Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
www.sec.gov.bd

নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৫৩ **তারিখঃ ০৫ জুলাই ২০২৬**

Mr. Tapan Kumar Sarker, Company Secretory
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
২. পিও টু সকল কমিশনার, বিএসইসি।
৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৫২ **তারিখঃ ০৫ জুলাই ২০২৬**

Mr. Md. Azizul Zabber, Chief Financial Officer
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
২. পিও টু সকল কমিশনার, বিএসইসি।
৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৫১ **তারিখঃ ০৫ জুলাই ২০২৬**

Mrs. Jarin Kabir Khan, Director
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
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৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৫০ **তারিখঃ ০৫ জুলাই ২০২৬**

Mr. Hazrat Ali, Director
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং- বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
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৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৯ **তারিখঃ ০৫ জুলাই ২০২৬**

Mr. Md. Ruhul Kabir Khan, Director
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
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৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৮ **তারিখঃ ০৫ জুলাই ২০২৬**

Mr. Tofayel Kabir Khan, Managing Director
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
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৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৭ তারিখঃ ০৫ জুলাই ২০২৬

Mr. Mohammed Enamul Kabir Khan, Chairman
Khan Brothers PP Woven Bag Industries Limited
KBG Tower (7th & 8th Floor), 15 DIT Road
Malibagh Chowdhurypara, Dhaka-1219

বিষয়: আদেশ।

কমিশনের আদেশ নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখ: ০৫ জুলাই ২০২৬ এর সত্যায়িত অনুলিপি আপনার অবগতি ও প্রয়োজনীয় ব্যবস্থা গ্রহণের জন্য এতদসঙ্গে সংযুক্ত করা হলো।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পক্ষে,

05-07-2026
রুবেল হোসেন
সহকারী পরিচালক (এনফোর্সমেন্ট)
ই-মেইল- rubel@sec.gov.bd

অবগতির জন্য অনুলিপি:
১. চেয়ারম্যান মহোদয়ের দপ্তর, বিএসইসি।
২. পিও টু সকল কমিশনার, বিএসইসি।
৩. পিও টু নির্বাহী পরিচালক, এনফোর্সমেন্ট, বিএসইসি।
৪. পিও টু নির্বাহী পরিচালক, আইসিটিডি, বিএসইসি।
৫. নির্বাহী পরিচালক, আইসিএডি, বিএসইসি-with reference to Corporate Reporting Department Note dated 27th April 2025.

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নং-বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/৪৪৬ তারিখঃ ০৫ জুলাই ২০২৬

আদেশ

যেহেতু, Securities and Exchange Ordinance, 1969 এর Section 2 (cc) মোতাবেক কমিশন অর্থ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩-এর অধীনে গঠিত;

যেহেতু, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন-এর কর্পোরেট রির্পোটিং বিভাগ কর্তৃক প্রেরিত ৩০ জুন ২০২৩ অর্থ বছরে Khan Brothers PP Woven Bag Industries Ltd. (KBPPWBIL) এর audited financial statements সংক্রান্ত বিষয়ে বিশ্লেষণের প্রেক্ষিতে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন এর পত্র নং-BSEC/Enforcement/4031/2023/1112 তারিখ September 30, 2025 অনুযায়ী ২৭.১০.২০২৫ তারিখ শুনানী সম্পন্ন হয়। উক্ত শুনানীতে নিম্নলিখিত বিষয়গুলি উপস্থাপিত হয়:

S.L No.	Qualified Opinion	Reply of the Company	Observation of the Corporate Reporting Department
01.	The financial statement shows Inventories of Raw Materials Tk. 553,314,755, and Finished Goods of Tk. 44,145,422 (Total Tk. 597,460,177) as shown under note # 5.00 as on 30 June 2023, which are being carrying forward since last couple of years. Item wise breakup of which have been shown under note # 20.06 & 20.07. During our physical verification of those, we found significant deficiency therein. The amount of deficiency of Raw Materials and Finished Goods would be Tk. 377,875,557 & Tk. 29,162,428 respectively (Total Tk. 407,037,985) as per our calculation. Magnitude of which has been under stated Net loss of the company as well as Inventory, Net Assets and Retained Earning/Equity have also been overstated by the equivalent amount. We were	Khan Brothers PP Woven Bag Industries Ltd. (KBPPWBIL) was established as export-oriented industries in 2006 and the company was running well till 2018-2019 financial year. After pandemic Covid-19 spread from January 2020 all over the world and resulting declining export orders. The export came down 23.94 crore in the financial year 2019-2020 against comparative export of Tk. 57.94 crore previous year 2018-2019. During the Covid-19 and afterward export could not be increased inspite of our hard whole apart. As a result the quality of the imported raw materials lying in the godown are gradually declining. We inform you that we have another sister concern name Khan Brothers Bag Industries Ltd. (KBBIL) who produces PP woven bag for local market. They requested us for producing PP woven bag under trolling system supplying the	The company presented inventories of Tk. 597,460,177 in the audited financial statements for the year ended on 30 June 2023 but the statutory auditor found deficiency of Tk.407,037,985 in the inventory calculation. So, the company has **violated rule 14(2) of Securities and Exchange Rules, 2020** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by not presenting its financial statements as per IAS and IFRS. The company has overstated its inventories, net assets and retained earnings/equity and net loss has been under stated. As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance,**

S.L No.	Qualified Opinion	Reply of the Company	Observation of the Corporate Reporting Department
	also not provided with any copy of the annual audit report submitted by the office of Bond Commissioner despite of our repeated request though those were bonded stock.	required raw materials for production in the factory of Khan Brothers PP Woven Bag Ind. Ltd. Then management decided that the required raw materials will not be taken at this moment rather to utilize the old raw materials of KBPPWBIL (quality of which is being detorated) will be used in the production. The quantity of raw materials used in their production will replenish in due course as an when we require. There was a source of work-in-process in 2020-2021 which has been finished subsequently and added with finished stock. This finished goods was produced as per order of foreign customers. The concern customers disagreed to take the goods due to pandemic Covid-19 and lying in the store being the quality of the products detorated day by day affeered is being made to dispose of the goods in the local market as wastage.	**1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
02.	The financial statement shows Tk. 140,887,199 against value of 461.5 decimal land in the name of the company under Land and Land Development and Tk. 150,173,388 against WDV of Building and Other Constructions, but we were not provided with any documents, statements, registers of those line items for our verification. During our visit to the factory it revealed that, other two factories in the name of i) Khan Brothers Bag Industries Ltd. and ii) Khan Brothers Marble & Granite Ltd. are established and operating in full swing within the same premises having single and common entry and approach road. As such we were unable to confirm whether the physical as well legal custody of those are lying to the	Khan Brothers PP Woven Bag Industries Ltd. was established in 2006 purchasing 461.50 decimal land in the company name and the factory building, warehouse, office building, mosque, approach road were constructed on those land remaining land are vacant around the factory structure. Subsequently 117.50 decimal and 14.00 decimal purchased for set up Khan Brothers Bag Industries Ltd. and Khan Brothers Marble & Granite Ltd. However, we will make the physical survey and if there is any land in the premises of Khan Brothers Bag Ind. Ltd. & Khan Brothers Marble & Granite Ltd. will be separated by demarketing and construction of permanent wall to settle the issue.	Two company namely, - Khan Brothers Bag Industries Ltd. and Khan Brothers Marble & Granite Ltd. which are separate entity have been established and operating in the land of Khan Brothers PP Woven Bag Industries Ltd. The issuer company didn't show any income from rent/lease of its land that is being used by the aforesaid two company in the financial statements. The auditors are in doubt whether the physical as well legal custody of these two companies is lying to the issuer company or not. **By the aforesaid activities of Khan Brothers PP Woven Bag Industries Ltd., the investors of the company have been losing their interest by the company.** As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance.

