



KHULNA PRINTING & PACKAGING LIMITED

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

PROSPECTUS

Public issue of 40,000,000 ordinary shares of Tk. 10.00 each at par totaling Tk. 400,000,000.00

Of



KHULNA PRINTING & PACKAGING LTD.

Opening date for subscription: May 04, 2014

Closing date for subscription : May 08, 2014

For Non-Resident Bangladeshi quota, subscription closes on: May 17, 2014

Manager to the Issue



Sonali Investment Limited
(A Subsidiary Company of Sonali Bank Limited)
11/A, Toyenbee Circular Road, (11th floor)
Motijheel C/A, Dhaka-1000.

Underwriters

PLFS Investments Limited Paramount Heights (13 th floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000	Sonali Investment Limited Sara Tower (11 th floor), 11/A Toyenbee Circular Road, Motijheel C/A, Dhaka-1000.
ICB Capital Management Limited BDBL Bhaban, 8, Rajuk Avenue (Level-16), Dhaka-1000	SBL Capital Management Limited Metropolitan Chamber Building (Ground Floor), 122- 124 Motijheel C/A, Dhaka-1000
Janata Capital & Investment Limited 48, Motijheel C/A, (3 rd Floor), Dhaka-1000	First Security Islami Capital & Investment Limited Al-Amin Tower (11 th floor), 25/A Dilkusha C/A, Dhaka- 1000

Date of Publication of Prospectus: April 03, 2014
The Issue shall be placed in "N" Category

KHULNA PRINTING & PACKAGING LIMITED

51, Khan A Sobur Road, Khulna.
Tel.880-41-720318,722347,733942, 02-9351176 Fax-880-41-731256
Email: ocean@khulna.bangla.net, rupsha@khulna.bangla.net
Website: www.lockpurgroup.com

"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**

Prospectus of the Company may be available at the following addresses:

	Name & Address	Contact Person	Telephone No.
--	---------------------------	-----------------------	----------------------

Issuer Company

	Khulna Printing & Packaging Limited 51, Khan A Sobur Road, Khulna.	Md. Amzad Hossain Sr. Executive Director	880-41-720318, 722347,73394. 88-02-9351176
--	---	---	--

Issue Manager

1.	Sonali Investment Limited 11/A, Toyenbee Circular Road, (11 th floor), Motijheel C/A, Dhaka-1000.	Md. Ali Arshad Chief Executive Officer	88-2-9568777 9556940, 7170001
----	--	---	----------------------------------

Underwriters

1.	Sonali Investment Limited Sara Tower (11 th floor), 11/A Toyenbee Circular Road, Motijheel C/A, Dhaka-1000.	Md. Ali Arshad, Chief Executive Officer	88-2-9568777 9556940, 7170001
2.	ICB Capital Management Limited. BDBL Bhaban, 8, Rajuk Avenue (Level-16), Dhaka-1000	Md. Moshir Rahman Chief Executive Officer	7160326,7160327, 7160422, 01713-008032
3.	Janata Capital & Investment Limited 48 (3 rd Floor), Motijheel C/A, Dhaka-1000	Md. Jahangir Miah Chief Executive Officer	88-02-7114375
4.	SBL Capital Management Limited Metropolitan Chamber Building (Ground Floor), 122-124 Motijheel C/A, Dhaka-1000	Mufakhkharul Islam Chief Executive Officer	88-02-9515484, 01731-545665
5.	PLFS Investment Limited Paramount Heights (13 th floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000	Mustofa Kamal Chief Executive Officer	88-02-7119654, 9551036,9551041
6	First Security Islami Capital & Investment Limited, Al-Amin Tower (11 th floor), 25/A Dilkusha C/A, Dhaka-1000	M. Anwar Hossain Chief Executive Officer	88-02-7175819-20, 88-02-9559827-30

Stock Exchanges

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000.	DSE Library	9564601-7 9666944-8
Chittagong Stock Exchange Limited (CSE). CSE Building, 1080 Sheikh Mujib Road, Chittagong.	CSE Library	031-714632-3 031-720871-3

Prospectus would also be available on the web site of SEC (www.secdb.org), DSE (www.dsebd.org), CSE (www.csebd.com), Issuer (www.lockpurgroup.com), Issue Manager (www.sil.com.bd) and Public Reference Room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and studying.

Name, address and telephone number of the Auditors:	Saha Mazumder & Co. Chartered Accountants 21, Purana Paltan line (4 th Floor), Dhaka-1000, Phone no. 8355469/8355471 Fax-9332936
---	---



Section-2

Table of Contents

Particulars	Page
1. Statutory Conditions	
1.1 Conditions under Section 2CC of the Securities and Exchange Ordinance, 1969	7-11
1.2 Disclosure in respect of issuance of securities in demat form	12
1.3 General information	12
2. Declaration & Due Diligence Certificate	
2.1 Declaration about the responsibility of the director(s), including the CEO of the company "Khulna Printing & Packaging Limited" in respect of the prospectus	13
2.2 Consent of the director(s) to serve as director(s)	13
2.3 Declaration about filing of prospectus with the Registrar of Joint Stock Companies and Firms	14
2.4 Declaration by the issuer about the approval from Bangladesh Securities and Exchange Commission for any material change	14
2.5 Declaration by the issue managers about the approval from Bangladesh Securities and Exchange Commission for any material change	14
2.5 Due diligence certificate of the underwriter(s)	15
2.7 Due diligence certificate of the managers to the issue	16
3. Risk factors and management's perception about the risks	17-20
4. Issue Size and purpose of Public Offering	
4.1 Financial Structure of the Company	20
4.2 Use of IPO proceeds	21
4.3 Implementation Schedule	21
5. Description of Business	
5.1 Corporate Status and Background	21
5.2 Nature of business	22
5.3 Principal products	22
5.4 Market for the products	22
5.5 Relative contribution of Products contributing more than 10% of the total revenue	22
5.6 Associates, subsidiary/related holding company and their core areas of business	22-23
5.7 Distribution of products/services	24
5.8 Competitive condition of business	24
5.9 Sources and availability of raw materials and principal suppliers	24-25
5.10 Sources of and requirement for power, gas and water or any other utilities	25
5.11 Customer providing 10% or more revenues	25
5.12 Description of contract with principal suppliers/customers	25
5.13 Description of any material patents, trademarks, licenses or royalty agreements	26
5.14 Number of employees	26
5.15 Production Capacity and current utilization	26
5.16 Corporate Social Responsibility	26
6. Description of property	27
7. Plan of operation and discussion of financial condition	
7.1 Internal and external sources of cash	28
7.2 Material commitment for capital expenditure	28
7.3 Material changes from period to period	28-29
7.4 Seasonal aspect of the company's business	29
7.5 Known trends, events or uncertainties	29
7.6 Change in the assets of the company used to pay off any liabilities	29
7.7 Loan taken from or given to holding/parent company or subsidiary company	29
7.8 Future contractual liabilities	29
7.9 Future capital expenditure	29
7.10 VAT, income tax, customs duty or other tax liability	29-30
7.11 Operating lease agreement	30
7.12 Financial lease commitment	30
7.13 Personnel related scheme	31
7.14 Breakup of IPO expenses	32
7.15 Revaluation of company's assets and summary thereof	33
7.16 Transaction between holding company/sisters concern/ subsidiaries	34
7.17 Auditors certificate regarding allotment of shares to promoters or sponsor shareholders for consideration other than in cash	35



7.18	Declaration regarding Non-suppression of material information	35
8.	Directors and Officers	
8.1	Information about the directors and officers	36
8.2	Directors' involvement in other organization	37
8.3	Family relationship among directors and top officials	38
8.4	Short bio-data of the directors	38-39
8.5	Credit Information Bureau (CIB) report	40
8.6	Description of top executives and departmental heads	40
9.	Involvement of directors and officers in certain legal proceedings	41
10.	Certain relationships and related transactions	41
11.	Executive compensation	42
12.	Options granted to directors, officers and employees	43
13.	Transaction with the directors and subscribers to the memorandum	43
14.	Tangible assets per share	44
15.	Ownership of the company's securities	
15.a	5% or more of the Shareholding structure of the Company	45
15.b	Securities owned by the top ten salaried officers	45
16.	Determination of offering price	46
17.	Market for the securities being offered	46
18.	Description of Securities outstanding or being offered	
18.1	Dividend, voting, preemption rights	47
18.2	Conversion and liquidation rights	48
18.3	Dividend policy	48
18.4	Other rights of shareholders	49
19.	Debt Securities	49
20.	Lock-in provision	49
21.	Refund of subscription money	50
22.	Subscription by and refund to non-resident Bangladeshis (NRB)	50
23.	Availability of securities	50
24.	Manager to the Issue	51
25.	Underwriting of shares	
25.1	Underwriting of shares	51
25.2	Principal terms and conditions of underwriting agreement	52
25.3	Commission for the underwriters	52
25.4	Allotment	52
25.5	Application for subscription	53-54
25.6	Material contracts	54
25.7	Commission to the Bankers to the Issue	54
25.8	Miscellaneous Information	55
25.9	Bankers to the issue	56-58
26.	Audited Accounts & Auditors Certificate	
26.1	Auditors report to the shareholders	59
26.2	Audited Accounts for the year ended June 30, 2013	60-86
26.3	Auditors Certificate regarding Paid-up capital	87
26.4	Ratio Analysis	88
26.5	Net Tangible Assets per share	89
26.6	Auditor's Report in pursuance of Section 135(1) under para 24(1) of Part-II of the Third Schedule of the Companies Act 1994	90-93
26.7	Auditors' Certificate for issue of shares for consideration otherwise than in cash	94
27.	Application Form	
27.1	Application Form for shares by investors other than non-resident Bangladeshi(s)	95-96
27.2	Application Form for shares by Non-Resident Bangladeshi(s) (NRB)	97-98
27.3	Application Form for shares by Affected Investor(s)	99-100

**Definition and Elaboration of the abbreviated words and technical terms used in the prospectus**

Allotment	Letter of Allotment of Shares
BDT	Bangladeshi Taka
BO	Beneficiary Owner
BSEC	Bangladesh Securities and Exchange Commission
Commission	Bangladesh Securities and Exchange Commission
CDBL	Central Depository Bangladesh Limited
CIB	Credit Information Bureau
Certificate	Share Certificate
CSE	Chittagong Stock Exchange Ltd.
DSE	Dhaka Stock Exchange Ltd
FC Account	Foreign Currency Account
IPO	Initial Public Offering
Issue	Public Issue of Shares of KPPL
KPPL	Khulna Printing & Packaging Limited
MP	Market Price
NAV	Net Asset Value of the Company
NRB	Non-Resident Bangladeshi
Offering Price	Price of the Share of Khulna Printing & Packaging Ltd. being offered
RJSC	Registrar of Joint Stock Companies and Firms
Registered Office	Head Office of the Company
STD Account	Short Term Deposit Account
Securities	Share of Khulna Printing & Packaging Limited
Securities Market	The Share Market of Bangladesh
Stock Holder	Share Holder
Subscription	Application Money
Sponsors	The Sponsors Shareholder of Khulna Printing & Packaging Limited
SC	Share Certificate
SIL	Sonali Investment Limited
The Company/Issuer	Khulna Printing & Packaging Limited



CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

The Commission hereby accords its consent under section 2A, Sub-sections (2) (a) and (2) (b), read with section 2B of the Securities and Exchange Ordinance, 1969 and the Securities and Exchange Commission (Public Issue) Rules, 2006, based on all the above documents and information provided to BSEC, to the issue of 40,000,000 Ordinary Shares of Tk. 10.00 each at par worth Tk. 400,000,000.00 (Tk. Forty Crore) only through public offer and approves the prospectus of Khulna Printing & Packaging Limited (hereinafter referred to as 'issuer' or 'company'), subject to the following conditions imposed under section-2CC of the said Ordinance, as mentioned under Part-A, B, C and D namely:

Part - A

1. The Company shall go for Initial Public Offer (IPO) of 40,000,000 ordinary shares of Tk. 10.00 each at par totaling Tk. 400,000,000.00 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 manager a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of the 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 the prospectus may be obtained from the issuer and the Issue manager. 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 manager shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through e-mail, 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 manager 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 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 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 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 Mutual Trust Bank Limited, 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, where applicable.
13. The company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshis, 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 banker 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 BDT 5,000** (Taka 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 manager 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 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 in 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 Allottees 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 manager, 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 name and branch of the bank shall be furnished to the Commission jointly by the issuer and Issue manager, 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 the 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/other than cash dividend based on the financial statements for the period ended June 30, 2014 before listing of its capital with stock exchange(s).**



PART-B

1. The issuer and Issue Manager 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 status report on utilization of Public Offering proceeds alongwith all procurement/relevant documents, audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock exchanges 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.
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 exchange(s).
8. Directors on the company's Board will be in accordance with the 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.



