
	15%	15%
	3,343,842	3,370,883
	1,988,617	1,988,617
	1,355,225	1,382,266
	3,370,883	3,400,505
	1,988,617	1,988,617
	1,382,266	1,411,888
	27,041	29,622
	31,115,128	30,475,749
	639,379	110,241

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 30.06.2023	Deferred Tax Expenses/(Inc ome) for the	DTL/(DTA)as on 30.06.2024
Building & Others Construction	142,664,719	32,598,167	110,066,552	14,515,319	(160,218)	14,355,100
Plant & Machinery	149,496,762	54,328,458	95,168,304	12,179,143	757,159	12,936,303
Generator & Electric Equipemnts	7,901,547	4,465,903	3,435,645	410,404	69,479	479,883
Motor Vehicle	7,260,390	7,260,390	-	-	-	-
Office Decoration & Fittings	3,661,705	3,661,705	-	-	-	-
Furniture & Fixture	1,202,948	1,202,948	-	-	-	-
Total	312,188,071	103,517,570	208,670,501	27,104,866	666,420	27,771,286

14.00 Trade and other Payables: Tk. 0

This is made up as follows:

Bills Payable

Note- 14.01	-	-
Total	-	-

14.01 Bills Payable: Tk. 0

This is made up as follows:

Desh Electric Co.

Janata Machinery

Total

	-
	-
Total	-

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

Less: Non Current Portion of Long Term Loan

Current portion of long term loan

	18,219,340	24,410,762
	9,633,472	15,824,894
	8,585,868	8,585,868

Balance of Term Loan (Secured) Tk. 18,219,340 has been allocated as Non Current Portion Tk. 9,633,472 shown under Note no: 12 & Current portion Tk. 8,585,868

16.00 Accrued Expenses Tk. 3,571,894

This is made up as follows:

Factory Electricity Bill	132,596	60,797
Factory Gas Bill	135,446	263,477
Audit Fee Payable	575,000	172,500
Annual Listing fee payable	980,798	980,798
CDBL Fees Payable	106,000	106,000
Telephone Bill	1,775	1,975
Internet Bill	2,400	12,650
Office Electricity, Wasa & Others	34,795	97,456
Salary and Allowance	273,825	275,300
Wages & salary	1,329,260	3,671,251
Total	3,571,894	5,642,204

17.00 Provision for Tax: Tk. 13,483,886

This has been arrived as under:

Opening Balance	14,580,625	13,682,984
Provision during the year:		
Tax charge during the period	601,314	605,647
Tax charge during the period on Non Operating Income	301,947	291,995
	903,260	897,642
Less :Adjusted/ Payment during the period:		
Payment	2,000,000	-
	2,000,000	-
Closing Balance	13,483,886	14,580,625

18.00 Dividend Payable : Tk. 1,470,530

Dividend-2020
Dividend-2022 (Interim)

Total

	Opening Payable	Paid during the Period	Balance on'30 June 2024	Balance on'30 June 2023
Dividend-2020	1,092,664	-	1,092,664	1,092,664
Dividend-2022 (Interim)	379,668	1,802	377,866	379,668
Total	1,472,333	1,802	1,470,530	1,472,333

19.00 Turnover: Tk. 74,807,500

The above Turnover comprises with the following:

Export	-	-
Local Sales	-	-
Sub-Contract Revenue	74,807,500	100,941,193
Total	74,807,500	100,941,193

*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

20.00 Cost of Sales/Service: Tk. 58,610,375

This has been arrived as under:

Opening Work-in-Process	-	-
Raw materials consumed	-	-
Wages & Salaries	Note- 20.02 19,100,785	44,152,456
Manufacturing overhead	Note- 20.03 39,509,590	44,879,789
Less: Closing Work-in-Process	-	-
Cost of Production/Services	58,610,375	89,032,245
Opening stock of Finished Goods	44,145,422	44,145,422
Cost of Goods Available for Sale/Service	102,755,797	133,177,667
Closing stock of Finished Goods	(44,145,422)	(44,145,422)
Cost of Sales/Service	58,610,375	89,032,245

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. 19,100,785

This consists of the following:

Wages & Salary	19,100,785	44,152,456
Total	19,100,785	44,152,456

20.03 Manufacturing Overhead: Tk. 39,509,590

This consists of the following:

Workers Food Allowance	954,992	1,152,453
Electricity Bill	1,128,689	837,557
Gas Bill	2,597,164	2,548,876
Diesel for Generator	1,153,825	685,540
Spare Parts	1,166,329	1,540,304
Factory Maintenance	878,778	1,685,142
Machinery Maintenance	981,460	2,044,745
Electric Materials	1,013,946	1,802,748
Daily Labor	1,601,332	1,278,452
Worker Transport Expenses	1,388,402	1,591,552
Medical Expenses	205,449	437,450
Hardware Materials	925,413	1,274,257
Depreciation	25,513,812	28,000,713
Total	39,509,590	44,879,789