S.L No.	Qualified Opinion	Reply of the Company	Observation of the Corporate Reporting Department
	company or not. Management of the company were also unable to provide sufficient appropriate audit evidence together with the original copies of ownership documents, khazna receipts, approved layout plan etc. for our review and satisfaction for providing our opinion, and conclude ourselves that, there are no undetected material misstatements in the financial statement in this regard using alternative approach.		So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
03.	The financial statement shows Export Bills Receivable Tk. 62,212,203 as on 30 June 2023under note # 06, which have been carried forward from the year 2020-21 without any movement, against which no provision for bad debts have been created in the financial statements. Whereas the management were unable to produce us with any communication documents within a couple of year relating to follow up and progress for realization of the amount. Management was also unable to provide sufficient appropriate audit evidence to satisfy ourselves to provide our opinion, and conclude ourselves using alternative approach that, there are no undetected material misstatements in the financial statement in this regard.	In the financial year 2019-2020 we exported Tk. 23.10 crore out of which we received the proceeds worth of Tk. 16.90 crore and the remaining balance Tk. 6.20 crore was not remitted by the buyers. Inspite of our repeated request the party did not remitted the amount due to fall of their business during the pandemic Covid-19 period. However we are trying our best to realise the proceeds.	The company has **violated rule 14(2) of Securities and Exchange Rules, 2020** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by not presenting its financial statements as per IAS and IFRS as the company failed to comply with IAS 37 and IFRS 9 regarding provision for bad debts. Expenses may be understated; profit and EPS of the company may be overstated because the company didn't keep provision for bad debts. As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
04.	Cash and Cash Equivalent of the financial statement shows Fixed Deposits of Tk. 30,000,000 in Note # 08, lying with Peoples Leasing and Financial Services Ltd since long, in Note # 08. The scam of that NBFI is very widely known	A sum of Tk. 9.80 crore was kept as FDR in Peoples Leasing and Financial Services Ltd. (PLFSL) in 2018-2019 out of which FDR for Tk.6.80 crore was encashed in the year 2019-2020 and the balance Tk. 3.00 crore could not be encashed due to their financial insolvency.	The company has **violated rule 14(2) of Securities and Exchange Rules, 2020** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by not presenting its financial statements as per IAS and IFRS as the company failed to comply with IFRS 9 regarding provision for impairment loss of the financial

S.L No.	Qualified Opinion	Reply of the Company	Observation of the Corporate Reporting Department
	to all depositors and to the peoples in home and abroad, against which no provision for Impairment loss of the financial instrument have been recognized by the company as per IFRS-9.	Affeered is being made to encash the remaining amount since the company is functioning in small scale.	instrument. As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
05.	The company have not paid any VAT and AIT against the Sub-Contact Income during the year according to the VAT Act 2012, Rule 2016 and Income Tax Ordinance 1984 and/or Income Tax Act-2023. The amount of unpaid VAT on the revenue shown in the Financial Statement during the year under audit would be Tk. (100,942,193 X 15%) = Tk. 15,141,329, which is a misstatement as well as non-compliance of the related Acts & Rules We were also not provided with any copy of monthly VAT Return (Mushak-9.1) for the year under audit and annual income tax return.	The trolling price agreement was executed between Khan Brothers PP Woven Bag Industries Ltd. and Khan Brothers Bag Industries Ltd. (It's sister concern) for manufacturing and supply of various kind of PP woven bag & cement bag. Since VAT is involved while billing trolling bill to be realized from KBBIL. The trolling price taken by KBPPWBIL without adding 15% VAT on the bill amount. On the contention is that if the VAT is taken to the bill amount and it's to be deposited to Govt. treasury. On the other hand KBBIL paid the bill without any VAT and no rebate was taken such purchase. Hence, Govt. has no loss in this regard. KBBIL did not taken any VAT against such purchase. Similarly not IT was deducted by KBBIL from KBPPWBIL and thereby no IT adjustment was taken by KBPPWBIL and hence Govt. has no loss in this regard.	The company didn't pay any VAT which would be Tk. 15,141,329 against the Sub-Contact Income. As a result, expenses and net loss may be understated and EPS of the company may be overstated. As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
06.	The company have not yet introduced employee provident fund and Gratuity/Compensation benefit as per guideline of Bangladesh Labor Laws/Rules 2015, As such no provision have been made for these purpose, which	The company is running and incurring huge loss as such the contributable provident fund (deduction salary @ 10% from employees and equivalent amount) could not be introduced in the company. Moreover, the employees are not interested to deduct any	**Employee provident fund and Gratuity/Compensation benefit is related to Bangladesh Labor Laws/Rules, 2015.** As per audit opinion, the company has misstated its financial statements by not keeping provision for provident fund and Gratuity.