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 and 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 Beneficial Owners (BO) account.

2. The company and the issue manager shall ensure due compliance of all above conditions and the Securities & Exchange Commission (Public Issue) Rules, 2006.

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

As per provisions of the Depository Act, 1999 and regulations made there under, share of the company will be issued in dematerialized form, only and, for this purpose, Khulna Printing & Packaging Limited has signed an agreement with the Central Depository Bangladesh Limited (CDBL). Therefore, all transfers/transmissions, splitting or conversions will take place in the CDBL system and any further issuance of shares (including rights/bonus) will also be issued in dematerialized form only.

GENERAL INFORMATION

1. **Sonali Investment Limited** (Manager to the Issue) have prepared this prospectus based on the information provided by **Khulna Printing & Packaging Limited** (the Issuer) and also upon several discussions with the Managing Director and concerned executives of the Company. The Directors including Chairman & Managing Director of Khulna Printing & Packaging Limited, Sonali Investment Limited 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 aspects and that there are no other material facts, the omission of which would make any statement herein misleading.
2. 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.
3. 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.
4. A copy of this Prospectus may be obtained from the Head Office of Khulna Printing & Packaging Limited, Sonali Investment Limited, the Underwriters and the Stock Exchanges where the securities will be listed.

**DECLARATIONS & DUE DELIGENCE CERTIFICATES****Declaration about the responsibility of the director(s), including the CEO of the Company “Khulna Printing & Packaging Limited” in respect of 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/-
(SM Amzad Hossain)
Chairman & Director

Sd/-
(Sufia Khatun)
Managing Director & Director

Sd/-
(Mrinal Kanti Debnath)
(Represented by Shampa Ice & Cold
Storage Ltd.)
Director

sd/-
(Md. Amzad Hossain)
(Represented by Rupsha Fish &
Allied Ind. Ltd.)
Director

Sd/-
(Sujit Kumar Saha)
(Represented by Bagerhat Sea food Ind. Ltd.)
Director

Sd/-
(SM Abul Hossain)
(Represented by Southern Foods Ltd.)
Director

Sd/-
(Khan Habibur Rahman)
(Represented by Metro Bricks Ltd.)
Director

Consent of Director (S) To Serve as Director (S)

We hereby agree that we have been serving as Director(s) of Khulna Printing & Packaging Limited and continue to act as a Director of the Company.

Sd/-
(SM Amzad Hossain)
Chairman & Director

Sd/-
(Sufia Khatun)
Managing Director & Director

Sd/-
(Mrinal Kanti Debnath)
(Represented by Shampa Ice & Cold
Storage Ltd.)
Director

sd/-
(Md. Amzad Hossain)
(Represented by Rupsha Fish &
Allied Ind. Ltd.)
Director

Sd/-
(Sujit Kumar Saha)
(Represented by Bagerhat Sea food
Ind. Ltd.)
Director
Sd/-

Sd/-
(SM Abul Hossain)
(Represented by Southern Foods
Ltd.)
Director

(Khan Habibur Rahman)
(Represented by Metro Bricks Ltd.)
Director



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

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

Declaration by the Issuer about the approval from Bangladesh Securities and Exchange Commission for any material changes regarding Prospectus of Khulna Printing & Packaging Limited.

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/-

(Sufia Khatun)

Managing Director

Khulna Printing & Packaging Limited.

Declaration by the Issue Manager about the approval from Bangladesh Securities and Exchange Commission for any material changes regarding Prospectus of Khulna Printing & Packaging Limited

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/-

(Md. Ali Arshad)

Chief Executive Officer

Sonali Investment Limited



KHULNA PRINTING & PACKAGING LIMITED

Due Diligence Certificate of the Underwriter (S)

Sub: Public Offer of 40,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 400,000,000.00 of Khulna Printing & Packaging 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 discussion 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. All information as are relevant to our underwriting decision has 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/-

(Managing Director/Chief Executive Officer)

Sonali Investment Limited
PLFS Investment Limited
ICB Capital Management Limited
SBL Capital Management Limited
Janata Capital & Investment Limited
First Security Islami Capital & Investment Limited



Due Diligence Certificate of Manager to the Issue

Sub: Public Offer of 40,000,000 Ordinary Shares of Tk. 10.00 each at par totaling Tk. 400,000,000.00 of Khulna Printing & Packaging 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 discussion 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

Sd/-

(Md. Ali Arshad)

Chief Executive Officer

Sonali Investment Limited



Section-3

RISK FACTORS & MANAGEMENT PERCEPTIONS ABOUT THE RISK

The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investments by the investors. The assessable risk factors, both external and internal, and management perception there about are enumerated hereunder:

(a) Interest Rate Risk

Interest/financial charges are paid against any kind of borrowed fund. Instability in money market and increased requirement for fund may put pressure on interest rate structure. Rising of interest rate increases the cost of fund and consequently there may be impact on profitability.

Management Perception:

While taking loan, Company always carefully considers the balance to be maintained between term loan, which carries fixed interest rate and short-term loan, which carries variable interest rate so that any interest on inflation rate increase can be kept to the minimum. Additionally Company maintains very good reputation in the banking community and so far being able to attract very competitive rates from the Banks. Management of the Company is also emphasizing on equity based financing to reduce the dependency on bank borrowings, which is reflected in the financial statements.

(b) Exchange Rate Risk

The Company imports raw materials against payment of foreign currency. Unfavorable volatility or currency fluctuation may affect the profitability of the Company.

Management Perception

Company is fully aware of the risk related to currency fluctuation and as a prudent Company; we always take steps to hedge all major currency dealings to safeguard the interest of the Company.

(c) Industry Risk

Printing and packaging industry may face risk due to fall in export demand, because of fall in industrial production and because shortage of utility supply (power & gas). The industry may face some challenges due to change in govt. policies and labor unrest. The industry may even face risk from local and global competition.

Management Perception

Printing and packaging industry is a growing industry in Bangladesh as industrialization in the country is promotes day by day and demand for printing & packaging materials is also increase consequently. At the same time, demand for printing and packaging products increase with the increase in industrial production with increased export demand.

Presently there is a huge demand supply gap in the industry. The management of KPPL always has a keen eye to face all these challenges. The set its products price as it may remain competitive in the local and global market, they always trying to expand its production to enjoy the benefit of demand – supply gap. Therefore, the management of KPPL is aware enough to address any changes in this industry.

(d) Environmental Risk

Environmentalists are likely to create pressure on Government to protect or banning those factory, which are not follow proper ETP, waste management solution, air pollution etc. which has negative effects on living being and environment thereby causing closure of business by the Company.



Management Perception:

We have a good setup for ETP and incinerator for waste management, a very good and sophisticated fire alarm system with integrated fire hydrant and firehouse arrangement with carbon dioxide fire extinguisher, dry powder and sand bucket. We are using exhaust filter for protection air pollution, most modern HVAC system for temperature and humidity control, which provides ergonomics environment. Sound is protected with enclosure room built with silencer and sound guard, which maintain sound with standard label. The company also strictly follows all the laid down regulations for marketing the products and therefore does not foresee any problems in doing the business.

(e) Market and technology related Risk

The company has world-class infrastructure with most sophisticated machinery and equipments. Fully segregated independent production facility equipped with sophisticated high-tech Asian machinery. Electronically controlled operation system as per guideline of GAMP - 4 (Good Automated Manufacturing Practice).

The production facilities are based on currently available technology. Any invention of new and more cost effective technology may cause operational obsolescence thereby causing in substantial new investments. Proposed new investments in diversified product lines may need diversified technology and management skills, which may not be available. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

Management Perception:

Company owns modern technology with R&D Infrastructure and shall be able to adapt to any new inventions with moderate investments as it has been doing in the past. The Company has access to international/multinational companies for supplying appropriate technology and technical management support for operation of new projects. Reputed manufacturer with proper warranty to take care any defects or confirmation of supplying of adequate spare parts has manufactured the selected/installed plant and machinery. As such, the Company does not envisage any major problem in this area. With all the above, the management of the company is always aware of the changes in technology and they are ready to introduce the update technology always to remain competitive and they make their employees competent to equip with the update technology always through various training programs.

(f) Potential or existing government regulations:

The company operates under companies Act, Taxation policy adopted by NBR, Security and Exchange Commission Rules and rules adopted by other regulatory bodies. Any adverse change by the Government in policies formed by those bodies may adversely affect Company's profitability.

Management Perception

Khulna Printing & Packaging Ltd. has the hi-tech printing & packaging facility with huge requirement of world class food grade packaging materials consumed by Lockpur Group of companies. Unless any adverse policies are taken, which may materially affect the industry as a whole; the business of the company will not be affected. the business of the company mainly engage in the production of such packaging and printing materials complementary to basic need item exportable and it is less likely to abrupt change in the regulation that may affect the company's business. Besides as this is a very basic need of the country and abroad, the demand has never been affected significantly by adverse economic conditions.



(g) Potential changes in global or national policies

The Company's product lines consist of printing & packaging that are primarily based on imported raw materials. Any shortage in the international market might dent the production level and profitability. Law and order situation and political unrest may also jeopardize Company's operations and adversely affect profitability.

Management Perception

As a going concern, Company always takes step to safeguard its interest. The Company's supply chain is robust in accommodating large number of suppliers with proper contingency plan in place.

(h) Operational risk

Shortage of power supply, labor unrest, unavailability or price increase of raw materials, shrink of market, natural calamities like flood, cyclone, earthquake etc. may disrupt the production of the Company and can adversely impact the profitability of the Company.

Management Perception

The Company always provides competitive compensation package to its employees and maintains a sound relationship between workers and management. The factory building has strong RCC foundation, RCC floor, pre-fabricated structure to withstand, storm, rain etc. along with good drainage facility. The Company's product has a good reputation in the market. The company has backward linkage to some extent of its own and a sound source of raw material suppliers from different countries, at the same time, it maintains a sound level of inventory always so that its operation continues in the course of time. The company has certain buyer such as Lockpur Group of Companies. The Company always takes pragmatic steps to convince the customer to share a portion of the increased burden of cost increase which is possible because of strong reputation of company's product. So it is less likely to suffer operational risk.

(i) Risk related to sister concerns

Because the main customers of KPPL's products are the sister concerns companies, as a result some risk may arise depending on inter-company relationship, determination of products price or even volume of sale. If inter-company relationship degrades, sister concerns may influence the price of the products, or even they demand less than before depending on their business path that may cause disturbances to the KPPL's productivity or profitability.

Management Perception

The management of KPPL always has a keen eye to its operational activities and they always believe in mutual benefit not only benefit for itself. That is why they always maintained a sound relationship with the buyers company including sister concerns. Besides KPPL has a remarkable group of buyers other than its sister concern demanding more of KPPL's products. Other than this, there is a huge demand supply gap for the product in the market, which is even spreading, and KPPL sets its goal to take advantage of this gap diversifying its group of buyer. Therefore, it is less likely to occur any future risk from sister concerns companies that may disturb KPPL's productivity and profitability.

**(j) Risk of Single Customer/ the Group:**

KPPL belongs to Lockpur Group of Companies, one of the reputed business conglomerates in the country. Presently the main buyer of KPPL's products is the sister concern companies belongs to the same group. As a result, some risk may arise from the groups' negative performance and negative profitability or from inter-company relationship within the group.

Management Perception

The management of KPPL is also from the management of **Lockpur Group** and they always believe in mutual benefit. They always maintained a sound relationship within the group at the same time with the entire stakeholder related to its business (the supplier of input & buyers of company product). Besides KPPL has a remarkable group of buyers other than its sister concern (the group as a buyer) demanding more of KPPL's products. Other than this, there is a huge demand supply gap for the product in the market, which is even increasing day by day, and KPPL sets its target to take advantage of this gap diversifying its group of buyer. Therefore, it is less likely to occur any future risk from group's operational activity.

(k) History of Non-Operation; if any

Any interruption in the operations of the company affects the company's image as a going concern. Failure to ensure uninterrupted operation reduces profitability and in long run weakens the fundamentals of the company.