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
Adhesive 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				-

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
Adhesive 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. 44,145,420:

Size Of Bag	Qty/Pcs/Lot	Unit	Unit Price	Total (Tk.)
20"*38"	775,193	Bag	32.25	24,999,976
22"*38"	536,287	Bag	35.70	19,145,446
Total				44,145,422

21.00 Administrative Expenses: Tk. 11,034,125

This consists of the following:

AGM Expenses	-	56,400
Salary and Allowances	2,460,000	2,460,000
Directors Meeting Allowances	43,800	43,800
Donation & Subscription	90,450	149,935
Entertainment	460,592	1,117,452
Fuel & Lubricant	469,315	609,455
Listing Fee	980,798	980,798
CDBL Fee	106,000	106,000
Traveling & Conveyance	526,426	843,012
Office Electricity, Wasa and Others Bill	759,451	973,456
Office Maintenance	493,023	728,365
Printing & Stationery	534,605	1,147,143
Postage & Telegram	6,025	7,805
Registration & Renewals	34,500	168,902
Telephone Bill	23,745	23,735
Mobile Bill	169,200	169,200
Internet Bill	28,800	151,800
Audit Fees	575,000	172,500
Vehicle Maintenance	800,204	991,478
Newspaper & Periodicals	9,213	9,960
Other Expenses	148,335	234,525
Depreciation	2,314,643	2,818,231
Total	11,034,125	13,963,952

Note: 21.01

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. 1,470,942

This consists of the following:

Fuel & Lubricants	568,620	685,004
Salary & Allowances	825,900	912,609
Toll Expenses	35,450	98,665
Depreciation	40,972	51,215
Total	1,470,942	1,747,493

23.00 Financial Expenses: Tk. 2,494,591

This consists of the following:

Bank Charges & Others	47,513	12,645
Interest on Term Loan	2,429,078	2,625,023
Excise Duty FDR & TDR	3,000	54,150
Excise Duty on Term Loan	15,000	15,000
Total	2,494,591	2,706,818

24.00 Income Tax Expenses: Tk. 1,542,639

This has been arrived as under:

Current Tax :

- Tax on Turnover/Reven (2,405,254*25%)
- Tax on Non Operating Income: (1,207,787*25%)

- Tax on Profit:
Which one is higher

Deferred Tax :**Income tax expenses**

Note- 13.00

601,314	605,647
301,947	291,995
903,260	897,642
-	-
903,260	897,642
639,379	110,241
1,542,639	1,007,883

25.00 Non Operating Income : Tk. 1,207,787

This consists of the following:

Interest on IPO Subscription Fund	454	-
Gain/(Loss) on Foreign Currency Fluctuation	-	-
Interest on FDR fund	1,207,333	1,167,979
Total	1,207,787	1,167,979

26.00 Earnings Per Share: Tk. 0.01

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
Weighted average no. of ordinary Shares

862,615	(6,349,219)
98,079,877	98,079,877
0.01	(0.06)

27.00 Net Asset Value Per Share (NAVPS)

Total Assets	1,232,990,872	1,240,849,152
Current Liabilities+Long Term Liabilities	67,860,778	76,581,673
Net Assets Value(NAV) including Revaluation surplus	1,165,130,093	1,164,267,479
Number of ordinary shares outstanding	98,079,877	98,079,877
Net Assets Value(NAV) Per Share including Revaluation surplus	11.88	11.87
Net Assets Value(NAV) excluding Revaluation surplus	1,076,636,027	1,075,620,182
Net Assets Value(NAV) Per Share excluding Revaluation surplus	10.98	10.97

28.00 Net Operating Cash flows per Shares (NOCFPS)Cash inflow/ (outflow) per share 0.08 (0.00)

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

Operating cash flow during the year	7,489,054	(274,899)
Number of ordinary shares	98,079,877	98,079,877
	0.08	(0.00)

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	862,615	(6,349,219)
Add: Depreciaton	27,869,426	30,870,159
Add:Deferred Tax	639,379	110,241
Add: Increase/Decrease of Current Assets	(18,715,317)	(26,759,223)
Less: Decrease of Current Liabilities	(3,167,050)	1,853,144
Net Cash Flows From Operating Activities	7,489,054	(274,899)

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 presented in accordance with the provision of IAS 24 Related Party Disclosures.

