

“If you have any query about this document, you may consult issuer, issue manager and underwriter”

PROSPECTUS



KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED

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Phone: +880-2-8332069, +880-2-8332108, Fax: +880-2-8332576
Email: info@kbgbd.com, Website: www.kbgbd.com

PUBLIC ISSUE OF 20,000,000 ORDINARY SHARES OF BDT 10.00 EACH AT AN ISSUE PRICE OF BDT 10.00 EACH AT PAR AMOUNTING TO BDT 200,000,000

Subscription opening and closing date:

For Resident Bangladeshis - Opening Date: August 24, 2014 Closing Date: August 28, 2014
For Non-Resident Bangladeshis - Opening Date: August 24, 2014 Closing Date: September 06, 2014

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THE ISSUE SHALL BE PLACED IN 'N' CATEGORY

ISSUE DATE OF THE PROSPECTUS: June 30, 2014

“CONSENT OF THE BANGLADESH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR”



AVAILABILITY OF PROSPECTUS

The Prospectuses of the Company shall be available at the following addresses:

Source	Address	Contact Person	Telephone
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Stock Exchanges	Dhaka Stock Exchange Limited 9/F Motijheel C/A, Dhaka 1000	Library of DSE	+88-02-7175705-9
	Chittagong Stock Exchange Limited CSE Building, 1080, Sheikh Mujib Road Chittagong 4100	Library of CSE	+88-031-714632-3 +88-031-720871-3

Prospectus is also available on the websites of Khan Brothers PP Woven Bag Industries Limited (www.kbgbd.com), AFC Capital Limited (www.afccapital.org), BMSL Investment Limited (www.bmslinvestment.com), BSEC (www.sec.gov.bd), DSE (www.dsebd.org), CSE (www.csebd.com) and at the Public Reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Auditor's Information

Name	Address	Contact No.
MAHFEL HUQ & CO. Chartered Accountants	BGIC Tower (4 th Floor) 34 Topkhana Road, Dhaka-1000.	+88-02- 7171316; +88-02- 9553143 E-mail: mahfelcofca@yahoo.com





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ACRONYMS

Allotment	: Letter of allotment for shares
BB	: Bangladesh Bank
BO A/C	: Beneficiary Owner Account or Depository Account
BSEC	: Bangladesh Securities and Exchange Commission
Commission	: Bangladesh Securities and Exchange Commission
Companies Act	: Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	: Chittagong Stock Exchange Limited
DSE	: Dhaka Stock Exchange Limited
FC Account	: Foreign Currency Account
FI	: Financial Institution
GOB	: The Government of People's Republic of Bangladesh
IPO	: Initial Public Offering
Issue	: Public offer of KBPPWBIL's shares
Issuer	: Khan Brothers PP Woven Bag Industries Limited
KBPPWBIL	: Khan Brothers PP Woven Bag Industries Limited
NAV	: Net Asset Value of the Company
NBR	: National Board of Revenue
NRB	: Non Resident Bangladeshi
Offering Price	: Price of the securities of KBPPWBIL being offered
Registered Office	: Registered Office of KBPPWBIL
RJSC	: Registrar of Joint Stock Companies & Firms
SC	: Share Certificate
Securities	: Shares of Khan Brothers PP Woven Bag Industries Limited
Share Market	: Market of the Securities
Sponsors	: The sponsor shareholders of KBPPWBIL
STD Account	: Short Term Deposit Account
Stockholders	: Shareholders
Subscription	: Application money
The Company	: Khan Brothers PP Woven Bag Industries Limited





GENERAL INFORMATION

AFC Capital Limited & BMSL Investment Limited (The Managers to the issue) have prepared this Prospectus based on the information provided by **Khan Brothers PP Woven Bag Industries Limited (the Issuer)** and also upon several discussions with the Chairman, Managing Director and related executives of the Company. The Directors including Managing Director of the Issuer and that of the Issue Managers collectively and individually, having made all reasonable inquiries, confirm that to the best of their knowledge and belief, the information contained herein is true and correct in all material respect and that there are no other material facts, the omission of which, would make any statement herein misleading.

The form and content of the prospectus was developed under the guidelines of the Securities and Exchange Commission (Public Issue) Rules, 2006.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Manager.

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Office of Khan Brothers PP Woven Bag Industries Limited and that of the issue managers, the underwriters and the Stock Exchanges where the securities will be traded.



**PART I STATUTORY DISCLOSURES, CONDITIONS, DECLARATIONS AND DUE DILIGENCE CERTIFICATES****A. DISCLOSURES IN RESPECT OF ISSUANCE OF SECURITIES IN DEMATERIALIZED FORMAT**

“As per provision of the Depository Act, 1999 and regulation made there under, shares will be issued in demat condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (rights/bonus) will be issued in dematerialized form only.

B. CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969**PART-A**

1. The company shall go for Initial Public Offer (IPO) for **20,000,000** ordinary shares of **Tk. 10.00** each at an issue price of **Tk. 10.00** each at par amounting to **Tk. 200,000,000.00** (Twenty Crore) only following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and Regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in **4 (Four)** national daily newspapers (two in Bangla and two in English), within **5 (Five) working days** of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within **5 (Five) working days** from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in “MS -Word” format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit **40 (Forty)** copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged



version of the prospectus and application forms to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue managers within **2 (Two) working days** from the date of said dispatch of the prospectus and the forms.

6. The paper clipping of the published abridged version of the prospectus, as mentioned at **condition no. 2 above**, shall be submitted to the Commission within **24 hours** of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for IPO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.
8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within **7 (Seven) working days** from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges.
9. The following declaration shall be made by the company in the prospectus, namely: -
“Declaration about Listing of Shares with the stock exchange(s):

None of the stock exchange(s), if for any reason, grants listing within **75 (seventy five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within **15 (fifteen) days** from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (seventy five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid **15 (fifteen) days**, the directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of **2% (two percent)** per month above the bank rate, to the subscribers concerned.

The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the commission within **7 (seven) days** of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”



10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days**.
11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking “Account Payee only”. The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus **9 (Nine) days**. Applications received by the company after the above time period will not be considered for allotment purpose.
12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.
13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.
14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within **5 (Five) working days**, in respect of the following matters, namely: -
 - a. Total number of securities for which subscription has been received;
 - b. Amount received from the subscription; and
 - c. Amount of commission paid to the bankers to the issue.
15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in **2 (Two) CDs** and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.
16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than **5 (Five) weeks** from the date of the subscription closure), if any of the following events occur:
 - (a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
 - (b) At least 50% of the IPO is not subscribed.



17. **20% of total public offering shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 20% and 10% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.**
18. **All the applicants shall first be treated as applied for one minimum market lot of 500 shares worth Taka 5,000/- (Five Thousands only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.**
19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
22. **Lottery (if applicable) shall be held within 4 (Four) weeks from closure of the subscription date.**
23. **The company shall issue share allotment letters to all successful applicants within 5 (Five) weeks from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition no. 19 and 21 above.**

Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

A compliance report in this regard shall be submitted to the Commission within **7 (Seven) weeks** from the date of closure of subscription.



24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.
25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within **10 (Ten) days** of the closing of subscription on full payment of the share money within **15 (Fifteen) days** of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.
26. All issued shares of the issuer at the time of according this consent shall be subject to a lock-in period of **3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange(s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.
28. The company shall apply to the stock exchanges for listing within **7 (Seven) working days** of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.
29. **The company shall not declare any benefit/dividend based on the financial statements for the year ended on 30 June, 2013 before listing of its capital with stock exchange(s).**



PART-B

1. The issuer and the issue managers shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission.
2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under 'Due Diligence Certificates' provided with BSEC.
3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.
4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.
5. The company shall furnish report to the Commission and to the stock exchanges on utilization of Public Offering proceeds within **15 (Fifteen) days** of the closing of **each month** until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus. While certifying fund utilization, the auditors have to confirm that assets have been procured/imported/constructed at reasonable price.
6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and Stock Exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
10. **A compliance report on Corporate Governance Guideline as per the provision of the Bangladesh Securities and Exchange Commission notification no. SEC/CMRRCD/2006-158/134/Admin/44 Dated 7 August 2012 shall be submitted to the Commission before 07 (seven) working days of the IPO subscription opening.**



11. If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.
12. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা ১৯৯৫ after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.
13. **Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.**

PART-C

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the Issuer Company.

PART-D

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only.

An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficiary Owners (BO) account.
2. The company and the issue managers shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.



C. DECLARATIONS AND DUE DILIGENCE CERTIFICATES

Declaration about the Responsibility of the Directors including the CEO of the Issuer, “Khan Brothers PP Woven Bag Industries Limited” in respect of the Prospectus

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-	Sd/-	Sd/-
Mohammed Enamul Kabir Khan	Tofayel Kabir Khan	Md. Ruhul Kabir Khan
Chairman & Director	Managing Director & Director	Director

Sd/-	Sd/-	Sd/-
Hazrat Ali	Mohammad Zakirul Kabir Khan	Jerin Kabir Khan
Director	(Representative Director from Khan Brothers Ship Building Ltd.)	(Representative Director from Khan Brothers Infotech Ltd.)

Consent of the Director(s) to serve as Director(s)

We hereby agree that we have been serving as Director(s) of “Khan Brothers PP Woven Bag Industries Limited” and continue to act as Director(s) of the Company.

Sd/-	Sd/-	Sd/-
Mohammed Enamul Kabir Khan	Tofayel Kabir Khan	Md. Ruhul Kabir Khan
Chairman & Director	Managing Director & Director	Director

Sd/-	Sd/-	Sd/-
Hazrat Ali	Mohammad Zakirul Kabir Khan	Jerin Kabir Khan
Director	(Representative Director from Khan Brothers Ship Building Ltd.)	(Representative Director from Khan Brothers Infotech Ltd.)

Declaration about filing of Prospectus with the Registrar of Joint Stock Companies and Firms

A vetted and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms (RJSC), Bangladesh, as required by Section 138 (1) of the Companies Act, 1994 on or before the date of publication of this prospectus in the newspaper.



Declaration by the Issuer about the approval from BSEC for any Material Changes

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus shall be published with the approval of the Commission.

For Issuer

Sd/-

Tofayel Kabir Khan
Managing Director
Khan Brothers PP Woven Bag Industries Limited

Declaration by the Issue Manager about the approval from BSEC for any Material Changes

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statement made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus shall be published with the approval of the Commission.

For Manager to the Issue

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

For Manager to the Issue

Sd/-

Md. Riyad Matin
Managing Director
BMSL Investment Limited



Due Diligence Certificate of Managers to the Issue

Sub: Public offer of 20,000,000 Ordinary Shares of BDT 10.00 each of Khan Brothers PP Woven Bag Industries Limited.

We, the under-noted Manager to the Issue to the above mentioned forthcoming issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and
2. On the basis of such examination and the discussions with the issuer Company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company.

WE CONFIRM THAT:

- a. the draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the Issue;
- b. all the legal requirements connected with the said Issue have been duly complied with; and
- c. the disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed issue.

For Manager to the Issue

For Manager to the Issue

Sd/-

Sd/-

Mahbub H. Mazumdar FCMA
Chief Executive
AFC Capital Limited

Md. Riyad Matin
Managing Director
BMSL Investment Limited



Due Diligence Certificate of the Underwriter(s)

Sub: Public offer of 20,000,000 Ordinary Shares of BDT 10.00 each of Khan Brothers PP Woven Bag Industries Limited.

We, the under-noted Underwriter(s) to the above-mentioned forthcoming issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination, and the discussions with the issuer company, it's directors and officers, and other agencies, independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer company;

WE CONFIRM THAT:

- a. All information as are relevant to our underwriting decision have been received by us and the draft Prospectus forwarded to the Commission has been approved by us;
- b. We shall subscribe and take up the un-subscribed securities against the above-mentioned public issue within 15 (fifteen) days of calling up thereof by the issuer; and
- c. This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Chief Executive/Managing Director/ CEO

Eastern Bank Limited*

BMSL Investment Limited

*As per board resolution dated 13/07/2011 of Eastern Bank Limited, the due diligence certificate was signed by Mr. Fakhru Alam, DMD instead of MD.

PART II RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS**(a) Interest Rate Risks**

A business entity tends to get exposed to the unpredictability in the interest rates in the money markets. Higher rate and/or rising in the rate, of interests adversely affect the profitability of the company having outsiders' loan in its financing, sometimes casting significant doubt on the sustainability of the company.

Management Perception:

The management of KBPPWBIL is well aware of cost of capital of the company. It has decided to liquidate its entire present long term loan out of the fund received from IPO proceeds, which will reduce the cost of capital of the company, resulting in higher profitability for the upcoming periods.

(b) Exchange Rate Risks

A business involved in overseas transactions may face a potential loss arising from fluctuation of foreign currency rates. The loss may be aggravated due to consistently downwards trends of Bangladesh Taka against other foreign currencies.

Management Perception:

KBPPWBIL settles its foreign transaction through US Dollars in cases of both export and import. While the value of functional currency fluctuates, the loss or gain on currency fluctuation for export automatically sets off against the loss or gain on currency fluctuation for import. As the value of export is always greater than the value of import, some balance is created in the foreign currency transaction. Furthermore, the Company is contemplating about setting a system of hedging on foreign currency transactions in the future.

(c) Industry Risks**1) Market Demand:**

Company's sales and revenues are dependent on the aggregate demand of its products. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the company products.

Management Perception:

Strong brand loyalty of the company's products to its customers has enabled the company to capture significant market share in the sector. And the company is continuously penetrating into the market and upgrading the quality of the products to minimize the market risks.



2) **Competition and globalization effects:**

KBPPWBIL is operating in a free market economy regime. The company might have to face stiff competitions from its competitors. Easy availability of global products in the local markets adds to the competition, challenging the profitability of the business.

Management Perception:

Bangladesh is the prime source of cheapest labor in the world, gaining comparative advantages for its industries over their global competitors. Other overhead costs are also low in Bangladesh. As a result, the company has been able to maintain its cost of products most competitive. Moreover, over the last few years the company has built a trustworthy relationship with its customers, which helps the company avoid competition with others.

3) **Raw Materials and Energy costs:**

Instability in raw materials and energy costs may hamper the profitability of the company significantly. A recent government decision regarding escalation of electricity prices will put a huge pressure on the product cost of the local businesses.

Management perception:

Our management believe that efficient management of inventories, proper sourcing & timing, economic order quantity and efficient handling of credit facilities can reduce the cost of procurement. For power and electricity, KBPPWBIL is totally independent, enabling to ensure low cost energy and uninterrupted production process.

(d) **Market and Technology Related Risks**

- 1) **Market risks** refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may impede the success of the business.

Management perception:

Aggregate demands for most of the products that KBPPWBIL produces are huge in Bangladesh comparing to the volume of production of those goods. In addition, over the last decade the macro economy of Bangladesh has developed constantly, uncovering the opportunities of diversified sector developments in Bangladesh economy. As a result, demand for the company's products, our management believes, will increase in the days to come.



- 2) **Technology risks** stems from the contemporary changes in the technology which make the existing technology obsolete or reduces its cost efficiency compared to that of the competitors. New entrant may come forward with a more sophisticated technology which can give a threat to the cost efficiency of the company.

Management perception:

The present plant and machinery implanted in the company's manufacturing plant are efficient and cost effective in its kind. The management of the company is aware of any technological changes in the future.

(e) Potential or existing government regulations

The Company operates under the Companies Act, 1994; Securities Related Ordinance, Act, Rules and Regulations; Income Tax Ordinance 1984; Value Added Tax (VAT) Act, 1991; and contemporary notifications made under those laws. Any unexpected changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

Management perception:

Economy of Bangladesh has been developing over the decades because of business friendly rules and regulations adopted by the various regulatory bodies of the country. Our fiscal policy gives various incentives to the newly established companies so that it can grow and mature.

(f) Potential changes in global or national policies

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affects the smooth operation of the companies.

Management perception:

Since the independence, all the governments of our country have shown objectivity and sincerity in developing industrial sector of the country. In the fiscal policies, there are various protective measures to protect the local industries against any sort of aggressive moves by global entrants. The government of the country has also taken a number of initiatives for the local business to market their products in the international arena. Different regional trade alliances and bilateral agreement can be taken as examples.

(g) History of non-operation, if any

Management perception:

Being incorporated on 18 May, 2006, Khan Brothers PP Woven Bag Industries Limited started its commercial operation on 1 December, 2007. Since then the company kept on its operation incessantly till date. The company had never been inoperative after it started its commercial operation.



(h) Operational Risks

Possible failure of human resources, failure of the production systems, inefficient internal control procedures, etc may cause for the company to make it a total unsuccessful venture.

Management perception:

The company implanted modern technology, employed skilled manpower, established on-the-job and off-the-job training facilities so that the employees can reshape their skills as required by the concurrent situations adopted sufficient safety measures in its production plant in order to ensure uninterrupted production process in the plant.

(i) Other risk factors:

1) Political Unrest:

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

Management Perception:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.

2) Possible slowdown in economic growth in Bangladesh.

Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:

Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly policies by other regulatory bodies have proved to be congenial to the economy of the country.



3) **Natural calamities:**

Bangladesh is a country where recurrent natural calamities take place every year. It is a serious threat to the business.

Management perception:

This type of situation is totally beyond the control of human being. Though the management of KBPPWBIL has a very little to do with, we can and should have some precaution measures to minimize the damage of the business in such situations. For example, all the assets of our company are insured.

4) **Investment risk:**

The company made invest in shares of other company but no dividend was received so far from these investment.

Management Perception:

The investment was made in shares of two companies which are both the sister concerns of Khan Brothers PP Woven Bag Industries Limited. Both the companies have been incorporated very recently and they reinvested their earnings in the expansion of their business. Both the companies' performances and positions are satisfactory. Therefore, our management believes the investment is fully secured and expected to provide return in the coming years.

PART III CAPITAL STRUCTURE AND USE OF PROCEEDS

(a) CAPITAL STRUCTURE OF THE COMPANY:

Particulars	Amount in Taka
Authorized Capital	1,000,000,000
100,000,000 ordinary shares of Tk. 10.00 each	
1. Issued, Subscribed & Paid Up capital	435,000,000
43,500,000 ordinary shares of Tk. 10.00 each	
2. Initial Public Offering	200,000,000
Issue of 20,000,000 Ordinary Shares of Tk. 10.00 each	
Total Paid up capital after IPO (1+2)	635,000,000

(b) NET PROCEEDS FROM THE IPO:

Sources of Fund:	Taka
Issue size (Number of share to be issued)	20,000,000
Issue price (at face value)	10.00
Issue size in Amount (Tk.)	200,000,000
IPO Cost (Details in Breakdown of IPO Expenses in Page-30)	12,948,500
Net IPO Proceeds	187,051,500

(c) USE OF THE NET PROCEEDS AND IMPLEMENTATION SCHEDULE:

Net Proceeds from initial public offering (IPO) will be used for expansion of business activities and repayment of high interest- bearing loan to boost the profitability, cash flows and liquidity of the company.

The details of which is stated as under:

Sl.	Particulars	Amount	Projected Date/ Period
1	Machinery	119,176,274	Within 4-5 months of receiving IPO fund
2	Factory Building		Within 6-7 months of receiving IPO fund
2.1	One Stored Factory Building (7,200 sft)	12,309,459	
2.2	Three Stored Administration Building (4 Storied Foundation 2790 sft)	13,229,059	
2.3	Officer' Quarter (3 Storied-1440 sft)	7,336,708	
3	Partial repayment of Long Term Loan amounting Tk. 19,634,950 with current portion (Note # 10.00 of the audited financial statement for the year ended 30 June, 2013); Jamuna Bank Limited and United Leasing Company Limited.	19,634,950	Within 1 month of receiving IPO fund
4	Working Capital	15,365,050	Within 4-5 months of receiving IPO fund
	Grand Total	187,051,500	



Break down of IPO Proceeds

1. Details of Machinery:

Sl. No.	Description	Qty (Nos.)	Unit Price (USD)	Total Price (USD)
1.	CAPITAL MACHINERY FOR PP WOVEN BAG INDUSTRY HARMONIC CODE : 8477.20.00 Plastic Extrusion Plant & machinery : Tape Extrusion Line Model Lorex E 105B. 1400 complete with 264 nos Cheese Wincer with Standard Accessories, Country of origin: India, Validity: 23 February, 2015	01	3,87,825.00	3,87,825.00
2.	HARMONIC CODE : 8446.29.90/8446.29.00 Circular Loom Model LSL610 with Standard Accessories. Country of origin: India, Validity: 23 February, 2015	12	18,000.00	2,16,000.00
3.	HARMONIC CODE : 8446.29.90/8446.29.00 Circular Loom Model Nova 6 with Standard Accessories. Country of origin: India, Validity: 23 February, 2015	10	16,000.00	1,60,000.00
4.	MODEL : FD-6B/805 6 SHUTTLES CIRCULAR LOOM (BELT TYPE, WITHOUT OIL) H.S CODE : 8446.2900, Country of origin: Taiwan, Validity: 29 December, 2014	50	12,288.00	614,400.00
5.	MODEL : FD-ADH, VALVE FORMER UNIT AND DOUBLE, HEADSEWING UNIT H.S CODE : 8452.2190, Country of origin: Taiwan, Validity: 29 December, 2014	01	57,920.00	57,920.00
Total Price				\$ 14,36,145.00
Total Price (including insurance, custom duty, clearing, carrying & installation charges) in BDT				Tk. 119,176,274

2. Details of Factory Building:

Description	Amount in Tk.
2.1. One Stored Factory Building (7,200 sft)	12,309,459
2.2. Three Stored Administration Building (4 Storied Foundation 2790 sft)	13,229,059
2.3. OFFICER' QUARTER (3 Storied-1440 sft)	7,336,708
Total	32,875,226

2.1 One Stored Factory Building (7,200 sft)

Detail Estimate & BOQ for Construction of proposed one Storied Factory.

1. Foundation & Pilling works (Up to Plinth level) :

Item no 01.

Earth work in foundation & Plinth.

a. Earth Cutting in Foundation

5'-0" X 5'-0" X 5'-0" X 16

= 2000 cft

15'-0" X 30'-0" X 5'-0"

=2250 cft

=4250 cft @ 5.00

= Tk. 21,250.00

b. Earth filling

2500 X 1/3 + 10'-0" X 29'-2" X 2 =1416 cft @ 14.00

= Tk. 19,824.00

Item no 02.

Pilling works

a. Pile Boring

54 X 100'-0" = 5400 rft @ 200.00

=Tk. 1,080,000.00

b. Pipe casting

 $\pi/4d^2h$ X 54=11407 cft @ 290.00

= Tk.3,308,030.00

c. Pile head breaking

 $\pi/4d^2$ x 4'-0" X 54=228 cft @ 80.00

= Tk.18,240.00

Item no 03.

Brick Flat Soling

a. Soling In Foundation

5'-0" X 5'-0" X 48

=1200 sft

b. Soling In Floor

40'-0" X 60'-0"

=2400 sft

=3600 @ 30.00

= Tk. 108,000.00

Item no 04.

Cement concrete work in foundation

6'-0" X 6'-0" X 25 =900 @ 95.00

= Tk. 85,500.00

Item no 05.

Foundation work

a. Pile cap casting

4'-0" X 4'-0" X 1'-10" X 16

=466 cft

26'-0" X 9'-0" X 1'-8"

=390 cft

=856 CFT @ 290.00

= Tk. 248,240.00

**Item no 06.****Grade Beam****R.C.C casting**

361'-0" X 1'-2" X 2' = 800 cft @ 290.00 = Tk.232,000.00

Item no 07.**Floor casting (Rcc)**

30'-0" X 58'-0" X 2' = 3600 cft @ 290.00 = Tk. 1,044,000.00

Item no 08.**10" Brick work from GB to Plinth Level**

2 X (30'-0"+60'-0") X 2'-0" X 2' = 720 cft

20'-0" x 2'-0" X 2 X 2' = 160 cft

14'-0" X 2'-0" X 4 X 2' = 220 cft

= 1100 cft @ 150.00 = Tk. 165,000.00

Item no 09.**M.S bar**

a) Pilling = 2509 kg

b) Pile cap = 745 kg

c) Gr. Beam = 731 kg

= 3985 kg @ 85.00 = Tk. 338,725.00

2. Super structure work (From plinth Level to 1* Roof).**Item no 01.****Column casting**

C1= 7' X 7' X 6' = 292 cft

NC= 4' X 2' X 4'-0" X 6' = 192 cft

= 484 cft @ 290.00 = Tk. 140,360.00

Item no 02.**Lintel & Sun shed****a. Lintel:**

(30'+58") X 2 X 2 X 9" X 14" = 234 cft

b. Sun shed:

(18" X 4" X 7') 6 = 21 cft

= 255 cft @ 290.00 = Tk. 73,950.00

Item no 03.**Plaster work**

Wall - (20'+34') 2 X 28' X 2 = 6138 sft

Ceiling- 34' X 62' = 2108 sft

Mezzanine Floor (58' X 6.5') 2 = 754 sft

Total = 9,000 sft @ 12.00 = Tk. 108,000.00

Item no 04.**Grill work**

a) Window Grill (12.5' X 5') 6 = 344 sqft

b) Parapet Grill (58'+30') 2 = 176 sqft

Total = 520 sqft @ 140.00 = Tk. 72,800.00

Item no 05.**SS Grill on mezzanine floor**

(25' X 3') 2 = 150 sft @ 350.00 = Tk. 52,500.00

Item no 06.**Aluminum work****Window**

6' X 7.3' X 6 = 262 sft @ 320.00 = Tk. 83,840.00

Item no 07.**Collapsible Gate & Shutter**

12' X 11' = 132 sft @ 600.00 = Tk. 79,200.00

Item no 08.**CI Sheet work**

136' X 100' = 13600 sft @ 160.00 = Tk. 2,176,000.00

Item no 09.