Management Perception

The company has no history of non operation in the past. The company is an independent body. It has been in operation by its memorandum & articles of association and other laws applicable to its operation which is implemented by the Government. Besides, the company's financial base is sound enough to continue its operation having a well experienced and efficient management team. so the chance of being non operative for the company is minimum.

Section-4**ISSUE SIZE AND PURPOSE OF THE PUBLIC OFFERING****FINANCIAL STRUCTURE OF THE COMPANY**

The Financial Structure of the Company as follows:

Particulars	No. of shares	Face Value (Taka)	Amount in Taka
Before IPO			
Authorised Capital ordinary shares of Tk. 10.00 each	100,000,000	10.00	1,000,000,000.00
Paid-up Capital as on 30.06.2013	26,400,000	10.00	264,000,000.00
Total Paid-up before IPO	26,400,000	10.00	264,000,000.00
After IPO			
Capital to be issued as IPO	40,000,000	10.00	400,000,000.00
Paid up capital (post IPO)	66,400,000	10.00	664,000,000.00

Use of IPO Proceeds

Khulna Printing & Packaging Limited plans to utilize the proceeds of the IPO in the following manner:

Particulars	Amount (BDT)	Implementation Schedule
Repayment of Term Loan	300,000,000.00	Within 3 months of getting IPO proceeds
Working Capital	87,164,500.00	Within 6 months of getting IPO proceeds
IPO Expenses	12,835,500.00	Currently estimated , to be paid at actual

Implementation Schedule:

The IPO proceeds will utilized as per above mentioned schedule.

Terms of Contract:

There is no such contract covering any of the activities of the company for which the proceeds of the IPO will be used.

Sd/-
(Md. Habibur Rahman)
 CFO & Company Secretary

Sd/-
(Sufia Khatun)
 Managing Director

Section-5

Description of Business

Information about the Company

Corporate Status and Background

Khulna Printing & Packaging Limited (KPPL) is a public limited company, which was established in 1999, to meet the huge requirement of world class grade packaging materials consumed by Lockpur Group incorporated in Bangladesh on 29 September 1999 as private limited company with the Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act 1994 with a mission to improve the quality of product by providing innovative and quality of printing & packaging through continuous research and development and by ensuring stakeholders satisfaction.

The company was converted from Private Limited to Public Limited Company on 8th May 2011. The Authorized Capital of the Company as on 30 June 2013 is Tk. 100.00 crore divided into 10 crore ordinary shares of Tk. 10.00 each. The paid-up share capital as on the same date was Tk 264,000,000.00 divided into 26,400,000 ordinary shares of Tk.10.00 each.

The corporate office of the Company is situated at 51, Khan-A-Sabur Road, khulna, Bangladesh and the factory is located at Birsrestho Shaheed Ruhul Amin Sharak, Rupsha East, Khulna, Bangladesh and liaison office of the company is situated at Akram Tower (9th Floor), Segunbagicha, Dhaka.

**Nature of Business**

The Company is engaged in printing & packaging solutions for food stuffs within shortest period. A wide range of packaging machinery & automation systems, seamless, superior customer service & requirement. Company can print inner BOPP bag, LDPE & LLDPE poly bag, paper box, master cases, sticker everything related laminated poly & BOPP film, paper, having design from customers, need with their own private label & brand.

Principal Products

The Company currently has three types of products, which are as follows:

1. Printing	Poly printing Paper Printing etc.
2. Packaging	Master Carton Inner Carton Master Sticker Inner Sticker/Rider Poly Sheet/Bag
3. Laminating	

Market for the products

Main customers are the sisters' concern companies and some buyer in the same line of operation. The following table deliniates the percentage consumption of the products each customer.

SL. No	Name of Buyers	% Consumption
01	Sister Concerns Companies	63%
02	Other than Sister Companies	37%

Relative contribution of products contributing more than 10% of the total revenue

The relative contribution to sales and income of each product that accounts for more than 10% of the Company's total revenue are mentioned below:

SL. No.	Name of the products	% of contribution to sales
1	Printing	15
2	Packaging	65
3	Laminating	20

Associates, subsidiary/ related holding Company & their core areas of business

KPPL belongs to Lockpur Group, one of the well reputed business conglomerates in Bangladesh. Lockpur Group emerged into a separate corporate entity. They comprise of a number of companies, have diversified their activities in various areas like product and project marketing, construction and real estate business, international trading, distributorship and production of various items and already attained significance in the business arena of Bangladesh. There is no associate, subsidiary or holding Company except the following sister companies:

KPPL's Sister Companies

Company	Area of Operation
Lockpur Fish Processing Co. Ltd.	Seafood Process and Export; The company having its brand "Sea Star" & "Banoful" in US, UK, Australia
Rupsha Fish & Allied Industries Ltd.	Seafood & whitefish supplier for EU, USA, Australia, Canada et.; The Company having its own recognized and well known brand "Rupsha" & Ocean Bay" .
Bagerhat Seafood Industries Ltd.	Supply of seafood for overseas buyers; The Company having its own recognized and well-known brand "Ocean Star".
Southern Foods Ltd.	Seafood process and export in EU, US etc.; The Company having its own recognized and well known brand "Ideal" a great choice to EU customers.
Shampa Ice & Cold Storage Ltd.	Seafood export; Shampa brand is the best choice for all the old Global seafood customers over EU & North America.
Hotel Western Inn International Ltd.	Superb accommodations, deluxe amenities and the city's best location to a new level of hospitality.
Metro Bricks Ltd.	Auto Bricks Factory
Khulna Agro Export Ltd.	Agro based food processing & exporting
Khulna Builders Ltd.	Real Estate Business
Moon Star Jute Mills Ltd	Jute & Jute Goods
Bangladesh Poly Printing Int.	Printing & Packaging

Ownership Relationship between KPPL and Its Sister Concerns

There is no ownership relationship between KPPL and its sister companies except the following:

A. Ownership Relation of KPPL with Sister Companies:

SL	Name of Sister Company	Relation of KPPL	Amount of Investment	% Shareholding
01	Rupsha Fish & Allied Ind. Ltd.	Shareholder	13,500,000	5%
02	Moon Star Jute Mills Ltd	Shareholder	20,000,000	10%

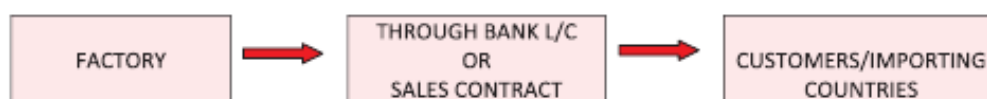
B. Ownership Relation of Sister Companies with KPPL:

SL	Name of Sister Company	Relation with KPPL	Amount of Investment	% Shareholding before IPO	% Shareholding after IPO
01	Rupsha Fish & Allied Ind. Ltd.	Shareholder	1,32,80,000.00	5.03%	2.00%
02	Metro Bricks limited	Shareholder	1,32,80,000.00	5.03%	2.00%
03	Southern Foods Limited	Shareholder	1,32,80,000.00	5.03%	2.00%
04	Bagerhat Sea Foods	Shareholder	1,32,80,000.00	5.03%	2.00%
05	Shampa Ice and Cold Storage Ltd.	Shareholder	1,32,80,000.00	5.03%	2.00%

Distribution of products:

The Company supplies its products to the premises of its customers at own risk against back-to-back Letter of Credit (L/C).

Distribution of Products/Service



Competitive Conditions in the Business

Printing and Packaging in Bangladesh is comparatively a young industry by world standards. However, from a very modest beginning the packaging industry has come of age now and has really taken off during the last two decades or so.

Today it can be said with pride that all types of printing & packaging products specially based on paper and paper board, plastic & polythene paper are manufactured locally. Quality of locally produced printing & packaging materials is excellent and comparable to global standard.

Printing & packaging industries are fully capable to meet the local requirements. There is also sufficient technical manpower to run these industries. The local industries are regularly updating the technical know-how keeping in line with the technological advancement of this sector. The pre-press facilities available here are also up to the highest standard of the present age.

At Khulna Printing & Packaging, we believe in business relationships based on trust and partnership. Satisfied customers are our top priority. We believe innovation is a criterion for success in the dynamic business world of today. It is our objective to develop and apply new technologies so that our customers have a competitive edge. Our customer support services and product qualities are evidence of this strategy. In case of printing & packaging products KPPL has to face some competitors like –

1. Sarifa Printing & Packagers Ltd., Siromoni, Khulna, Bangladesh.
2. Bengal Printing & Packaging Ltd. Rupsha, Khulna, Bangladesh
3. Brack Printing & Packaging Ltd. Dhaka, Bangladesh

Market Shares of KPPL and Its Competitor

SL	Name of Company	% market shares
1	Khulna Printing & Packaging Ltd.	18%
2	Sarifa Printing & Packagers Ltd	21%
3	Bengal Printing & Packaging Ltd	16%
4	Brack Printing & Packaging Ltd	23%

Sources and availability of raw materials and the names of the principal suppliers:

The raw material of the Company is fully procured from abroad. Raw materials are used to ensure the quality & safety products for 100% export oriented customers. Raw materials are sourcing, following European Union directives & only food grade from Asian countries, Africa, European countries & North America. The names of main suppliers are mentioned below:



Sl. No.	Name of Supplier	Address	Raw materials
1	Saudi Basic Industries Corporation (SABIC)	PO Box 59090 Riyadh, Saudi Arabia	Poly Dana
2	Zhejiang Euro Asia Film Material co. Ltd.	Binhai Industry Area, Shaoxing, Zhejiang, China	Film
3	Deevya Shakti Paper Mills Ltd.	Gaganpahad, Hyderabad, India	Duplex Board
4	SRF Limited	Gurgaon, Haryana, India	Film
5	Harvis Co. Ltd	Sunae-dong, Bundang-ku, Sungnam-si, Gyeonggi-Do, Korea	Duplex Board
6	Cosmo Scientex(m) SDN Bhd	Shah Alam, Selangor, Darul Ehsan, Malaysia	Polyurethane
7	Haining Changyu New Metallizing Materials Co. Ltd.	Xin He Road, XieQiao Town, Haining Zhejiang China	Film
8	Daihan Ink Co. Ltd.	Bakdal-Dong, Manan-Gu, Anyang-city, Kyonggi-Do, Korea	Ink
9	Ultra Fast Development Limited	Jingshui Road, Kedong Industrial Zone Shaoxing. Zhejiang	Film

Sources of /requirement for power, gas and water:

Power

Source of electricity supply is Bangladesh Power Development Board (BPDB). In addition, there are 750 KVA (01) One Set, 350 KVA, (01) One Set, 302 KVA (01) Set and 120 KVA (01) Set Total 1540 KVA High Capacity Generator and PDB 750 KVA and 400 KVA (02) Two Transformer Which are capable of meeting full load requirement of power supply.

Water

Water supply is ensured from own source (deep tube well)

Gas

The company does not required gas for manufacturing operation in any lines.

Name of the customers who purchase 10% or more of the Company's products:

At present, Lockpur Group is the buyer who purchases almost the entire products (63% of printing & packaging) of the company individually. Percentage wise buyer of Khulna Printing & Packaging Ltd. is as follows:

Sl. No.	Name of the Company	% of contribution to buy
1	Lockpur Fish Processing Co. Ltd.	12
2	Rupsha Fish & Allied Industries Ltd.	13
3	Bagerhat Seafood Industries Ltd.	14
4	Southern Foods Ltd.	11
5	Shampa Ice & Cold Storage Ltd.	13

Contract with principal suppliers or customers:

There is no contract with principal suppliers or customers.

**Material patents, trademarks, license or royalty agreement:**

The company has not entered into any such agreement.

Employees' position as on 30.06.2013:

Particular	June 30, 2013	June 30, 2012
Officer	16	16
Staff	35	33
Worker	254	244
Total	305	293

All employees are full-time employee.

Production Capacity and Current Utilization:

The utilization of production capacity of the company is increasing gradually due to expansion of sales network, launching of new products and customer demand which has commensurate with cost control as well as efficient and effective measures taken by the management. The summary of Machine-wise Yearly Production capacity are as under:

Sl	Machine/Production Lines	Unit	Installed Capacity		Current Utilization	
			(Single Shift)	(Unit)	Qty.	%
1	Master Carton	Pcs	17,500,000		12,050,000	68.86%
2	Inner Carton	Pcs	100,000,000		80,000,000	80.00%
3	Master Sticker	Pcs	190,000,000		112,770,000	59.35%
4	Inner Sticker/Rider	Pcs	200,000,000		195,000,000	97.50%
5	Poly Sheet/Bag	Pcs	220,000,000		175,000,000	79.55%

Break Even Production Capacity:

As on 30.06.2013 break even sales is Tk. 10,282,674.91 and profit volume ratio is 53.83%

Corporate Social Responsibilities:

Corporate Social Responsibility (CSR) is at the core of Lockpur Group of Companies operation. The CSR is driven by the company values and ensures good governance in business practice, linking the members, business associates and the entire relevant stakeholder body.