S.L No.	Qualified Opinion	Reply of the Company	Observation of the Corporate Reporting Department
	is a non-compliance and misstatement in the financial statement.	amount from their salary for uncertainty of company such as loss bearing since long. Company has no gratuity scheme. Company is paying monthly salary comparatively higher to compensate the gratuity amount receivable at the end of the service tenure. If the gratuity system is introduced, then the salary will be required to reduce to generate the gratuity fund, this can not be acceptable to the employees in these hard days and uncertainty of the business. Employees feel better investing in pension scheme instead of contributing to provident fund and additional salary instead of gratuity for their future benefit.	As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.
07.	The financial statement shows Revenue of 100,942,193 during the year under audit from Sub-Contact work of manufacturing bags for the buyers of Khan Brothers Bag Industries Ltd. and realization of Tk. 74,3 49,794 but we were unable to trace those amounts of realization, since those were realized in cash instead of receiving through bank as revealed from the bank statement produced to us by the company. Without modifying our opinion, we would advise the management to use banking channel for the financial transactions.	Since both the companies are managed by the same management transactions are being made in cash form like payment of Salary & Wages, manufacturing overhead and some administrative expenses. However we will look in the reported emphasis and take care in future.	It appears that revenues of the company were Tk. 100,942,193 from sub-contact work of manufacturing bags for the buyers of Khan Brothers Bag Industries Ltd and the realized amount was Tk. 74,349,794 but auditors were unable to trace those amounts of realization because those amounts were realized in cash instead of receiving through bank. **It appears from the aforesaid observation that the company may be involved in showing false revenue in its financial statements. By the aforesaid activities revenues of the company may be overstated, net loss may be understated.** As such, the financial statements of the company for the period ended 30 June 2023 were not reflected true and fair view of its financial position and financial performance. So, the company has **violated section 18 of Securities and Exchange Ordinance, 1969** which attracted section 22 of the Securities and Exchange Ordinance, 1969 by providing false and misleading information in its financial statements for the year ended on 30 June 2023 to the investors.

Bangladesh Securities and Exchange Commission
Enforcement Division
Enforcement Department
Market, Market Intermediaries and Other Affairs Section
www.sec.gov.bd

যেহেতু, উপর্যুক্ত আলোচ্য বিষয়ে আইন ভঙ্গের কারণে কমিশনের এনফোর্সমেন্ট বিভাগ এর স্মারক নং- বিএসইসি/এনফোর্সমেন্ট/৪০৩১/২০২৩/১১১২ তারিখ: ৩০ সেপ্টেম্বর ২০২৫ অনুযায়ী Khan Brothers PP Woven Bag Industries Limited এবং এর Board of Directors, Managing Director, Chief Financial Officer ও Company Secretary, Khan Brothers PP Woven Bag Industries Limited কে ২৭ অক্টোবর ২০২৫ তারিখে কারণ প্রদর্শনসহ শুনানীতে উপস্থিত হতে বলা হয়। শুনানীতে উপস্থিত হয়ে Mr. Azizul Jabbar, FCMA, CFO of Khan Brothers PP Woven Bag Industries Limited (himself & on behalf of Khan Brothers PP Woven Bag Industries Limited, Chairman, Board of Directors, Managing Director) এবং Mr. Tapan Kumar Sarker, Company Secretary of Khan Brothers PP Woven Bag Industries Limited (himself & on behalf of Khan Brothers PP Woven Bag Industries Limited) এপ্রিল ২৭ অক্টোবর ২০২৫ তারিখের পত্রের মাধ্যমে নিম্নলিখিত বক্তব্য দাখিল করেন:

Explanation of alleged persons of Khan Brothers PP Woven Bag Industries Limited submitted at the time of hearing:

" ....1. Khan Brothers PP Woven Bag Industries Ltd. (KBPPWBIL) was established as export oriented industries in 2006 and the company was running well till 2018-2019 financial year. After pandemic Covid-19 spread from January 2020 all over the world and resulting declining export orders. The export came down 23.94 crore in the financial year 2019-2020 against comparative export of Tk. 57.94 crore previous year 2018-2019. During the Covid-19 and afterward export could not be increased in spite of our hard whole apart. As a result, the quality of the imported raw materials lying in the godown are gradually declining. We inform you that we have another sister concern name Khan Brothers Bag Industries Ltd. (KBBIL) who produces PP woven bag under tolling system supplying the required raw materials for production in the factory of Khan Brothers PP Woven Bag Industries Ltd. Then management decided that the required raw materials will not be taken at this moment rather to utilize the old raw materials of KBPPWBIL (quantity of which being detorated) will be used in the production. The quantity of raw materials used in their production will replenish in due course as an when we require. There was a source of work-in-process in 2020-2021 which has been finished subsequently and added with finished stock. This finished goods was produced as per order of foreign customers. The concern customers disagreed to take the goods due to pandemic Covid-19 and lying in the store being the quality of the products detorated day by day. Affeered is being made to dispose of the goods in the local market as at discounted price.

In the mean time company taken steps to sell the finished products and by this time finished goods worth of Tk. 61,57,800.00 has been sold at discounted price and remaining quantity will be disposed by December 2025.

2. Khan Brothers PP Woven Bag Industries Ltd. was established in 2006 purchasing 461.50 decimal land in the company name and the factory building, warehouse, office building, mosque, approach road were constructed on those land remaining land are vacant around the factory structure. Subsequently 117.50 decimal and 14.00 decimal purchased for set up Khan Brothers Bag Industries Ltd. and Khan Brothers Marble & Granite Ltd. However, we will make the physical survey and if there is any land in the premises of Khan Brothers Bag Ind. Ltd. & Khan Brothers Marble & Granite Ltd. will be separated by demarketing and construction of permanent wall to settle the issue.

In the meantime due measurement of land was carried out 461.5 decimal land demarcated of KBPPWBIL with RCC Bricks wall for permanent possession of the company. The land purchased for construction of two factories measuring area 117.50 decimal for construction of factory Khan Brothers Bag Industries Ltd. and Khan Brothers Marble Ltd. are being operating in their own land with separate approach road and gate.

3. In the financial year 2019-2020 we - exported Tk. 23.10 crore out of which we received the proceeds worth of Tk. 16.90 crore and the remaining balance Tk. 6.20 crore was not remitted by the buyers. Inspite of our repeated request the party did not remit the amount due to fall of their business during the pandemic Covid-19 period. However, we are trying our best to realise the proceeds. If the proceed could not be realized then the due provision will be made in the books of accounts.

4. A sum of Tk. 9.80 crore was kept as FDR in Peoples Leasing and Financial Services Ltd. (PLFSL) in 2018-2019 out of which FDR for a Tk.6.80 crore was encashed in the year 2019-2020 and the balance Tk. 3.00 crore could not be encashed due to their financial insolvency. Affeered is being made to encash the remaining amount. Since the -company functioning in small scale they are unable to settle the amount at a time.

If, the Govt. decide to liquidate the company, the depositor will get proportionate amount of realization value of liquidation of their respective deposit. Until the liquidation is made no provision or bad and doubtful debts will be made in the books of accounts.