Color work = 28000 Sft @ 12.50 = Tk. 350,000.00

**Item no 10.****Patent Stone casting on ground floor & roof top**

36' X 50' X 2 X 2 = 7200cft @195.00 =Tk. 1,404,000.00

Total =Tk. 11,209,459.00**Electric work 9.81% of civil work****= Tk. 1,100,000.00****Grand Total = Tk. 12,309,459.00**

2.2 Three Stored Administration Building (4 storied foundation 2790 sft)

Item no 01**RCC work****a) Column casting (C1)**

(10" x 10" x 10' x 4) =27 cft

b) Column casting (C2)

(10" x 15" x 10' x 16) =167 cft

c) Column casting (C3)

(15" x 15" x 10' x 7) =110 cft

d) Lintel + Sun shed

Lintel: (162+44) 2 x 10" x 15" =410 cft

Sun shed: (18" x 4" x 8') 10 =60 cft

e) Roof Beam: Lenth =

[(162'+44') 2+44' x 7] =720' x 12' x 18" =1080 cft

f) Roof Slab casting----- (162' x 44' x 7') =8370 cft**Total =10,224 cft @ 290 TK/cft =TK 2,964,960.00****Item no 02 (MS bar)****a) Column:- 303.825 cft x 2% =16,959 kg****b) Lintel +sun shed:- 316.11 cft x 1.5% =1054 kg****c) Roof Beam:- 1080 cft x 2% =4800 kg****d) Roof slab:- 4134.24 cft x 1% =9187 kg****=32000@85tk/kg = TK 2,720,000.00****Item no 03****Brick work.****a) 10"[(162'+44')2x805 - 7'x8' -(6x4.5)10]10"=2540@tk 150/cft = Tk 381,000.00****b) 5" (39'x8.5')7= 2420sft@tk 70/sft = Tk 169,400.00****Item no 04****Plaster work****a) Wall- [(162'+44')2x8.5]2+39'x8.5x7x2 = 7667 sft****b) Ceiling ----- 162'x44' = 7783 sf****Total = 15,450 sqft @tk12/cft =Tk. 185,400.00****Item no 05****Grill work****a) Window Grill ----- (6'x4.5')10 = 270 sft****b) Parapet Grill ----- (162'+44')2x3 = 1236 sft****Total = 1506 sqft @tk140/sqft = Tk 210,840.00****Item no 06**

Aluminium window ---- (6'x4.5x6) = 270 sft @320 tk/sft = Tk 86,400.00

Collapsible Gate + shutter---(7'x8') = 56 sft @600 tk/sft = Tk 33,600.00

Item no 07

Wooden door ----- 24 nos @ 15000 tk/no = Tk 360,000.00

Item no 08

Colour work -----15450 sft @12.5 tk/sft = Tk 193,125.00

Item no 09**Marble work---**

162'x44'+(40" x 4 + 50" x 16 + 60' x 7)8.5' = 8370sft @384 tk/cft = Tk 3,214,080.00

Item no 10

False ceiling ----- 162'x44' = 7128 sft @231 tk/sft = Tk 1,646,568.00

(Perforated aluminum sheet)

Item no 11

Electric work ----- = Tk 409,110.00

Sanitary + plumbing work ----- = Tk 654,576.00

Gross Total = Tk 13,229,059.00



2.3 Officer's Quarter (3 storied- 1440 sft)

Item no 01**RCC work**

a) Column casting (C1)	=14 cft	
b) Column casting (C2)		=86 cft
c) Column casting (C3)	=57 cft	
d) Lintel + Sun shed		
Lintel:	=210 cft	
Sun shed:	=33 cft	
e) Roof Beam: Length =		
31' x 12' x 1.49'	=557 cft	
f) Roof Slab casting----- (85'x 7.26' x 7')	=4320 cft	

Total	=5,277 cft @ 290 TK/cft	=TK 1,530,330.00
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Item no 02 (MS bar)

a) Column:-	120 cft x 2%	=8,250 kg
b) Lintel +sun shed:-	325 cft x 1.5%	=1121 kg
c) Roof Beam:-	975 cft x 2%	=4450 kg
d) Roof slab:-	365 cft x 1%	=2695 kg

	=16516@85tk/kg	= TK 1,403,860.00
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Item no 03**Brick work.**

c) 10"	1311 sft @tk 150/cft	= Tk 196,650.00
d) 5"	1249 sft@tk 70/sft	= Tk 87,430.00

Item no 04**Plaster work**

c) Wall-	= 3250 sft	
d) Ceiling	= 4724 sf	
Total	= 7,974 sqft @tk12/cft	=Tk. 95,688.00

Item no 05**Grill work**

c) Window Grill ----- (6'x4.5')10	= 270 sft	
d) Parapet Grill ----- (20'+64.5')2x3	= 507 sft	
Total	= 777 sqft @tk140/sqft	= Tk 108,780.00

Item no 06

Aluminium window ---- (6'x4.5x5.14) = 139 sft @320 tk/sft	= Tk 44,480.00
Collapsible Gate + shutter---(5'x5.8') = 29 sft @600 tk/sft	= Tk 17,400.00

Item no 07

Wooden door ----- 12 nos @ 15000 tk/no	= Tk 180,000.00
--	-----------------

Item no 08

Colour work -----7974 sft @12.5 tk/sft	= Tk 99,675.00
--	----------------

Item no 09

Marble work---	
4320 sft @384 tk/cft	= Tk 1,658,880.00

Item no 10

False ceiling ----- 118.7'x31' = 3679 sft @231 tk/sft	= Tk 849,849.00
---	-----------------

Item no 11

Electric work -----	= Tk 409,110.00
Sanitary + plumbing work -----	= Tk 654,576.00

Gross Total = Tk 7,336,708.00

(d) TERMS OF CONTRACT:

The company did not enter into any contract for aforesaid utilization of IPO proceeds.

Sd/-

Tapan Kumar Sarker
CFO & Company Secretary

Sd/-

Tofayel Kabir Khan
Managing Director

**PART IV DESCRIPTION OF BUSINESS****1) Incorporation**

Khan Brothers PP Woven Bag Industries Ltd. (KBPPWBIL) was incorporated as a Private Limited Company on May 18, 2006 and was subsequently converted into a public limited company on 26 October, 2011 with the Registrar of Joint Stock Companies & Firms in Bangladesh under the Companies Act, 1994.

2) Commencement of commercial operation

The Company started its commercial operation on December 01, 2007.

3) Nature of Business

The Company's main business is to manufacture of different types of PP Woven Bag, Flexible Intermediate Bulk Container (FIBC) bag, Jumbo bag, High Density Poly Ethylene (HDPE) Bag, Low Density Poly Ethylene (LDPE) Bag, Liner, Multi-layer Sack Kraft Paper and selling them in local and the international market.

4) Principal products or services of the company:

Khan Brothers PP Woven Bag Industries Limited is engaged in manufacturing different types of Woven Polypropylene Bags.

5) Markets for such products or services:

KBPPWBIL sells its products to both local and overseas (Singapore, England, Norway, UAE, China) markets.

6) Relative contributions of the products/services to sales or income that accounts for 10% or more of the company's total revenue:

The company produces a single product named PP Woven Bag. Therefore, there is no such segregation of product to calculate product wise contribution to the company revenue.

7) Name of associates, subsidiary/related holding company and their core area of business:

KBPPWBIL has no associates, subsidiary/ related holding company.

8) Way of distribution of products and/or services:

On receiving the orders from its customers, KBPPWBIL manufactures the products and supply them to the customers' destination as per their requirements. Since the export of the company is deemed export, it supplies the products to the local destinations.

9) **Competitive conditions in the business:**

In Bangladesh a number of firms are engaged in manufacturing PP Woven Bag for fertilizer Feed, Cement and seeds since Bangladesh is one of the prime sources of cheap labor in the world. KBPPWBIL has a number of competitors and these are follows:

SL	Name	Origin
1	United Fiber Industries Ltd.	Bangladesh
2	Sino Bangla Industries Ltd.	Bangladesh
3	Miracle Industries Ltd.	Bangladesh
4	Sovon Woven Bag Industries Ltd.	Bangladesh
5	Desh Bondhu Polymer Ltd.	Bangladesh

10) **Sources and availability of raw materials and the names of the principal suppliers:**

Main raw materials of the KBPPWBIL are yarn and chemicals, which the company procures from overseas market. The company has some trusted suppliers of its materials and chemicals. Below are examples:

SL	Name of Company	Type of Raw Materials	Country of Origin
1	Basell	PP Yarn	Saudi Arabia
2	Sumitomo Chemical Asia Pte Ltd.	PP Yarn	Singapore
3	Honam Petrochemicals Ltd.	PP Yarn/Lamination	Korea
4	Oman Polypropylene	PP Yarn	Oman
5	Tara Holding	Calcium Carbonate	India
6	K.K. Poly Color	Filled LLDPE Compound	India
7	QAFCO	LLDPE/LDPE	Qatar
8	Bishal Paints & Chemicals	Ink and Thinner	India
9	Vishal Coating, Polymer Coating	Ink and Thinner	India
10	Q Chem Distributions	HDPE	Qatar
11	Domo Investment Group	PP Yarn	Belgium
12	Vinmar Internatioal	PP Yarn	America

11) **Sources of, and requirement for, power, gas and water, or any other utilities:**

Power:

Company has both REB connections and Gas Generator.

Sl. No.	Power	Capacity (KVA)	Utilization (KVA)
1.	REB	250	40
2.	Gas Generator	1064	600

Water:

Presently the project requires about 30,000 liter/day of water for usual factory cleaning/washing which is raised from underground through a Deep tube well installed in the factory premises which is adequate to meet the expansion requirement. Deep Tube Well has the capacity to reserve 40,000 gallons.

GAS:

KBPPWBIL has the connections of Titas Gas Transmission and Distributions Co. with the capacity of 20 PSI. The company requires of Gas is about 448,000 cubic metre yearly.

**12) Name of the customers who purchase 10% or more of the company's products:**

KBPPWBIL sells its products to mostly a number of foreign buyers through L/Cs and TT and also to a few numbers of local buyers. The following buyers usually consume the company products at 10% or more. In the last accounting period, those buyers purchased the products of the company at the following ratio:

SL	Name of Buyer	Country of Origin	% Purchased
1	Maaz (Singapore) Pte Ltd.	Singapore	17.75
2	World Wide Shipping Ltd.	Singapore	16.80
3	M/s Bery Maritime As.	Norway	15.68

Except for the above three customers, there are no other customers who purchase 10% or more of the company products.

13) Description of any contract with principal suppliers or customers:

The company has not entered into any contract with any of its suppliers or customers.

14) Description of any material patents, trademarks, licenses or royalty agreements:

The company neither obtained any Patent Right/ Trademarks nor signed any royalty agreement with any party.

15) Number of total employees and number of full-time employees:

(As per accounts)

- i) During the year there were 410 employees employed for the full year and 155 employees less than the full year at a remuneration of Taka 3,000 per month and above.
- ii) At the end of the period, there were 565 employees in the company.
- ii) Each employees received salaries more than Tk. 3,000.00

16) Production/service capacity and its current utilization:

The capacity to produce PP Woven Bags in numbers depends upon factors like weight of the bag, size & specification. The numbers of bags would vary in terms of weight & specifications.

(As per accounts)

Installed Capacity	Actual Capacity	Utilization
8.0 Crore Pieces of Different types of Bags	6.2 Crore Pcs	77.50%

PART V DESCRIPTION OF PROPERTY

Property and Plant of the KBPPWBIL are as follows:

SL	Company Own Assets	Written down Value in Taka as per Audit Report As on 30-June-2013
1	Land & Land Development	93,301,500
2	Building & Other Construction	93,322,540
3	Plant & Machinery	120,259,972
4	Generator & Electric Equipment	13,564,760
5	Motor Vehicle	1,907,925
6	Office Decoration & Fittings	2,355,833
7	Furniture & Fixture	2,612,237
	Grand Total	327,324,766

- A. The entire above mentioned asset are located at the manufacturing plant of the company located at Borochala, Borovabanipur, Joydebpur, Gazipur and head office at 24/1, chamellibag (5th & 8th Floor), shantinagar, Dhaka-1217.
- B. All the assets of the Company are in its own name.
- C. 407.50 decimals land out of 445.50 decimals, plant, machinery & equipment are mortgaged to Jamuna Bank Limited, Shantinagar branch as collateral for long term loan.
- D. All the assets are in good condition and no re-conditioned or second hand Assets or Machinery is used by the company.
- E. No Property is taken by the company under lease agreement.
- F. Details of Land:

Sl. No.	Location	Deed No.	Area (Decimal)
1	Kasimpur, Gazipur	21784	387.50
2		19002	20.00
3		10650	8.00
4		11276	30.00
Total			445.50

PART VI PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

(1) Internal and external sources of cash

(As per Audited)

Particulars	June 30, 2013	June 30, 2012	June 30, 2011
Internal Sources of Cash			
Share Capital	435,000,000	370,000,000	98,000,000
Share Money Deposits	-	-	20,000,000
Revaluation Reserve	97,975,485	97,975,485	97,975,485
Retained Earning	106,060,425	41,422,091	24,202,954
Total	639,035,910	509,397,576	240,178,439
Long Term Loan	783,522	12,314,015	24,144,143
Current portion of Long Term Loan	18,851,428	23,216,173	26,668,462
Short Term Loan	33,664,116	40,082,692	90,470,547
Total	53,299,066	75,612,880	141,283,152
Grand Total	692,334,976	585,010,456	381,461,591

(2) Material commitments for capital expenditure and expected sources of such funds for such commitments

The company has not yet made any material commitment for capital expenditure except for those that are mentioned in 'Use of Proceeds' from IPO fund.

(3) Causes for any material changes from period to period in income, cost of goods sold, other operating expenses and net income

The company's revenue and other income as well as operating expenses and net income have continued to change due to increasing business volume.

Particular	30-June-13 12 Months	30-June-12 12 Months	30-June-11 12 Months
Turnover	916,879,628	530,754,633	450,625,128
Less: Cost of Goods sold	789,662,596	460,394,310	382,484,878
Gross Profit	127,217,033	70,360,323	68,140,250
Less: Operating Expenses	25,437,052	18,564,450	16,843,339
Profit from operations	101,779,981	51,795,873	51,296,911
Less: Financial Expenses	12,652,936	23,299,178	23,391,872
Net Profit before WPPF & Income Tax	89,127,045	28,496,695	27,905,039
Provision for WPPF	4,244,145	-	-
Net Profit before Tax	84,882,900	28,496,695	27,905,039
Income Tax Expenses	20,244,566	11,277,559	5,910,173
Net Profit after Tax	64,638,334	17,291,137	21,994,866



(4) Seasonal aspects of the company's business

KBPPWBIL supplies its products to its permanent buyers, who provide sufficient purchase orders to work throughout the year. As a result, no seasonal aspects can adversely affect the business of KBPPWBIL.

(5) Known trends, events and uncertainties that shall have a material effect on the company's future business

At present there are no known trends, events and/or uncertainties that shall have a material impact on the company's future business except for those which are naturally beyond control of human being.

The business operation of the Company may be affected by the follow events:

- a) Political unrest
- b) Natural disaster

(6) Change in assets of the company used to pay off any liabilities

None of the operating assets of the company has been disposed off to liquidate any liabilities of the company.

(7) Details of loan taken from or given to its holding/parent company or subsidiary company

The company neither took any loan from nor gave any loan to its holding/parent company or subsidiary company during the last five years since it has no holding/parent company and no subsidiary company.

(8) Details of future contractual liabilities and their impact on company's financial fundamentals

The company has no plan to enter into any contract creating future liabilities for the company except for those which are created in the normal course of business activities.

(9) Estimated future capital expenditure

The company has no plan for capital expenditure except for those mentioned in the 'Use of Proceeds' from IPO fund.

(10) VAT, Income Tax, Customs Duty or other tax liability, any including contingent liability and reasons for their non-payment prior to the issuance of this prospectus

- (a) **VAT:** There is no VAT Liability of the Company as on 30 June, 2013.
- (b) **Customs Duty or other tax liabilities:** There is no customs duty or other tax liabilities of the Company as on 30 June, 2013.
- (c) **Contingent liability:** There is no contingent liability of the Company as on 30 June, 2013.

**(d) Income Tax:**

The company is a regular tax payer. The TIN number of the company is 221-200-4547, Circle-189 (Companies), Taxes Zone-9. Following are the details of income tax related information of the company:

Income Year	Assessment Year	Status
2011-2012	2012-2013	As per certificate given by Deputy Commissioner of Taxes of Circle-189 (Companies), Taxes Zone-09, Dhaka, dated 14.02.13 the assessment of the company for the assessment year 2012-2013 has been completed u/s, 82BB of Income Tax Ordinance 1984 & tax paid in full.
2010-2011	2011-2012	(As per certificate given by DCT dated 28/3/12) এই মর্মে প্রত্যয়ন করা যাইতেছে যে, Khan Brothers PP Woven Bag Industries Ltd. সার্কেল-১৮৯ (কোম্পানীজ), কর অঞ্চল-৯ ঢাকার একটি নিবন্ধিত করদাতা-কোম্পানী। করদাতা-কোম্পানী ২০১১-২০১২ করবর্ষের জন্য সার্বজনীন স্বনির্ধারণী পদ্ধতিতে (৮-২ বিবি ধারায়) আয়কর রিটার্ন দাখিল করেছে যাহা নিষ্পত্তি বলে গণ্য এবং করদাতা-কোম্পানী অত্র সনের আয়কর পরিশোধ করেছে।
2009-2010	2010-2011	(As per certificate given by DCT dated 15/2/11) এই মর্মে প্রত্যয়ন করা যাইতেছে যে, খান ব্রাদার্স পি.পি ওভেন ব্যাগ ইন্ডাস্ট্রিজ লিমিটেড, কর সার্কেল-৭৫, কর অঞ্চল-৭ ঢাকা এর নিবন্ধিত করদাতা কোম্পানী। করদাতা কোম্পানীর ২০১০-২০১১ করবর্ষের আয়কর মামলা ৮-২বিবি ধারায় নিষ্পত্তি করা হয়েছে।
2008-2009	2009-2010	(As per certificate given by DCT dated 22/2/10) এই মর্মে প্রত্যয়ন করা যাইতেছে যে, খান ব্রাদার্স পি পি ওভেন ব্যাগ ইন্ডাস্ট্রিজ লিমিটেড, কর সার্কেল-৭৫, কর অঞ্চল-৭ ঢাকার নিবন্ধিত করদাতা কোম্পানী। করদাতা কোম্পানীর ২০০৯-২০১০ করবর্ষের আয়কর মামলা সার্বজনীন স্বনির্ধারণী পদ্ধতিতে নিষ্পত্তি করা হইয়াছে এবং উক্ত বৎসরের প্রদেয় কর পরিশোধ করিয়াছেন।

(11) Details of operating lease during last five years:

The company has no operating lease obligation with anyone. However, the corporate head office of the Company is established in a rented space under the following condition:

Address	Area (Sft)	Rent/Sft.	Period	Rent p/m
24/1, Chamelibagh (5 th Floor), Shantinagar, Dhaka-1217	550	35.00	01-07-11 to 30-06-16	19,250.00



(12) Details of any financial commitment, including lease commitment during past five years and way of their liquidation

SL	Name of Bank	Amount of Loan (Tk.)	Purpose of Loan	Sanction date	Installment/month (Tk.)	Outstanding at 30 June, 2013 (Tk.)
1	Jamuna Bank Ltd.	595.00 Lac	Capital Machinery	11-09-2008	4,281,745.00	15,273,890
2	Jamuna Bank Ltd.	30.50 Lac		12-04-2009	74,850.00	969,315
3	United Leasing Co. Ltd.	90.00 Lac		23-09-2010	241,447.00	3,391,745
4	United Leasing Co. Ltd.	46.00 Lac		13-04-2008	168,278.00	Nil
5	Mutual Trust Bank Ltd.	245.00 Lac		04-03-2008	1,894,475.00	Nil

NB: Apart from the above loans the company has not or did not have during the period since its commencement of commercial operation any finance lease or such type of other commitment.

(13) Personnel related scheme

Khan Brothers PP Woven Bag Industries Limited has established a profit participation fund for the welfare of its workers.



(14) Break down of IPO issue expenses:

Sl. No.	Particulars	Basis	Amount in BDT (approx.)
A.	MANAGERS TO THE ISSUE FEES		2,300,000
1	Managers to the Issue fee (AFC Capital Ltd.-15.00 Lac & BMSL Investment Ltd.-5.00 Lac)	1% of public offering, Maximum 2,000,000 (Twenty Lac)	2,000,000
2	VAT against Issue Management Fees	15% of issue management fees	300,000
3	FEES RELATED TO LISTING WITH THE STOCK EXCHANGES		2,280,000
4	Prospectus Submission Fee to DSE	Fixed	5,000
5	DSE and CSE Annual Fee	Fixed	170,000
6	Fees related to Listing with the stock exchanges	@ 0.25% on Tk. 10 Crore and 0.15% on the rest amount of paid up capital range; (minimum 10 thousand maximum Tk. 20 Lac for each exchanges)	2,105,000
B.	BSEC FEES		310,000
7	Application fee	Fixed	10,000
8	Consent fee	fee @ 0.15% on entire offer	300,000
C.	IPO RELATED FEES		2,500,000
9	Underwriting commission (0.50%)	Commission @ 0.5% on Underwritten Amount	500,000
10	Bankers to the Issue commission	Commission @ 0.1% of Collected Amount (Assumed 10 Times)	2,000,000
D.	CDBL FEES AND EXPENSES		719,625
11	Security Deposit	At Actual	500,000
12	Documentation fee	At Actual	2,500
13	Annual fee	At Actual	100,000
14	Connection Fee (TK. 500 per month* 12)	At Actual	6,000
15	Initial Public Offering fee	fee @ 0.0175% of issue size	111,125
E.	PRINTING AND POST PUBLIC OFFER EXPENSES		4,838,875
16	Publication of prospectus	Estimated (7,000 Numbers)	700,000
17	Abride Version of Prospectus and Notice in 4 daily news paper	Estimated (to be paid at actual)	200,000
18	Notice for prospectus, Lottery, Refund etc. in 4 daily news paper	Estimated (to be paid at actual)	100,000
19	Printing of forms	Estimated (to be paid at actual)	400,000
20	Lottery related expenses including BUET fee	Estimated (to be paid at actual)	800,000
21	Data Processing, Distribution	Estimated (to be paid at actual)	2,000,000
22	Courier Expenses	Estimated (to be paid at actual)	238,875
23	Allotments & Refunds	Estimated (to be paid at actual)	100,000
24	Administrative & Stationary Expense	Estimated (to be paid at actual)	300,000
Grand Total			12,948,500

(15) Revaluation of company's assets Report needed

Information regarding revaluation of assets

The company made revaluation of its (1) Land and Land Developments (2) Building & Other Construction and (3) Plant-Machinery & Generator-Electrical Equipments at the year ended 30th June, 2010 to reflect fair value of the properties in terms of the prevailing market price of the same. **G. KIBRIA & CO.**, Chartered Accountants, 24-25, Dilkusha C/A (5th Floor) Dhaka-1000 have revalued the said properties of the company as of 30 June, 2010 following the Current Cost method, showing total cost of the same as **BDT 194,597,580.00**, resulting in a revaluation surplus of **BDT 97,975,485.00**

Details of Revaluation of Fixed Assets:

Particulars of the assets	Name of Valuer	Qualification of Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land & Land Development	G. KIBRIA & CO.	Chartered Accountants	30 June, 2010	3,840,478	91,687,500	87,847,022
Building & Other Construction				12,984,350	16,077,600	3,093,290
Plant-Machinery & Generator-Electrical Equipments				79,797,267	86,832,480	7,035,213
Totals				96,622,095	194,597,580	97,975,485

Reason for Valuation: To reflect fair value of (1) Land and Land Developments (2) Building & Other Construction and (3) Plant-Machinery & Generator-Electrical Equipments in terms of the prevailing market price.

Works done by G. KIBRIA & CO.:

Following is a list of the major works done previously by G. KIBRIA & CO.

- Rongpur Dairy & Food Products Ltd.
- Pran Dairy Limited
- Bangladesh Insulator & Sanitaryware Limited
- Ishwardi Feed Mill Limited
- Bablu Motso Khamar Limited
- Agrani Agro Co. Limited
- Pran Agro Limited
- Narsingdi Hatcheries Limited
- Surza Nagar Fisheries Limited
- Saif Powertec Limited

(16) Transactions with holding/subsidiary Company or associate company during last five years

There is no such transaction took place in last five years in KBPPWBIL with their associations. KBPPWBIL has no subsidiary or parent company.



(17) Auditors' certificate regarding any allotment of shares to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than for cash

This is to certify that the paid-up capital of **Khan Brothers PP Woven Bag Industries Limited** as of June 30, 2013 was Tk. 435,000,000.00 divided into 43,500,000 ordinary shares of Tk. 10.00 each. Details are as follows:

Particulars of Allotment	Date of Allotment	No. of Shares issued			Amount of Share capital (Taka)
		Consideration in cash	Consideration other than cash	Bonus Share	
First (subscription to the Memorandum & Articles of Association at the time of incorporation)	18-05-2006	400,000	-	-	40,000,000
Second	18-12-2010	-	-	90,000	9,000,000
Third	26-12-2010	490,000	-	-	49,000,000
Fourth	02-10-2011	20,000	-	-	2,000,000
Fifth	29-06-2012	1,042,500	-	-	10,425,000
Sixth	30-06-2012	25,957,500	-	-	259,575,000
Seventh	30-03-2013	6,500,000	-	-	65,000,000
Total					435,000,000

Place: Dhaka
Date: July 22, 2013

Sd/-
Mahfel Huq & Co.
Chartered Accountants

(18) Declaration Regarding Non-Suppression of Material Information:

This is to declare that to the best of our knowledge and belief no information, facts, circumstance, that are material have not been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-
Tofayel Kabir Khan
Managing Director
KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.



PART VII

DIRECTORS AND OFFICERS

(1) Name, age, qualification and experience of each director and nominated director:

SL	Name	Age	Experience	Position
1	Mr. Mohammed Enamul Kabir Khan	46	20 Years	Chairman
2	Mr. Tofayel Kabir Khan	40	15 Years	Director & MD
3	Mr. Md. Ruhul Kabir Khan	45	11 Years	Director
4	Mr. Hazrat Ali	41	10 Years	Director
5	Mohammad Zakirul Kabir Khan (Representative Director from Khan Brothers Ship Building Ltd.)	36	8 Years	Representative Director
6	Jerin Kabir Khan (Representative Director from Khan Brothers Info tech Ltd.)	34	5 Years	Representative Director

(2) Tenure of directorship of the directors:

SL No.	Name	Designation	Date of first Directorship	Expiry of Current Team
1	Mohammed Enamul Kabir Khan	Chairman	06-05-2007	*
2	Tofayel Kabir Khan	Director & MD	18-05-2006	*
3	Md. Ruhul Kabir Khan	Director	18-05-2006	*
4	Mr. Hazrat Ali	Director	18-05-2006	*
5	Mohammad Zakirul Kabir Khan (Representative Director from Khan Brothers Ship Building Ltd.)	Representative Director	15-10-2012	8 th AGM in 2014
6	Jerin Kabir Khan (Representative Director from Khan Brothers Info tech Ltd.)	Representative Director	15-10-2012	8 th AGM in 2014

**** One third of total directors or if their number is not three or multiple of three then the number nearest to one-third shall retire from office by rotation at the Annual General Meeting.

(3) Involvement of directors in other organization

SL	Name	Involved in	Position
1	Mohammed Enamul Kabir Khan Chairman	1. Khan Brothers Bag Industries Ltd.	Chairman
		2. Khan Brothers Ship Building Ltd.	
		3. Khan Brothers Knitwear Industries Ltd.	
		4. Khan Brothers Slipways & Engr. Works Ltd.	
		5. Khan Brothers InfoTech Ltd.	
		6. ST International Ltd.	
2	Tofayel Kabir Khan Director & MD	1. Khan Brothers Bag Industries Ltd.	Managing Director
		2. Khan Brothers Ship Building Ltd.	
		3. Khan Brothers Slipways & Engr. Works Ltd.	
		4. ST International Ltd.	Director
		5. Khan Brothers Knitwear Industries Ltd.	
		6. Khan Brothers InfoTech Ltd.	Proprietor
		7. Khan Brothers International.	
		8. Kibria Trading Corporation.	
		9. Hamza Engineering & Electric Co.	
		10. Nova Engineering & Electric Co.	
		11. Neptune Inland Carrier	
3	Md. Ruhul Kabir Khan Director	1. Khan Brothers Bag Industries Ltd.	Director
		2. Khan Brothers Ship Building Ltd.	
		3. Khan Brothers Slipways & Engr. Works Ltd.	
		4. Khan Brothers Info tech Ltd.	
		5. ST International Ltd.	
4	Md. Hazrat Ali Director	1. Khan Brothers Knitwear Industries Ltd.	Managing Director
		2. Khan Brothers Info tech Ltd.	Director
5	Mohammad Zakirul Kabir Khan Representative Director	1. Khan Brothers Bag Industries Ltd.	Director
		2. Khan Brothers Ship Building Ltd.	
		3. Khan Brothers Slipways & Engr. Works Ltd.	
		4. ST International Ltd.	
		5. Khan Brothers InfoTech Ltd.	Managing Director
6	Jerin Kabir Khan Representative Director	1. Khan Brothers InfoTech Ltd.	Shareholder

(4) Family relationship among director and top five officers of the company

(a) Family relationship among directors

Mr. Mohammed Enamul Kabir Khan, Mr. Md. Tofayel Kabir Khan, Mr. Md. Ruhul Kabir Khan, Mr. Mohammad Zakirul Kabir Khan are four brothers and Jerin Kabir Khan and Tofayel Kabir Khan is Husband and wife.