Lockpur Group of Companies has been involved in few corporate philanthropic activities as following:

- Lockpur Group has donated to Management of Shishu Foundation (Children Hospital), Khulna, Bangladesh.
- Lockpur Group giving away prizes & donation among the poor & brilliant students in the year 2010.
- Donation to SIDR affected people in the year 2007.
- Donation to cataract (Qvwb) operated persons.
- Donation to School, Madrasa and Masjid.

**Section-6****DESCRIPTION OF PROPERTY****Plants and Property:**

Khulna printing & packaging Ltd. established in 1999 to meet the huge requirement of world class food grade packaging materials consumed by Lockpur Group of Companies. A wide range of packaging machinery & automation systems, seamless superior customer service makes KPPL one of the leading manufacturers of packaging solutions for food stuffs within shortest period.

The Company has 94.50 decimal of land. The land possessed by the company presently used as commercial cum industrial purpose situated at Charupsha, Rupsha, Khulna.

The Company set up its factory at Charupsha, Khulna. The factory is situated on a tract of the land Khulna –Mongla highway connected by Shahid Beer Shesthro Ruhul Amin Road on the bank of Rupsha river, which offers easiest and economic transport for both way movement of materials and finished goods. The project site level is about 10 ft higher above the highest flood level so far recorded. The factory is surrounded by a natural aesthetic beauty. In addition, it is easy to make the factory environment friendly and easy adoption of waste management system.

There existing 2-storied factory buildings, made of strong RCC foundation and civil constructions including electrification, sanitary and water supply (Mat & Cast-in-situ-pile Foundation) along retaining wall (Boundary Wall) etc. each floor covered area 24,060 sft approximately

Fixed Assets

The Company possesses the following fixed assets:

Sl	Particulars	Asset Wise Cost Value	Accumulated Depreciation	Revaluation Surplus	WDV as on 30.06.2013
01	Land & Land Development	3,121,135	-	44,128,865	47,250,000
02	Factory Building & Boundary wall	9,889,237	20,444,127	141,866,789	131,311,899
03	Plant & Machinery	139,144,901	44,137,620	-	98,657,282
04	Electrical Installation	2,412,834	1,158,355	-	1,430,229
05	Furniture & Fixture	3,152,794	715,652	-	2,482,717
06	Office Equipment	240,884	119,062	-	121,822
07	Vehicles	2,073,154	1,583,616	-	489,538

Condition of property

The above properties are in brand new.

Ownership of property

The Company is the legal and absolute owner of all the fixed assets and properties.

Lien status

The tangible assets of the company are mortgaged to the lending banks' against project finance and C.C (Hypo) Loan namely: Sonali Bank Limited, Khulna Corporate Branch, Khulna.

Leased Property

The Company does not have any leased property

**Section-7****PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION****Internal and external sources of cash****1. Internal Sources:**

(Amount in Taka)

Particulars	01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012	01.07.10 to 30.06.11	01.07.09 to 30.06.10
Paid-up Capital	264,000,000.00	264,000,000.00	110,000,000.00	110,000,000.00
Retained Earnings	204,281,456.00	123,110,522.00	166,650,406.00	33,903,759.00
Total	468,281,456.00	387,110,522.00	276,650,406.00	143,903,759.00

External Sources:

(Amount in Taka)

Particulars	01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012	01.07.10 to 30.06.11	01.07.09 to 30.06.10
Secured Loan	27,888,814.00	42,911,290.00	43,728,045.00	46,279,256.00
Loan from Bank	267,238,154.00	253,895,048.00	164,278,778.00	90,064,969.00
Total	295,126,968.00	296,806,338.00	208,006,823.00	136,344,225.00

2. Material Commitments for Capital Expenditure:

The company has not made any material commitment for capital expenditure.

3. Material Change from period to period:

Causes of any material changes in income, cost of goods sold, other operating expenses and net income

(As per Audited Accounts)

Particulars	01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012	01.07.10 to 30.06.11	01.07.09 to 30.06.10
Sales	1,910,212,690.00	2,077,665,763.00	1,186,261,728.00	341,375,693.00
Cost of goods sold	(1,665,378,384.00)	(1,815,969,720.00)	(930,689,376.00)	(286,845,422.00)
Gross profit	244,834,306.00	261,696,043.00	255,572,352.00	54,530,271.00
Total income	247,944,966.00	261,696,043.00	255,572,352.00	54,530,271.00
Administrative Financial and Selling expenses	(121,489,261.00)	(114,958,129.00)	(90,653,704.00)	(20,433,546.00)
Worker Profit Participation and Welfare Fund	(5,873,574.00)	(7,392,282.00)	-	-
Net profit/loss before tax	117,471,471.00	147,845,633.00	164,918,648.00	34,096,725.00
Provision for Income Tax	20,968,658.00	17,463,219.00	18,106,903.00	-
Deferred Tax	22,070,551.00	21,919,581.00	7,565,096.00	-
Net Profit after tax	74,432,262.00	108,462,832.00	139,246,648.00	34,096,725.00

**Causes for material changes:**

The Company is 100% export oriented organization. Its turnover is under foreign currencies and through L/Cs. Sales proceeds are realized through Bank Accounts. For installation of some **New Modern Machinery** in the year 2009-2010 by Tk. 9,52,13,420 the production and sales volume increased significantly. The management is also trying more to achieve targeted sale in the every year. It can be checked that the Import and Export and all related activities has increased due to the increase in production capacity of the Company. In the Current year 2011-2012 the Company imported and **installed a set of modern machinery** valued Tk. 4,08,87,411 for which quality and production capacity of the Company enhanced. During this year **sales/export of the Company increased by 33%** up to June 30, 2012 compared the sales of last year. It is to note that the net profit for the year 2011-2012 decreases eventhough the volume of sale for the same year increased. This is mainly because of increase the price of inputs in the international market and that's why cost of goods sold increases. In 2011 cost of goods sold was 78.46% of total sell, where as in 2012 cost of goods sold was 87.40% of total sell which was 8.94% more than previous year. As a result, Net Profit for the year 2011-12 decreases despite of increase in sales volume. In 2013 cost of goods sold is 87.02% of total sell. In 2013 total sell are decreases as well as profit also decreases because of product composition as export demand.

4. Seasonal Aspect of business

There is no seasonal impact on the company's business.

5. Known Trends, Events or Uncertainties

There is known trends in increasing demand for Company's products because of good quality and affordable price. However uncertainties may arise from government policy, increased competition, natural calamities and political unrest.

6. Changes in the assets of the company used to pay off any liabilities

No asset of the Company has been disposed to pay off the liabilities of the company.

7. Loans taken or given by the company either from or to its holding/parent or subsidiary company

No such loan was taken or given from or to directors or any person connected with the directors of Khulna Printing & Packaging Ltd. either from or to its holding/parent or subsidiary except loan taken from is given below:

Name of the Company from which loan taken	Relationship	Outstanding balance as on June 30,2013	Outstanding balance as on June 30,2012	Outstanding balance as on June 30,2011	Outstanding balance as on June 30,2010
N/A	N/A	N/A	N/A	N/A	N/A

8. Future Contractual Liabilities

The company has no plan to enter into any contractual liabilities within next one year other than the normal course of business.

9. Future Capital Expenditure

There is no plan for future capital expenditure other than the normal course of business except mentioned at the IPO Proceeds in the Prospectus.

10. VAT, Income Tax, Customs Duty or other Tax Liability**(I) VAT:**

The company is operating its VAT activities under central registration. There is no pending liability for VAT.

**(II) Income Tax:**

There is no outstanding tax due to the company and got clearance certificate from National Board of Revenue up to Tax Year 2011-2012.

(III) Custom Duty or other Tax and Contingent Liability:

There is no outstanding on account of custom duty or other tax liabilities to be paid.

Sources from which VAT & Taxes etc. are paid

Vat & Taxes is being paid from ordinary business resources.

11. Operating Lease Agreement during last five years

The company has established its Rental Head Office and Various Depots on leased accommodation. Relevant information on the operating lease agreement with the landlord is as follows:

Sl. No.	Particulars of leased premises	Area in sft.	Period of lease	Rent per sft in Tk.	Monthly Amount in Tk.
1.	51 Khan-A-Sabur Road, Khulna	1000	01.06.12 To 31.05.17	14.00	14,000/-
2	Akram Tower(9 th Floor) 15/1 Sayed Nazrul Islam Saroni(Bijoy Nagor) Dhaka	1000	01.06.12 To 31.05.17	12.00	12,000/-

12. Financial and Lease Commitment**a) Financial Commitment (Long Term)**

Bank	Limit of Loan (Tk.)	Rate of Interest (%)	Outstanding Balance as of 30 June 2012	Outstanding Balance as of 30 June 2013
Sonali Bank Ltd. Khulna Corporate Branch Khulna	N/A	14	4,29,11,290.00	27,888,814.00

b) Financial Commitment (Short Term)

Bank	Limit of Loan (Tk.)	Rate of Interest (%)	Outstanding Balance as of 30 June 2012	Outstanding Balance as of 30 June 2013
Sonali Bank Ltd., Corporate Branch Khulna- LIM	10,00,00,000.00	14	101,499,000	119,262,000.00
First Security Islami Bank Ltd.(SOD)	n/a	13	90,00,000	-
Sonali Bank Ltd., Corporate Branch Khulna- WC Pledge 334	10,00,00,000.00	14	85,740,428.00	130,803,361.00
Sonali Bank Ltd., Corporate Branch Khulna-WC Hypo 335	1,00,00,000.00	14	8,258,726.00	17,172,793.00
Sonali Bank Ltd.Corp. Br., Khulna, (Deferred LC)	8,00,00,000.00	14	49,396,894.00	-



Lease Commitment

The company has not entered into any financial lease commitment during last five years.

13. Personal related scheme

The Company has adequate programmers for human resource development. Company also has a well-designed Compensation plan for attracting highly capable professional staff with high degree of integrity. The compensation package include Salary and Allowances, Bonus, Leave Salary, Performance based reward scheme etc. The existing Compensation plans are as follows:

Salary/Allowances	Traveling	Bonus	EWF (Employee Welfare Fund)
Basic pay, House allowance, conveyance/transport and medical allowances	Fare and daily Allowances	Paid on the basis of 1 month's basic pay for each Eid Festival. There is an incentive Bonus Scheme based on performance	Paid on the basis of company's EWF Policy

**14. Breakup of IPO Expenses:**

The following table shows the amounts paid to the Issue Manager, Underwriters and other costs are estimated as follows:

Particulars	Rate	Amount in Tk.
Manager to the Issue Fees	Lump Sump	1,000,000.00
Vat against Issue Fees	15% on Issue Management Fees	150,000.00
Regulatory Expenses:		
Listing Related Expenses:		
Service Charge for DSE	Fixed	5,000.00
Annual Fee for DSE & CSE		170,000.00
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on up to Taka 10 crore of paid-up capital. & 0.15% on the balance amount (Max Tk. 20.00 lac) each	2,192,000.00
BSEC Fees :		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on the public offering amount	600,000.00
IPO Commission:		
Underwriting Commission	0.50% on the underwritten amount	1,000,000.00
Bankers to the issue Commission	@ 0.1% on collected amount (Assuming 3 times over subscribed)	1,200,000.00
Tax on Premium	@ 3% on Premium	N.A
CDBL Fees and Expenses:		
Security Deposit of Eligible Securities	Fixed	500,000.00
Documentation Fee	As actual	2,500.00
Annual Fee	As actual	100,000.00
Issue Fee	0.00025 on the public offer	100,000.00
Connection Fee	As actual	6,000.00
Printing, Publication and Others:		
Publication of Abridged Version of Prospectus	Estimated	500,000.00
Printing of Prospectus	Estimated	1,000,000.00
Printing of Application Forms	Estimated	400,000.00
Fee for Conduction of Lottery	Estimated	1,000,000.00
Post Issue Expenses:		
Data Collection, Data Entry, Data Processing and other related Job		
Printing of Allotment Letters and Refund Warrant	Estimated	2,400,000.00
Distribution of Allotment Letter and Refund Warrant (including courier)		
Miscellaneous	Estimated	500,000.00
Total		12,835,500.00

NB: The cost of the above-mentioned IPO expenses may vary and will be adjusted accordingly.