Name of the related Parties	Relationship	Nature of Transaction	Opening Balance	Dr. Balance	Cr. Balance	Closing Balance
Khan Brothers Bag Industries Ltd.	Sister Concern	Accounts Receivables	26,779,926	93,213,968	74,807,500	45,186,394
Khan Brothers Bag Industries Ltd.	Sister Concern	Sub-Contract Revenue	-	74,807,500	74,807,500	
Khan Brothers Bag Industries Ltd.	Sister Concern	Factory Overhead		39,509,590	39,509,590	-
Khan Brothers Bag Industries Ltd.	Sister Concern	Wages & Salaries		19,100,785	19,100,785	-
Khan Brothers Bag Industries Ltd.	Sister Concern	Operating Exp.		12,505,067	12,505,067	-

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 30.06.2024.

32.02 Claims not Acknowledged

There is no claim against the Company acknowledged as debt as on 30.06.2024

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 1% Cash dividend at the Board meeting held on for the year ended June 30, 2024. 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.

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 2024 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 October 28, 2024.

36.00 Re-arrangement in Presentation

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

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, 2024

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2024
	As at 01.07.2023	Addition During the year	Total value As at 30.06.2024		As at 01.07.2023	Addition During the year	As at 30.06.2024	
Land & Land Development	53,040,177	-	53,040,177	0%	-	-	53,040,177	
Building & Other Construction	241,736,451	-	241,736,451	5%	7,429,275	100,580,232	141,156,219	
Plant & Machinery	454,858,123	-	454,858,123	10%	16,486,311	306,481,320	148,376,803	
Generator & Electric Equipment	55,642,469	-	55,642,469	15%	1,355,587	47,960,808	7,681,661	
Motor Vehicle	31,722,303	-	31,722,303	20%	1,815,097	24,461,913	7,260,390	
Office Decoration & Fittings	10,922,885	-	10,922,885	10%	406,856	7,261,180	3,661,705	
Furniture & Fixture	4,869,065	-	4,869,065	10%	133,661	3,666,117	1,202,948	
Total as on 30 June 2024	852,791,473	-	852,791,473		27,626,788	490,411,570	362,379,903	

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

For the Year ended June 30, 2024

Particulars	REVALUATION			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.2024
	As at 01.07.2023	Addition During the year	Total value As at 30.06.2024		As at 01.07.2023	Addition During the year	As at 30.06.2024	
Land & Land Development	87,847,022	-	87,847,022	0%	-	-	87,847,022	
Building & Other Construction	3,093,250	-	3,093,250	5%	79,395	1,584,749	1,508,501	
Plant & Machinery	4,895,614	-	4,895,614	10%	124,440	3,775,655	1,119,959	
Generator & Electric Equipment	2,139,599	-	2,139,599	15%	38,803	1,919,713	219,886	
Total as on 30 June 2023	97,975,485	-	97,975,485		242,638	7,280,117	90,695,368	

Grand Total as on 30 June 2024(Cost Value +Revaluation Surplus Value)	950,766,958	-	950,766,958	-	27,869,426	497,691,688	453,075,270
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Note: Land & Land Development represents only Land.

Allocation of depreciation:

Admin	2,314,642
Marketing	40,972
Manufacturing	25,513,811
	<u><u>27,869,426</u></u>

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

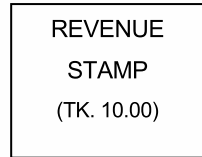
KBG Tower, 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

PROXY FORM

I/We..... of.....
 being shareholders (s) of KHAN BROTHERS
 PP WOVEN BAG INDUSTRIES LTD. hereby appoint. Mr./Mrs./Ms.
 as my/our proxy to attend and vote for me/us and on my/our behalf at the
 18TH ANNUAL GENERAL MEETING of the Company to be held on 30th December, 2024
 at 11.30 am by using Hybrid system. As witness my/our hand this day of
 2024

Signature of Proxy
 Folio No.....

Signature
 Register Folio No.



NOTE:

1. A member entitled to attend and vote at the meeting may appoint his/her proxy to attend and vote on his/her behalf.
2. Forms of proxy, duly stamped and signed must be deposited at the Company's Registered Office not later than 72 hours before the time appointed for the meeting. In default, forms of proxy will not be treated as valid.

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

KBG Tower, 15 DIT Road, Malibagh Choudhurypara, Rampura, Dhaka 1219

ATTENDANCE SLIP

I hereby record my attendance at the 18th Annual General Meeting being held 30th December 2024 at 11.30 am by using Hybrid system.

Name of Member/Proxy.....

Register Folio No.....

 Signature

NOTE: Please complete this attendance slip and hand it over at the entrance of the hall.





KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.

Registered & Corporate Office: KBG Tower, 15 DIT Road
Malibahg Chowdhurypara, Dhaka-1219, Bangladesh