(b) Family relationship among directors and top five officers of the company

There is no relationship exists between directors and top management officers except Managing director.



(5) Short bio-data of each director

Mr. Mohammed Enamul Kabir Khan

Chairman, Khan Brothers PP Woven Bag Industries Ltd.

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 14 years as a manager and he used to maintain the bank Account of Aljajira, Jeddah, Saudi Arabia. He was gathered experience to serve managerial position in different companies.

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

Tofayel Kabir Khan

Director & Managing Director, Khan Brothers PP Woven Bag Industries Ltd

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 completed his MBA to enrich his knowledge.

After completing his graduation, he joined Miracle Industries Ltd. as an Assistant Manager (marketing) and served 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 gave 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 5 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.



Md. Ruhul Kabir Khan

Director, Khan Brothers PP Woven Bag Industries Ltd.

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 5 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, Khan Brothers PP Woven Bag Industries Ltd.

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 16 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.

Mohammad Zakirul Kabir Khan

Representative Director, Khan Brothers PP Woven Bag Industries Ltd.

Mohammad Zakirul Kabir Khan was born on October 17, 1976. He received a Masters of Information System from Central Queensland University, Sydney, Australia

After completing his education, he joined Bangladesh Power Development Board (BPDB) as a System Engineer and serves that company for the period of 1997 to 1998. His interests are in the areas of Engineering, Project Management, Communication, Team Building and Knowledge-Based Expert Systems.

He has over 8 years' experience in the planning, design, procurement, operation and manufacturing of Electricity Development Projects while he was working in BPDB. All these qualities make him to join Khan Brothers PP Woven Bag Industries Ltd.

Now he is a Representative Director of Khan Brothers PP Woven Bag Industries Limited and also Managing Director of Khan Brothers Infotech Ltd. and Director of Khan Brothers Ship Building Ltd.

**Jerin Kabir Khan***Representative Director, Khan Brothers PP Woven Bag Industries Ltd.*

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.

(6) Credit Information Bureau (CIB) report:

Neither the Company nor any of its Directors or shareholders who hold 5% or more shares in the paid up capital of the issuer is loan defaulter in terms of the CIB report of Bangladesh Bank.

(7) Name, position, academic qualification, date of joining and experience of CEO,CFO, CS, Advisors, Consultants, Additional and Deputy MD and all departmental Heads

SL	Name of the Officers	Position	Academic Qualification	Date of Joining	Total Experience (Years)
1	Tofayel Kabir Khan	MD & CEO	M.Com(Mkt), DU	18.05.2006	15 years
2	Md. Mokhlesur Rahman	Technical Director	B.Sc Engr. (Mechanical)	18.05.2006	15 years
3	Tapan Kumar Sarker	CFO & CS	MBA & CACC	01.01.2008	15 years
4	Md. Bahalul Kabir	Advisor & Consultant	M.Com, CACC & LLB	18.05.2006	15 years
5	Md. Moksedur Rahman	GM (Marketing)	M.COM(Mkt.)	01.07.2008	12 years
6	Md. Iqbal Hossain	Manager (Production)	M.Com	01.01.2007	12 years

**PART VIII INVOLVEMENT OF DIRECTORS AND OFFICERS IN CERTAIN LEGAL PROCEEDINGS**

None of the Directors or Officers of Khan Brothers PP Woven Bag Industries Ltd. was involved in any of the following types of legal proceedings in the last 10 (ten) years:

- a. Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filing the prospectus was a director, officer or partner at the time of the bankruptcy.
- b. Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.
- c. Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- d. Any order of the Bangladesh Securities and Exchange Commission, or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

PART IX CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company does not have any transaction during the last two years, or any proposed transaction, between the issuer and any of the following persons:

- (a) Any director or executive officer of the issuer
- (b) Any director or officer
- (c) Any person owning 5% or more of the outstanding shares of the issuer
- (d) Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons
- (e) Any transaction or arrangement entered into by the issuer or its subsidiary for a person who is currently a Director or in any way connected with a Director of either the Issuer Company or any of its subsidiaries/holding company or associate concerns, or who was a Director or connected in any way with a Director at any time during the last three years prior to the issuance of the prospectus, except disclosure under caption ‘**related party transaction**’ in note no. 23 of audited accounts, transaction between related companies within last five years, ‘**transaction with the directors and subscribers to the memorandum**’ and “**Executive Compensation**” part of this prospectus.

	Related Party Disclosure:	30-Jun-13	30-Jun-12
	Transaction with Key Management Personnel of the entity:		
a)	Managerial Remuneration paid or payable during the year to the directors, including managing directors or manager	3,093,000	3,312,000
b)	Board Meeting Fees Paid During this Year	33,000	30,000
c)	Any other perquisite or benefits in cash or in kind stating approximate money value where applicable.	-	-
d)	Other allowances and commission including guarantee commission	-	-
e)	Pensions etc.	-	-
	(i) Pensions	-	-



	(ii) Gratuities	-	-
	(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
f)	Share Based payments	-	-
g)	Investment in share (Common Directorship):		-
	Khan Brothers Knitwear Industries Ltd.	1,000,000	1,000,000
	Khan Brothers Group of Industries Ltd.	50,000	50,000
h)	Land (387.50 decimals of land was purchased from Mr. Tofael Kabir Khan, Mr. Mohammed Enamul Kabir Khan, Mr. Md. Ruhul Kabir Khan and Mr. Md. Hzrat Ali, all are subscribers to the Memorandum)	2,712,500	2,712,500
		6,888,500	7,104,500

(f) **Loan Given/Taken:**

No such loan was taken or given from or to Directors or any person connected with the Directors of Khan Brothers PP Woven Bag Industries Ltd.

(g) **Directors' Facilities:**

Facilities whether pecuniary or non-pecuniary enjoyed by the Directors will remain unchanged during the publication period of the Prospectus. Interest and facility is already disclosed in Executive Compensation of the Prospectus.

(h) There were no facilities whether pecuniary or non-pecuniary enjoyed by the Directors except salary as mentioned above.

PART X EXECUTIVE COMPENSATION(a) **Name, designation and remuneration paid to top five salaried officers in the last accounting year**

SL	Name	Designation	Remuneration/salaries (Tk.)
1	Tofayel Kabir Khan	MD & CEO	1,500,000.00
2	Tapan Kumar Sarker	CFO & CS	960,000.00
3	Md. Moksedur Rahman Sirajee	General Manager (Marketing)	840,000.00
4	Md. Fakhrul Islam	Sr. Manager (Commercial)	720,000.00
5	Md. Iqbal Hossain	Manager (Production)	540,000.00
6	Md. Farid Ahmed	Manager (Accounts & Finance)	480,000.00

(b) **Aggregate amount of remuneration paid to all directors and officers during the last accounting year**

SL	Name	Amount in Taka for 2012-13
1	Managing Director's salary	1,500,000
2	Remuneration of Directors	1,590,000
3	Board Meeting fee	33,000
4	Salaries and allowances	31,428,620
	Total	34,551,620



(c) Remuneration paid to any director who was not an officer during the last accounting year

No director is given any Remuneration who was not an officer during the last accounting year.

(d) Contract with any director or officer regarding any future compensation

The company has not entered into any contract with any of its Directors or Officers for any future compensation packages.

(e) Information regarding intention to substantially increase remuneration paid to directors and officers

The Company does not have any plan to substantially increase remuneration to Officers/Directors except usual increase in salaries & allowances and in line with the performance achieved by individuals.

PART XI DETAILS OF OPTIONS GRANTED TO DIRECTORS, OFFICERS AND EMPLOYEES

The Khan Brothers PP Woven Bag Industries Ltd. did not grant any option to its directors, officers and/or any other employees for the purpose of issuing shares.

PART XII TRANSACTIONS WITH THE DIRECTORS AND SUBSCRIBERS TO THE MEMORANDUM

a) Benefits From the Company during last five years:

The Directors and subscribers to the memorandum have not received any benefit except remuneration, directly or indirectly during the last five years. The issuer has received 387.50 decimals of land from Md. Tofayel Kabir Khan, Mohammed Enamul Kabir Khan, Md. Ruhul Kabir Khan and Md. Hazrat Ali amounting Tk. 27.125 lac.

b) Directors and Subscribers' Assets to the Company:

The company purchased land of 387.50 decimals of land from Md. Tofayel Kabir Khan, Mohammed Enamul Kabir Khan, Md. Ruhul Kabir Khan and Md. Hazrat Ali who are the subscriber to the Memorandum of the company in 2006. KBPPWBIL paid Tk. 27.125 lac to them against the land.

**PART XIII TANGIBLE ASSETS PER SHARE**

Net Tangible Asset backing per unit of the securities being offered as at 30th June, 2013:

Particulars	Amount in Taka
Non-Current Assets (A) [Excluding Pre-Operating Expenses]	328,374,766
Current Assets (B)	396,564,485
Current Liabilities (C)	78,478,612
Long Term Liabilities (D)	783,522
Deferred Tax Liability (E)	9,773,238
Net Assets (F=A+B-C-D-E)	635,903,879
Number of Shares (G)	43,500,000
Net Tangible Assets Value Per Share (H=F/G)	14.62



PART XIV

OWNERSHIP OF THE COMPANY'S SECURITIES

Ownership of the Securities:

(As per RJSC certificate)

SL	Name	Address	Position	No. of Share	%
1	Tofayel Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Director & MD	3,080,000	7.08%
2	Md. Ruhul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Director	1,531,250	3.52%
3	Hazrat Ali	House-322 (3 rd Floor), Road-5, DOHS, Baridhara, Dhaka Cantt., Dhaka	Director	1,276,250	2.93%
4	Mohammed Enamul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Chairman	1,742,500	4.01%
5	Mohammad Zakirul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder & Representative Director	50,000	0.11%
6	Khusnahr Khanam	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	550,000	1.26%
7	Nurun Nahar Chowdhury	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	100,000	0.23%
8	Md. Kabir Uddin Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	550,000	1.26%
9	Fahmida Mannan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	550,000	1.26%
10	Farah Diba Sultana	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	50,000	0.11%
11	Kamrun Nahar	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	350,000	0.80%
12	Jerin Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder & Representative Director	300,000	0.69%
13	Farid Ahmed	213/1, Sherebangla Road, Royer bazar, Dhaka.	Shareholder	550,000	1.26%
14	Aliuzzaman Chowdhury	H # 8, R # 7/A, Block-M, Banasree, Rampura, Dhaka.	Shareholder	2,081,000	4.78%
15	Ekramul Haque	House # 29, Vojohori Saha Street, Sutrapur, Dhaka-1100	Shareholder	500,000	1.15%
16	Md. Fakhru Islam	Village.: Chandpur, P.O.: Comilla, P.S.: Kotwali, Dist.: Comilla.	Shareholder	275,000	0.63%
17	Khan Brothers Infotech Ltd.	24/1, Chamelibagh(5th Floor), Shantinagar, Dhaka	Director	2,000,000	4.60%
18	Khan Brothers Ship Building Ltd.	24/1, Chamelibagh(5th Floor), Shantinagar, Dhaka	Director	10,000,000	22.99%
19	Tasneem Afroze	4/1, K.M. Das Lane, Tikatuly, Dhaka	Shareholder	100,000	0.23%
20	Md. Saydur Rahman	Flat # B1, Property Prime, 42/A Segun Bagicha, Dhaka	Shareholder	50,000	0.11%
21	Salina Alam	House # 266, Road # 6, CDA R/A, Chittagong	Shareholder	10,000	0.02%



22	Sayd Rafiqul Haq	Flat # C-5, House # 15, Road # 1, Dhanmondi, Dhaka	Shareholder	10,000	0.02%
23	Mrs. Monira Akter	House # 50, Road # 3, Block # B, Nikaton, Gulshan, Dhaka	Shareholder	10,000	0.02%
24	Md. Khalid Hossain Khan	House # 50, Road # 3, Block # B, Nikaton, Gulshan, Dhaka	Shareholder	1,010,000	2.32%
25	Tabassum Ifterkhar	House # 34/A, Road # 10/A, Dhanmondi R/A, Dhaka	Shareholder	10,000	0.02%
26	Sayd Jalal Ahmed Rumman	Northwest Securities Ltd. Jibon Bima Bhaban, Ctg.	Shareholder	5,000	0.01%
27	Gopal Krishana Roy	Anwarul Azim & Sons, P.O. Jalalabad, Saleh Bazar, Ctg	Shareholder	5,000	0.01%
28	Tareq Hasan Jewel	Northwest Securities Ltd. Kader Tower (5th Fl.) Jubilee Road, Chittagong	Shareholder	5,000	0.01%
29	Shahina Akther	6 Lal Chandra Road, Kazi House, Chawk Bazar, Chittagong	Shareholder	5,000	0.01%
30	Syed Jamal Ahmed	Northwest Securities Ltd. Jibon Bima Bhaban, Ctg. 3rd Fl. 56 Agrabad C/A. ctg	Shareholder	5,000	0.01%
31	Md. Momen Uddin	House # 50, Road # 3, Block # B, Niketon, Gulshan, Dhaka	Shareholder	25,000	0.06%
32	A.K.M Saleh Uddin	36, East Rampura, Dewan Monjil, Dhaka	Shareholder	25,000	0.06%
33	Saiful Islam	House # 50, Road # 3, Block # B, Niketon, Gulshan, Dhaka	Shareholder	25,000	0.06%
34	Md. Waresah Ali	1/H-2, Mirbag, Mogbazar, Romna, Dhaka	Shareholder	10,000	0.02%
35	Md. Zabihul Haque	House # 12, Road # 10, Block # B, Niketon, Gulshan, Dhaka	Shareholder	20,000	0.05%
36	Shaikh Mostafizur Rahman	House # 22, Road # 12, Block # F, Niketon, Gulshan-1, Dhaka	Shareholder	100,000	0.23%
37	Dr. Farhana Alam	Flat # 1A, House # 130, Road # 9A, Dhanmondi, Dhaka- 1209	Shareholder	100,000	0.23%
38	Sosanta Kumar Podder	333/1 (New-8/1), Segun Baghicha, 2nd Floor, Dhaka-1000	Shareholder	100,000	0.23%
39	Rajib Kumar Saha	333/1 (New-8/1), Segun Baghicha, 2nd Floor, Dhaka-1000	Shareholder	100,000	0.23%
40	Md. Mazedur Rashid	103/5, Nam Graden Officers Quater, Mirpur-13, Dhaka-1216	Shareholder	100,000	0.23%
41	Abdullan Al Shafee	Apt-A7, Navana Bailly Star, 9 Nawratan Clolony, New Bailly Road, Dhaka	Shareholder	100,000	0.23%
42	Md. Mahabubur Rahman	Room # 308, House # 135/B, Sarder Colony, South Kamlapur, Dhaka	Shareholder	22,500	0.05%
43	Mohammad Shibley	Flat # B-3, House # 17, Road # 13A, Dhanmondi R/A, Dhaka-1205	Shareholder	100,000	0.23%



44	Md. Anayet Kabir	House # 2, Road # 4, Block # C, Section # 10, Mirpur, Dhaka	Shareholder	100,000	0.23%
45	Maj Sabbir Ahmed	Appt.- D, Duplex, Eastern Housing, 2A, Easkaton Road, Ramna, Dhaka	Shareholder	100,000	0.23%
46	Md. Golam Mostafa	House # 17, Road # 5, Block # D, Banasree, Dhaka	Shareholder	100,000	0.23%
47	Md. Saiful Alam	805 West Kazi Param Mirpur, Dhaka	Shareholder	10,000	0.02%
48	Md. Tajul Islam	Dhitpur Hazi Md. Lal Mia High School, Demra, Dhaka	Shareholder	100,000	0.23%
49	Mohammad Lukman	Appt.- A2, H-287, R- 15(Old), 8/A(New), Dhanmondi, Dhaka-1209	Shareholder	150,000	0.34%
50	Md. Habibur Rahman	Prudential Capital Ltd., Suite#1604(16th Floor), 28, Dilkusha C/A, Dhaka-1000	Shareholder	100,000	0.23%
51	Md. Ruhul Amin	31/3/B, Borobagh, Mirpur-2, Dhaka.	Shareholder	50,000	0.11%
52	A.A Abul Kalam Azad	559, Baitul Aman Housing, Road-09, Adabar, Shyamoli, dhaka.	Shareholder	100,000	0.23%
53	Nasim-Ul-Mahmod	129/1, Shah Alibag, B-5, Madhukunja, Mirpur-1	Shareholder	2,500	0.01%
54	Md. Hashim Reza	House no-1, Road no.-3, Sector-11, Uttara, Dhaka.	Shareholder	100,000	0.23%
55	Ahmed Kabir Majumder	Room# 12/A, Bhuyan Mansion(2nd Fl), 6 Motijheel, Dhaka-1000	Shareholder	2,500	0.01%
56	Md. Sahariful Islam	B-7, F-504, Manasi Lake View, Shinepukur, Mirpur-1, Dhaka.	Shareholder	2,500	0.01%
57	Rawshan Ara	273/4, Ahmed Nagar, Paikpara, Mirpur-1, Dhaka	Shareholder	2,500	0.01%
58	Md. Shahid Ullah Sarder	53, West Hajipara, Rampura, Dhaka	Shareholder	2,500	0.01%
59	Md. Shariful Islam	6 Motijheel(2nd Fl), Room# 9, Dhaka-1000	Shareholder	2,500	0.01%
60	Imtiaz Ahmed	Room# 12/A, Bhuyan Mansion, 6 Motijheel, Dhaka-1000	Shareholder	2,500	0.01%
61	Prodip Kumar Roy	195/4-B, Tejkunipara.(2nd Fl), Tejgaon, Dhaka.	Shareholder	100,000	0.23%
62	Saifuddin Ahmed	29, Alkaran Lane-1, GPO, Kotwali, CTG	Shareholder	2,500	0.01%
63	Quazi Shamsuddoha	H # 2, Road- Sonargoan Janapath, Sector-12, Uttara, Dhaka-1230	Shareholder	100,000	0.23%
64	Hoque Mahtab Morshed	H # 4, Road # 3, Arakan Housing Society, Badurtata, Ctg.	Shareholder	50,000	0.11%
65	Mohammad Zakir Hossain	535, West Nakhhalpara, Tejgaon, Dhaka	Shareholder	20,000	0.05%
66	Mohammad Yakub	268, Sultangonj Road, Rayer Bazar, Dhaka-1209	Shareholder	25,000	0.06%
67	BMSL Investment Ltd.	Sadharan Bima Tower (7th Floor), 37/A, Dilkusha C/A, Dhaka.	Shareholder	2,159,000	4.96%



68	Mrs. Farhana Ahmed	Flat # 501, Aziz Palace, 55/A Siddeshwari Lane, Dhaka-1217	Shareholder	100,000	0.23%
69	Kazi Ariful Hossain	271/8, East Kafrul, Dhaka.	Shareholder	50,000	0.11%
70	Md. Mahamudur Rahman Akand	H # 18, R # 10/A, Block # H, Banani, Dhaka.	Shareholder	47,500	0.11%
71	Md. Toufiqul Arif	Chanmare Road, Matotenagar, Bogra	Shareholder	50,000	0.11%
72	Rashedul Islam	2 Rahamatgonj By Lane, Dhaka.	Shareholder	35,000	0.08%
73	Md. Anisur Rahman Chowdhury	Suraiya Mansion(4th Fl), 30, Agrabad, Ctg.	Shareholder	30,000	0.07%
74	Jewel Ahmed	H-14, Road-4, Senpara Porbota, Mirpur-10, Dhaka	Shareholder	450,000	1.03%
75	Abdul Hasnat	Salta Capital Ltd., Sena Kalyan Bhaban(18th Floor), 1805/A, Motijheel	Shareholder	220,000	0.51%
76	M. Shefaque Ahmed	Appt- B4, H# 20, R # 66, Gulshan, Dhaka.	Shareholder	600,000	1.38%
77	Md. Yunus Ali	Sadharan Bima Tower (7th Floor), 37/A, Dilkusha C/A, Dhaka.	Shareholder	50,000	0.11%
78	Md. Nurul Islam	224/1, 4th Floor, Kathalbagan, Dhaka	Shareholder	50,000	0.11%
79	Arif Ahasan Khan	56/1-A, Bhojohori Shaha Street, Narinda, Dhaka-1100	Shareholder	50,000	0.11%
80	Rezaul Karim	Sadharan Bima Tower (7th Floor), 37/A, Dilkusha C/A, Dhaka.	Shareholder	50,000	0.11%
81	Mr. Ashfaq Ahmed	House#25, Road# 6, Block-B, Banasree, Rampura, Dhaka.	Shareholder	50,000	0.11%
82	Utpal Dhar	BJA Bhaban(3rd Floor), 77, Motijheel C/A, Dhaka-1000	Shareholder	150,000	0.34%
83	Md. Akhtarul Alam	H # 5, R # 36, Gulshan-2, Dhaka-1212	Shareholder	200,000	0.46%
84	Sanaullah Shahid	39, Purana Paltan(6th Flor), Dhaka-1000	Shareholder	200,000	0.46%
85	Mr. Masuduzzaman	901(8th Floor) 158-160 Motijheel C/A, Dhaka-1000	Shareholder	100,000	0.23%
86	Kazi Rezaul Karim	451, Jahour Hawkar Market, Court Hill, Ctg.	Shareholder	100,000	0.23%
87	S.M Sirafur Salehin	North West Securities Ltd., Jiban Bima Bhaban(3rd Fl), 56, Agrabad C/A, Chittagong	Shareholder	100,000	0.23%
88	Mr. Shahadat Hossain Khan	Eastern Orchid Flat, 1/40/ Circuit House Road, Dhaka	Shareholder	100,000	0.23%
89	Md. Rafiqul Anwar	Global Brand(Pvt.) Ltd., 19/2, West Panthapath(5th Floor), Dhanmondi, Dhaka	Shareholder	200,000	0.46%
90	Capt. M. Moazzam Hossain	House#271, Eastern Road, DOHS, Baridhara, Dhaka.	Shareholder	1,000,000	2.30%
91	Md. Abu Zafar	House-21, North Goran, Khilgaon, Dhaka.	Shareholder	100,000	0.23%



92	Md. Kamrul Hassan	46/B, North Maniknagar, Dhaka-1203	Shareholder	150,000	0.34%
93	Md. Nasir Uddin	6/9, Prominent Housing# 3, P.C. Culture Road, Mohammadpur, Dhaka.	Shareholder	100,000	0.23%
94	Gobinda Prosad Roy	210, South Pিরerbag, Mirpur, Dhaka-1216	Shareholder	100,000	0.23%
95	S.M. Iftekhar Imam	Imperial Capital Ltd. Saiham Sky View Tower, 45 Bijoyagar, Dhaka.	Shareholder	100,000	0.23%
96	Mr. Hajee Abul Hasnat	House # 34, Road # 10B, Block-H, PO.-Banani, Dhaka	Shareholder	2,000,000	4.60%
97	Zahir Ahmed	House # 33, Road # 02, Dhanmondi R/A, Dhaka-1205	Shareholder	1,000,000	2.30%
98	Capt. Saifur Rahman	House # 03, Road # 62, Apartment A-3, Gulshan-2, Dhaka-1212	Shareholder	1,000,000	2.30%
99	Md. Habibur Rahman	Metronet BD Ltd., PBL Tower, Gulshan-2, Dhaka.	Shareholder	150,000	0.34%
100	Syed Atiar Rahman	430, Noorpur, South Donia, Shyampur, Dhaka-1215	Shareholder	50,000	0.11%
101	Nurul Afsar	Olympic Dry Wash, 129/1, Sufi Market, Truk Road, Feni.	Shareholder	50,000	0.11%
102	Sifat Mahmud Barsa	F-12, Road-08, Arambag Housing, Pallabi, Dhaka.	Shareholder	100,000	0.23%
103	Hajee Md. Asaduzzaman	16, B.C. Das Street, Lalbagh, Dhaka.	Shareholder	20,000	0.05%
104	Dr. M Shamsher Ali	House # 28, Road # 4, Dhanmondi R/A, Dhaka-1205	Shareholder	50,000	0.11%
105	M. Habibur Rahman	Banglo No-8, Port R/A, Monohorkhali, Chittagong.	Shareholder	100,000	0.23%
106	Agrani Equity & Investment Limited	Swantex Bhaban(4th Floor), 9/I, Motijheel C/A, Dhaka-1000	Shareholder	1,000,000	2.30%
107	Nurunnahar Begum	National Scout Bhaban (5th Floor), 70/1, Inner Circular Road, Kakrail, Dhaka-1000	Shareholder	75,000	0.17%
108	Nahid Chowdhury	Appt- B-3, House # 52, Road # 8/A, Dhanmondi R/A, Dhaka	Shareholder	175,000	0.40%
109	Pompa Saha	79, Siddeswari Road, Flat # A/7, Dhaka.	Shareholder	100,000	0.23%
110	Soma Rani Saha	79, Siddeswari Road, Flat # A/7, Dhaka.	Shareholder	150,000	0.34%
111	Galaxy Capital Ltd.	National Scout Bhaban (5th Floor), 70/1, Inner Circular Road, Kakrail, Dhaka-1000	Shareholder	100,000	0.23%
112	Alpha Capital Management Ltd.	National Scout Bhaban (5th Floor), 70/1, Inner Circular Road, Kakrail, Dhaka-1000	Shareholder	100,000	0.23%
113	Rahnuma Anjum	National Scout Bhaban (5th Floor), 70/1, Inner Circular Road, Kakrail, Dhaka-1000	Shareholder	300,000	0.69%
114	Pijush Saha	55/13, S.M. Maleh Road, Tanbazar, Narayanganj	Shareholder	500,000	1.15%



115	Jahar Lal Saha	55/13, S.M. Maleh Road, Tanbazar, Narayanganj	Shareholder	500,000	1.15%
116	Dr. Mijanur Rahman	Professor, Dept of Marketing, Dhaka University, Dhaka	Shareholder	50,000	0.11%
117	Shuball Chandra Misra	21, Dilkusha C/A(2nd Floor), Motijheel, Dhaka	Shareholder	200,000	0.46%
118	Masuma Begum	House-C61, Road-5A, Arambagh R/A, Mirpur-7, Dhaka-1216	Shareholder	15,000	0.03%
119	Md. Tariqul Islam	Flat # 4B, House # 246/2, Free School Street, Kathal Bagan, Dhaka-1209.	Shareholder	20,000	0.05%
120	Md. Tenzir Ahmed Khan	Sarulia, Demra, Dhaka.	Shareholder	25,000	0.06%
121	Farzana Akhtar Mahbub	160, Green Road, Dhaka.	Shareholder	25,000	0.06%
122	Md. Shahjalal	98/1, Esat Bashabo, Dhaka-1214	Shareholder	10,000	0.02%
123	Mizanur Rahman Mridha	House-01, Road-06, Block-C, Banasree, Rampura, Dhaka-1219	Shareholder	10,000	0.02%
124	Mohammad Mezbah Uddin Bhuiyan	H-18, Mouchak Market (Ground Floor), Dhaka-1217.	Shareholder	30,000	0.07%
125	ABM Hassanuzaman	17/A, Paribag, Dhaka.	Shareholder	20,000	0.05%
126	Md. Shafiqur Rahman	4, Mayakanon, Shabujbagh, Dhaka-1214	Shareholder	70,000	0.16%
Total				43,500,000	100%



(a) Securities owned by each director:

Sl. No.	Name	Address	No. of Shares held	% of Holding
1	Mohammed Enamul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	1,742,500	4.01
	Chairman			
2	Tofayel Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	3,080,000	7.08
	Director & MD			
3	Md. Ruhul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	1,531,250	3.52
	Director			
4	Md. Hazrat Ali	House-322 (3 rd Floor), Road-5, DOHS, Baridhara, Dhaka Cantt., Dhaka	1,276,250	2.93
	Director			
5	Mohammad Zakirul Kabir Khan	24/1, Chamelibagh(5 th Floor), Shantinagar, Dhaka	10,000,000	22.99
	(Representative Director from Khan Brothers Ship Building Ltd.)			
6	Jerin Kabir Khan	24/1, Chamelibagh (5 th Floor), Shantinagar, Dhaka	2,000,000	4.60
	(Representative Director from Khan Brothers Infotech Ltd.)			
Total			19,630,000	45.13

(b) Name and address of the person who owns, beneficially or of record, 5% or more of the securities of the company:

SL	Shareholders' Name	Address	No of Share held	% of Holding
1	Tofayel Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	3,080,000	7.08
2	Khan Brothers Ship Building Ltd.	24/1, Chamelibagh(5 th Floor), Shantinagar, Dhaka	10,000,000	22.99

(c) Securities owned by each of top ten salaried officer, and all other officers as a group

There is no employee in the Khan Brothers PP Woven Bag Industries Ltd. who holds any shares of the company except Managing Director.