**15. Revaluation of company's assets & summary thereof**

Land and land development, building and other constructions, plant and machinery was revalued in the year 2010-2011 by the valuer M/s Unique Survey Service Bureau dated 13-02-211. As per the valuer's report the value of the above assets increased by Tk.44,128,865, Tk.141,866,789, and Tk.71,975,868 respectively which was presented in the Accounts in the year 2010-2011. The value of plant and machinery has increased mostly over charging of depreciation in the earlier years at the rate of 20% up to the year 2009-2010. Subsequently, the Management decided to charge depreciation @5% considering it's useful of the assets from the year 2010-2011.

Name of the Valuer Company: M/s Unique Survey Service Bureau

Name of the Valuer: Md. Sirajul Islam

The particulars about the valuation team are presented below:

Sl. No.	Name of the valuation team member	Qualification
01	Mr. Md. Sirajul Islam	M.Sc
02	Mr. Md. Mosharraf Hossain Dolon	M.A
03	Mr. Md. Jewel	B.A

Some of mentionable assets valuation works completed by M/s Unique Survey Service Bureau

Sl. No.	Name of the Companies for which revaluation was done
01	Rupsha Fish & Allied Industries Limited

Reason for Valuation: The purpose of this work is to arrive at a fair value of the fixed assets of KPPL so as to incorporate such fair value in its financial statements for the year ended June 30, 2011.

This year the revaluation surplus of Plant and Machinery of Tk. 71,975,868 has been adjusted/ reversed to present the value of Plant and Machinery at cost. Detailed revaluation position is given below in BDT :

Assets	Book Value as on 13-02-2011	Revaluation gain	Total Book Value as on 13-02-2011
Land and Land Development	3,121,135	44,128,865	47,250,000
Building and other Constructions	23,422,211	141,866,789	165,289,000



16. Transaction between Holding/Subsidiary/Associate Company and the Issuer within the 5 years

Considering voting right of 20% or more in another company there is no associates company of Khulna Printing & Packaging Limited as per BAS 28 Para 4 but there are some sister concern companies. The transaction has been made during last five years with such companies as follows:

(Amount in Tk.)

Name of the sister concern companies	Nature of Transaction	Year Ended 30.06.2013	Year Ended 30.06.2012	Year Ended 30.06.2011	Year Ended 30.06.2010	Year Ended 30.06.2009
Lockpur Fish Processing Co. Ltd.	Sales of Packing Materials	2,578,065.00	2,578,065.00	33,11,518.00	Nil	Nil
Rupsha Fish & Allied Industries Ltd.	Sales of Packing Materials	4,646,645.00	7,275,916.00	39,71,419.00	Nil	Nil
Bagerhat Seafood Industries Ltd.	Sales of Packing Materials	14,092,553.00	8,560,937.00	1,17,15,314.00	Nil	Nil
Southern Foods Ltd.	Sales of Packing Materials	1,131,213.00	2,582,452.00	38,04,080.00	Nil	Nil
Shampa Ice & Cold Storage Ltd.	Sales of Packing Materials	6,567,609.00	613,268.00	43,73,521.00	Nil	Nil
Southern Food USA Inc.	Sales of Packing Materials	8,757,189.00	11,31,213.00	Nil	Nil	Nil
Western Inn International Ltd.	Sales	12,106.00	256,310.00	Nil	Nil	Nil
Moon Star Jute Mills Ltd.	Sales	315,773.00	52,327.00	Nil	Nil	Nil
Bangladesh Poly Printing Int.	Inter Company	Nil	5,000,000.00	Nil	Nil	Nil



Special Report from the Auditors
Auditors' Certificate for Issue of Shares Otherwise than for Cash

Khulna Printing & Packaging Limited

**Auditors' Certificate for Issue of Shares for consideration otherwise than in Cash
(bonus share)**

After verification of books of account of Khulna Printing & Packaging Limited, we certify that the following shares have been issued to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than in cash:

Name of Shareholders	Position	No. of shares Allotted
SM Amzad Hossain	Director	7,700,000
Ms Sufia Khatun	Director	3,850,000
Rupsha Fish and Allied Industries Ltd. Representative Md. Amzad Hossain	Director	770,000
Metro Bricks Ltd. Representative Mr.Khan Habibur Rahman	Director	770,000
Southern Foods Ltd. Representative Mr. S. M. Abul Hossain	Director	770,000
Bagerhat Sea Foods Ltd. Representative Mr.Sujit Kumar Saha	Director	770,000
Shampa Ice and Cold Storage Ltd. Representative Mr. Mrinal Kanti Debnath	Director	770,000
Total		15,400,000

Dated: Dhaka, 05 September 2013

Sd/-
Shah Mazumder & Co.

Chartered Accountants

DECLARATION FOR NON- SUPPRESSION OF MATERIAL INFORMATION

This is to declare that, to the best of our knowledge and belief no information, facts or circumstances, which should be disclosed have been suppressed, which can change the terms and conditions under which the offer has been made to the public.

Sd/-
(Sufia Khatun)
Managing Director
Khulna Printing & Packaging Limited.



Section-8
DIRECTORS AND OFFICERS

(8.a) Description of the directors:

Sl. No.	Name	Age (Yrs)	Qualification	Experience	Position	Nominated by	Period of nomination
01	SM Amzad Hossain	57	B.Com	27 yrs	Chairman	Sponsor	Sponsor Director
02	Sufia Khatun	45	B.A	10 yrs	Managing Director	Sponsor	Sponsor Director
03	Mrinal Kanti Debnath	54	B.Sc	26 yrs	Director	Shampa Ice and Cold Storage Ltd.	All of the nominee directors are nominated for the period up to the next AGM.
04	Md. Amzad Hossain	55	B.A	20 yrs	Director	Rupsha Fish & Allied Industries Ltd.	
05	Sujit Kumar Saha	53	B.A	20 yrs	Director	Bagerhat Sea Food Ind. Ltd.	
06	S. M. Abul Hossain	50	SSC	25 yrs	Director	Southern Foods Ltd.	
07	Khan Habibur Rahman	52	B.A	30 yrs	Director	Metro Bricks Ltd.	

(8.b) The date of being Director for the first time and the date of current period expired.

Sl. No.	Name	Position	Date of Becoming Director for the first time	Date of Expire
01	SM Amzad Hossain	Chairman	May 15, 20006	One third of total directors take retirement at every Annual General Meeting and reelect is eligible other than Managing Director.
02	Sufia Khatun	Managing Director	May 15, 2006	
03	Mrinal Kanti Debnath	Director	May 08, 2011	
04	Md. Amzad Hossain	Director	May 08, 2011	
05	Sujit Kumar Saha	Director	May 08, 2011	
06	S. M. Abul Hossain	Director	May 08, 2011	
07	Khan Habibur Rahman	Director	May 08, 2011	

**(8.c) Directors Ownership, Directorship or partnership of any other company**

Sl No.	Name	Position With KPPL	Other Concern	Position
01	SM Amzad Hossain	Chairman	Rupsha Fish & Allied Industries Ltd.	Managing Director
			Lockpur Fish Processing Co. Ltd.	Director
			Bagerhat Seafood Industries Ltd.	Director
			Southern Foods Limited	Director
			Shampa Ice & Cold Storage Ltd.	Director
			Western Inn International Limited	Director
			Metro Bricks Limited	Director
			Moon Star Jute Mills Ltd.	Director
			Khulna Agro Export Ltd.	Director
			Southern Food USA Inc.	Director
			Khulna Builders Ltd.	Director
			South Bangla Agriculture & Commerce Bank Limited	Chairman
			Bangladesh Poly Printers Int.	Director
02	Sufia Khatun	Managing Director	Rupsha Fish & Allied Industries Ltd.	Chairman
			Lockpur Fish Processing Co. Ltd.	Director
			Bagerhat Seafood Industries Ltd.	Director
			Southern Foods Limited	Director
			Shampa Ice & Cold Storage Ltd.	Director
			Western Inn International Limited	Director
			Metro Bricks Limited	Director
			Moon Star Jute Mills Ltd.	Director
			Khulna Agro Export Ltd.	Director
			Southern Food USA Inc.	Director
			Khulna Builders Ltd.	Director
			South Bangla Agriculture & Commerce Bank Limited	Director
			Bangladesh Poly Printing Int.	Director
03	Mrinal Kanti Debnath	Director	Rupsha Fish & Allied Ind. Ltd.	Nominated Director
			South Bangla Agriculture & Commerce Bank Limited	Director
04	Md. Amzad Hossain	Director	South Bangla Agriculture & Commerce Bank Limited	Director
05	Sujit Kumar Saha	Director	-	-
06	S. M. Abul Hossain	Director	Rupsha Fish & Allied Ind. Ltd.	Nominated Director
07	Khan Habibur Rahman	Director	Rupsha Fish & Allied Ind. Ltd.	Nominated Director

**8. d Family Relationship among the Directors**

The relationship among the directors is stated below:

Sl. No.	Name of the Director	Relation with Director	Type Relation	Position in the Company
1.	S.M. Amzad Hossain	Mrs. Sufia Khatun	Wife	Shareholder, Chairman & Director
		S.M Abul Hossain	Brother	
2	S.M. Abul Hossain	S. M. Amzad Hossain	Brother	Shareholder & Director
		Mrs. Sufia Khatun	Brother's Wife	
3	Mrs. Sufia Khatun	S. M. Amzad Hossain	Husband	Shareholder, Director & Managing Director
		S.M Abul Hossain	Husband's Brother	

(8.e) Short Bio-Data of Directors**S. M. Amzad Hossain**

Name	: S. M. Amzad Hossain
Father's Name	: Late Ishaque Ali
Mother's Name	: Late Ambia Ishaque
Permanent Address	: Lockpur, Fakirhat, Bagerhat
Present Address	: 51, Khan A Sabur Road, Khulna
Office Address	: 51, Khan A Sabur Road, Khulna
Date of Birth	: March 3, 1955
Age	: 57
Religion	: Islam
Education	: B.Com

Personal Profile: S. M. Amzad Hossain has a long 27 years history of excellent entrepreneurial skill and proven managerial capability. Being the Director of all the above Companies he established a strong business relationship with the top level business leaders of the developed countries. He has been providing with different diversified products and services to his international clients from his locality i.e. Bagerhat. He is an eminent international business personality having his personal office in many countries of the world. For promotion of business he frequently visits important customers and achieved good recognition from his business stakeholders.

Mrs. Sufia Khatun

Name	: Sufia Khatun
Husband's Name	: S. M. Amzad Hossain
Permanent Address	: Lockpur, Fakirhat, Bagerhat
Present Address	: Lockpur, Fakirhat, Bagerhat
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Age	: 45 years
Religion	: Islam
Education	: B.A

Personal Profile: Mrs. Sufia Khatun has a long history of excellent entrepreneurial skill and proven managerial capability.