5. The trolling price agreement was executed between Khan Brothers PP Woven Bag Industries Ltd. and Khan Brothers Bag Industries Ltd. (It's sister concern) for manufacturing and supply of various kind of PP woven bag & cement bag. Since VAT is involved while billing trolling bill to be realized from KBBIL. The trolling price taken by KBPPWBIL without adding 15% VAT on the bill amount. The contention is that if the VAT is taken to the bill amount and it's to be deposited to Govt. treasury. On the other hand, KBBIL paid the bill without any VAT and no rebate was taken on such purchase. Hence, Govt. has no loss in this regard. Similarly, no IT was deducted by KBBIL from KBPPWBIL bills and thereby no IT adjustment was taken by KBPPWBIL and hence Govt. has no loss in this regard. The matter is under consideration of the Tax authority.

6. The company is running and incurring huge loss as such the contributable provident (deduction salary @ 10% from employees and equivalent amount payable by the company) could not be introduced in the company. Moreover, the employees are not interested to deduct any amount from their salary for uncertainty of company due to loss encuring. Company has no gratuity scheme. Company is paying monthly salary comparatively higher to compensate the gratuity amount receivable at the end of the service tenure of the employee. If the gratuity system is introduced, then the salary will be required to reduce to generate the gratuity fund, this cannot be acceptable to the employees in these hard days and uncertainty of the business. Employees feel better investing in pension scheme instead of contributing to provident fund and additional benefit as gratuity.

7. Since both the companies are managed by the same management transactions are being made in cash form like payment of Salary & Wages, manufacturing overhead and some administrative expenses. However, we will look in the reported emphasis and take care in future. The taxable salary of the officers are being made through bank transfer after deducting income tax.

Therefore, we hope our reply on auditor's qualified opinion will satisfy you and we will be more careful in future to comply the issues."

যেহেতু, Khan Brothers PP Woven Bag Industries Limited এর Chairman, Mr. Mohammed Enamul Kabir Khan, Managing Director, Mr. Tofayel Kabir Khan, Director, Mr. Md. Ruhul Kabir Khan, Director, Mr. Hazrat Ali, Director, Mrs. Jarin Kabir Khan, Chief Financial Officer, Mr. Md. Azizul Zabber, Company Secretary, Mr. Tapan Kumar Sarker উপর্যুক্ত কর্মকান্ডের মাধ্যমে Rule 14(2) of Securities and Exchange Rules, 2020 and Section 18 of Securities and Exchange Ordinance, 1969 ইচ্ছাকৃতভাবে লংঘন করেছেন;

যেহেতু, পুঁজিবাজারে বিনিয়োগকারীদের স্বার্থ রক্ষা সহ পুঁজিবাজারের উন্নয়ন ও শৃঙ্খলা রক্ষা করা কমিশনের অন্যতম উদ্দেশ্য তথা কর্তব্য;

যেহেতু, Khan Brothers PP Woven Bag Industries Limited এর Chairman, Mr. Mohammed Enamul Kabir Khan, Managing Director, Mr. Tofayel Kabir Khan, Director, Mr. Md. Ruhul Kabir Khan, Director, Mr. Hazrat Ali, Director, Mrs. Jarin Kabir Khan, Chief Financial Officer, Mr. Md. Azizul Zabber, Company Secretary, Mr. Tapan Kumar Sarker-এর উপর্যুক্ত কর্মকান্ড Securities and Exchange Ordinance, 1969 এর Section 22 অনুযায়ী শাস্তিযোগ্য অপরাধ;

যেহেতু, কমিশনের বিবেচনায়, সিকিউরিটিজ আইন ও বিধি-বিধান পরিপালনে আলোচ্য ব্যর্থতার জন্য, পুঁজিবাজারের শৃংখলা, স্বচ্ছতা এবং জনস্বার্থে আলোচ্য Khan Brothers PP Woven Bag Industries Limited এর Chairman, Mr. Mohammed Enamul Kabir Khan, Managing Director, Mr. Tofayel Kabir Khan, Director, Mr. Md. Ruhul Kabir Khan, Director, Mr. Hazrat Ali, Director, Mrs. Jarin Kabir Khan, Chief Financial Officer, Mr. Md. Azizul Zabber, Company Secretary, Mr. Tapan Kumar Sarker-কে অর্থদন্ডে দন্ডিত করা প্রয়োজন ও সমীচীন;