(d) Post IPO Securities owned by each director:

Sl. No.	Name	Address	No. of Shares held	% of Holding
1	Mohammed Enamul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	1,742,500	2.74
	Chairman			
2	Tofayel Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	3,080,000	4.85
	Director & MD			
3	Md. Ruhul Kabir Khan	House # 8, Road # 7/A, Block-M, Banasree, Rampura, Dhaka.	1,531,250	2.41
	Director			
4	Md. Hazrat Ali	House-322 (3 rd Floor), Road-5, DOHS, Baridhara, Dhaka Cantt., Dhaka	1,276,250	2.01
	Director			
5	Mohammad Zakirul Kabir Khan	24/1, Chamelibagh (5 th Floor), Shantinagar, Dhaka	10,000,000	15.75
	(Representative Director of Khan Brothers Ship Building Ltd.)			
6	Jerin Kabir Khan	24/1, Chamelibagh (5 th Floor), Shantinagar, Dhaka	2,000,000	3.15
	(Representative Director of Khan Brothers Infotech Ltd.)			
Total			19,630,000	30.91

**PART XV DETERMINATION OF OFFERING PRICE: UNDER FIXED PRICE METHOD**

The issue price at Tk. 10.00 each share is justified as details below:

Particulars	Amount (in Tk.)
Method 1: Net Asset Value (NAV) per share/Equity based value per share	
1 (a) Price based on Net Asset Value per share (with Revaluation Reserve)	14.69
1 (b) Price based on Net Asset Value per share (without Revaluation Reserve)	12.44
Method 2: Historical Earnings based value per share	
2: Earnings based Value per share based on Overall Market P/E	13.60

Calculation of Methodologies**Method 1: Share price on Net Asset Value (NAV)/Equity based value per share**

1 (a) Price based on Net Asset Value per share/Equity based Value (with Revaluation Reserve)		
Sl. No.	Particulars	Amount
i)	Share Capital	435,000,000
ii)	Revaluation Reserve	97,975,484
iii)	Retained Earnings	106,060,425
Total Shareholders' Equity		639,035,909
Number of Shares		43,500,000
Net Asset Value per share as per Audited Report as at 30 June, 2013		14.69

1 (b) Price based on Net Asset Value per share/Equity based Value (without Revaluation Reserve)		
Sl. No.	Particulars	Amount
i)	Share Capital	435,000,000
ii)	Retained Earnings	106,060,425
Total Shareholders' Equity		541,060,425
Number of Shares		43,500,000
Net Asset Value per share as per Audited Report as at 30 June, 2013		12.44

Method 2: Historical Earnings based value per share

Average Price Earnings of Market & Sectoral			
	Month	Sectoral	Market
	Jan-14	25.20	16.74
	Dec-13	23.71	15.07
	Nov-13	22.42	15.08
	Average	23.78	15.63
Considering Lesser P/E of 23.78 & 15.63 is 15.63			



Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
30-Jun-09	4,000,000	1,900,017	0.04	77,315
30-Jun-10	4,000,000	8,583,451	0.04	349,276
30-Jun-11	9,800,000	21,994,866	0.10	2,192,774
30-Jun-12	37,000,000	17,219,137	0.38	6,481,262
30-Jun-13	43,500,000	64,638,334	0.44	28,603,942
Total	98,300,000.00		1.00	37,704,569
No. of shares outstanding before IPO				43,500,000
Diluted EPS based on weighted Average of Net Profit after Tax				0.87
3 Months average P/E (Lesser of 23.78 & 15.63)				15.63
Earnings based Value per share based on overall Market P/E				13.60

Source: DSE Monthly Review.

Therefore, the management of the company believes that the offering price of Tk. 10.00 per share is justified.

PART XVI MARKET FOR THE SECURITIES BEING OFFERED

Stock Exchanges:

The issuer shall apply to all the stock exchanges in Bangladesh within 7 (seven) working days from the date of consent accorded by the Commission to issue the prospectus.



Dhaka Stock Exchange Limited (DSE)

9/F Motijheel C/A, Dhaka-1000; and



Ctg. Stock Exchange Limited (CSE)

CSE Building, 1080 Sheikh Mujib Road, Chittagong- 4100.

**Declaration about Listing of Shares with Stock Exchanges**

In case none of the stock exchange(s), if for any reason, grants listing within **75 (Seventy Five) days** from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said **75 (Seventy Five) days**, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the company directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The issue manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.”

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the share of the company.

Trading and Settlement

Trading And Settlement Regulation of the stock exchanges will apply in respect of trading and settlement of the shares of the Company.

THE ISSUE SHALL BE PLACED IN “N” CATEGORY WITH DSE AND CSE**PART XVII DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED****(a) Dividend, voting and pre-emption rights**

The share capital of the Company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors and Auditors and other usual agenda of General Meeting, Ordinary or Extra Ordinary. On a show of hand every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

(b) Conversion and liquidation rights

If the company at any time issues convertible preference shares or Debenture with the consent of BSEC, such holders of Securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the Shares, if any, of the Company are freely transferable, the Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mental health.



(c) Dividend policy

- a) The profit of the company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association subject to the provision of the Articles of Association, will be divisible among the members in proportion to the capital paid up on the Shares held by them respectively.
- b) No larger dividend will be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net Profit of the Company shall be conclusive.
- c) No dividend will be payable except out of profits of the Company or any other undistributed profits. Dividend shall not carry interest as against the Company.
- d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the Company may justify.
- e) A transfer of Shares will not pass the right to any dividend declared thereon before the registration of transfer.
- f) There is no limitation on the payment of dividend.

(d) Other rights of stockholders

The shareholders will have the right to receive all periodical reports and statements, audited as well as un-audited, published by the company from time to time. The Directors will present the financial statements as required under the Law and International Accounting standards. Financial Statements will be prepared in accordance with Bangladesh Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and Bangladesh Accounting Standard to the shareholders regarding the Financial and operational position of the Company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders will be entitled to it in proportion to their shareholdings on the date of book closure for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the company will have the right to requisition Extra-Ordinary General Meeting of the Company as provided under Section 84 of the Companies Act, 1994.

PART XVIII DEBT SECURITIES

The Company has not issued or is planning to issue any debt security within six months.

**PART XIX LOCK IN PROVISION**

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of three years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the company within immediately preceding two years of according consent, shall be subject to a lock-in period of one year from the date of issuance of prospectus or commercial operation, whichever comes later.

The following table indicates the **Lock-In** status of the shareholders of Khan Brothers PP Woven Bag Industries Limited:

SL	Name	Position	Shareholdings	%	Date of Acquisition	Lock-in Period [from issue date of prospectus]
1	Tofayel Kabir Khan	Director & MD	3,080,000	7.08%	18-May-06	3 Years
2	Md. Ruhul Kabir Khan	Director	1,531,250	3.52%	18-May-06	3 Years
3	Hazrat Ali	Director	1,276,250	2.93%	18-May-06	3 Years
4	Mohammed Enamul Kabir Khan	Chairman	1,742,500	4.01%	18-May-06	3 Years
5	Mohammad Zakirul Kabir Khan	Shareholder & Representative Director	50,000	0.11%	26-Dec-10	3 Years
6	Khusnahr Khanam	Shareholder	550,000	1.26%	26-Dec-10	3 Years
7	Nurun Nahar Chowdhury	Shareholder	100,000	0.23%	26-Dec-10	3 Years
8	Md. Kabir Uddin Khan	Shareholder	550,000	1.26%	26-Dec-10	3 Years
9	Fahmida Mannan	Shareholder	550,000	1.26%	26-Dec-10	3 Years
10	Farah Diba Sultana	Shareholder	50,000	0.11%	26-Dec-10	3 Years
11	Kamrun Nahar	Shareholder	350,000	0.80%	26-Dec-10	3 Years
12	Jerin Kabir Khan	Shareholder & Representative Director	300,000	0.69%	26-Dec-10	3 Years
13	Farid Ahmed	Shareholder	550,000	1.26%	26-Dec-10	3 Years
14	Aliuzzaman Chowdhury	Shareholder	2,500	4.78%	2-Oct-11	3 Years
			2,078,500		30-Jun-12	1 Year
15	Ekramul Haque	Shareholder	500,000	1.15%	30-Jun-12	1 Year
16	Md. Fakhru Islam	Shareholder	275,000	0.63%	30-Jun-12	1 Year



17	Khan Brothers Infotech Ltd.	Director	2,000,000	4.60%	30-Jun-12	1 Year
18	Khan Brothers Ship Building Ltd.	Director	10,000,000	22.99%	30-Jun-12	1 Year
19	Tasneem Afroze	Shareholder	10,000	0.23%	2-Oct-11	3 Years
			90,000		29-Jun-12	1 Year
20	Md. Saydur Rahman	Shareholder	10,000	0.11%	2-Oct-11	3 Years
			40,000		30-Jun-12	1 Year
21	Salina Alam	Shareholder	10,000	0.02%	2-Oct-11	3 Years
22	Sayd Rafiqul Haq	Shareholder	10,000	0.02%	2-Oct-11	3 Years
23	Mrs. Monira Akter	Shareholder	10,000	0.02%	2-Oct-11	3 Years
24	Md. Khalid Hossain Khan	Shareholder	10,000	2.32%	2-Oct-11	3 Years
			1,000,000		30-Jun-12	1 Year
25	Tabassum Ifterkhar	Shareholder	10,000	0.02%	2-Oct-11	3 Years
26	Sayd Jalal Ahmed Rumman	Shareholder	5,000	0.01%	2-Oct-11	3 Years
27	Gopal Krishana Roy	Shareholder	5,000	0.01%	2-Oct-11	3 Years
28	Tareq Hasan Jewel	Shareholder	5,000	0.01%	2-Oct-11	3 Years
29	Shahina Akther	Shareholder	5,000	0.01%	2-Oct-11	3 Years
30	Syed Jamal Ahmed	Shareholder	5,000	0.01%	2-Oct-11	3 Years
31	Md. Momen Uddin	Shareholder	10,000	0.06%	2-Oct-11	3 Years
			15,000		30-Jun-12	1 Year
32	A.K.M Saleh Uddin	Shareholder	10,000	0.06%	2-Oct-11	3 Years
			15,000		30-Jun-12	1 Year
33	Saiful Islam	Shareholder	10,000	0.06%	2-Oct-11	3 Years
			15,000		30-Jun-12	1 Year
34	Md. Waresh Ali	Shareholder	10,000	0.02%	2-Oct-11	3 Years
35	Md. Zabihul Haque	Shareholder	10,000	0.05%	2-Oct-11	3 Years
			10,000		30-Jun-12	1 Year
36	Shaikh Mostafizur Rahman	Shareholder	7,500	0.23%	2-Oct-11	3 Years
			92,500		30-Jun-12	1 Year
37	Dr. Farhana Alam	Shareholder	7,500	0.23%	2-Oct-11	3 Years
			92,500		29-Jun-12	1 Year
38	Sosanta Kumar Podder	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		29-Jun-12	1 Year
39	Rajib Kumar Saha	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		29-Jun-12	1 Year
40	Md. Mazedur Rashid	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		29-Jun-12	1 Year
41	Abdullan Al Shafee	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		29-Jun-12	1 Year
42	Md. Mahabubur Rahman	Shareholder	2,500	0.05%	2-Oct-11	3 Years
			20,000		30-Jun-12	1 Year
43	Mohammad Shibley	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		30-Jun-12	1 Year
44	Md. Anayet Kabir	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		30-Jun-12	1 Year



45	Maj Sabbir Ahmed	Shareholder	2,500 97,500	0.23%	2-Oct-11 30-Jun-12	3 Years 1 Year
46	Md. Golam Mostafa	Shareholder	2,500 97,500	0.23%	2-Oct-11 30-Jun-12	3 Years 1 Year
47	Md. Saiful Alam	Shareholder	2,500 7,500	0.02%	2-Oct-11 30-Jun-12	3 Years 1 Year
48	Md. Tajul Islam	Shareholder	2,500 97,500	0.23%	2-Oct-11 30-Jun-12	3 Years 1 Year
49	Mohammad Lukman	Shareholder	2,500 147,500	0.34%	2-Oct-11 30-Jun-12	3 Years 1 Year
50	Md. Habibur Rahman	Shareholder	2,500 97,500	0.01%	2-Oct-11 30-Jun-12	3 Years 1 Year
51	Md. Ruhul Amin	Shareholder	50,000	0.11%	29-Jun-12	1 Year
52	A.A Abul Kalam Azad	Shareholder	100,000	0.23%	29-Jun-12	1 Year
53	Nasim-Ul-Mahmod	Shareholder	2,500	0.01%	29-Jun-12	1 Year
54	Md. Hashim Reza	Shareholder	100,000	0.23%	29-Jun-12	1 Year
55	Ahmed Kabir Majumder	Shareholder	2,500	0.01%	29-Jun-12	1 Year
56	Md. Sahariful Islam	Shareholder	2,500	0.01%	29-Jun-12	1 Year
57	Rawshan Ara	Shareholder	2,500	0.01%	29-Jun-12	1 Year
58	Md. Shahid Ullah Sarder	Shareholder	2,500	0.01%	29-Jun-12	1 Year
59	Md. Shariful Islam	Shareholder	2,500	0.01%	29-Jun-12	1 Year
60	Imtiaz Ahmed	Shareholder	2,500	0.01%	29-Jun-12	1 Year
61	Prodip Kumar Roy	Shareholder	100,000	0.23%	29-Jun-12	1 Year
62	Saifuddin Ahmed	Shareholder	2,500	0.01%	29-Jun-12	1 Year
63	Quazi Shamsuddoha	Shareholder	100,000	0.23%	29-Jun-12	1 Year
64	Hoque Mahtab Morshed	Shareholder	50,000	0.11%	30-Jun-12	1 Year
65	Mohammad Zakir Hossain	Shareholder	20,000	0.05%	30-Jun-12	1 Year
66	Mohammad Yakub	Shareholder	25,000	0.06%	30-Jun-12	1 Year
67	BMSL Investment Ltd.	Shareholder	2,159,000	4.96%	30-Jun-12	1 Year
68	Mrs. Farhana Ahmed	Shareholder	100,000	0.23%	30-Jun-12	1 Year
69	Kazi Ariful Hossain	Shareholder	50,000	0.11%	30-Jun-12	1 Year
70	Md. Mahamudur Rahman Akand	Shareholder	47,500	0.11%	30-Jun-12	1 Year
71	Md. Toufiqul Arif	Shareholder	50,000	0.11%	30-Jun-12	1 Year
72	Rashedul Islam	Shareholder	35,000	0.08%	30-Jun-12	1 Year
73	Md. Anisur Rahman Chowdhury	Shareholder	30,000	0.07%	30-Jun-12	1 Year
74	Jewel Ahmed	Shareholder	450,000	1.03%	30-Jun-12	1 Year
75	Abdul Hasnat	Shareholder	220,000	0.51%	30-Jun-12	1 Year
76	M. Shefaque Ahmed	Shareholder	600,000	1.38%	30-Jun-12	1 Year
77	Md. Yunus Ali	Shareholder	50,000	0.11%	30-Jun-12	1 Year
78	Md. Nurul Islam	Shareholder	50,000	0.11%	30-Jun-12	1 Year
79	Arif Ahasan Khan	Shareholder	50,000	0.11%	30-Jun-12	1 Year
80	Rezaul Karim	Shareholder	50,000	0.11%	30-Jun-12	1 Year



81	Mr. Ashfaq Ahmed	Shareholder	50,000	0.11%	30-Jun-12	1 Year
82	Utpal Dhar	Shareholder	150,000	0.34%	30-Jun-12	1 Year
83	Md. Akhtarul Alam	Shareholder	200,000	0.46%	30-Jun-12	1 Year
84	Sanaullah Shahid	Shareholder	200,000	0.46%	30-Jun-12	1 Year
85	Mr. Masuduzzaman	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		30-Jun-12	1 Year
86	Kazi Rezaul Karim	Shareholder	100,000	0.23%	30-Jun-12	1 Year
87	S.M Sirafur Salehin	Shareholder	100,000	0.23%	30-Jun-12	1 Year
88	Mr. Shahadat Hossain Khan	Shareholder	100,000	0.23%	30-Jun-12	1 Year
89	Md. Rafiqul Anwar	Shareholder	200,000	0.46%	30-Jun-12	1 Year
90	Capt. M. Moazzam Hossain	Shareholder	1,000,000	2.30%	30-Jun-12	1 Year
91	Md. Abu Zafar	Shareholder	100,000	0.23%	30-Jun-12	1 Year
92	Md. Kamrul Hassan	Shareholder	150,000	0.34%	30-Jun-12	1 Year
93	Md. Nasir Uddin	Shareholder	100,000	0.23%	30-Jun-12	1 Year
94	Gobinda Prosad Roy	Shareholder	2,500	0.23%	2-Oct-11	3 Years
			97,500		30-Jun-12	1 Year
95	S.M. Ifthekhar Imam	Shareholder	100,000	0.23%	30-Mar-13	1 Year
96	Mr. Hajee Abul Hasnat	Shareholder	2,000,000	4.60%	30-Mar-13	1 Year
97	Zahir Ahmed	Shareholder	1,000,000	2.30%	30-Mar-13	1 Year
98	Capt. Saifur Rahman	Shareholder	1,000,000	2.30%	30-Mar-13	1 Year
99	Md. Habibur Rahman	Shareholder	150,000	0.34%	30-Mar-13	1 Year
100	Syed Atiar Rahman	Shareholder	50,000	0.11%	30-Mar-13	1 Year
101	Nurul Afsar	Shareholder	50,000	0.11%	30-Mar-13	1 Year
102	Sifat Mahmud Barsa	Shareholder	100,000	0.23%	30-Mar-13	1 Year
103	Hajee Md. Asaduzzaman	Shareholder	20,000	0.05%	30-Mar-13	1 Year
104	Dr. M Shamsher Ali	Shareholder	50,000	0.11%	30-Mar-13	1 Year
105	M. Habibur Rahman	Shareholder	100,000	0.23%	30-Mar-13	1 Year
106	Agrani Equity & Investment Limited	Shareholder	1,000,000	2.30%	26-Dec-10	3 Years
107	Nurunnahar Begum	Shareholder	75,000	0.17%	30-Jun-12	1 Year
108	Nahid Chowdhury	Shareholder	175,000	0.40%	30-Jun-12	1 Year
109	Pompa Saha	Shareholder	100,000	0.23%	30-Jun-12	1 Year
110	Soma Rani Saha	Shareholder	150,000	0.34%	30-Jun-12	1 Year
111	Galaxy Capital Ltd.	Shareholder	100,000	0.23%	30-Jun-12	1 Year
112	Alpha Capital Management Ltd.	Shareholder	100,000	0.23%	30-Jun-12	1 Year
113	Rahnuma Anjum	Shareholder	300,000	0.69%	30-Jun-12	1 Year
114	Pijush Saha	Shareholder	500,000	1.15%	30-Jun-12	1 Year
115	Jahar Lal Saha	Shareholder	500,000	1.15%	30-Jun-12	1 Year
116	Dr. Mijanur Rahman	Shareholder	50,000	0.11%	30-Jun-12	1 Year
117	Shuball Chandra Misra	Shareholder	200,000	0.46%	30-Jun-12	1 Year
118	Masuma Begum	Shareholder	15,000	0.03%	30-Jun-12	1 Year
119	Md. Tariqul Islam	Shareholder	20,000	0.05%	30-Jun-12	1 Year
120	Md. Tenzir Ahmed Khan	Shareholder	25,000	0.06 %	30-Jun-12	1 Year
121	Farzana Akhtar Mahbub	Shareholder	25,000	0.06%	30-Jun-12	1 Year



122	Md. Shahjalal	Shareholder	10,000	0.02 %	30-Jun-12	1 Year
123	Mizanur Rahman Mridha	Shareholder	10,000	0.02 %	30-Jun-12	1 Year
124	Mohammad Mezbah Uddin Bhuiyan	Shareholder	30,000	0.07 %	30-Jun-12	1 Year
125	ABM Hassanuzaman	Shareholder	20,000	0.05 %	30-Jun-12	1 Year
126	Md. Shafiqur Rahman	Shareholder	70,000	0.16 %	30-Jun-12	1 Year



PART XX REFUND OF SUBSCRIPTION MONEY

As per Bangladesh Securities and Exchange Commission (BSEC) Notification Dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form;-

- (a) Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription; or
- (b) Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription:

Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

PART XXI SUBSCRIPTION BY AND REFUND TO NON-RESIDENT BANGLADESHI (NRB)

1. A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concern bank, for the value of Securities applied for through crossed bank cheque marking "Account Payee only".
2. The value of Securities applied for by such person may be paid in Taka or US Dollar, UK Pound Sterling or Euro at the rate of exchange mentioned in the securities application form.
3. Refund against over subscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicant's bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue as mentioned above, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application forms.

PART XXII AVAILABILITY OF SECURITIES

- (1) IPO will be 20,000,000 ordinary shares @ TK. 10.00 each share; totaling Tk. 200,000,000.00. As per the Securities and Exchange Commission (Public Issue) Rules, 2006, 10% of total Initial Public Offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the commission and 20% for small investors who lost money to the capital market and remaining 60% shall be open for subscription by the general public. The position is thus as follows:

Securities		Number of shares	Total amount (Tk.)
A	10% of IPO i.e. 2,000,000 ordinary shares shall be reserved for Non-Resident Bangladeshis (NRB).	2,000,000	20,000,000
B	10% of IPO i.e. 2,000,000 ordinary shares shall be reserved for mutual funds and collective investment schemes registered with the Commission.	2,000,000	20,000,000
C	20% of IPO i.e. 4,000,000 ordinary shares shall be reserved for ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী	4,000,000	40,000,000
D	Remaining 60% of IPO i.e. 12,000,000 ordinary shares shall be open for subscription by the general public.	12,000,000	120,000,000
Total		20,000,000	200,000,000

- (2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the Bangladesh Securities and Exchange Commission.
- (3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the issue manager shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Bangladesh Securities and Exchange Commission.
- (4) In case of under-subscription under any of the 10% categories mentioned in sub-rule (1), the un-subscription portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the issue manager shall jointly conduct an open lottery of all the applicants added together.
- (5) In case of under-subscription of the public offering, the un-subscribed portion of the Securities shall be taken up by the underwriter(s).
- (6) The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

**PART XXIII ISSUE MANAGERS**

The board of directors of the issuer company “**Khan Brothers PP Wovan Bag Industries Ltd.**” has appointed **AFC Capital Limited**, Tanaka Tower (2nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000, & **BMSL Investment Limited**, Sadharan Bima Tower (7th Floor), 37/A Dilkusha C/A, Dhaka-1000 as the Issue Managers to the Issue for the purpose of making the Initial Public Offering (IPO). In this regard an agreement has been reached and signed by the Issuer Company and the Issue Mangers. **AFC Capital Limited** and **BMSL Investment Limited** are registered by the Bangladesh Securities and Exchange Commission. License number of the issue managers:

SL	Name of Issue Manager	License Number
1	AFC Capital Limited	MB-72/2011
2	BMSL Investment Limited	MB-71/2011

Fees for the issue management services:

As per Rule 16(1) (i) of the Securities and Exchange Commission (Public Issue) Rules, 2006, the Issue Managers shall get 1% on the Public Offering or Tk. 20.00 (Twenty) Lac whichever is lower as issue management fee.

PART XXIV UNDERWRITERS

As per Rule 14 (1) of the Securities of Exchange Commission (Public Issue) Rules, 2006, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis:

- i) Eastern Bank Limited
- ii) BMSL Investment Limited

The Initial Public Offering (IPO) is for 20,000,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 10/- each, amounting to Tk. 200,000,000.00 of Khan Brothers PP Woven Bag Industries LTD. As per the guidelines of the Bangladesh Securities and Exchange Commission, 50% of the said amount i.e. 10,000,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 10/- each, amounting to Tk. 100,000,000.00 has been underwritten by the underwriters in the following proportion:

SL	Name of the Underwriter	No. of Shares underwritten	Amount of Underwritten (Tk.)
1	Eastern Bank Limited	5,000,000	50,000,000
2	BMSL Investment Limited	5,000,000	50,000,000
	Totals	10,000,000	100,000,000

1. If and to the extent that the Shares offered to the public through a Prospectus authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within 10 (ten) days of the closure of subscription call upon the underwriter in writing to subscribe the shares not so subscribed and ask the underwriter to pay for them in



- cash in full within 15 (fifteen) days of the date of said notice and said amount shall have to be credited into shares subscription account within the said period.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been encashed and the Company's account credited.
 3. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and deposit of share money by the underwriters, to the Commission.
 4. In the case of failure by any underwriters to pay for the Shares within the stipulated time, the Company or Issuer will be of no obligation to pay any underwriting commission under this agreement.
 5. in case of failure by the Company through call upon the underwrites for the aforementioned purpose within the stipulate time, the company and its Directors shall individually and collectively be held responsible for consequence and /or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

Commission for Underwriters: The Company shall pay to the underwriters an underwriting commission at the rate of 0.50% of 50% of the total IPO amount (i.e. Tk. 100,000,000.00) of the issue value of shares underwritten by them.