Mr. Sujit Kumar Saha

Name	: Mr. Sujit Kumar Saha
Father's Name	: Late Kalipada Saha
Mother's Name	: Sharju Bala Saha
Permanent Address & Present Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Date of Birth	: 1 st January, 1959
Age	: 53
Religion	: Hindu
Education	: BA

Mrinal Kanti Debnath

Name	: Mrinal Kanti Debnath
Father's Name	: Late Amullya Kumar Debnath
Permanent Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Present Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Age	: 54
Religion	: Hindu
Education	: B.Sc

Md. Amzad Hossain

Name	: Md. Amzad Hossain
Father's Name	: Late Mominuddin Gazi
Permanent Address	: Hazi Tomijuddin Road, Banorgati, Khulna
Present Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Age	: 57
Religion	: Islam
Education	: BA

S. M. Abul Hossain

Name	: S. M. Abul Hossain
Father's Name	: Late Ishaque Ali
Mother's Name	: Late Ambia Ishaque
Permanent Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Present Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Age	: 50 years
Religion	: Islam
Education	: S.S.C

Khan Habibur Rahman

Name	: Khan Habibur Rahman
Father's Name	: Late Aynal Khan
Permanent Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Present Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Office Address	: 51, Khan A Sabur Road, Khulna, Bangladesh
Age	: 52
Religion	: Islam
Education	: B.A

**(8.f) 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.

**(8.g) Particulars of Top Executives & Departmental Heads of the Company including
Company Secretary, CFO and Adviser**

Sl. No.	Name of the Officers	Position	Educational Qualification	Date of Joining in the Company	Last Job Experience/ Last 5 Years Experience
1	S. M. Amzad Hossain	Chairman	B.Com	1999	Chairman of Lockpur Group of Companies
2	Sufia Khatun	Managing Director	B.A	1999	Director of Lockpur Group of Companies
3	Md. Amzad Hossain	Senior Executive Director	B.A	2006	Senior Executive Director
4	SK. Firojur Rahman	General Manager	B.Com(Hon's) M.Com	2001	General Manager
5	Md. Akbar Hossain	Sr. Factory Manager	B.A	2010	Factory Manager
8	Md. Rezaul Karim	Commercial Manager	B.Sc and B.A	1999	Commercial Manager
9	Md. Habibur Rahman	CFO & Company Secretary	B.Com(Hon's) M.Com, MBA	2006	Chief Accountant
10	Md. Moksedur Rahman	Marketing Manager	S.S.C	2005	Marketing Officer
12	Md. Manzur Hasan	Accountant	B.A (Hon's), M.A	2002	Officer Cash



Section-9

Involvement of Officers and Directors in certain Legal Proceedings

No Director or Officer of the company was involved in any of the following types of legal proceedings in the past ten years:

- Any bankruptcy petition filed by or against any company of which any officer or director of the issuer company filling the prospectus was a director, officer or partner at the time of the bankruptcy;
- Any conviction of director, officer in criminal proceedings or any criminal proceedings pending against him;
- Any order, judgment or decree of any Court of competent jurisdiction against any director, officer permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.
- 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 of securities or banking activities.

Section-10

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:

- Any director or executive officer of the issuer.
- Any director or officer.
- Any person owning 5% or more of the outstanding shares of the issuer.
- Any member of the immediate family (including spouse, parents, brothers, sisters, children, and in-laws) of any of the above persons.
- 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- 42 of Audited Financial Statement, transaction between Holding/Subsidiary/Associate company and the issuer within last five years, '**transaction with the directors and subscribers to the memorandum**' and "**Executive Compensation**" part of Information Document.
- **Loan given/taken**

No such loan was taken or given from or to directors or any person connected with the directors of KPPL.

- **Interests and facilities enjoyed by the Directors.**

None of the Directors are taking any fees/interest except Mrs. Sufia Khatun, Managing Director of the Company and SM. Amzad Hossain, Chairman of the Company and Md. Amzad Hossain, Senior Executive Director of the Company has taken Tk.50,000/- , Tk.100,000/- and Tk. 100,000/- per month as salary respectively..

**Section-11****Executive Compensation****Remuneration paid to top five salaried officers**

- The top five salaried officers in the last accounting year of KPPL are as follows:

(Amount in Taka)

Sl. No.	Name	Designation	Remuneration (01.07.2012 to 30.06.2013)
1	S M Amzad Hossain	Chairman	12,00,000/-
2	Sufia Khatun	Managing Director	6,00,000/-
3	Md. Amzad Hossain	Senior Executive Director	12,00,000/-
4	SK. Firojur Rahman	General Manager	6,84,000/-
5	Md. Akbar Hossain	Sr. Factory Manager	7,80,000/-

- Aggregate amount of remuneration paid to Directors & Employees. (As per Audited A/C)

(Amount in Taka)

Sl. No.	Particulars	Remuneration & Salary
		01.07.2012 to 30.06.2013
1	Directors	15,00,000
2	Officers & Staff	22,839,097

- Remuneration paid to any Director who was not an officer during the last fiscal year**

The Company did not pay any remuneration to any director who was not an officer of the company during the last accounting year except Chairman, Managing Director and Senior Executive Director of the Company, who has taken monthly remuneration as server of the Company.

Note : It is to mention here that the Chairman of the Company have been taken remuneration other than Boadr Meeting Fees although it is a non-executive post and this is mainly because of extra services he renders for the company as an international market development executive. The Chairman of the Company performs all the duty of global markeing and market development and he takes remuneration accordingly.

- Future compensation to Directors or Officers**

The Company has no contract with any director/officer for providing the payment of future compensation.

- Pay Increase Intentions**

The Company does not have any plan to substantially increase remuneration to Officers/Directors except normal & additional annual increments/awards of salaries/allowances as per Service Regulations/Articles of Association and in line with the performance achieved by individuals.

**Section-12****Options Granted to Directors, Officers and Employees**

The Company did not grant any option to any director, officer and other employees of the company or to any other person not involved with the Company.

Section-13**Transaction with the Directors and Subscribers to the Memorandum****(13.a) Benefits from the Company during last five years:**

Name of the directors and subscribers	Nature of value received	Amount in Tk.				
		01.07.2012 to 30.06.2013	01.07.2011 to 30.06.2012	01.07.2010 to 30.06.2011	01.07.2009 to 30.06.2010	01.07.2008 to 30.06.2009
SM Amzad Hossain	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	12,00,000/-	12,00,000/-	12,00,000/-	10,00,000/-	10,00,000/-
	Dividend	-	-	-	-	-
Sufia Khatun	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	600000/-	600000/-	6,00,000/-	5,00,000/-	5,00,000/-
	Dividend	-	-	-	-	-
Sujit Kumar Saha	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	-	-	-	-	-
	Dividend	-	-	-	-	-
Md. Amzad Hossain	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	-	-	-	-	-
	Dividend	-	-	-	-	-
S. M. Abul Hossain	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	-	-	-	-	-
	Dividend	-	-	-	-	-
Mrinal Kanti Debnath	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	-	-	-	-	-
	Dividend	-	-	-	-	-
Khan Habibur Rahman	Salary	-	-	-	-	-
	Remuneration (Board Meeting Attendance Fees)	-	-	-	-	-
	Dividend	-	-	-	-	-

(13.b) Directors and Subscribers' Assets to the Company:

The Company has not acquired any assets, services of other consideration from its Directors and subscribers to the memorandum except-



- i. Fund against allotment of shares;
- ii. Transaction mentioned under caption 'loan given/taken' in the prospectus;
- iii. Services from three directors name Mr. SM. Amzad Hossain, Chairman & Director, Sufia Khatun, Managing Director and Md. Amzad Hossain, Sr. Executive Director of the company.

Net Tangible Assets Per Share
Khulna Printing & Packaging Limited
Certificate of Net Tangible Assets Value per Share (NTAV)

We have examined the following Net Tangible Assets Value per Share (NTAV) of Khulna Printing and Packaging Limited the "Company" as at 30 June 2013 and at 30 June 2012 as submitted to us by its management. The preparation of these is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly ascertained using acceptable principles on the basis of audited financial statements for the period/year ended as mentioned above.

Based on our review, we hereby certify that the Company has properly ascertained the following NTAV for the years as stated below:

	30 June 2013 Amount in Taka	30 June 2012 Amount in Taka
Tangible Assets		
Non-Current Assets	368,515,485	379,530,593
Current Assets	694,333,686	564,832,554
A) Total Tangible Assets	1,062,849,171	944,363,147
Less: Outside Liabilities		
Non-Current Liabilities	27,888,814	42,911,290
Current Liabilities	394,515,258	335,439,020
B) Total Liabilities	422,404,072	378,350,310
C) Net Tangible Assets (A-B)	640,445,099	566,012,837
D) Net Tangible Assets Value Per Share (C/F)	24.26	21.44

Dated Dhaka:
05 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants



Section-15

(15.a) OWNERSHIP OF THE COMPANY'S SECURITIES

Shareholding Structure of the Company (As on 30.06.2013):

Sl. No.	Name	No. of share	Amount in Tk.	Percentage of Holding before IPO	Percentage of Holding after IPO
01	SM Amzad Hossain	13,200,000	132,000,000	50.00%	19.88%
02	Sufia Khatun	6,560,000	65,600,000	24.85%	9.88%
03	Shampa Ice and Cold Storage Ltd. (Rep. by Mrinal Kanti Debnath)	1,328,000	13,280,000	5.03%	2.00%
04	Rupsha Fish & Allied Industries Ltd. (Rep. by Md. Amzad Hossain)	1,328,000	13,280,000	5.03%	2.00%
05	Bagerhat Sea Food Ind. Ltd. (Rep. by Sujit Kumar Saha)	1,328,000	13,280,000	5.03%	2.00%
06	Southern Foods Ltd. (Rep. by S. M. Abul Hossain)	1,328,000	13,280,000	5.03%	2.00%
07	Metro Bricks Ltd. (Rep. by Khan Habibur Rahman)	1,328,000	13,280,000	5.03%	2.00%
Total		26,400,000	264,000,000	100%	39.76%

(15.b) No officer /executive except the above hold any share of the company individually or as a group

SHARE HOLDESRS SHAREHOLDING OF 5% OR MORE OF THE COMPANY

Sl. No.	Name	Total Holding after issued	% of Holdings before IPO	Percentage of Holding after IPO
01	SM Amzad Hossain	13,200,000	50.00%	19.88%
02	Sufia Khatun	6,560,000	24.85%	9.88%
03	Rupsha Fish and Allied Industries	1,328,000	5.03%	2.00%
04	Metro Bricks limited	1,328,000	5.03%	2.00%
05	Southern Foods Limited	1,328,000	5.03%	2.00%
06	Bagerhat Sea Foods	1,328,000	5.03%	2.00%
07	Shampa Ice and Cold Storage Ltd.	1,328,000	5.03%	2.00%
Total		26,400,000	100%	39.76%



Section-16 Determination of Offering Price

Particulars	Amount in Tk.
Method: Net Asset Value (NAV) per share with Revaluation Reserve	24.26
Method: Net Asset Value (NAV) per share without Revaluation Reserve	17.74

Method: Net Asset Value (NAV) per share:

Method: Price based on Net Asset Value/ Equity based value per share (NAV) considering Revaluation Reserve:

Sl. No	Particulars	Amount	Net Amount
a)	Share capital		264,000,000.00
b)	Retained Earnings	204,281,456.00	
	Revaluation Reserve	172,163,643.00	
Total Shareholders' Equity			640,445,099.00
Outstanding Number of shares as on June 30, 2013			26,400,000
Net Asset Value Per share (NAV)			24.26

Method: Price based on Net Asset Value/ Equity based value per share (NAV) Without Revaluation Reserve:

Sl. No	Particulars	Amount	Net Amount
a)	Share capital		264,000,000.00
b)	Retained Earnings		204,281,456.00
Total Shareholders' Equity (considering without revaluation reserve)			468,281,456.00
Outstanding Number of shares as on June 30, 2013			26,400,000
Net Asset Value Per share (NAV)			17.74

Net Asset Value per share of the Company stands at Tk. 24.26 considering revaluation reserve and without revaluation reserve NAV per share stands at Tk. 17.74. So the Company's offer price @ Tk. 10.00 per share at par is quite justified.

Section-17 MARKET FOR THE SECURITIES BEING OFFERED

The issuer shall apply to

Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000.	And	Chittagong Stock Exchange Limited (CSE). CSE Building, 1080 Sheikh Mujib Road, Chittagong.
--	------------	---

Within 7 (seven) working days from the date of consent accorded by the Commission to issue prospectus.



Declaration about listing of shares with the stock exchange(s)

None of the Stock Exchanges, if for any reason, grant listing within 75 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 exchange, 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 individually 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 (7) days of expiry of the aforesaid fifteen (15) days time period allowed for refund of the subscription money.

Trading and Settlement

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

Section-18

DESCRIPTION OF SECURITIES OUTSTANDING OR BEING OFFERED

(18.a) Dividend, Voting, Preemption Right

Subject to any special rights and restrictions as to voting upon which any share may be held, on a show of hands every member present in person or by proxy or by attorney or representative of a corporation appointed in accordance with the provisions of the Section 86 of the Act, shall have one vote and upon a poll every member present in person or by proxy or by attorney or representative under Section 86 of the Act, shall have one vote for every share held by him, provided that no Company shall vote by proxy so long as a resolution of its Directors under the provisions of Section 86 of the Act, is not in force.

Where a Company registered under the provisions of the Act, is a member of the Company, a person duly appointed to represent such Company at a meeting of the Company in accordance with the provisions of Section 86 of the Act, shall not be deemed to be a proxy, and the production at the meeting of a copy of such resolution duly signed by Chairman of such Company and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

Any person entitled under the Transmission article to transfer any shares, may vote at any General Meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that forty eight hours at least before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, or the Directors shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non-compos mentis, he may vote whether by a show of hands or at poll by his committee of curators or other legal curator and such last mentioned persons may give their votes by proxy.