অতএব, সেহেতু, কমিশন উল্লিখিত যাবতীয় বিষয় বিবেচনাপূর্বক, Securities and Exchange Ordinance, 1969 এর Section 22 এ প্রদত্ত ক্ষমতাবলে-

- Khan Brothers PP Woven Bag Industries Limited এর Chairman, Mr. Mohammed Enamul Kabir Khan, Managing Director, Mr. Tofayel Kabir Khan, Director, Mr. Md. Ruhul Kabir Khan, Director, Mr. Hazrat Ali, Director, Mrs. Jarin Kabir Khan, Chief Financial Officer, Mr. Md. Azizul Zabber, Company Secretary, Mr. Tapan Kumar Sarker এর বিরুদ্ধে নিম্নোক্ত সিদ্ধান্তসমূহ গ্রহণ করেছে;

(১) ৩০ জুন ২০২৩ সমাপ্ত আর্থিক বছরের নিরীক্ষিত বিবরণীতে মিথ্যা তথ্য প্রদানের মাধ্যমে Rule 14(2) of the Securities and Exchange Rules, 2020 এবং Section 18 of the Securities and Exchange Ordinance, 1969 লঙ্ঘনের দায়ে Khan Brothers PP Woven Bag Industries Limited এর পরিচালক ও কর্মকর্তাদের নিম্নোক্তভাবে অর্থদন্ডে দন্ডিত করার, যা দন্ডিত ব্যক্তিদের ব্যক্তিগত দায় হিসেবে বিবেচিত হবে:

ক্রম	নাম ও পদবী	অর্থদন্ডের পরিমাণ (টাকায়)
১	Mr. Mohammed Enamul Kabir Khan Chairman	২৫.০০ লক্ষ
২	Mr. Tofayel Kabir Khan Managing Director	২৫.০০ লক্ষ
৩	Mr. Md. Ruhul Kabir Khan Director	২৫.০০ লক্ষ
৪	Mr. Hazrat Ali Director	২৫.০০ লক্ষ
৫	Mrs. Jarin Kabir Khan Director	২৫.০০ লক্ষ

৬	Mr. Md. Azizul Zabber Chief Financial Officer	১০.০০ লক্ষ
৭	Mr. Tapan Kumar Sarker Company Secretary	৫.০০ লক্ষ

যা অত্র আদেশের ৩০ (ত্রিশ) দিনের মধ্যে 'বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন' এর অনুকূলে ইস্যুকৃত ব্যাংক ড্রাফট/পে-অর্ডারের মাধ্যমে জমা প্রদান করতে হবে, অন্যথায় সিকিউরিটিজ আইন মোতাবেক পরবর্তী আইনানুগ ব্যবস্থা গ্রহণ করা হবে।

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের আদেশক্রমে,

Nahid Mahtab
05.07.26
নাহিদ মাহতাব
কমিশনার

বিতরণ:

01. **Mr. Mohammed Enamul Kabir Khan, Chairman**, Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
02. **Mr. Tofayel Kabir Khan, Managing Director**, Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
03. **Mr. Md. Ruhul Kabir Khan, Director,** Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
04. **Mr. Hazrat Ali, Director,** Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
05. **Mrs. Jarin Kabir Khan, Director**, Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
06. **Mr. Md. Azizul Zabber, Chief Financial Officer,** Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.
07. **Mr. Tapan Kumar Sarker, Company Secretory,** Khan Brothers PP Woven Bag Industries Limited, KBG Tower (7th & 8th Floor), 15 DIT Road, Malibagh Chowdhurypara, Dhaka-1219.