Right of Underwriters on Company's Board: Underwriters have not acquired any right to have their representatives in the Board of Directors of the Company

PART XXV APPLICATION FOR SUBSCRIPTION

Application for Subscription:

1. Application for Shares may be made for a minimum lot for 500 (Five) Ordinary Shares to the value of **Tk. 5,000.00** respectively and should be made on the Company's Printed Application Form. Application Forms and the Prospectus may be obtained from the Registered Office of the Company, Members of the Dhaka and Ctg. Stock Exchange Limited or from the Bankers to the Issue. In case of adequate Forms are not available, applicants may use photocopied/cyclostyled/ typed/handwritten copies of the Forms. Application must not be for less than **500** Shares. Any application not meeting the criterion will not be considered for allotment purpose.
2. Joint Application form for more than two persons will not be accepted. In the case of a joint application each party must sign the Application Form.
3. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies must be accompanied by the Memorandum and Articles of Association.
4. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications,**



all applications will be treated as invalid and will not be considered for allotment purpose. In addition, whole or part of application money may be forfeited by the Commission and balance amount will be refunded to the applicant.

5. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.
6. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.
7. An IPO applicant shall ensure his/her BO account remains operational till the process of IPO (including securities allotment or refund of IPO application) is completed. If any BO account mentioned in the IPO application is found closed, the allotted security may be forfeited by BSEC.
8. Bangladeshi Nationals (including Non-Resident Bangladeshis residing / working abroad) and Foreign Nationals shall be entitled to apply for Shares.
9. Payment for subscription by investors other than Non-Resident Bangladeshi may be made to the said branches / office of the Banks mentioned below in Cash / Cheque / Pay Order / Bank Draft. The Cheque or Pay Order or Bank Draft shall be made payable to the Bank to which it is sent and be marked “**Khan Brothers PP Woven Bag Industries Limited**” And shall bear the crossing “**Account Payee only**” and must be drawn on a Bank in the same town of the Bank to which application form is deposited.
10. All completed application forms, together with remittance for the full amount payable on application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.
11. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee (including a Bank or a Company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of securities applied for.

The value of securities applied for may be paid in Taka, US Dollar or UK Pound Sterling or EURO at the spot Buying (TT Clean) rate of exchange prevailing on the date of opening of subscription. Refund against over subscription of shares shall be made in the currency in which the value of shares applied for was paid by the applicant. Share application form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company. Copies of application form and prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web site of the BSEC, Issuer, Issue Manager, DSE and CSE.

12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company’s STD Account No.0002-0320002508 with **Mutual Trust Bank Ltd., Principal Branch, Dhaka**, for this purpose.



13. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling or Euro shall be deposited to below mentioned “FC Account for IPO” with **Mutual Trust Bank Ltd., Principal Branch, Dhaka**. In case of over subscription, refund shall be made by the Company out of the respective FC Accounts:

SL	Name of the FC A/C	Account No.	Bank & Branch
1.	US Dollar	MTB/PB/FC/420	Principal Branch
2.	UK Pound Sterling	MTB/PB/FC/421	Principal Branch
3.	Euro	MTB/PB/FC/422	Principal Branch

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by the company out of the “FC Account for IPO”. Khan Brothers PP Woven Bag Industries Ltd. has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over subscription, if any.
15. তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।”
16. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Allotment of Shares:

The company reserves the rights of accepting any application, either in whole, or in part. Successful applicants will be notified by the dispatch of an allotment letter by registered post/courier. Letter of allotment and refund warrants will be issued within 5(five) weeks from the closing of the subscription. After allotment the company will have to transfer the shares to the allottees' Beneficiary Owners (BO) account, which has been mentioned in the application form.



The company shall issue share allotment letter to all successful applicants, within 5 (five) weeks, from the date of the subscription closing date. At the same time, the unsuccessful application shall be refunded with the application money within 5 (five) weeks from the closing of the subscription date, by Account Payee Cheque, without interest payable at Dhaka / Chittagong / Khulna / Rajshahi / Barisal / Sylhet as the case may be.

Where the allotment is made, in whole or part in respect of joint application, the allotment letter will be dispatched to the person whose name appears first in the application form notwithstanding that the shares have been allotted to the joint applicants. Where joint applicant is accepted in par, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.



PART XXVII CORPORATE DIRECTORY

Corporate Directory:

Registered & Head Office	24/1, Chamelibagh (5 th & 8 th Floor), Shantinagar, Dhaka-1217 Phone:+880-2-8332069,8332108;Fax:+880-2-8332576 Email: info@kbgbd.com , Website: www.kbgbd.com	
Factory	Borochala, Boro Bhabanipur, Joydebpur, Gagipur E-mail: info@kbgbd.com	
Auditor	MAHFEL HUQ & CO. Chartered Accountants BGIC Tower (4th Floor) 34 Topkhana Road, Dhaka-1000. Telephone: +88-02- 7171316; +88-02- 9553143 E-mail: mahfelcofca@yahoo.com	
Legal Advisor	Tania Amir Amir & Amir Law Associates Barister-at-Law, Advocate Supreme Court of Bangladesh 203, Concord Tower (2nd Floor), 113, Kazi Nazrul Islam Avenue Dhaka-1000	
Lead Banker	Mutual Trust Bank Limited	
Tax Consultant	B. Kabir & Associates 14, Kakrail, (3 rd Floor), Room # 06, Dhaka-1000	
Managers to the Issue	 AFC Capital Limited Tanaka Tower (2 nd Floor), 42/1/Gha, Segun Bagicha, Dhaka-1000. Website: www.afccapital.org	 BMSL INVESTMENT LIMITED Sadharan Bima Tower (7 th Floor),37/A Dilkusha C/A, Dhaka-1000 Website: www.bmslinvestment.com
Chief Financial Officer & Company Secretary	Tapan Kumar Sarker	

All investors are hereby informed that **Mr. Tapan Kumar Sarker, Chief Financial Officer & Company Secretary**, who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, order/directors etc. issued by the commission and/or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to promote the interest of the investors in the security issued by the company, and for redressing investors' grievances.



PART XXVIII MATERIAL CONTRACTS & OTHERS

Material Contracts:

The following are material contracts in the ordinary course of business, which have been entered into by the Company:

- (a) Underwriting Agreement between the Company and the Underwriters.
- (b) Issue Management Agreement between the Company and the Managers to the issue, **AFC Capital Limited & BMSL Investment Limited**.
- (c) Agreement with CDBL, if any 111 Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Commission to the Banker to the Issue:

Commission at the rate of **0.10%** of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them,



PART XXIX

INDEPENDENT AUDITORS' REPORT AND RELATED CERTIFICATES

(a) Auditors' report for the year ended 30th June, 2013

INDEPENDENT AUDITOR'S REPORT**To****THE SHAREHOLDERS OF KHAN BROTHERS PP WOVEN BAG INDUSTRIES LTD.**

We have audited the accompanying financial statements of Khan Brothers PP Woven Bag Industries Ltd, which comprise the statement of financial position as at 30 June 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Khan Brothers PP Woven Bag Industries Ltd as at 30 June 2013 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.



We also report that:

- a) 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;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- c) the company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the company's business.

Dated, Dhaka;
22 July, 2013

Sd/-
MAHFEL HUQ & Co.
Chartered Accountants



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217
Statement of Financial Position
As at June 30, 2013

Particulars	Notes	30-Jun-13 Taka	30-Jun-12 Taka
Assets:			
NON-CURRENT ASSETS			
Property, Plant and Equipments	3.00	327,324,766	328,247,692
Investment in Share	4.00	1,050,000	1,050,000
Pre-Operating Expenses		3,132,031	4,698,047
CURRENT ASSETS			
Inventories	5.00	244,165,032	179,717,774
Accounts Receivable	6.00	81,644,049	74,260,388
Advances, Deposits & Pre-Payments	7.00	18,202,768	10,871,644
Cash and Cash Equivalents	8.00	52,552,636	1,754,570
TOTAL ASSETS		728,071,282	600,600,115
Equity and Liabilities:			
SHAREHOLDERS' EQUITY			
Share Capital	9.00	435,000,000	370,000,000
Revaluation Reserve		97,975,485	97,975,485
Retained Earnings		106,060,425	41,422,091
LONG TERM LIABILITY			
Long Term Loan Net Off Current Maturity	10.00	783,522	12,314,015
DEFERRED TAX LIABILITY			
	11.00	9,773,238	5,444,216
CURRENT LIABILITIES			
Accounts Payable	12.00	465,700	1,563,450
Current portion of long term loan	10.00	18,851,428	23,216,173
Short term Bank loan	13.00	33,664,116	40,082,692
Accrued Expenses	14.00	5,337,680	2,748,651
Provision for Workers Profit Participation Fund		4,244,145	-
Provision for Taxation	15.00	15,915,543	5,833,343
TOTAL EQUITY & LIABILITIES		728,071,282	600,600,115
Net Asset Value Per Share (NAVPS)-Restated		14.69	11.71

The annexed notes from 1 to 25 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed as per annexed report on even date

Place: Dhaka
Dated: July 22, 2013

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217
Statement of Comprehensive Income
For the year ended June 30, 2013

Particulars:	Notes	30-Jun-13 Taka	30-Jun-12 Taka
Turnover	16.00	916,879,628	530,754,633
Less: Cost of goods sold	17.00	789,662,596	460,394,310
Gross Profit		127,217,033	70,360,323
Operating Expenses:		25,437,052	18,564,450
Administrative Expenses	18.00	20,253,870	15,790,979
Marketing and Distribution Expenses	19.00	5,183,182	2,773,471
Profit from Operation		101,779,981	51,795,873
Less: Financial expenses	20.00	12,652,936	23,299,178
Net Profit before WPPF & Income Tax		89,127,045	28,496,695
Provision for WPPF		4,244,145	-
Net Profit before Tax		84,882,900	28,496,695
Income tax expenses:	21.00	20,244,566	11,277,559
Net Profit after Tax		64,638,334	17,219,137
Add: Retained Earnings at the beginning of the year		41,422,091	24,202,954
Retained Earnings transferred to Statement of Financial Position		106,060,425	41,422,091
Earning Per Share (Par Value Tk. 10/-Restated)	22.00	1.67	0.45

The annexed notes from 1 to 25 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed as per annexed report on even date

Place: Dhaka
Dated: July 22, 2013

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217
Statement of Cash Flow
For the year ended June 30, 2013

Particulars	30-Jun-13 Taka	30-Jun-12 Taka
A. Cash Flows from Operating Activities :		
Collection from Turnover	909,495,968	488,046,329
Payment to suppliers and creditors for expenses	(858,325,061)	(509,220,582)
Financial Expenses paid	(12,652,936)	(23,299,178)
Income Tax Paid	(9,632,315)	(6,523,884)
Net cash inflow/(outflow) from operating activities	28,885,656	(50,997,315)
B. Cash flow from Investing Activities:		
Acquisition of Property, Plant & Equipment	(20,773,776)	(134,862,051)
Net cash inflow/ (outflow) in Investing Activities	(20,773,776)	(134,862,051)
C. Cash flow from Financing Activities:		
Receipts from ordinary shares issued	65,000,000	252,000,000
Short term loan Received/(Re-paid)	(6,418,576)	(50,387,855)
Long term loan Received/(Re-paid)	(15,895,238)	(15,282,417)
Net cash inflow/(outflow) in financing activities	42,686,186	186,329,728
D. Increase/ (Decrease) in Cash and Cash Equivalent (A+B+C)	50,798,066	470,362
E. Opening of Cash and Cash Equivalent	1,754,570	1,284,208
F. Ending Cash and Cash Equivalent (D+E)	52,552,636	1,754,570

The annexed notes from 1 to 25 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed as per annexed report on even date

Place: Dhaka
Dated: July 22, 2013

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217
Statement of Changes in Equity
For the year ended June 30, 2013

Particulars	Share Capital	Share Money Deposit	Revaluation Reserve	Retained Earnings	Total
Balance as on July 01, 2011	98,000,000	20,000,000	97,975,485	24,202,954	240,178,439
Net Profit / (Loss) for the year	-		-	17,219,137	17,219,137
Dividend	-		-	-	-
Share Money Deposit		252,000,000			252,000,000
Allotment of Ordinary Share	272,000,000	(272,000,000)			-
Revaluation reserve			-	-	-
Balance as on June 30, 2012	370,000,000	-	97,975,485	41,422,091	509,397,576

Balance as on July 01, 2012	370,000,000	-	97,975,485	41,422,091	509,397,576
Net Profit / (Loss) for the year	-		-	64,638,334	64,638,334
Share Money Deposit	-	-	-	-	-
Dividend	-	-	-	-	-
Allotment of Ordinary Share	65,000,000	-	-	-	65,000,000
Revaluation reserve			-	-	
Balance as on June 30, 2013	435,000,000	-	97,975,485	106,060,425	639,035,910

The annexed notes from 1 to 25 form an integral part of these financial statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Signed as per annexed report on even date

Place: Dhaka
Dated: July 22, 2013

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217

NOTES TO THE FINANCIAL STATEMENTS
For the year ended June 30, 2013

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 on 26.10.2011

1.02 Corporate Business

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

2.00 Basis of preparation, presentation and disclosures of financial statements

2.01 Statement of Compliance

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

2.02 Other regulatory compliances

In addition the Company is also required to comply with the following major legal provisions.

The Income Tax Ordinance, 1984

The Income Tax Rules, 1984

The Value Added Tax Act, 1991

The Value Added Tax Rules, 1991

The Customs Act 1969

2.03 Corporate Financial Statements and Reporting

This comprises Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity and explanatory notes and disclosures covering accounting policies.

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and assets and liabilities at the reporting date. Uncertainty involved in making estimates and actual result reported might differ from those estimates.

2.04 Fundamental Accounting Concepts/ Assumption

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



2.05 Going Concern

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

2.06 Reporting Period

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

2.07 Provisions

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

- a. when the company has an obligation (legal or constructive) as a result of past events;
- b. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c. reliable estimates can be made of the amount of the obligation.

2.08 Events after the reporting period

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

2.09 Functional and Presentational (Reporting) Currency

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

Figures in brackets indicated negative balance.

2.10 Comparative Information and Rearrangement Thereof

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

2.11 Principal Accounting Policies

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

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



- a. BAS 1 Presentation of Financial Statements
- b. BAS 2 Inventories
- c. BAS 7 Cash Flow Statements
- d. BAS 10 Events After the Balance sheet Date
- e. BAS 12 Income Taxes
- f. BAS 16 Property Plant & Equipments
- g. BAS 18 Revenue
- h. BAS 23 Borrowing Cost
- i. BAS 24 Related Party Disclosure
- j. BAS 28 Investment in Associates
- k. BAS 33 Earning Per Share
- l. BAS 36 Impairment of Assets
- m. BAS-37: Provisions, Contingent Liabilities and Contingent Assets,

2.12 Property Plant & Equipment (PPE)

These are capitalized at cost of acquisition and subsequently stated at cost 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 Depreciation

Depreciation on all PPE other than Land & Land development is computed using the reducing balance method so as to write off the assets over their expected useful life.

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

Particulars	30-Jun-2013	30-Jun-2012
Land & Land Development	0%	0%
Building & Others Construction	5%	5%
Plant & Machinery	10%	10%
Generator & Electric Equipemnts	15%	15%
Motor Vehicle	20%	20%
Office Decoration & Fittings	10%	10%
Furniture & Fixture	10%	10%

2.14 Impairment of assets

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



2.15 Revenue Recognition

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

2.16 Accrued Expenses and Other Payables

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

2.17 Inventories

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

2.18 Income Tax:

Provision for Tax

A provision for Taxation @ 37.5% on net profit Less 50% rebate on export sales has been made during the year under audit.

Deferred Tax

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

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

2.19 Cash and Cash Equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalentents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was no significant risk of changes in value of the same.

2.20 Cash Flow Statement

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

2.21 Borrowing Costs

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

**3.00 Property, Plant and Equipments: Tk. 327,324,766****30-Jun-13****30-Jun-12**

This includes the written down value as on 30 June 2013. Break up of the PPE is as follows; :

	Amount in Taka	Amount in Taka
Land & Land Development	93,301,500	93,301,500
Building & Others Construction	93,322,540	98,234,252
Plant & Machinery	120,259,972	113,479,315
Generator & Electric Equipemnts	13,564,760	15,577,641
Motor Vehicle	1,907,925	2,384,906
Office Decoration & Fittings	2,355,833	2,617,592
Furniture & Fixture	2,612,237	2,652,485
	327,324,766	328,247,692

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

4.00 Investment in Share: Tk. 1,050,000**30-Jun-13****30-Jun-12**

This includes the invetsment made in shares of associated companies under Khan Brothers Group as following:

		Amount in Taka	Amount in Taka
Khan Brothers Knitwear Industries Ltd.	10,000 Shares	1,000,000	1,000,000
Khan Brothers Group of Industries Ltd.	500 shraes	50,000	50,000
		1,050,000	1,050,000

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

5.00 Inventories Tk. 244,165,032**30-Jun-13****30-Jun-12**

Break-up of this item is as follows:

	Amount in Taka	Amount in Taka
Finished Goodes: Notes- 5.01	9,029,280	2,968,200
Raw Materials: Notes- 5.02	206,270,423	160,469,064
Working-in-process	24,466,580	13,526,870
Store Materials	4,398,749	2,753,640
	244,165,032	179,717,774

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

5.01 Closing Stock of Finished Goods: Tk. 9,029,280

Particulars	Qty	Unit	Rate	Amount in Taka
PP Woven Bag	46,304	Kg	195.00	9,029,280
Total				9,029,280

**5.02 Closing Stock of Raw Materials: Tk. 206,270,423**

Item wise break up of stock have given below;

Particulars	Qty	Unit	Unit Price	Total (Tk.)
PP Yarn Grade	30,779	bag	4,135.00	127,271,165.00
CaCo3	2,340	Bag	1,444.75	3,380,715.00
HDPE	5,200	Bag	3,650.00	18,980,000.00
LDPE	2,800	Bag	4,375.00	12,250,000.00
LLDPE	1,750	Bag	3,800.00	6,650,000.00
Omagh CaCo3	870	bag	2,320.00	2,018,400.00
Master Batch(White)	350	bag	3,640.00	1,274,000.00
Master Batch(Red)	400	bag	4,775.00	1,910,000.00
Master Batch(Blue)	250	bag	4,300.00	1,075,000.00
Master Batch(Beige)	320	bag	4,550.00	1,456,000.00
Master Batch(Yellow)	250	bag	4,150.00	1,037,500.00
Master Batch(Green)	150	bag	4,580.00	687,000.00
Master Batch(Orange)	60	bag	4,580.00	274,800.00
PP Lamination	3,700	bag	4,870.00	18,019,000
Sewing Thread	3,000	Kg	180.00	540,000.00
Poly Tape	134	Roll	350.00	46,900.00
PP Clip	87	Pkt	65.00	5,655.00
Printing Ink	7,306	Kg	255.00	1,863,030.00
Sweing Oil	870	Ltr	175.00	152,250.00
Gear Oil	122	Ltr	170.00	20,740.00
Mobil	208	Ltr	125.00	26,000.00
Diamond Gum	8	Kg	213.00	1,704.00
Retader	2,770	Ltr	120.00	332,400.00
Exetiter	200	Ltr	120.00	24,000.00
Adhesive Tape(Both side) -2"	8	Roll	38.00	304.00
Solvent/Thiner	17,480	Ltr	165.00	2,884,200.00
Hydraulic Oil	59	Ltr	145.00	8,555.00
Compassor Oil	85	Ltr	155.00	13,175.00
Nalco-2000	25	Kg	680.00	17,000.00
Greeze	10	Kg	98.00	980.00
Adhesive Gum(Glue)	6,250	Kg	20.00	125,000.00
Adhessive Tape-2"	75	Roll	38.00	2,850.00
Krapt Paper	78,442	Kg	50.00	3,922,100.00
Total				206,270,423

**6.00 Accounts Receivable: Tk. 81,644,049**

Break-up of this item is as follows:

Export Bills Receivable: Note- 6.01
 Mehera Corporation
 Ashirbad Syndicate
 Bombay Sweets & Co.
 D H Plastic
 Kabir Enterprise
 Kazi Agro
 R M Trade Line
 Shuvo Enterprise
 S N Traders

30-Jun-13**30-Jun-12**

<u>Amount in Taka</u>	<u>Amount in Taka</u>
76,936,119	52,250,675
445,300	1,568,970
576,117	2,759,840
572,911	3,587,940
587,960	2,850,420
645,420	3,564,215
451,912	2,065,128
482,730	1,756,400
565,200	2,204,500
380,380	1,652,300
81,644,049	74,260,388

These are considered good.

6.01 Export Bills Receivable: Tk. 76,936,119Party Name & CountryContact No**30-Jun-13**Amount in Taka

URALKALI TRADING SA, SWITZARLAND
 SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE
 M/S BERY MARITIME AS, NORWAY
 DRAGON ASIA FERTILIZER LTD, Hongkong
Total

KBPPWBIL/EXP/24/13 dt. 26-06-13
 KBPPWBIL/EXP/25/13 dt. 26-06-13
 KBPPWBIL/EXP/26/13 dt. 27-06-13
 KBPPWBIL/EXP/27/13 dt. 27-06-13

20,120,145
 15,895,462
 18,548,310
 22,372,202
76,936,119

7.00 Advances, Deposits & Pre-Payments: Tk. 18,202,768

This consist of the following:

T & T Phone
 Titas Gas
 Pallibidyut
 Advance Income Tax
 Advance agst. L/C : Note- 7.01
 Salary Advance

30-Jun-13**30-Jun-12**

<u>Amount in Taka</u>	<u>Amount in Taka</u>
8,000	8,000
448,900	448,900
240,600	240,600
6,723,488	2,924,516
10,136,780	6,877,128
645,000	372,500
18,202,768	10,871,644

7.01 Advance against L/C: Tk. 10,136,780LC NoBank Name**30-Jun-13**Amount in Taka

LC No-0059/13
 LC No-0070/13
 LC No-0072/13
 LC No-0075/13
 LC No-0017/13
 LC No-379/13
 LC No-0399/13
 LC No- 0001/13
 LC No-0006/13

Jamuna Bank Ltd
 Jamuna Bank Ltd
 Jamuna Bank Ltd
 Jamuna Bank Ltd
 Mutual Trust Bank Ltd
 Mutual Trust Bank Ltd
 Mutual Trust Bank Ltd
 One Bank Ltd.
 One Bank Ltd.

128,469
 559,222
 1,207,433
 1,114,831
 911,658
 199,576
 2,348,808
 1,960,455
 1,706,328
10,136,780

**8.00 Cash and Cash Equivalents: Tk. 52,552,636**

This consist of the following balances;

Cash in hand**Cash at Banks:**

Jamuna Bank Ltd.-CD-6233

One Bank Ltd. CD-490006

Mutual Trust Bank Ltd.-CD-11251

Term Deposit (Reliance Finance Ltd.)

30-Jun-13
Amount in Taka**30-Jun-12**
Amount in Taka

2,540,782

1,741,623

5,218

1,367

5,869

8,400

767

3,180

50,000,000

-

50,011,854

12,947

52,552,636**1,754,570**

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

9.00 Share Capital: Tk. 435,000,000

This represents the followings:

Authorized capital:

100,000,000 ordinary Shares of tk 10/= each

Issued subscribed and paid up capital:

43,500,000 Ordinary shares of Taka 10/- each

30-Jun-13**30-Jun-12****Amount in Taka****Amount in Taka**

1,000,000,000

1,000,000,000

435,000,000

370,000,000

435,000,000**370,000,000**

During the year paid up capital of the company has been increased to Tk. 435,000,000 through allotment of 6,500,000 shares @ TK 10 each with due permission from BSEC vide Allotment dated- 30.03.2013

The share price of the company is consolidated into TK 10 from TK 100 each vide *EGM dated 26.10.2011*

10.00 Long Term Loan : Tk. 783,522

Opening Balance

Lease Finance from Jamuna Bank Ltd.

Lease Finance from ULCL

Total

Current portion

Long term portion

30-Jun-13**30-Jun-12****Amount in****Amount in****Taka****Taka**

16,243,205

29,846,574

3,391,745

5,683,614

19,634,950**35,530,188**

18,851,428

23,216,173

783,522**12,314,015**

*** Note-** The amount of long term loan that is scheduled to be paid within one (1) year from the Balance Sheet date has been identified as Current Portion of Long Term Loan

i) Lease Finance by Jamuna Bank Ltd. was sanctioned to take over the Lease Finance and Term Loan liabilities of the borrower with MTBL financed payment with the following terms & conditions.

1. Purpose of Investment - to take over the Lease Finance and Term Loan liabilities of the borrower with MTBL financed loan.

2. Period of Investment - 04 (Four) years.

3. Rate of return (Interest payable) - 15% per annum.

4. Ownership of the concerned Plant, Machinery and Equipment will remain in the name of JBL until full & final adjustment of the liabilities.

5. A letter of Hypothecation & Notarized Power of Attorney to be executed by the borrower in favor of the Bank to sell the machine in case of any default to repay the liability.





6. Insurance of the concerned plant, Machinery & Equipment in favor of the Bank.
7. 20 (twenty) post-dated cheques corresponding to quarterly installments and 01 (one) Un-dated cheque covering the entire lease facility amount.
8. Usual Charge Documents

ii) Lease Finance by United Leasing Company Limited was sanctioned for import of capital machineries under deferred payment with the following terms & conditions:

1. Purpose of Investment - Purchase/import of capital machinery.
2. Period of Investment - 04 (four) years
3. Rate of return - 16% per annum.
4. Personal Guarantees of the directors of the company.