Where there are joint registered holders of any share any of such persons may vote at any meeting either personally or by proxy in respect of such shares as if he was solely entitled thereto and if more than one of such joint holders be present at any meeting either personally or by proxy, that one of the



said persons so present whose name stands first on the Register in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall for the purposes of these Articles be deemed as joint-holders thereof.

Votes may be given either personally or proxy, or in the case of a Company, by a representative duly authorized as aforesaid.

The instrument appointing a proxy, and the Power of Attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, shall be deposited at the office not less than forty eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid.

The instrument appointing proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or if such appointer is a corporate body under its common seal under the hand of its Attorney. A proxy who is appointed for specified meeting only shall be called a special proxy. Any other proxy shall be called a General proxy.

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received at the office before the meeting. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Every instrument appointing a Special Proxy shall, as nearly as circumstances will admit, be in the form or to the effect following and shall be retained by the Company. No member shall be entitled to be present or to vote on question either personally or otherwise in the capacity or attorney, representative or proxy at any General Meeting or upon a pool or be reckoned in a quorum whilst any call or other sums shall be due and payable to the Company in respect of any of the shares of such member.

(18.b) Conversion & Liquidation Right

The company is issuing ordinary shares through this prospectus with the consent of the BSEC. Company in its General Meeting may convert any fully paid up shares into stock and reconvert such stock into paid up shares of any denomination if it is so determined by the company.

(18.c) Dividend policy:

Subject to the rights of members entitled to shares if any with preferential or special rights attached thereto as to dividends and subject to the provisions of these presents as to the reserve fund and depreciation fund the net profits of the Company in respect of any year or other period shall be applied in the payment of dividend on the ordinary shares of the Company but so that a partly paid up share only entitles the holder with respect thereto to such proportion of the distribution upon a fully paid up share as the amount paid thereon bears to the nominal amount of each share. The Company in general meeting may declare a dividend to be paid to the shareholders according to their rights and interests in the profits and may fit the time for payment. The declaration of the Directors as to the amount of net profits of the Company shall be conclusive. There is no limitation on the payment of dividend to the shareholders.

**(18.d) Other Rights of Share Holders**

The shareholders shall 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 shall present the financial statements as required under the law and International Accounting Standards. Financial Statements will be prepared in accordance with Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International 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 shall 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 shall have the right to requisition Extra-Ordinary General Meeting of the Company as provided under section 84 of the Companies Act, 1994.

Section-19**DEBT SECURITIES**

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

Section-20: 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.

Sl. No.	Name	No. of shares held	% of Holdings before IPO	% of Holdings after IPO	Date of Acquisition	Lock-In Period from the date of Prospectus Issuance
01	SM Amzad Hossain	13,200,000	50.00%	19.88%	26.02.2009	3 years
02	Sufia Khatun	6,560,000	24.85%	9.88%	26.02.2009	3 years
03	Rupsha Fish and Allied Industries Ltd.	1,328,000	5.03%	2.00%	08.05.2011	3 years
04	Metro Bricks limited	1,328,000	5.03%	2.00%	08.05.2011	3 years
05	Southern Foods Ltd.	1,328,000	5.03%	2.00%	08.05.2011	3 years
06	Bagerhat Sea Food Ind. Ltd.	1,328,000	5.03%	2.00%	08.05.2011	3 years
07	Shampa Ice and Cold Storage Ltd.	1,328,000	5.03%	2.00%	08.05.2011	3 years
Total		26,400,000	100%	39.76%	08.05.2011	

**Section-21: REFUND OF SUBSCRIPTION MONEY**

As per SEC 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.

Section-22: 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, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application forms.

Section-23: AVAILABILITY OF SECURITIES

IPO will be 40,000,000 ordinary shares @ TK. 10.00 each at par totaling Tk. 400,000,000.00 as per the Securities and Exchange Commission (Public Issue) Rules, 2006, 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 20% for Affected Small Investors and remaining 60% shall be open for subscription by the general public. The position is thus as follows:

1. Securities:

	Securities	Number of shares	Total amount (in BDT.)
A	10% of IPO i.e. 40, 00,000 ordinary shares shall be reserved for Non-Resident Bangladeshis (NRB).	4,000,000	40,000,000.00
B	10% of IPO i.e. 40, 00,000 ordinary shares shall be reserved for mutual funds and collective investment schemes registered with the Commission.	4,000,000	40,000,000.00
C	20% of IPO i.e. 80, 00,000 ordinary shares shall be reserved for Affected Small Investors (অভিভিন্নত ক্ষুদ্র বিনিয়োগকারী)	8,000,000	80,000,000.00
D	Remaining 60% of IPO i.e. 24,000,000 ordinary shares shall be open for subscription by the general public.	24,000,000	240,000,000.00
	Total	40000000	400,000,000.00



2. All as stated in clause – 1.A, 1.B, and 1.C 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 Securities and Exchange Commission.

3. In case of over-subscription under any of the categories mentioned in clause – 1.A, 1.B and 1.C the issue managers 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 1.A, and 1.B, 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 issue manager shall jointly conduct an open lottery of all the applications added together.

5. in case of under subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter (s).

6. The lottery as stated in clause (3) and (4) should be conducted in the presence of the representatives from the issuer, the stock exchanges, and the applicants, if there be any.

Section-24: Manager(s) to the Issue

Sonali Investment Limited is the Manager to the Issue. The Issue Manager, Sonali Investment Limited will get Tk. 1,000,000.00 as issue management fee.

Section-25: UNDERWRITER

The Initial Public Offering (IPO) is for 400, 00,000 ordinary shares of Tk.10.00 at par amounting to Tk. 400,000,000.00 of Khulna Printing & Packaging Limited As per guideline of Bangladesh Securities & Exchange Commission, 50% of the IPO amount i.e. 20,000,000 ordinary shares of Tk. 10.00 each amounting to Tk. 200,000,000.00 has been underwritten by the following underwriters:

Sl. No.	Name and Address of the Underwriters	No. Of Shares Underwritten	Underwriting Amount in Tk.
1.	Sonali Investment Limited Sara Tower (11 th floor), 11/A Toyenbee Circular Road, Motijheel C/A Dhaka-1000	7,000,000	70,000,000.00
2.	ICB Capital Management Limited, BDBL Bhaban, 8, Rajuk Avenue (Level-16), dhaka-1000	4,000,000	40,000,000.00
3.	Janata Capital & Investment Limited, 48, Motijheel C/A, (3 rd Floor), Dhaka-1000	2,500,000	25,000,000.00
4.	SBL Capital Management Limited, Metropolitan Chamber Building (Ground Floor), 122-124 Motijheel C/A, Dhaka-1000	2,500,000	25,000,000.00
5.	PLFS Investment Limited, Paramount Heights (13 th floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000	2,500,000	25,000,000.00
6	First Security Islami Capital & Investment Limited, Al-Amin Tower (11 th floor), 25/A Dilkusha C/A Dhaka-1000	1,500,000	15,000,000.00
Total		20,000,000	200,000,000.00



Principal Terms and Conditions of Underwriting Agreements

- 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 underwriters in writing to subscribe the shares/debentures not so subscribed and ask the underwriters to pay for them in cash in full within 15 (fifteen) days of the date of said notice and the 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 his 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 the 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 case of failure by any underwriters to pay for the shares within the stipulated time, the Company/Issuer will be under no obligation to pay any underwriting commission under this agreement.
- 5) In case of failure by the Company to call upon the underwriters for the aforementioned purpose within the stipulated time, the Company and its Directors shall individually and collectively be held responsible for the consequence and/or penalties as determined by the Bangladesh Securities and Exchange Commission under the law.

Commission for the Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of 0.50% of 50% of the IPO amount (i.e. Tk. 200,000,000.00) of the issue value of shares underwritten by them out of the Public Issue.

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.

Officer or Director of the Underwriters acting as Director of the Company

No Officer or Director of the Underwriters is presently engaged as the Director of the Company.

ALLOTMENT

The company reserves the right of accepting any application, either in whole, or in part, successful applicants will be notified by the dispatch on 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 list. After allotment the company will have to transfer the shares to the allottee's 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 allotment is made, in whole or in 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 part, the balance of any amount paid on application will be refunded without interest to the person named first in the application form.



APPLICATION FOR SUBSCRIPTION

01. Application for Shares may be made for a minimum lot for 500 (Five Hundred) Ordinary Shares to the value of Tk. 5000/- (five thousand only) and should be made on the Company's Printed Application Forms. Application Forms and the Prospectus may be obtained from the Registered Office of the Company, Members of the Dhaka and Chittagong Stock Exchange Ltd. 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.

02. 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.

03. 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 and limited companies must be accompanied by the Memorandum and Articles of Association.

04. An applicant can submit not more than two applications, one in his 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% of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.

05. The applicant shall provide with the same bank account in the application form as it is in the BO account of the application.

06. The applicants who have applied for more than two applications using same bank account, their application their application will not be considered for lottery and the Commission may forfeit whole or part of their application too.

07. 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 securities may be forfeited by the BSEC.

08. Bangladeshi Nationals (including Non-Resident Bangladeshi nationals working abroad) and Foreign Nationals shall be entitled to apply for Shares.

09. 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/Pay Order/Bank Draft shall be made payable to the Bank to which it is sent and be marked "KHULNA PRINTING & PACKAGING 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. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on 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 Dollars, UK Pound Sterling (£) and 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 at its Registered Office. 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 issuer, issue manager, DSE, CSE and the BSEC.



11. 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.

12. The IPO subscription money collected from investors (other than non resident Bangladeshis in US Dollar or UK Pound Sterling or EURO) by the Bankers to the Issue will be remitted to the Company's HVTA (STD A/C) No0012-0320001178, with **Mutual Trust Bank Ltd.** Dilkusha Branch, Dhaka, Bangladesh 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 three FC Accounts opened by the Company for IPO purpose is as follows:

Sl. No.	Name of the FC Accounts	Currency	Account No.	Bank/Branch
1.	Khulna Printing & Packaging Ltd.	USD	0012-0260001210	Mutual Trust Bank Ltd./ Dilkusha
2.	Khulna Printing & Packaging Ltd.	GBP	0012-0260001229	Mutual Trust Bank Ltd./ Dilkusha
3.	Khulna Printing & Packaging Ltd.	EURO	0012-0260001238	Mutual Trust Bank Ltd./ Dilkusha

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by Khulna Printing & Packaging Limited out of the "FC Account for IPO NRB subscription" Khulna Printing & Packaging Limited has already opened the aforesaid FC Accounts and shall close these FC Accounts after refund of over-subscription if any.

15. অধিকাংশ ক্ষতিগ্রস্ত স্থল বিনিয়োগকারী তাদের জন্য সরাসরি ২০% কোটায় নিজ নামে ও যৌথভাবে আবেদন করতে পারবেন। তিনি ইচ্ছা করলে সরাসরি কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীর জন্য নির্ধারিত কোটায় নিজ ও যৌথ নামে আবেদন করতে পারবে।

Applications not in conformity with the above requirements and the instructions printed on the application form are liable to be rejected.

Material Contracts

1. Issue Management Agreement between the Company and Sonali Investment Limited
2. Underwriting Agreement between the Company and the Underwriters.
3. Agreement between the company and the Central Depository Bangladesh Limited (CDBL).
4. Consortium Loan Agreement.

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Bangladesh Securities and Exchange Commission may be inspected on any working day during office hours at the Office of the Company and the manager to the issue.

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.

**Miscellaneous Information**

ISSUE MANAGER	Sonali Investment Limited
AUDITORS	Saha Mazumder & Co. Chartered Accountants
BANKER	Mutual Trust Bank Limited.
COMPLIANCE OFFICER OF MANAGER TO THE ISSUE	Md. Ali Arshad Chief Executive Officer
COMPANY'S COMPLIANCE OFFICER	Md. Habibur Rahman CFO & Company Secretary

All investors are hereby informed by the Company that the Company Secretary would be designated as compliance officer who will monitor the compliance of the Acts, and rules, regulations, notification, guidelines, conditions, orders/directions 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 the investors may contact with compliance officer in case of any pre-issue/post-issue related problems such as non-receipt of letters of allotment/share certificates/refund warrants/ cancelled stock investors etc.