11.00 Deferred Tax Expense TK. 4,329,023	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This has been arrived as under:		
	Amount in Taka	Amount in Taka
Carrying Amount of PPE	234,023,266	234,946,192
Tax Base Value of PPE	181,899,330	205,910,376
Taxable Timing Differences	52,123,937	29,035,816
Tax rate (50% of 37.5%)	18.75%	18.75%
Deferred Tax Liabilities Closing Balance	9,773,238	5,444,216
Less opening balance of Deferred Tax Liabilities	5,444,216	-
Deferred Tax Expenses	4,329,023	5,444,216
12.00 Accounts Payable: Tk. 465,700	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This is made up as follows:		
	Amount in Taka	Amount in Taka
Bills Payable	465,700	1,563,450
	465,700	1,563,450
13.00 Short term bank Loan: Tk. 33,664,116	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This is made up as follows:		
	Amount in Taka	Amount in Taka
Cash Credit (Hypo) From JBL, Account No. 0240	15,604,584	15,486,772
Loan against Trust Receipts (LTR)	18,059,532	24,595,920
	33,664,116	40,082,692

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

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



14.00	Accrued Expenses Tk. 5,337,680	30-Jun-13	30-Jun-12
	This is made up as follows:		
		Amount in Taka	Amount in Taka
	Factory Electricity Bill	20,342	20,201
	Factory Gas Bill	1,492,692	371,513
	Directors Remuneration	257,500	278,500
	Factory Wages & Salary	1,974,480	1,436,018
	Factory Overtime	656,624	35,870
	Salary & Allowance	772,791	467,677
	VAT Payable	56,580	-
	Audit Fee	50,000	50,000
	Telephone Bill	4,660	12,755
	Internet Bill	7,500	7,500
	Printing Bill	18,426	26,451
	Office electricity, Wasa & Others	26,085	42,165
		5,337,680	2,748,651
15.00	Provision for Tax: Tk. 15,915,543	30-Jun-13	30-Jun-12
	This has been arrived as under:	Amount in Taka	Amount in Taka
	Opening Balance	5,833,343	5,910,173
	Provision during the year:		
	Tax charge during the year@37.50%	31,831,087	10,686,261
	Less: 50% Rebate for Export Sales	15,915,544	4,852,918
		15,915,543	5,833,343
	Less: Adjusted during the year	5,833,343	5,910,173
	Closing Balance	15,915,543	5,833,343
16.00	Turnover: Tk. 916,879,628	30-Jun-13	30-Jun-12
		Amount in Taka	Amount in Taka
	This is the value of export made during the year through Advance TT and L/Cs:		
	Export	916,879,628	482,059,865
	Local	-	48,694,768
		916,879,628	530,754,633
17.00	Cost of Goods Sold: Tk. 789,662,596	30-Jun-13	30-Jun-12
	This has been arrived as under:	Amount in Taka	Amount in Taka
	Opening Work-in-Process	13,526,870	12,310,565
	Raw materials consumed: (Notes-17.01)	740,722,133	407,356,713
	Factory overhead (Note-17.02)	65,941,253	56,013,752
	Less Closing Work-in-Process	(24,466,580)	(13,526,870)
	Cost of Production	795,723,676	462,154,160
	Opening stock of Finished Goods	2,968,200	1,208,350
	Cost of Goods Available for Sale	798,691,876	463,362,510
	Closing stock of Finished Goods	(9,029,280)	(2,968,200)
	Cost of Goods Sold	789,662,596	460,394,310



17.01 Raw Materials Consumed: Tk. 740,722,133	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This is made up as follows:		
	Amount in Taka	Amount in Taka
Opening Stock	160,469,064	113,217,099
Add: Purchase during the Year	786,523,492	454,608,678
	<u>946,992,556</u>	<u>567,825,777</u>
Less: Closing Stock	206,270,423	160,469,064
	<u>740,722,133</u>	<u>407,356,713</u>
17.02 Manufacturing Overhead: Tk. 65,941,253	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This consists of the following:	Amount in Taka	Amount in Taka
Wages & salary	23,220,286	17,232,221
Overtime & Incentive	7,726,577	5,359,841
Workers Food Allowance	618,068	428,474
Electricity Bill	287,828	396,716
Gas Bill	4,383,715	3,904,469
Diesel for Generator	430,720	2,802,130
Spare Parts	2,301,500	1,358,681
Factory Maintenance	456,397	292,962
Machinery Maintenance	3,569,248	2,083,299
Electric materials	801,986	677,211
Daily Labor	312,970	147,263
Worker Transport Expenses	864,661	743,189
Medical Expenses	78,300	48,864
Hardware Materials	221,284	10,400
Depreciation	20,667,713	20,528,032
	<u>65,941,253</u>	<u>56,013,752</u>
18.00 Administrative Expenses: Tk. 20,253,870	<u>30-Jun-13</u>	<u>30-Jun-12</u>
This consists of the following:	Amount in Taka	Amount in Taka
Salary and Allowances	8,208,334	5,612,128
Directors Remuneration and allowance	3,123,000	3,342,000
Entertainment	666,152	325,178
Traveling & Conveyance	487,258	192,150
Office rent	503,580	231,000
Office Electricity, Wasa and Others Bill	257,497	117,317
Printing & Stationery	1,022,791	770,922
Registration & renewals	204,492	100,300
Telephone Bill	55,922	63,170
Legal Fee	57,500	-
Mobile Bill	491,900	310,465
Internet Bill	90,000	90,000
Audit Fees	57,500	50,000
SEC Fees	58,000	99,000
RJSC Expenses	3,306	425,100
Repair & Maintenance HO	70,165	71,060
Vehicle Maintenance	1,044,717	731,523



Pre-Operating Expenses written off	1,566,016	1,566,016		
Preliminary Expenses written off	-	54,980		
Depreciation	1,028,989	1,181,791		
Other Expenses	1,256,751	456,879		
	20,253,870	15,790,979		
19.00 Marketing, Selling & Distribution Expenses: Tk. 5,183,182	30-Jun-13	30-Jun-12		
This consists of the following:	Amount in Taka	Amount in Taka		
Sales Commission	1,714,800	871,550		
Carriage Outward & Delivery	1,498,811	705,290		
Advertisement	110,300	40,000		
Fuel & Lubricants	529,591	270,677		
Salary & Allowance	1,189,730	834,976		
Toll expenses	139,950	50,978		
	5,183,182	2,773,471		
20.00 Financial Expenses: Tk. 12,652,936	30-Jun-13	30-Jun-12		
This consists of the following:	Amount in Taka	Amount in Taka		
Bank Charges & Commission	139,572	999,164		
Lease Finance	4,452,463	6,555,095		
Bank Charges & Interest	8,060,901	15,744,919		
	12,652,936	23,299,178		
21.00 Income Tax Expense: Tk. 20,244,566	30-Jun-13	30-Jun-12		
This has been arrived as under:	Amount in Taka	Amount in Taka		
Current Tax Note- 15	15,915,543	5,833,343		
Deferred Tax Note- 11	4,329,023	5,444,216		
Income tax expenses	20,244,566	11,277,559		
22.00 Earning Per Share: Tk. 1.67	30-Jun-13	30-Jun-12		
The computation of EPS is given bellow:	Amount in Taka	Amount in Taka		
Net Profit for the Year	64,638,334	17,219,137		
Weighted average no. of Shares Note- 22.01	38,656,164	38,656,164		
Basic EPS	1.67	0.45		
22.01 Weighted average number of share:				
	Number of Shares	Days	Factor	Weighted Number
	37,000,000	365	1.00	37,000,000
	6,500,000	93	0.255	1,656,164
Totals	43,500,000			38,656,164

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



23.00 Related Party Disclosure:	30-Jun-13	30-Jun-12
Transaction with Key Management Personnel of the entity:		
a) Managerial Remuneration paid or payable during the year to the directors, including managing directors or manager	3,093,000	3,312,000
b) Board Meeting Fees Paid During this Year	33,000	30,000
c) Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	-	-
d) Other allowances and commission including guarantee commission	-	-
e) Pensions etc.	-	-
(i) Pensions	-	-
(ii) Gratuities	-	-
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	-	-
f) Share Based payments	-	-
g) Investment in share (Common Directorship):		
Khan Brothers Knitwear Industries Ltd.	1,000,000	1,000,000
Khan Brothers Group of Industries Ltd.	50,000	50,000
Land (387.50 decimals of land was purchased from Mr. Tofael Kabir Khan, Mr. Mohammed Enamul Kabir Khan, Mr. Md. Ruhul Kabir Khan and Mr. Md. Hzrat Ali, all are subscribers to the Memorandum)	2,712,500	2,712,500
	6,888,500	7,104,500

24.00 General:**24.01 Capital Expenditure Commitment**

There was no commitment for capital expenditure contracted or provided as on 30.06.2013.

24.02 Claims not Acknowledged

There is no claim against the Company acknowledged as debt as on 30.06.2013

24.03 Commission, Brokerage or Discount Against Sales

No commission, brokerage or discount was incurred or paid by the Company against sales during the ended June 30, 2013

24.04 Directors Responsibility Statements

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

24.05 Employee Details:

i) During the year there were 410 employees employed for the full year and 155 employees less than the full year at a remuneration of Taka 3,000 per month and above.

ii) At the end of the period, there were 565 employees in the company.

ii) Each employees received salaries more than Tk. 3,000.00

25.00 Capacity and Capacity Utilization

Installed Capacity	Actual Capacity	Utilization
8.0 Crore Pieces of Different types of Bags	6.2 Crore Pcs	77.50%



Khan Brothers' PP Woven Bag Industries Ltd.
24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217
Schedule of Non Current Assets
For the year ended June 30, 2013

Annexure A

Particulars	COST			Rate of Dep.	DEPRECIATION			Written down value as at 30.06.13	Written down value as on 30.06.2012
	As at 01.07.12	Addition During the year	As at 30.06.13		As at 01.07.12	Addition During the year	As at 30.06.13		
Land & Land Development	93,301,500		93,301,500	-	-	-	-	93,301,500	93,301,500
Building & Others Construction	107,229,520		107,229,520	5%	8,995,268	4,911,713	13,906,980	93,322,540	98,234,252
Plant & Machinery	149,768,239	20,142,876	169,911,115	10%	36,288,924	13,362,219	49,651,143	120,259,972	113,479,315
Generator & Electric Equipemnts	31,882,287	380,900	32,263,187	15%	16,304,646	2,393,781	18,698,427	13,564,760	15,577,641
Motor Vehicle	4,651,303		4,651,303	20%	2,266,397	476,981	2,743,378	1,907,925	2,384,906
Office Decoration & Fittings	3,013,840		3,013,840	10%	396,248	261,759	658,007	2,355,833	2,617,592
Furniture & Fixture	3,436,425	250,000	3,686,425	10%	783,940	290,249	1,074,188	2,612,237	2,652,485
Balance as on June 30, 2013	393,283,114	20,773,776	414,056,890		65,035,422	21,696,702	86,732,124	327,324,766	328,247,692
Balance as on June 30, 2012	258,421,063	134,862,051	393,283,114		26,704,856	16,620,743	43,325,599	215,095,464	-

Depreciation:

Administrative Cost	1,028,989
Manufacturing Cost	20,667,713
Total	<u>21,696,702</u>





(b) Auditors' report under section 135(1), Para 24(1) of part II of the Third Schedule of Companies Act, 1994

Khan Brothers' PP Woven Bag Limited

Auditors' report Under Section-135 (1) and Para-24(1) of Part-II of Schedule-III of the Companies Act 1994

We, as the auditors having examined the Financial Statements of Khan Brothers PP Woven Bag Limited for the years ended 30 June 2013, 30 June 2012 and 2011 and the comparative Balance Sheet (statement of assets and liabilities) & comparative Income Statement (statement of profit & loss) for the year ended 30 June 2010 audited by M/s. Ahmad & Akhtar, Chartered Accountants and 30 June, 2009 audited by Anisur Rahman & Co, Chartered Accountants and the figures extracted from the financial statements in terms of Section-135 (1) and Para-24 (1) of Part-II of Schedule-III of the Companies Act, 1994, report that:

i) **The statements of assets and liabilities of the company are as under:**

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
NON-CURRENT ASSETS	331,506,797	333,995,739	222,464,507	195,884,930	104,146,571
Property, Plant and Equipment	327,324,766	328,247,692	215,095,464	186,936,126	95,197,767
Investment in Share	1,050,000	1,050,000	1,050,000	1,050,000	1,050,000
Pre-Operating Expenses	3,132,031	4,698,047	6,264,063	7,830,079	7,830,079
Preliminary Expenses	-	-	54,980	68,725	68,725
CURRENT ASSETS	396,564,485	266,604,376	170,311,679	95,062,606	58,370,174
Inventories	244,165,032	179,717,774	129,631,314	87,714,618	55,332,948
Accounts Receivable	81,644,049	74,260,388	31,552,084	270,622	1,304,842
Advances, Deposits & Pre-Payments	18,202,768	10,871,644	7,844,073	6,891,060	1,604,964
Cash and bank balance	52,552,636	1,754,570	1,284,208	186,306	127,420
TOTAL ASSETS	728,071,282	600,600,115	392,776,186	290,947,536	162,516,745
SHAREHOLDERS' EQUITY	639,035,910	509,397,576	240,178,439	149,183,573	42,624,638
Share Capital	435,000,000	370,000,000	98,000,000	40,000,000	40,000,000
Share Money Deposit	-	-	20,000,000	-	-
Revaluation Reserve	97,975,485	97,975,485	97,975,485	97,975,485	-
Proposed Dividend	-	-	-	9,000,000	-
Retained Earnings	106,060,425	41,422,091	24,202,954	2,208,088	2,624,638
LONG TERM LIABILITY	783,522	12,314,015	24,144,143	56,671,610	67,016,024
LONG TERM LOAN NET OFF CURRENT MATURITY	783,522	12,314,015	24,144,143	56,671,610	67,016,024
DEFERRED TAX LIABILITY	9,773,238	5,444,216	-	-	-
CURRENT LIABILITIES	78,478,612	73,444,309	128,453,604	85,092,353	52,876,083
Accounts Payable	465,700	1,563,450	2,268,510	679,323	8,850,773
Current portion of long term loan	18,851,428	23,216,173	26,668,462	-	-
Short term Bank loan	33,664,116	40,082,692	90,470,547	78,043,552	41,306,295
Provision for Taxation	15,915,543	5,833,343	5,910,173	2,489,291	536,109
Accrued Expenses	5,337,680	2,748,651	3,135,912	3,880,187	2,182,906
Provision for WPPF	4,244,145	-	-	-	-
TOTAL EQUITY & LIABILITIES	728,071,282	600,600,115	392,776,186	290,947,536	162,516,745



ii) The statement of operating results of the company is as follow:

Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Turnover	916,879,628	530,754,633	450,625,128	223,987,065	200,218,622
Less: Cost of goods sold	(789,662,596)	(460,394,310)	(382,484,878)	(190,175,583)	(179,633,582)
Gross Profit	127,217,033	70,360,323	68,140,250	33,811,482	20,585,040
Operating Expenses:	(25,437,052)	(18,564,45)	(16,843,339)	(7,467,158)	(7,741,602)
Administrative Expenses	(20,253,870)	(15,790,979)	(14,778,229)	(6,812,891)	(6,499,680)
Marketing and Distribution Expenses	(5,183,182)	(2,773,471)	(2,065,110)	(654,267)	(1,241,922)
Profit from Operation	101,779,981	51,795,873	51,296,911	26,344,324	12,843,438
Less: Financial expenses	(12,652,936)	(23,299,178)	(23,391,872)	(15,271,583)	(10,407,312)
Net Profit before WPPF & Income Tax	89,127,045	28,496,695	27,905,039	11,072,741	2,436,126
Provision for WPPF	(4,244,145)	-	-	-	-
Net Profit before Tax	84,882,900	28,496,695	27,905,039	11,072,741	2,436,126
Income tax expenses:	(20,244,566)	(11,277,559)	(5,910,173)	(2,489,291)	(536,109)
Current tax	(15,915,543)	(5,833,343)	(5,910,173)	(2,489,291)	(536,109)
Deferred tax	(4,329,023)	(5,444,216)	-	-	-
Net Profit after Tax Transferred to Equity	64,638,334	17,219,137	21,994,866	8,583,450	1,900,017

iii) Dividend:					
Particulars	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Cash dividend	10%	-	-	-	-
Stock dividend	-	-	-	2.25%	-

- iv) The company was incorporated as a private limited company by shares under the Companies Act 1994, on 18 May, 2006 and converted into public limited company on 26 October, 2011
- v) The company has no subsidiary company.
- vi) The company did not prepare any accounts for any period subsequent to 30th June, 2013.
- vii) Figures related to previous years have been rearranged where considered necessary.
- viii) No proceeds or part of proceeds of the issue of shares were applied directly to the company in the purchase of any business.

Sd/-

Place: Dhaka

MAHFEL HUQ & CO.

Dated: July 22, 2013

Chartered Accountants



(c) Auditors' certificate regarding selected ratios on liquidity, profitability and solvency of the company

Khan Brothers PP Woven Bag Industries Ltd.

Auditors' Certificate regarding the calculation of EPS & other ratio(s)

(Selected Ratio as specified in Rule 8B (20) I - Annexure-B of the Securities and Exchange Commission {(Public Issues)} Rules, 2006

Particulars	Formulae	30.06.13	30.06.12	30.06.11	30.06.10	30.06.09
Liquidity Ratios :						
Current ratio (Times)	= Current assets / Current liabilities	5.05	3.63	1.33	1.12	1.10
Quick (Acid Test) ratio	= (Current assets-	1.94	1.18	0.32	0.09	0.06
Times interest earned ratio (Times)	= EBIT / Interest Expense	8.04	2.22	2.19	1.73	1.23
Debt to equity ratio (Times)	= Total debt / Total equity	0.12	0.15	0.59	0.90	2.54
Operating ratios :						
Accounts receivable turnover ratio	= Average net receivable/Net credit sales	0.0850	0.0997	0.0353	0.0035	0.0051
Inventory turnover ratio	= Cost of sales / Average inventory	3.73	2.98	3.52	2.66	3.29
Total asset turnover ratio	= Turnover / Capital employed (TA-CL)	1.41	1.01	1.70	1.09	1.83
Profitability ratios :						
Gross profit margin	= Gross profit / Turnover	13.87%	13.26%	15.12%	15.10%	10.28%
Operating profit margin	= Operating profit / Turnover	11.10%	9.76%	11.38%	11.76%	6.41%
Net Profit Margin (NPATM)	= PBIT/ Turnover	7.05%	5.37%	6.19%	4.94%	1.22%
Return on Assets (ROA)	= Net profit after tax / Average total assets	9.73%	3.47%	6.43%	3.79%	1.16%
Return on Equity (ROE)	= Net profit after tax / Average total equity	11.26%	4.59%	11.30%	8.95%	4.56%
Earnings Per Share (Taka)	= Profits attributable to ordinary shareholders / No	1.67	1.72	3.38	1.75	0.48

Place: Dhaka
Dated: July 22, 2013

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants

**d) AUDITORS ADDITIONAL DISCLOSURE**

1. Explain the reason for increasing/decreasing account receivable for the year 2013-72.75%, 2012-135.35%, 2011-11,559%, 2010-(79.26%) and 2009-74.38%, specially for the year 2011. Which shows an increase of 11,559% over 2010 which was decreased by 79.26% in 2010 over 2009;

Response to the above:

We verified the amount of accounts receivables and recalculated the trend. In our findings we observed the ratio as under:

Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Turnover	916,879,628	530,754,633	450,625,128	223,987,065	200,218,622	162,569,955
Accounts Receivable	81,644,049	74,260,388	31,552,084	270,622	1,304,842	748,256
% of A/R on Turnover	8.90%	13.99%	7.00%	0.12%	0.65%	0.46%
% of A/R increase (Decrease)	72.75%	135.35%	11,559%	(79.26%)	74.38%	-

In this type of industry, a significant portion of exports are made through Telegraphic Transfer (TT). As a result, the size of accounts receivables does not get high. Though, in the years of 2011-12 and 2010-11 KBPPWBIL made few of its exports through deferred L/C. So, in those years the amount of accounts receivables remained at much greater percentages on sales compared to that of the previous years.

2. Specify separately the amount of land and land development cost with an explanation of land development cost;

Response to the above:

The revaluation of company's land and land developments was made during the year ended 30th June, 2011.

After the revaluation, total value of the land and land development as of 30th June, 2013 stood at Tk. 93,301,500.

Item	Amount in taka
Land	4,215,478
Land development	1,239,000
Total cost of land and land development	5,454,478
Revaluation Reserve for Land	87,847,022
Total Land & Land Development	93,301,500

3. You have not provided any description regarding pre-operating expenses;

Response to the above:

Pre-operating expenses is such revenue expenditure which was incurred up to the time of starting the commercial operation of the business.

4. Whether restated NAV as shown by you is as calculated per IAS;

Response to the above:

The restated NAV was shown as per IAS. Restatements are made in the comparative financial statements. Therefore, NAV was restated to present the comparable figure.



5. Show the calculation of NAV;

Response to the above:

The NAV was calculated as under:

Particulars	30-Jun-13	30-Jun-12
A. SHAREHOLDERS' EQUITY	639,035,910	509,397,576
Share Capital	435,000,000	370,000,000
Revaluation Reserve	97,975,485	97,975,485
Retained Earnings	106,060,425	41,422,091
B. Latest Number of Shares	43,500,000	43,500,000
NAV (A / B)	14.69	11.71

For the purpose of restatement of NAV in year ended 30-Jun-12, total shareholders' equity of the year was divided by the latest number of shares.

6. You have not provided quantity wise schedule of sales, purchase and opening inventories;

Response to the above:

Quantity wise schedules of purchase, sales and opening inventory are as follows:

Statement showing details about purchases during the year:

SL. No.	B/E No & Date	Party Name	Item/Product Name	Qty/ MT/KG	USD	Rate	Amount BD.TK
1	C437311 Dt.07-08-12	Borouge Pte Ltd	HDPE	99.00 MT	\$ 130,680.00	82.30	10,754,964.00
2	C499960 Dt.12-09-12	Ineos Commercial Services Ltd	PP Yarn	99.00 MT	\$ 133,650.00	82.30	10,999,395.00
3	C467068 Dt.26-08-12	Q-Chem II Distribution Co Ltd	HDPE	51.00 MT	\$ 68,850.00	82.30	5,666,355.00
4	C37421 Dt.29-07-12	Polymer Coatings and Inks Pvt Ltd	Ink and Thiner	15.12 MT	\$ 25,866.00	82.25	2,127,478.50
5	C390093 Dt.18-07-12	SCG Plastics Co Ltd	PP Lamination	51.75 MT	\$ 82,282.50	82.25	6,767,735.63
6	C445702 Dt.11-08-12	Domo Investment Group	PP Yarn	247.500	\$ 331,650.00	82.30	27,294,795.00
	247.500			\$ 331,650.00	82.30	27,294,795.00	
7	C467048 Dt.26-08-12	Borouge Pte Ltd	HDPE	49.50 MT	\$ 62,865.00	82.30	5,173,789.50
8	C467044 Dt.26-08-12	Sumitomo Corporation Asia Pte Ltd	PP Lamination	16.00 MT	\$ 26,720.00	82.30	2,199,056.00
9	C479969 Dt.02-09-12	Q-Chem II Distribution Co Ltd	HDPE	85.00 MT	\$ 110,500.00	82.30	9,094,150.00
10	C530416 Dt.29-09-12	ITOCHU Plastics Pte Ltd	LDPE	99.00 MT	\$ 129,690.00	82.30	10,673,487.00
11	C468064 Dt.27-08-12	Omega Plasto Compounds Pvt. Ltd	PP Grade Polycom	21.00 MT	\$ 22,680.00	82.30	1,866,564.00
12	C55519 Dt.15-11-12	KK Poly Color Asia Ltd	Filled LLDPE Compound	30.00 MT	\$ 20,100.00	82.30	1,654,230.00
13	C465704 Dt.23-08-12	Sumitomo Chemical Asia Pte Ltd	LLDPE Film Grade	49.50 MT	\$ 66,825.00	82.30	5,499,697.50
14	C543739 Dt.06-10-12	Domo Investment Group	PP Yarn	198.00 MT	\$ 275,220.00	82.18	22,617,579.60
15	C533336 Dt.01-10-12	Oman Polypropylene LLC	PP Yarn	148.50 MT	\$ 206,415.00	82.18	16,963,184.70
16	C546085 Dt.08-10-12	Oman Polypropylene LLC	PP Yarn	148.50 MT	\$ 206,415.00	82.18	16,963,184.70
17	C608475 Dt.11-11-12	Vinmar International Ltd	PP Yarn	99.00 MT	\$ 138,600.00	82.30	11,406,780.00
18	C590371 Dt.25-10-12	Vinmar International Ltd	PP Yarn	198.00 MT	\$ 281,160.00	82.18	23,105,728.80
19	C59166 Dt.29-10-12	Honam petro Chemical Corporation	PP Lamination	69.60 MT	\$ 111,360.00	82.18	9,151,564.80
20	C608613 Dt.11-11-12	Q-Chem II Distribution Co Ltd	HDPE	112.00 MT	\$ 154,560.00	82.30	12,720,288.00
21	C652123 Dt.01-12-12	Proven Suynergy SDN BHD	Calcium Carbonate	24.00 MT	\$ 15,600.00	82.02	1,279,496.40
22	C705796 Dt.24-12-12	Gulf Polymers Distribution Co. FZCO	PP Yarn	192.00 MT	\$ 264,960.00	82.02	21,731,754.24
23	C608646 Dt.11-11-12	Q-Chem II Distribution Co Ltd	HDPE	96.00 MT	\$ 132,480.00	82.30	10,903,104.00
24	C10847 Dt.05-01-13	Gulf Polymers Distribution Co. FZCO	PP Yarn	240.00 MT	\$ 331,200.00	82.10	27,191,520.00
25	C702385 Dt.22-12-12	Toyo ink Pte Ltd	Ink	15.626	\$ 41,230.08	82.02	3,381,649.93
	4.480			\$ 17,390.40	82.02	1,426,343.22	
26	C13890 Dt.07-01-13	SCG Plastics Co Ltd	PP Lamination	51.75 MT	\$ 80,730.00	82.10	6,627,933.00
27	C49914 Dt.20-01-13	Q-Chem II Distribution Co Ltd	HDPE	96.00 MT	\$ 133,440.00	82.10	10,955,424.00
28	C2589 Dt.14-01-13	Kalpena Industries Ltd	PE Compound	100.00	\$ 25,000.00	82.10	2,052,500.00
	C61313 Dt.19.12.12			\$ 25,000.00	82.02	2,050,475.00	
29	C154529 Dt.04-03-13	Domo Investment Group	PP Yarn	247.50 MT	\$ 361,350.00	80.14	28,959,709.19
30	C204608 Dt.26-03-13	Q-Chem II Distribution Co Ltd	HDPE	48.00 MT	\$ 68,640.00	80.14	5,501,022.38
31	C204305 Dt.26-03-13	Omega Plasto Compounds Pvt. Ltd	PP Grade Polycom	21.00 MT	\$ 24,150.00	80.14	1,935,455.87
32	C215965 Dt.01-04-13	Q-Chem II Distribution Co Ltd	HDPE	48.00 MT	\$ 68,640.00	80.14	5,501,022.38
33	C170009 Dt.10-03-13	Domo Investment Group	PP Yarn	198.00 MT	\$ 293,040.00	80.14	23,485,134.02
34	C268009 Dt.24-04-13	Reliance Industries Ltd	PP Yarn	104.00 MT	\$ 164,320.00	79.60	13,079,872.00
35	C299066 Dt.09-05-13	Reliance Industries Ltd	PP Yarn	104.00 MT	\$ 164,320.00	79.31	13,032,728.59
36	C161187 Dt.07-03-13	Sumitomo Corporation Asia Pte Ltd	PP Lamination	16.00 MT	\$ 28,000.00	80.14	2,244,006.80





37	C364797 Dt.03-06-13	Reliance Industries Ltd	PP Yarn	104.00	MT	\$ 121,680.00	78.68	9,573,891.91
	C364811 Dt.03-06-13					\$ 40,560.00	78.68	3,191,297.30
38	C323248 Dt.18-05-13	Reliance Industries Ltd	PP Yarn	104.00	MT	\$ 164,320.00	79.31	13,032,728.59
39	C236006 Dt.10-04-13	Lotte Chemical Corporation	PP Yarn	156.60	MT	\$ 245,862.00	79.60	19,570,615.20
40	C339852 Dt.25-05-13	Q-Chem Distribution Co Ltd	HDPE	48.00	MT	\$ 72,480.00	79.31	5,748,613.49
41	C308275 Dt.12-05-13	Domo Investment Group	PP Yarn	198.00	MT	\$ 300,960.00	79.31	23,870,070.58
42	C347039 Dt.28-05-13	SCG Plastics Co Ltd	PP Lamination	51.75	MT	\$ 83,317.50	79.31	6,608,169.21
43	C401865 Dt.16-06-13	Domo Investment Group	PP Yarn	198.00	MT	\$ 281,160.00	78.68	22,121,921.84
44	C364858 Dt.03-06-13	Gulf Polymers Distribution Co. FZCO	HDPE	48.00	MT	\$ 79,600.00	78.68	6,262,999.64
45	C388306 Dt.11-06-13	Petromax Petrochem Corporation	LLDPE	16.50	MT	\$ 24,502.50	78.68	1,927,878.75
46	C32166 Dt.27-06-13	Vishal Coating Pvt Ltd	Thinner	17.00	MT	\$ 29,750.00	78.68	2,340,756.78
Total Import						\$6,601,420.98		535,582,897
Local Purchase								250,940,595
Total Purchase								786,523,492

Statement showing sales of the company during the year:

Sl	Party Name	Description of Goods	T.T/ L/c no	Amount (USD)	Amount (BDT)
1	2	3	4	6	7
1	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 10,04,358 pcs	2012070800120420 Dt.07.07.2012	316,372.74	25,246,545
2	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 9,56,710 pcs	2012071300008285 Dt. 13.07.2012	248,744.52	19,862,250
3	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 10,19,925 pcs	5432512510JO Dt. 22.07.2012	265,180.44	21,235,650
4	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 7,58,727 pcs	4827-22457412012, Dt. 28.07.2012	301,999.07	24,265,625
5	KIMONO GENERLA TRADING CO, LLC, UAE	WPP Bag with Inner liner with print 3,10,000 pcs	2012092000042521 Dt. 01.08.2012	77,461.00	6,285,883
6	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 6,97,123 pcs	2012092000012272 Dt. 20.09.2012	219,593.78	17,556,523
7	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 8,80,890 pcs	4827-22412574101, Dt. 17.10.2012	277,480.24	21,907,065
8	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 9,65,530 pcs	5412485120JO Dt. 07.11.2012	251,037.76	20,145,780
9	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 9,90,900 pcs	2012121200021435 Dt. 12.12.2012	277,451.72	22,154,520
10	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 8,78,533 pcs	4827-122456215841, Dt. 25.01.2013	245,989.31	19,568,450
11	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 9,31,805 pcs	2013031000140043 Dt.10.03.2013	293,518.37	22,535,460
12	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 10,81,185 pcs	2013030400023452 Dt. 03.04.2013	340,573.39	26,752,040
13	THOMAS EXCHANGE GLOBAL LTD, UK	WPP Bag with Inner Print pcs	P201304290017740 Dt. 29.04.2013	41,965.00	3,231,263
14	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 12,58,555 pcs	4827-223458468102, Dt. 04.05.2013	327,224.29	25,487,500
15	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 12,25,120 pcs	2013200500025468 Dt. 20.05.2013	385,912.24	30,120,450
16	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 12,87,205 pcs	AZMAT 34562578125, Dt. 03.06.2013	405,469.47	31,646,892
17	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 136,125 pcs	2013062600110894 Dt.26.06.2013	35,392.50	2,747,895
18	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 297,000 pcs	4720300177JO Dt. 26.06.2013	77,220.00	5,993,380
19	KIMONO GENERLA TRADING CO, LLC, UAE	WPP Bag with LDPE Inner Liner 1,34,950 pcs	073457059 Dt. 14.03.2013	35,087.00	2,736,786.00
20	WAVES LINK GENERAL TRADING , CO,LLC UAE	WPP Bag with LDPE Inner Liner 56,673 pcs	2013080500131231 Dt. 06.05.2013	14,735.00	1,136,805.25
21	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 326,074 pcs	FTS206282393400, Dt.28.06.2012	88,692.00	7,213,874.00
22	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 538,776 pcs	FTS207102190400, Dt. 10.07.2012	146,532.00	11,920,378.00
23	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 892,588 pcs	AZMAT 23071201572, Dt. 23.07.2012	227,595.90	18,504,684.87
24	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with HDPE Inner Liner 1,149,550 pcs	PAY120802C01182, Dt. 02.08.2012	301,182.00	24,425,860.00
25	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 10,98,155 pcs	4827-22496562434, Dt. 12.08.2012	345,918.74	28,054,010.00
26	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 10,50,000 pcs	AZMAT 14081270982, Dt. 14.08.2012	231,000.00	18,734,100.00
27	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 8,26,486 pcs	PAY120822C008920, Dt. 22.08.2012	214,060.00	17,360,266.00
28	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 11,56,158 pcs	FTS278122160200, Dt. 27.08.2012	364,189.64	29,535,780.00
29	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 510,000 pcs	4827-22496562272, Dt. 05.09.2012	153,000.00	12,454,200.00
30	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 7,99,980 pcs	4827-22496556487, Dt. 08.09.2012	251,993.92	20,512,305.00
31	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 4,95,192 pcs	4827-22636926764, Dt. 19.09.2012	154,500.00	12,576,300.00
32	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 10,78,380 pcs	FTS208133180500, Dt. 25.09.2012	301,946.56	24,578,450.00
33	M/S BERY MARITIME AS, NORWAY	WPP Bag with LLDPE Inner Liner 5,84,270 pcs	4827-22757374590 Dt. 01.10.2012	156,000.00	12,675,000.00
34	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 8,43,760 pcs	4827-22496556992, Dt. 16.10.2012	236,252.84	19,325,482.00
35	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 9,36,490 pcs	AZMAT 14081280901, Dt. 27.10.2012	294,994.35	24,012,540.00





36	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 594,928 pcs	FTS121149209300, Dt. 14.11.2012	157,656.00	12,793,784.40
37	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 974,040 pcs	PAY121115C002660, Dt. 15.11.2012	272,730.30	22,145,700.00
38	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 9,69,740 pcs	4827-22496564585, Dt. 26.11.2012	305,467.98	24,804,000.00
39	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 9,39,290pcs	FTS0312122180400, Dt. 03.012.2012	244,215.72	19,825,432.00
40	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 8,79,260 pcs	FTS2012123204600, Dt. 19.12.2012	246,192.07	20,015,415.00
41	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 5,29,870 pcs	AZMAT 23071201572, Dt. 01.01.2013	148,363.71	12,045,650.00
42	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 8,21,586 pcs	PAY130122C002860, Dt. 22.012013	258,799.48	21,024,870.00
43	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 6,91,560 pcs	2013020600038254, Dt. 06.02.2013	193,637.00	15,645,870.00
44	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 7,09,165 pcs	FTS1254021503400, Dt. 23.02.2012	198,566.09	15,984,570.00
45	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 8,57,540pcs	AZMAT 25465879545, Dt. 03.03.2012	240,110.71	19,545,012.00
46	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 7,85,565 pcs	4827-68459745886, Dt. 18.04.2012	247,453.24	19,845,750.00
47	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 1,89,189 pcs	2013051000037267, Dt. 10.05.2013	48,965.00	3,767,465.00
48	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 10,50,000 pcs	KBPPWBIL/EXP/24/13 dt. 26-06-13	247,176.23	20,120,145.00
49	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 7,94,500 pcs	KBPPWBIL/EXP/25/13 dt. 26-06-13	206,570.00	15,895,462.00
50	M/S BERY MARITIME AS, NORWAY	WPP Bag with LLDPE Inner Liner 9,27,462 pcs	KBPPWBIL/EXP/26/13 dt. 27-06-13	241,140.00	18,548,310.00
51	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 11,18,942 pcs	KBPPWBIL/EXP/27/13 dt. 27-06-13	290,925.00	22,372,201.10
				11,454,234.34	916,879,628

Statement showing details of opening Inventory:

Break-up of this item is as follows:

	Amount in Taka
Finished Goods: (Notes- 1.00)	2,968,200
Working-in-process	13,526,870
Raw Materials: (Notes- 2.00)	160,469,064
Store Materials	2,753,640
	179,717,774

1.00 Stock of Finished Goods

Particulars	Quantity		Unit Price	Total (Tk.)
PP Woven Bag (44"X45")	4200	kg	180.00	756,000
PP Woven Bag (43"X45")	2500	kg	180.00	450,000
PP Woven Bag (40"X45")	1650	kg	180.00	297,000
PP Woven Bag (37"X50")	1530	kg	180.00	275,400
PP Woven Bag (22"X23")	1840	kg	180.00	331,200
PP Woven Bag (22"X38")	2230	kg	180.00	401,400
PP Woven Bag (24"X45")	2540	kg	180.00	457,200
Total	16490	kg		2,968,200

2.00 Stock of Raw Materials

Particulars	Quantity		Unit Price	Total (Tk.)
PP Yarn Grade	22,200	bag	4,180.00	92,796,000
CaCo3	1,820	bag	1,395.00	2,538,900
HDPE	4,200	bag	3,675.00	15,435,000
LDPE	2,500	bag	4,400.00	11,000,000
LLDPE	1,500	bag	3,800.00	5,700,000
Omega CaCo3	650	bag	2,300.00	1,495,000



Master Batch(White)	320	bag	3,636.00	1,163,520
Master Batch(Red)	380	bag	4,770.00	1,812,600
Master Batch(Blue)	225	bag	4,288.00	964,800
Master Batch(Beige)	350	bag	4,541.00	1,589,350
Master Batch(Yellow)	175	bag	4,131.00	722,925
Master Batch(Green)	65	bag	4,541.00	295,165
PP Lamination	3,520	bag	4,900.00	17,248,000
Swing Thread	2,400	kg	165.00	396,000
Poly Tape	45	roll	350.00	15,750
PP Clip	75	pkt	45.00	3,375
Printing Ink	12,430	kg	245.00	3,045,350
Sweing Oil	820	ltr	163.50	134,070
Gear Oil	420	ltr	160.00	67,200
Mobil	230	ltr	120.00	27,600
Diamond Gum	8	kg	213.00	1,704
Retarder	12,000	ltr	120.00	1,440,000
Exetiter	165	ltr	120.00	19,800
Adhesive Tape(Both side) -12"	5	roll	3,200.00	16,000
Solvent/Thiner	14,500	ltr	165.00	2,392,500
Hydrolic Oil	360	ltr	145.00	52,200
Compassor Oil	85	ltr	135.00	11,475
Nalco	50	ltr	500.00	25,000
Greeze	10	kg	93.00	930
Adhesive Gum(Glue)	2,800	kg	20.00	56,000
Adhesive Tape-2"	75	roll	38.00	2,850
				160,469,064



7. Detailed information about working -in-progress is not given;

Response to the above:

Detailed information about work-in-progress is as under:

Statement showing detailed information about Work In Progress:

Closing Stock of Work-in-Process					
Particulars	Qty.		Unit Price	Sub Total (Tk.)	Total Amount(Tk.)
a) Tape Line Section					
PP Yarn	1545	kg	3,650.00	5,639,250.00	
CaCo3	925	bag	1,170.00	1,082,250.00	
Master Batch(White)	280	kg	152	42,560.00	
Master Batch(Blue)	245	kg	171	41,895.00	
Master Batch(Red)	64	kg	165	10,560.00	
Master Batch(Beige)	128	kg	174	22,272.00	
Master Batch(Yellow)	25	kg	165	4,125.00	
Master Batch(Green)	159	kg	174	27,666.00	
Bobin	4,100	kg	180	738,000.00	
					7,608,578
b) Loom & Floor					
Fabrics	34,145	kg	180	6,146,100.00	
Bobin	13,500	kg	180	2,430,000.00	
					8,576,100
c) Lamination Section					
Lamination Resin	986	bag	4,060.00	4,003,160.00	
Fabrics	17,320	kg	200	3,464,000.00	
					7,467,160
d) Printing Section					
Different size of bags	1155	kg	180	126,720.00	
Printing Ink	325	kg	255	82,875.00	
Retader	138	kg	120	16,560.00	
Solvent /Thiner	45	kg	165	7,425.00	
Multiwall Section					
Ink	730	kg	255	186,150.00	
Thiner/Solvent	63	ltr	165	10,395.00	
Adhesive Gule	465	kg	20	9,300.00	
Kraft Paper	1125	kg	50	56,250.00	495,675
e) Cutting & Sewing Section					
Different size color bags	1655	kg	180	297,900.00	
Cement Bag	1323	pcs	16	21,166.68	
Cotton Thread	-	kg	180	-	319,067
Total					24,466,580



8. Provide name of parties from whom export bills are receivable with subsequent balance thereon;

Response to the above:

Name of parties from whom export bills are receivable with subsequent balance are as under:

SL	Name of Party	L/C No and date	Total value in Tk.	Present status
1	URALKALI TRADING SA, SWITZARLAND	KBPPWBIL/EXP/24/13 dt. 26-06-13	20,120,145	Realized
2	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	KBPPWBIL/EXP/25/13 dt. 26-06-13	15,895,462	Realized
3	M/S BERY MARITIME AS, NORWAY	KBPPWBIL/EXP/26/13 dt. 27-06-13	18,548,310	Realized
4	DRAGON ASIA FERTILIZER LTD, Hongkong	KBPPWBIL/EXP/27/13 dt. 27-06-13	22,372,202	Realized

9. Provide name wise schedule of advance against LC with subsequent status thereon;

Response to the above:

Name wise schedule of advance against L/C and present status is as under:

STOCK IN TRANSIT					
For the Financial Year 2012-13					
SL	GIT NO	Bank Name	Item Name	Total TK	Status
1	LC No-0059/13	Jamuna Bank Ltd	Spare Parts	128,469	Adjusted
2	LC No-0070/13	Jamuna Bank Ltd	PP Yarn	559,222	do
3	LC No-0072/13	Jamuna Bank Ltd	HDPE	1,207,433	do
4	LC No-0075/13	Jamuna Bank Ltd	Thinner	1,114,831	do
5	LC No-0017/13	Mutual Trust Bank Ltd	PP Yarn	911,658	do
6	LC No-379/13	Mutual Trust Bank Ltd	HDPE	199,576	do
7	LC No-0399/13	Mutual Trust Bank Ltd	PP Yarn	2,348,808	do
8	LC No- 0001/13	One Bank Ltd.	PP Lamination	1,960,455	do
9	LC No-0006/13	One Bank Ltd.	PP Yarn	1,706,328	do
				10,136,780	

10. Explain the reason for charging 50% of 37.5% tax rate in case of deferred tax;

Response to the above:

A private limited company is taxed at the rate of 37.5%. But as an export oriented industry, KBPPWBIL enjoys reduced rate of Income Tax. Income Tax may be charged by 15% of Net Earnings before tax or 37.5% of Net Earnings calculated from the revenue reduced by 50%. In the later case the effective rate of Income Tax stands at 50% of 37.5%. This incentive is provided to the export oriented companies by the National Board of Revenues (NBR) through its Finance Act.



11. Provide name wise schedule of accounts payable with aging and subsequent status thereon;

Response to the above:

Name wise schedule of accounts payable with aging and subsequent status is as under:

Name of Party	Total	More than 3 Months	Less than 3 Months	Present Status
Chawdhury Transport	22,650	-	22,650	Continue
Mercantile Insurance	150,000	-	150,000	Continue
Rita Transport	125,000	-	125,000	Continue
SS Corporation	168,050	-	167,350	Continue
Total	465,700	-	465,700	

12. Short term bank loan provided by bank against keeping companies assets mortgaged as per loan agreement are not mentioned in note 13;

Response to the above:

The short term loan has been secured by stock hypothecation and export bills receivables. This have been disclosed in the note-13 of the financial statements

13. Whether accrued factory wages & salary is subsequently paid;

Response to the above:

Being the auditors of the company, we checked and inspected the documents related to the wages and salaries of the company and which supported the facts occurred up to the balance sheet date, wages & salaries are subsequently paid.

14. All information as per Schedule XI part I Para 4 are not provided.

Response to the above:

All the debtors of KBPPWIBL as per note: 6.00 of audit report considered good for which Company holds no security other than the directors' personal security.

At the end of the year under audit, debtors were dues from the following Companies which are not executed by the same management

Sl. No	Particulars	Outstanding as on 30.06.2013	Head of A/C
1.0	URALKALI TRADING SA, SWITZARLAND	20,120,145	A/R
2.0	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	15,895,462	A/R
3.0	M/S BERY MARITIME AS, NORWAY	18,548,310	A/R
4.0	DRAGON ASIA FERTILIZER LTD, Hongkong	22,372,202	A/R
5.0	Mehera Corporation	445,300	A/R
6.0	Ashirbad Syndicate	576,117	A/R
7.0	Bombay Sweets & Co.	572,911	A/R
8.0	D H Plastic	587,960	A/R
9.0	Kabir Enterprise	645,420	A/R
10.0	Kazi Agro	451,912	A/R
11.0	R M Trade Line	482,730	A/R
12.0	Shuvo Enterprise	565,200	A/R
13.0	S N Traders	380,380	A/R
	Total	81,644,049	





15. You have not provided information as per requirement of Schedule XI part II Para 4, 7 & 8 of Companies Act, 1994;

Response to the above:

Information as per requirement of Schedule XI part II Para 4, 7 & 8 of Companies Act, 1994 are as under:

(a) Remuneration and meeting participation fees were paid to the directors as under:

SL	Name	Designation	Received for meeting fee Tk.	Received for remuneration Tk.	Total received Tk.
1	Mohammed Enamul Kabir Khan	Chairman & Director	9,000	1,470,000	1,479,000
2	Tofayel Kabir Khan	MD & Director	9,000	660,000	669,000
3	Md. Ruhul Kabir Khan	Director	7,500	480,000	487,500
4	Md. Hazrat Ali	Director	7,500	480,000	487,500
Total received by the directors			33,000	3,090,000	3,126,000

In each month one meeting has been held in the company and the directors were paid Tk. 750.00 for the participation in each meeting.

(b) The capacity and actual utilization were as under during the financial year 30th June, 2103:

Installed Capacity	Actual Capacity	Capacity Utilization (%)
8.0 Crore Pieces of Different types of Bags	6.2 Crore Pcs	77.50%

(c) Export statement for the year ended 30th June, 2013:

Sl	Party Name	Description of Goods	T.T/ L/c no	Amount (USD)	Amount (BDT)
1	2	3	4	6	7
1	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 10,04,358 pcs	2012070800120420 Dt.07.07.2012	316,372.74	25,246,545
2	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 9,56,710 pcs	2012071300008285 Dt. 13.07.2012	248,744.52	19,862,250
3	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 10,19,925 pcs	5432512510JO Dt. 22.07.2012	265,180.44	21,235,650
4	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 7,58,727 pcs	4827-22457412012, Dt. 28.07.2012	301,999.07	24,265,625
5	KIMONO GENERLA TRADING CO, LLC, UAE	WPP Bag with Inner liner with print 3,10,000 pcs	2012092000042521 Dt. 01.08.2012	77,461.00	6,285,883
6	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 6,97,123 pcs	2012092000012272 Dt. 20.09.2012	219,593.78	17,556,523
7	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 8,80,890 pcs	4827-22412574101, Dt. 17.10.2012	277,480.24	21,907,065
8	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 9,65,530 pcs	5412485120JO Dt. 07.11.2012	251,037.76	20,145,780
9	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 9,90,900 pcs	2012121200021435 Dt. 12.12.2012	277,451.72	22,154,520
10	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 8,78,533 pcs	4827-122456215841, Dt. 25.01.2013	245,989.31	19,568,450



11	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 9,31,805 pcs	2013031000140043 Dt.10.03.2013	293,518.37	22,535,460
12	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 10,81,185 pcs	2013030400023452 Dt. 03.04.2013	340,573.39	26,752,040
13	THOMAS EXCHANGE GLOBAL LTD, UK	WPP Bag with Inner Print pcs	P201304290017740 Dt. 29.04.2013	41,965.00	3,231,263
14	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 12,58,555 pcs	4827-223458468102, Dt. 04.05.2013	327,224.29	25,487,500
15	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 12.25.120 pcs	2013200500025468 Dt. 20.05.2013	385,912.24	30,120,450
16	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 12,87,205 pcs	AZMAT 34562578125, Dt. 03.06.2013	405,469.47	31,646,892
17	COMMODITY FIRST PTE LTD, SINGAPORE	WPP Bag with Inner Print 136,125 pcs	2013062600110894 Dt.26.06.2013	35,392.50	2,747,895
18	TRANSAMMONIA DMCC, UAE	WPP Bag with Inner Print 297,000 pcs	4720300177JO Dt. 26.06.2013	77,220.00	5,993,380
19	KIMONO GENERLA TRADING CO, LLC, UAE	WPP Bag with LDPE Inner Liner 1,34,950 pcs	073457059 Dt. 14.03.2013	35,087.00	2,736,786.00
20	WAVES LINK GENERAL TRADING , CO,LLC UAE	WPP Bag with LDPE Inner Liner 56,673 pcs	2013080500131231 Dt. 06.05.2013	14,735.00	1,136,805.25
21	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 326,074 pcs	FTS206282393400, Dt.28.06.2012	88,692.00	7,213,874.00
22	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 538,776 pcs	FTS207102190400, Dt. 10.07.2012	146,532.00	11,920,378.00
23	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 892,588 pcs	AZMAT 23071201572, Dt. 23.07.2012	227,595.90	18,504,684.87
24	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with HDPE Inner Liner 1,149,550 pcs	PAY120802C01182, Dt. 02.08.2012	301,182.00	24,425,860.00
25	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 10,98,155 pcs	4827-22496562434, Dt. 12.08.2012	345,918.74	28,054,010.00
26	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 10,50,000 pcs	AZMAT 14081270982, Dt. 14.08.2012	231,000.00	18,734,100.00
27	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 8,26,486 pcs	PAY120822C008920, Dt. 22.08.2012	214,060.00	17,360,266.00
28	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 11,56,158 pcs	FTS278122160200, Dt. 27.08.2012	364,189.64	29,535,780.00
29	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 510,000 pcs	4827-22496562272, Dt. 05.09.2012	153,000.00	12,454,200.00
30	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 7,99,980 pcs	4827-22496556487, Dt. 08.09.2012	251,993.92	20,512,305.00
31	M/S BERY MARITIME AS, NORWAY	WPP Bag with LDPE Inner Liner 4,95,192 pcs	4827-22636926764, Dt. 19.09.2012	154,500.00	12,576,300.00
32	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 10,78,380 pcs	FTS208133180500, Dt. 25.09.2012	301,946.56	24,578,450.00
33	M/S BERY MARITIME AS, NORWAY	WPP Bag with LLDPE Inner Liner 5,84,270 pcs	4827-22757374590 Dt. 01.10.2012	156,000.00	12,675,000.00
34	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 8,43,760 pcs	4827-22496556992, Dt. 16.10.2012	236,252.84	19,325,482.00
35	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 9,36,490 pcs	AZMAT 14081280901, Dt. 27.10.2012	294,994.35	24,012,540.00
36	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 594,928 pcs	FTS121149209300, Dt. 14.11.2012	157,656.00	12,793,784.40
37	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 974,040 pcs	PAY121115C002660, Dt. 15.11.2012	272,730.30	22,145,700.00





38	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 9,69,740 pcs	4827-22496564585, Dt. 26.11.2012	305,467.98	24,804,000.00
39	WORLD WIDE SHIPPING LTD, SINGAPORE	WPP Bag with LLDPE Inner Liner 9,39,290 pcs	FTS0312122180400, Dt. 03.012.2012	244,215.72	19,825,432.00
40	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 8,79,260 pcs	FTS2012123204600, Dt. 19.12.2012	246,192.07	20,015,415.00
41	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 5,29,870 pcs	AZMAT 23071201572, Dt. 01.01.2013	148,363.71	12,045,650.00
42	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 8,21,586 pcs	PAY130122C002860, Dt. 22.012013	258,799.48	21,024,870.00
43	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 6,91,560 pcs	2013020600038254, Dt. 06.02.2013	193,637.00	15,645,870.00
44	OCEAN WISDOM ENTERPRISE LTD. UAE	WPP Bag with HDPE Inner Liner 7,09,165 pcs	FTS1254021503400, Dt. 23.02.2012	198,566.09	15,984,570.00
45	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 8,57,540 pcs	AZMAT 25465879545, Dt. 03.03.2012	240,110.71	19,545,012.00
46	M/S BERY MARITIME AS, NORWAY	WPP Bag with HDPE Inner Liner 7,85,565 pcs	4827-68459745886, Dt. 18.04.2012	247,453.24	19,845,750.00
47	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 1,89,189 pcs	2013051000037267, Dt. 10.05.2013	48,965.00	3,767,465.00
48	URALKALI TRADING SA, SWITZARLAND	WPP Bag with LLDPE Inner Liner 10,50,000 pcs	KBPPWBIL/EXP/24/13 dt. 26-06-13	247,176.23	20,120,145.00
49	SAGAR SHIP MANAGEMENT PTE LTD, SINGAPORE	WPP Bag with HDPE Inner Liner 7,94,500 pcs	KBPPWBIL/EXP/25/13 dt. 26-06-13	206,570.00	15,895,462.00
50	M/S BERY MARITIME AS, NORWAY	WPP Bag with LLDPE Inner Liner 9,27,462 pcs	KBPPWBIL/EXP/26/13 dt. 27-06-13	241,140.00	18,548,310.00
51	DRAGON ASIA FERTILIZER LTD, Hongkong	WPP Bag with LLDPE Inner Liner 11,18,942 pcs	KBPPWBIL/EXP/27/13 dt. 27-06-13	290,925.00	22,372,201.10
				11,454,234.34	916,879,628.48

16. Specify whether there is any off-balance sheet item;

Response to the above:

On the basis of the evidence obtained, we express that there is no off-balance sheet item.

17. Confirm that all transactions excluding petty cash expenditure have been affected through the company's bank account as per requirement of our consent letter for raising of capital dated 24/01/13 and 19/06/12;

Response to the above:

On the evidence obtained from the management of the company we confirm that: In the year ended 30th June, 2013 all the company expenditures except for petty cash expenses were transacted through the company's bank account.



18. Revaluation surplus is same with current year and last year. Depreciation has not been charged.

Response to the above:

The revaluation surplus was accounted for as per the guideline of the IAS. The value of the asset which was re-valued has been adjusted by the revaluation surplus amount and depreciation of the asset was charged on the adjusted value. Therefore, the depreciation was ultimately charged on the revaluation surplus that has appropriately reflected in the earnings of the company.

19. Please confirm whether provision of our notification dated 7 August, 2012 regarding appointment of independent director is complied with or not.

Response to the above:

We discussed the matter with those charged with governance of the company and they informed me that after being listed with the stock exchanges they (those in charged with governance) would take necessary steps to fully comply with the BSEC notification dated 7 August, 2012.

Dhaka
Dated: February 12, 2014

Sd/-
MAHFEL HUQ & CO.
Chartered Accountants



PART XXX INFORMATION INCLUDED AS PER BSEC'S NOTIFICATION NO. SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011

1. Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):	
Particulars	Amount in Taka
Net profit after Tax	64,638,334
No. of shares before IPO	43,500,000
Earnings per Share (EPS) on fully diluted basis	1.67

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations:	
Particulars	Amount in Taka
Net profit before Tax	84,882,900
Less: Other Income	-
Net profit before tax except other income	84,882,900
Less: Provision for Taxation	20,244,566
Net profit after tax except other income	64,638,334

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations:	
Particulars	Amount in Taka
Net profit before Tax	84,882,900
Less: Other Income	-
Net profit before tax except other income	84,882,900
Less: Provision for Taxation	20,244,566
Net profit after tax except other income	64,638,334
No. of shares before IPO	43,500,000
Earnings per Share (EPS) on fully diluted basis	1.67

4. Net Asset Value per Share:	
a) Net Asset Value with Revaluation Reserve based on fully diluted basis:	14.69
b) Net Asset Value without Revaluation Reserve based on fully diluted basis:	12.44

Particulars	Amount in Taka
Share Capital (i)	435,000,000
Revaluation Reserve (ii)	97,975,484
Retained Earnings (iii)	106,060,425
Total Shareholders' Equity (X₁=i+ii+iii) (with Revaluation Reserve)	639,035,910
Total Shareholders' Equity (X₂=i+iii) (without Revaluation Reserve)	541,060,425
Total Number of Ordinary Share (Y)	43,500,000
a) Net Assets Value (NAV) at BDT 10.00 per share (X ₁ /Y)	14.69
b) Net Assets Value (NAV) at BDT 10.00 per share (X ₂ /Y)	12.44



INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the application form. If you do not mention your valid Beneficiary Owner (BO) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than 500 Ordinary Shares and must be for a multiple of 500 Ordinary Shares. Any Application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the favoring A/C. Remittance should be in the form of Cash/ Cheque/ Bank Draft/ Pay Order payable to one of the Bankers to the Issue A/C "KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED" and crossed "A/C Payee only" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank "Account Payee" cheque(s) with bank account number and the name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25(twenty five) days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**



BANKERS TO THE ISSUE

National Bank Limited				
1. Agrabad Br., Chittagong	13. Dhanmondi Br., Dhaka	24. Jatrabari Br., Dhaka	35. Moulvibazar Br., Moulvibazar	46. Rajshahi Br., Rajshahi
2. Anderkilla Br., Chittagong	14. Dilkusha Br., Dhaka	25. Jubilee Road Br., Chittagong	36. Muradpur Br., Chittagong	47. Rangpur Br., Rangpur
3. Babubazar Br., Dhaka	15. Elephant Road Br., Dhaka	26. Kawan Bazar Br., Dhaka	37. Mymensingh Br., Mymensingh	48. Rifles Square Br., Dhaka
4. Banani Branch, Dhaka	16. Faridpur Br., Faridpur	27. Khatoonj Br., Chittagong	38. Narayanganj Br., Narayanganj	49. Rokeya Sarani Br., Dhaka
5. Asadgate Br., Dhaka	17. Feni Br., Feni	28. Khulna Br., Khulna	39. Narshingdi Br., Narshingdi	50. S.K. Mojib Road Br., Chittagong
6. Bangshal Road Br., Dhaka	18. Foreign Ex. Br., Dhaka	29. Lake Circus Br., Dhaka	40. Netaigonj Br., Narayanganj	51. Savar Bazar Br., Savar
7. Barisal Br., Barisal	19. Gazipur Br., Gazipur	30. Malibagh Br., Dhaka	41. New Eskaton Br., Dhaka	52. Sunamganj Br., Sunamganj
8. Bogra Br., Bogra	20. Gulshan Br., Dhaka	31. Mirpur Br., Dhaka	42. North brookHall Br., Dhaka	53. Sylhet Br., Sylhet
9. CDA Avenue Br., Chittagong	21. Halishahar Br., Chittagong	32. Mohakhali Br., Dhaka	43. Pagla Bazar Br., Narayanganj	54. Tangail Br., Tangail
10. Chowmohani Br., Noakhali	22. Imamganj Br., Dhaka	33. Mohammadpur Br., Dhaka	44. Pahartali Br., Chittagong	55. Tongi Br., Tongi
11. Chwak Bazar Br., Chittagong	23. Islampur Br., Dhaka	34. Motijheel Br., Dhaka	45. Pragati Soroni Br., Dhaka	56. Uttara Br., Dhaka
12. Comilla Br., Comilla				57. Z. H. Sikder M.C. Br., Dhaka
Eastern Bank Limited				
1. Motijheel Br., Dhaka	6. Narayanganj Br.,	11. Khulna Br., Khulna	16. Panchlaish Br., Chittagong	21. Mirpur Dar-us-salam Road Br., Dhaka
2. Shayamoli Br., Dhaka	7. Banasree Br., Dhaka	12. Jessore Br., Jessore	17. Halishahar Br., Chittagong	22. Chouhatta Br., Sylhet
3. Uttara Br., Dhaka	8. Savar Br., Dhaka	13. Upashahar Br., Sylhet	18. Rajshahi Br., Rajshahi	23. Mymensingh SME Br.,
4. Bashundhara Br., Dhaka	9. Jubilee Road Br., Chittagong	14. O. R. Nizam Road Br., Chittagong	19. Bogra Br., Bogra	
5. Moghbazar Br., Dhaka	10. Chandgaon Br., Chittagong	15. Uttara Garib-E-Newaz Br., Dhaka	20. Moulvi Bazar Br., Sylhet	
Investment Corporation Of Bangladesh (ICB)				
1. Principal Branch, Dhaka (Head Office)	2. Agrabad Branch, Chittagong	3. Rajshahi Branch, Rajshahi	4. Khulna Branch, Khulna	5. Barisal Branch, Barisal
6. Sylhet Branch, Sylhet	7. Bogra Branch, Bogra	8. Local Office, Dhaka		
Bank Asia				
1. Agrabad Branch, Ctg.	8. Dhanmondi Branch, Dhaka	15. MCB Dilkusha Branch, Dhaka	22. Sylhet Uposhohor Branch, Sylhet	29. Bahadderhat Branch, Chittagong
2. Anderkilla Branch, Ctg.	9. Gulshan Branch, Dhaka	16. MCB Sk. Mujib Road Branch, Ctg.,	23. Paltan Branch, Dhaka	30. Station Road Branch, Ctg.
3. Shyamoli Branch, Dhaka	10. Jessore Branch, Jessore	17. Mirpur Branch, Dhaka	24. Principal Office Branch, Dhaka	31. Strand Road Branch, Chittagong
4. Bashundhara Branch, Dhaka	11. Kamal Bazar Branch, Ctg.	18. Mitford Branch, Dhaka	25. Progati Sarani Branch, Dhaka	32. Sylhet Main Branch, Sylhet
5. Bogra Branch, Bogra	12. Khatoonj Branch, Ctg.	19. Moghbazar Branch, Dhaka	26. Rajshahi Branch, Rajshahi	33. North South Road Branch, Dhaka
6. CDA Avenue Branch, Ctg.	13. Khulna Branch, Khulna	20. Mohakhali Branch, Dhaka	27. Scotia Branch, Dhaka	34. Uttara Branch, Dhaka
7. Corporate Branch, Dhaka	14. MCB Banani Branch, Dhaka	21. Tarail Branch, Tarail, Kishoreganj	28. Shantinagar Branch, Dhaka	
One Bank Limited				
1. Principal Br., Dhaka	14. Bangshal Br., Dhaka	25. Chowmuhuni Br., Noakhali	37. Ramganj Br., Laxipur	49. Sitakunda Br., Sitakunda, Chtg.
2. Motijheel Br., Dhaka	15. Khulna Br., Khulna	26. Chandragonj Br., Lakshmpur.	38. Majidee Court Br., Noakhali	50. Moghbazar Br., Dhaka
3. Kawan Bazar Br., Dhaka	16. Imamganj Br., Dhaka	27. Feni Br., Feni	39. Banasree Br., Dhaka	51. Laldighirpar Br., Sylhet
4. Gulshan Br., Dhaka	17. Narayanganj Br., Narayanganj,	28. Rajpur Br., Laxipur.	40. Rajshahi Br., Rajshahi	52. Rangpur Br., Rangpur
5. Mirpur Br., Dhaka	18. Joypara Br., Dohar, Dhaka	29. Dagon Bhuiyan Br., Feni.	41. Shahjadpur SME/Agriculture Br., Sirajgonj	53. Ganakbari (EPZ) Br., Savar
6. Uttara Br., Dhaka	19. Agrabad Br., Chittagong	30. Sylhet Br., Sylhet	42. Jaggannathpur Br., Dhaka	54. Ring Road Br., Shamoli, Dhaka
7. Dhanmondi Br., Dhaka	20. Khatoonj Br., Chittagong	31. Sherpur Br., Moulvi Bazar	43. Tongi SME/Agriculture Br., Dhaka	55. Boalkhali Br., Boalkhali, Chittg.
8. Banani Br., Dhaka	21. CDA Avenue Br., Ctg	32. Islampur Br., Sylhet	44. Comilla Br., Comilla	56. Raozan Br., Raozan, Chittagong
9. Kakrail Br., Dhaka	22. Nanapur Bazar Br., Ctg	33. Jessore Br., Jessore	45. Bashabo Br., Dhaka	57. Ranirhat Br., Rangunia, Chittg.
10. Pragati Sarani Br., Dhaka	23. Cox'S Bazar Br., Cox'S Bazar	34. Bogra Br., Bogra	46. Satkhira Br., Satkhira.	58. Chandgaon Br. Chittagong
11. Elephant Road Br., Dhaka	24. Jubilee Road Br., Chittagong	35. Sirajgonj Br., Sirajgonj	47. Madhabdi Br., Narsingdi.	59. Brahmanbaria Br., Brahmanbaria.
12. Jatrabari Br., Dhaka		36. Laksham Br., Comilla	48. Rangamati Br., Rangamati.	
13. Nawabgonj Br., Dhaka				
South East Bank Limited				
1. Principal Br., Dhaka	15. Shaymoli Br., Dhaka	28. Bandar Bazar Br., Sylhet	41. Pathantula Br., Sylhet	54. Momin Road Br., Chittagong
2. Corporate Br., Dhaka	16. Aganagar Br., Dhaka	29. Moulvibazar Br., Moulvibazar	42. Agrabad Br., Ctg.	55. Rangpur Br., Rangpur
3. Imamganj Br., Dhaka	17. Kawan Bazar Br., Dhaka	30. Sakhira SME Br., Satkhira	43. Khatoonj Br., Chittagong	56. Bogra Br., Bogra
4. Dhanmondi Br., Dhaka	18. Madhabdi Br., (Rural), Narshingdi.	31. Narsingdi SME Br., Narsingdi	44. Jubilee Road Br., Chittagong	57. Jessore SME Br., Jessore
5. Uttara Br., Dhaka	19. Ashulia Br., Dhaka	32. Islampur Br., Dhaka	45. Halishahar Br., Chittagong	58. Barisal Br., Barisal
6. New Elephant Road Br., Dhaka	20. Narayanganj Br., Narayanganj, Dhaka	33. Kotwali Br., Dhaka	46. Motijheel Br., Dhaka	59. Dhania Br., (Rural)
7. Gulshan Br., Dhaka	21. Rokeya Satani Br., Dhaka.	34. Madambir Hat Br., Chittagong	47. Chowmuhuni Br., Noakhali	60. Naogaon Br., Naogaon
8. Kakrail Br., Dhaka	22. Savar Br., Dhaka	35. Comilla Br., Comilla	48. CDA Avenue Br., Chittagong	61. Rajshahi Br., Rajshahi
9. Banani Br., Dhaka	23. Mouchak Br., Dhaka	36. Munshigonj Br., Munshigonj	49. Cox'S Bazar Br., Cox'S Bazar	62. Tangail SME Br., Tangail
10. Bangshal Br., Dhaka	24. Konabari Br., (Rural), Gazipur	37. Chouhatta Br., Sylhet	50. Chhagalnaiya Br., Feni.	63. Sat Mashjid Road Br., Dhaka
11. New Eskaton Br., Dhaka	25. Tongi Br., Gazipur	38. Laldighirpar Br., Sylhet	51. Feni Br., Feni.	64. Dinajpur Br., Dinajpur
12. Pragati Sarani Br., Dhaka	26. Bashundhara Br., Dhaka	39. Shahjalal Uposhahar Br., Sylhet	52. Pahartali Br., Chittagong	65. Hemayetpur Br., (Rural)
13. Agargaon Br., Dhaka	27. Mohammadpur Br., Dhaka	40. Khulna Br., Khulna	53. Bashurhat Br., (Rural), Noakhali	66. Joydebpur Br., (Rural)
14. Chapainawabganj Br., Chbganj				
Mutual Trust Bank Limited				
1. Agrabad Br., Chittagong	13. Chakoria Br., Ctg	24. Gulshan Br., Dhaka	35. MTB Corporate Center Br., Dhaka	46. Rangpur Br., Rangpur
2. Alanker Mour Br., Chittagong	14. Comilla Br., Comilla	25. Hobiganj Br., Hobiganj	36. Narayanganj Br., Narayanganj	47. Raipur Br., Laxmipur
3. Aman Bazar Br., Ctg	15. Cox'S Bazar Br., Cox'S Bazar	26. Ishwardi Br., Ishwardi	37. Nazirhat Br., Ctg	48. Savar Br., Dhaka
4. Babu Bazar Br., Dhaka	16. Dagonbhuiyan Br., Feni	27. Jessore Br., Jessore	38. Noria Br., Shariyatpur	49. Shanir Akhra Br., Dhaka
5. Baridhara Br., Dhaka	17. Dhanmondi Br., Dhaka	28. Joypurhat Br., Joypurhat	39. Oxyzen Mour Br., Ctg	50. Sreenagar Br., Dhaka
6. Bashundhara Br., Dhaka	18. Dholaikhal Br., Dhaka	29. Jubilee road Br., Chittagong	40. Pabna Br., Pabna	51. Syedpur Br., Sunamganj
7. Banani Br., Dhaka	19. Dilkusha Branch, Dhaka	30. Khatoonj Br., Chittagong	41. Pallabi Br., Dhaka	52. Sonargaon Br., Dhaka
8. Bogra Br., Bogra	20. Elephant Road Br., Dhaka	31. Kushtia Branch, Kushtia	42. Panthapath Br., Dhaka	53. Sylhet Br., Sylhet
9. Brahmanbaria Br., Brahmanbaria	21. Feni Branch, Feni	32. Mohammadpur Br., Dhaka	43. Pragati Sarani Br., Dhaka	54. Tongi Br., Dhaka
10. CDA Avenue Br., Chittagong	22. FulBaria Br., Dhaka	33. Mymensingh Br., Mymensingh	44. Principal Br., Dhaka	55. Thakurgaon Br., Thakurgaon
11. Chandra Br., Dhaka	23. Gourmadi Br., Barisal	34. Moulvi Bazar Branch, Sylhet	45. Rajshahi Br., Rajshahi	56. Uttara Model Town Br., Dhaka
12. Chawk Moghaultuli Br., Dhaka				
National Credit and Commerce Bank Limited				
1. Agrabad Br., Ctg.	12. Chowmohoni Br., Noakhali	23. Islampur Br., Dhaka.	34. Madaripur Br., Madaripur.	45. Narayanganj Br., Narayanganj.
2. Anderkilla Br., Ctg.	13. Comilla Br., Comilla.	24. Jatrabari Br., Dhaka.	35. Majidee Br., Noakhali	46. Nawabpur Road Br., Dhaka
3. Babubazar Br., Dhaka.	14. Cox'S Bazar Br., Cox'S Bazar.	25. Jessore Br., Jessore.	36. Majhirhat Br., Ctg.	47. O.R. Nizam Road Br., Ctg.
4. Banani Br., Dhaka.	15. Dhanmondi Br., Dhaka.	26. Jubilee Road Br., Ctg.	37. Malibagh Br., Dhaka.	48. Pragati Sarani Br., Dhaka.
5. Bangshal Road Br., Dhaka.	16. Dilkusha Br., Dhaka	27. Kadamtali Br., Ctg.	38. Mirpur Br., Dhaka.	49. Rajshahi Br., Rajshahi
6. Barisal Br., Barisal	17. Dinajpur Br., Dinajpur.	28. Kawan Bazar Br., Dhaka.	39. Mitford Br., Mitford Road, Dhaka.	50. Rangpur Br., Rangpur
7. Bijoynagar Br., Kakrail, Dhaka.	18. Elephant Road Br., Dhaka.	29. Khatoonj Br., Ctg.	40. Moghbazar Br., Dhaka.	51. Savar Br., Savar.
8. Bogra Br., Bogra	19. Feni Br., Feni.	30. Khulna Br., Khulna	41. Motijheel Br., Dhaka.	52. Shyamoli Br., Mirpur Road, Dhaka.
9. Brahmanbaria Br., Brahmanbaria.	20. Foreign Exchange Br., Motijheel C/A, Dhaka	31. Kushtia Br., Kushtia.	42. Moulvibazar Br., Moulvibazar	53. Tangail Branch, Tangail.
10. CEPZ Br., Ctg.	21. Gulshan Br., Dhaka.	32. Laldighirpar Br., Sylhet.	43. Mymensingh Br., Mymensingh.	54. Uttara Br., Dhaka
11. Chowhatta Br., Sylhet.	22. Halishahar Br., Ctg.	33. Laxmipur Br., Laxmipur	44. Naogaon Br., Naogaon.	
Standard Bank Limited				
1. Agrabad Br., Ctg.	7. Dhanmondi Br., Dhaka,	13. Imamganj Br., Dhaka	19. Mirpur Br., Dhaka	26. Principal Br., Dhaka
2. Banani Br., Dhaka	8. Dinajpur Br., Dinajpur	14. Jessore Br., Jessore	20. Moulvibazar Br., Sylhet	27. Rajshahi Br., Rajshahi
3. Barisal Br., Barisal	9. Faridpur Br., Faridpur	15. Jubilee Road Br., Ctg.	21. Mymensingh Br., Mymensingh	28. Rangpur Br., Rangpur
4. Beani Bazar Br., Sylhet	10. Foreign Exchange Br., Dhaka	16. Khatoonj Br., Ctg.	22. Narayanganj Br., Narayanganj	29. Sadarghat Br., Ctg.
5. CDA Avenue Br., Ctg.	11. Green Road Br., Dhaka	17. Khulna Br., Khulna	23. Nawabpur Br., Dhaka	30. Sylhet Br., Sylhet
6. Commilla Br., Commilla	12. Gulshan-2 Br., Gulshan, Dhaka	18. Kushtia Br., Kushtia	24. Panthapath Br., Dhaka	31. Tophkhana Road Br., Dhaka
			25. Pragati Sarani Br., Dhaka	32. Uttara Br., Dhaka





"শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ, জেনে ও বুঝে বিনিয়োগ করুন।"

"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHI(S)

(To be sent to the Company's Head Office)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

The Managing Director

Khan Brothers PP Woven Bag Industries Limited

24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares **500** of Tk. **10/-** each at par.
2. Total subscription money of the Amount of TK. (in figure) **5000/-** Taka (in words) Five Thousand only convertible into US Dollar 1.00 = Tk. /UK Pound Sterling 1.00=Tk...../ Euro 1.00 = Tk.
3. Payment by Draft/Cheque No.....date.....for US Dollar/UK Pound Sterling/Euro BDT.....
....drawn on.....Bank.....Branch.

4. Beneficiary Owner (B/O) A/C No.

(If you do not mention your valid BO A/C No., your application will be treated as invalid)

5. I/we agree to fully abide by the instruction given herein.

6. Particulars of Applicant(s):

a) Sole/First Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.:	Valid up to:	Date of Birth:
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a nonscheduled bank. Applicants are requested not to use the name of any non-scheduled bank).		
Applicant's Bank A/C No.:		
Name of the Bank:		Branch:

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
Passport No.:	Valid up to:	Date of Birth:

Nominee's Name:

Mailing Address:

07. I/we hereby declare that I/we have read the Prospectus of KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED and have willingly subscribed for 500 No. of Ordinary Shares of Tk. 10/- each at par.

08. Specimen Signature(s):

1st Applicant: Name(in Block Letters)	Signature:
2st Applicant: Name(in Block Letters)	Signature:
Nominee's Name: (in Block Letters)	Signature:

*Please see the instructions in paragraphs 14 & 15 for the evidence required to establish Non-Resident Bangladeshis Status

**INSTRUCTIONS**

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) account number in the Application Form. If you do not mention your valid Beneficiary Owner (BO) account number, your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English and must not be abbreviated.
3. An application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** ordinary shares. Any application not meeting these criterions will not be considered for allotment purpose.
4. Application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring “**KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED**” and crossed “**Account Payee only**”.
5. Application shall be sent by the applicant directly to the Company within August 28, 2014 so as to reach the Company within September 06, 2014 Applications sent after August 28, 2014 or received by the Company after September 06, 2014 will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of Shares was paid for by the applicant through Account Payee Cheque Payable at Dhaka with bank account number, Bank's name and Branch.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi (“NRB”) applicant cannot submit more than two applications, one in his/her own name and another jointly with other person by one cheque / DD/PO by US\$/UK Pound Sterling/EURO/BDT(supported by foreign currency encasement certificate). More than two applications by one cheque / DD/PO by US\$/UK Pound Sterling/EURO/BDT (supported by foreign currency encasement certificate) will not be allowed.
10. Application must be made by an individual, a company or societies, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit the share subscription money by US Dollar (\$)/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of a non-resident foreign currency deposit account maintained in Bangladesh or in Taka, supported by a foreign currency encasement certificate issued by the bank concerned, for the ordinary shares applied for, through crossed bank cheque marked “Account Payee only”, such that the issuer's collecting bank can clear the proceeds and deposit the same into the issuer's account in time.
13. The spot buying rate (TT Clean) in US Dollar (\$)/UK Pound Sterling/EURO of Sonali Bank Limited as prevalent on the day of opening of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. **The applicant shall furnish photocopies of relevant pages of valid passport(s) in support of his/her being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him/her to travel to Bangladesh.**
15. In case of Joint Application, Joint Applicant shall also submit supporting papers/documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the application.**
17. **No issue of ordinary shares shall be made nor shall any money be taken from any person, in connection with such issue and subscription, until 25 (Twenty Five) days after the Prospectus have been published.**
18. In the case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their Application Forms are maintained with any of the Bankers to the Issue, the amount refunded to those applicants will be directly credited into their ordinary respective bank accounts as mentioned in their Application Forms. Otherwise, refunds will be made only through “Account Payee” cheque(s) with bank account number and name of bank branch as mentioned in the Application Form, payable at Dhaka, Chittagong, Khulna, Barishal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA-5.



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"INTERESTED PERSONS ARE ENTITLED TO A PROSPECTUS, IF THEY SO DESIRE, AND THAT COPIES OF PROSPECTUS MAY BE OBTAINED FROM THE ISSUER AND THE ISSUE MANAGER"

KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED
APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions on the back of this form. Incorrectly filled applications or application failing to comply with any instructions therein may be rejected.

The Managing Director**Khan Brothers PP Woven Bag Industries Limited**24/1, Chamelibagh (5th & 8th Floor), Shantinagar, Dhaka-1217Banker's Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me / us upon the terms of the Company's Prospectus approved by the Bangladesh Securities and Exchange Commission subject to the Memorandum and Articles of Association of the company. Further, I/we authorize you to place my /our name (s) on the Register of Member (s) of the Company and deposit the said ordinary Shares in my / our Beneficiary Owner (BO) Account; I/we further authorize you to send a Crossed (A/C Payee Only) Cheque in respect of any application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of ordinary shares **500** of Tk. **10/-** each at par.2. Amount of Tk. (in figure) **5000/-** Taka (in words) Five Thousand only deposited vide

Cash/Cheque/Draft/Pay Order No..... Dated.....

On.....BankBranch.

3. Beneficiary Owner (BO) Account No. **(If you do not mention your valid BO account no., your application will be treated as invalid.)**

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s):**a) Sole/First Applicant:**

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:	Nationality:	Telephone No. (If any):
For Refund Warrant: (Application will not be treated as valid if anyone uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank) Please write the correct and full name of bank and branch.		
For refund purpose: I/We want refund through <input type="checkbox"/> Bank Account* <input type="checkbox"/> Hand Delivery/Courier (Please put tick mark in which refund will be made).		
Applicant's Bank A/C No.:		
Name of the Bank:	Branch:	

b) Second Applicant:

Name:		
Father's /Husband's Name:		
Mother's Name:		
Postal Address:		
Occupation:-	Nationality:	Telephone No. (If any):

06. I/we hereby declare that I/We have read the Prospectus of **KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED** and have willingly subscribed for **500** No. of Ordinary Shares of Tk.10/- each at par.

07. Specimen Signature(s):

1 st Applicant: Name(in Block Letters)	Signature:
2 nd Applicant: Name(in Block Letters)	Signature:

*In case of deposit in to the applicants Bank Account, the applicant will bear the applicable service charge, if any, of the applicants banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and the amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKER'S ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figure)..... (in word).....only from Mr./ Mrs./Ms..... being the Application Money for..... Nos. Ordinary Shares of **Khan Brothers PP Woven Bag Industries Limited**.



Banker's Sl. No.

Seal and Date

Authorized Signature
(Name & Designation)

INSTRUCTIONS

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the application form. If you do not mention your valid Beneficiary Owner (BO) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in Block Letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **500** Ordinary Shares and must be for a multiple of **500** Ordinary Shares. Any Application not meeting these criteria will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the favoring A/C. Remittance should be in the form of Cash/ Cheque/ Bank Draft/ Pay Order payable to one of the Bankers to the Issue A/C "**KHAN BROTHERS PP WOVEN BAG INDUSTRIES LIMITED**" and crossed "**A/C Payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application Form has been sent.
6. In the case of Joint Application Form, the Allotment Letter will be dispatched to the person whose name appears first on this Application Form and where any amount is refundable in whole or in part the same will be refunded by Account Payee Cheque by post/courier service to the person named first on this Application Form in the manner prescribed in the Prospectus.
7. Joint Application Form for more than two persons will not be accepted. In case of Joint Application, each party must sign the Application Form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Applications from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgment to the Issue for Application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank "Account Payee" cheque(s) with bank account number and the name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. Making of any false statement in the application or supplying of incorrect information therein or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of application money and/or forfeiture of share (unit) before or after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in account of the Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus has been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.**
18. **তালিকাভুক্ত ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীগণ সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে ক্ষতিগ্রস্ত সংরক্ষিত ২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায় আবেদন করতে পারবেন।"**

PART XXXII

MANAGEMENT DISCLOSURE

1. Explain the reason for increasing/decreasing account receivable for the year 2013-72.75%, 2012-135.35%, 2011-11,559%, 2010-(79.26%) and 2009-74.38%, specially for the year 2011. Which shows an increase of 11,559% over 2010 which was decreased by 79.26% in 2010 over 2009;

Response to the above:

We verified the amount of accounts receivables and recalculated the trend. In our findings we observed the ratio as under:

Year	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
Turnover	916,879,628	530,754,633	450,625,128	223,987,065	200,218,622	162,569,955
Accounts Receivable	81,644,049	74,260,388	31,552,084	270,622	1,304,842	748,256
% of A/R on Turnover	8.90%	13.99%	7.00%	0.12%	0.65%	0.46%
% of A/R increase (Decrease)	72.75%	135.35%	11,559%	(79.26%)	74.38%	-

In this type of industry, a significant portion of exports are made through Telegraphic Transfer (TT). As a result, the size of accounts receivables does not get high. Though, in the years of 2011-12 and 2010-11 KBPPWBIL made few of its exports through deferred L/C. So, in those years the amount of accounts receivables remained at much greater percentages on sales compared to that of the previous years.

2. Explain the reason for increasing inventories for the year 2013-35.86%, 2012- 36.63%, 2011-47.78%, 2010-58.52% and 2009-2.42%;

Our Response:

After the incorporation of our business, our sales have increased each year from that of the previous year. To meet the customers demand we had to maintain a certain level of inventory so that we could ensure the uninterrupted production process. Therefore, our in the years under observations the level of inventories increased with the increase in sales.

3. Explain the reason for increasing turnover for the year 2013-72.75%, 2012-17.78%, 2011-101.18%, 2010-11.87% and 2009-23.15%;

Our Response:

On getting incorporated our management had input concerted efforts to capture bigger market share in order to earn a significant amount of return on equity. Because of our continuous capacity build up and well defined marketing strategy we had been able to attract more customers each year than the previous years. It may be noted that our overseas sales volume have increased each year. Therefore, our total turnover has increased in the subsequent years.

Sd/-

Tofayel Kabir Khan
Managing Director