**Bankers to the Issue**

<u>Investment Corporation of Bangladesh</u>	<u>National Bank Limited</u>	<u>SouthEast Bank Ltd.</u>	<u>Bank Asia Limited</u>
Head Office, Dhaka Local Office, Nayapaltan, Dhaka Chittagong Branch, Chittagong Rajshahi Branch, Rajshahi Sylhet Branch, Sylhet Bogra Branch, Bogra Khulna Branch, Khulna Barisal Branch, Barisal <u>The City Bank Limited</u> B.B. Avenue Branch, Dhaka Principal Office Branch, Dhaka Dhanmondi Branch, Dhaka Shaymoli Branch, Dhaka Imamgonj Branch, Dhaka Johnson Road Branch, Dhaka Kawranbazar Branch, Dhaka New Market Branch, Dhaka VIP Road Branch, Dhaka Islampur Branch, Dhaka Nawabgonj Branch, Dhaka Nawabpur Branch, Dhaka Pragati Sarani, Br. Dhaka Bongobondhu Road Branch, Narayanganj Zinzira Branch, Dhaka Tongi Branch, Gazipur Agrabad Branch, Chittagong Jubilee Road Branch, Chittagong Khatungonj Branch, Chittagong Anderkilla Branch, Chittagong Chawk Bazar, Chittagong Pahartali Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Comilla Branch, Comilla Narsingdi Branch, Narsingdi Zinda Bazar Branch, Sylhet Bandar Bazar Branch, Sylhet Amborkhana Br., Sylhet Moulvi Bazar Branch, Sylhet Rajshahi Branch, Rajshahi Bogra Branch, Bogra Rangpur Branch, Rangpur Sirajgonj Br., Sirajgonj Khulna Branch, Khulna Jessore Branch, Jessore Barisal Branch, Barisal <u>Jamuna Bank Limited</u> Mohakhali Branch, Dhaka Sonargaon Road Branch, Dhaka Dilkusha Branch, Dhaka Shantinagar Branch, Dhaka Gulshan Branch, Dhaka Dhanmondi Branch, Dhaka	Anderkilla Branch, Chittagong Agrabad Branch, Chittagong Asadgate Branch, Dhaka Bangshal Road Branch, Dhaka Babubazar Branch, Dhaka Banani Branch, Dhaka Barisal Branch, Barisal Bogra Branch, Bogra CDA Avenue Branch, Chittagong Chawk Bazar, Chittagong Chowmohoni Br. Noakhali Comilla Branch, Comilla Dilkusha Branch, Dhaka Elephant Road Branch, Dhaka Foreign Exchange Br, Dhaka Gulshan Branch, Dhaka Imamgonj Branch, Dhaka Dhanmondi Branch, Dhaka Kawran Bazar Branch, Dhaka Islampur Branch, Dhaka Jatrabari Branch, Dhaka Motijheel Branch, Dhaka Moulvibazar Br. Moulvibazar Mohakhali Branch, Dhaka Malibagh Branch, Dhaka Mirpur Branch, Dhaka Z H Sikder M.C. Branch, Dhaka Uttara Branch, Dhaka North Brook Hall Br, Dhaka Lake Circus Branch, Kalabagan, Dhaka Rifles Square Br, Dhaka Mohammadpur Branch, Dhaka Pragati Sarani, Br. Dhaka Rokeya Sarani Branch, Dhaka Tongi Branch, Gazipur Faridpur Branch, Faridpur Gazipur Branch, Gazipur Halishahar Branch, Chittagong KawranBazar Branch, Dhaka New Eskaton Branch, Dhaka Savar Bazar Branch, Dhaka Narayanganj Br, Narayanganj Feni Branch, Feni Sylhet Branch, Sylhet Sunamgonj Branch, Sunamgonj Khatungonj Br, Chittagong Jubilee Road Br, Chittagong Kadamtali Branch, Chittagong Muradpur Branch, Chittagong Pahartoli Branch, Chittagong Patia Branch, Chittagong Mymensingh Branch, Mymensingh Pagla Bazar Branch, Narayanganj Sheikh Mujib Rd Branch Narsingdi Branch, Narsingdi Netaigonj Branch. N'gonj Khulna Branch, Khulna Rajshahi Branch, Rajshahi Jessore Branch, Jessore	Principal Branch, Dhaka Corporate Branch, Dhaka Imamganj Branch, Dhaka Dhanmondi Branch, Dhaka Uttara Branch, Dhaka New Elephant Road Br., Dhaka Gulshan Branch, Dhaka Kakrail Branch, Dhaka Banani Branch, Dhaka Bangshan Branch, Dhaka New Eskaton Branch, Dhaka Pragati Sarani Branch, Dhaka Agargaon Branch Sat Moshjid Road Branch, Dhaka Shaymoli Branch, Dhaka Aganagar Branch, Dhaka Karwan Bazar Branch, Dhaka Madhabdi Branch, Narshingdi Ashulia Branch(Rural), Dhaka Narayanganj Branch, Narayanganj Rokeya Sarani Branch, Dhaka Savar Branch, Dhaka Mouchak Branch, Dhaka Konabari Branch(Rural), Gazipur Tongi Branch, Gazipur Bashundhara Branch, Dhaka Mohammadpur Branch, Dhaka Madambibir Hat Branch, Chittagong Comilla Branch, Comilla Munshigonj Branch Choutta Branch, Sylhet Laldighirpar Branch, Sylhet Shahjalal Uposahar Br., Sylhet Khulna Branch, Khulna Pathantula Branch, Sylhet Agrabad Branch, Chittagong Khatungonj Br, Chittagong Jubilee Road Br, Chittagong Halishahar Branch, Chittagong Motijheel Branch, Dhaka Chowmuhani Branch, Noakhali CDA Avenue Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Chhagalnaiya Branch, Feni Feni Branch, Feni Pahartali Branch, Chittagong Bashurhat Branch (Rural), Noakhali Momin Road Branch, Chittagong Rangpur Branch, Rangpur Bogra Branch, Bogra Jessore SME, Branch, Jessore Barisal Branch, Barisal Donia Branch (Rural), Dhaka Naogaon Branch, Naogaon Bandar Bazar Branch, Sylhet Moulvibazar Branch, Moulvibazar Satkhira SME Branch Narsingdi SME Branch Islampur Branch, Dhaka Kotwali Branch, Dhaka Rajshahi Branch, Rajshahi Tangail SME Branch	Principal Office Branch, Dhaka MCB Dilkusha Branch, Dhaka Corporate Branch, Dhaka Scotia Branch, Dhaka Gulshan Branch, Dhaka MCB Banani Branch, Dhaka Uttara Branch, Dhaka Mitford Branch, Dhaka North South Road Branch, Dhaka Dhanmondi Branch, Dhaka Bashundhara Branch, Dhaka Moghbar Branch, Dhaka Santinagar Branch, Dhaka Sylhet Main Branch, Sylhet Sylhet Uposahar Branch, Sylhet Agrabad Branch, Chittagong Khatungonj Br, Chittagong MCB Sk. Mujib Road Branch, Ctg CDA Avenue Br, Chittagong Station Road Branch, Chittagong Anderkilla Branch, Ctg. Bahadderhat Branch, Ctg. Kamal Bazar Branch, Ctg. Strand Road Branch, Ctg. Rajshahi Branch, Rajshahi Khulna Branch, Khulna Mohakhali Branch, Dhaka Mirpur Branch, Dhaka Bogra Branch, Bogra Shyamoli Branch, Dhaka Paltan Branch, Dhaka Progoti Sarani Branch, Dhaka Jessore Branch, Jessore <u>Shahjalal Islami Bank Limited</u> Dhaka Main Br., Dilkusha, Dhaka Dhanmondi Br., Dhaka Gulshan Br., Gulshan, Dhaka Foreign Ex. Br., Motijheel, Dhaka Kawran Bazar Br., Dhaka Motijheel Br. Dhaka Bijoyagar Br., Kakrail, Dhaka Banani Br., Banani, Dhaka Eskaton Br. Dhaka Panthapath Br. Dhaka Uttara Br., Uttara, Dhaka Mirpur Br., Mirpur-10, Dhaka Satmasjid Road Br., Dhanmondi, Dhaka Gulshan South Avenue Br. Dhaka Joydebpur Chowrasta Branch, Gazipur Narayanganj Branch, Narayanganj Sylhet Branch, Sylhet Agrabad Branch, Chittagong Khatungonj Br, Chittagong Jubilee Road Br, Chittagong



<u>Jamuna Bank Ltd. (CONT)</u> Islampur Branch, Dhaka Moulvibazar Branch, Dhaka Ring Road Branch, Dhaka Motijheel Branch, Dhaka Dholaikhal Branch, Dhaka Banani Branch, Dhaka Uttara Branch, Dhaka Mirpur Branch, Dhaka Malibagh Branch, Dhaka Narayangonj Br, Narayangonj Agrabad Branch, Chittagong Rajshahi Br., Rajshahi Bogra Branch, Bogra Jubilee Road Branch, Chittagong Khatungonj Branch, Chittagong Comilla Branch, Comilla Feni Branch, Feni Jessore Branch, Jessore Barisal Branch, Barisal Sylhet Branch, Sylhet Savar Branch, Dhaka Konabari Branch, Gazipur Rangpur Branch, Rangpur Kushtia Branch, Kushtia <u>Bangladesh Commerce Bank Ltd.</u> Principal Branch, Dhaka Dilkusha Branch, Dhaka Bongshal Branch, Dhaka Moulvi Bazar Branch, Dhaka Dolaikhal Branch, Dhaka Banglabazar Branch, Dhaka Zigatola Branch, Dhaka Green Road Branch, Dhaka Mouchak Branch, Dhaka Mirpur Branch, Dhaka Gulshan Branch, Dhaka Khilgaon Branch, Dhaka Dhamrai Branch, Dhaka Tanbazar Branch, Narayangonj Agrabad Branch, Ctg. Jubilee Road Br, Chittagong Khatungonj Branch, Ctg. Chaktai Branch, Ctg. Dewanhat Branch, Ctg. Khulna Branch, Khulna Daulatpur Branch, Jessore Rd Sylhet Branch, Sylhet Bogra Branch, Bogra Naogaon Branch, Naogaon Comilla Branch, Comilla Seedstore Bazar Branch, Mymensingh Uttara Branch, Dhaka Feni Branch, Feni Bejoynagor Branch, Dhaka Muradpur Branch, Ctg. <u>Mutual Trust Bank Ltd.</u> Agrabad Branch, Chittagong. Alankr Mor Branch, Chittagong Aman Bazar Branch, Chittagong Babu Bazar Branch, Dhaka Banani Branch, Dhaka	<u>Trust Bank Limited</u> Principle Branch, Dhaka Dilkusha Corporate Br. Dhaka Radison Water Garden Branch, Dhaka Mirpur Branch, Dhaka Karwan Bazar Branch, Dhaka Uttara Corporate Branch, Dhaka Narayangonj Branch, Narayangonj Elephant Road Branch, Dhaka Dhanmondi Branch, Dhaka Narsingdi Branch, Narsingdi Tongi Branch. Joydebpur Branch, Gazipur Ashulia Branch, Dhaka Momenshahi Cantonment Branch, Mymensingh Savar Cantonment Branch, Dhaka S.S.Cant. Branch, Tangail Halishahar Branch, Chittagong Kadamtali Branch, Chittagong Comilla Cant. Br. Comilla Feni Br. Feni Chowmohoni Branch. Comilla Branch, Comilla Ashugonj Br., Brahmanbaria Khulna Branch, Khulna Jalalabad Cant. Br. Sylhet Rangpur Cant. Branch, Rangpur Bogra Cant. Branch, Bogra Khawja Yunus Ali Medical College & Hospital Br. Sirajgonj Jessore Cant. Br. Jessore Shahjalal Uposhohar Branch, Sylhet Rajshahi Br., Rajshahi Barisal Branch, Barisal Joypara Br., Dohar, Dhaka <u>Sonali Bank Limited.</u> Local Office, Dhaka Narayangonj Corp. Branch, Narayangonj Dhaka Cant. Corp. Branch, Dhaka Dhanmondi Corp. Branch, Dhaka Comilla Corp. Branch, Comilla Dargagat Corp. Branch, Sylhet Barisal Corporate Branch, Barisal Khulna Corp. Branch, Khulna Rajshahi Corp. Branch, Rajshahi Bogra Corp. Branch, Bogra Rangpur Corp. Branch, Rangpur Dinajpur Corp. Branch, Dinajpur Gulshan Branch, Dhaka Uttara Model Town Branch, Dhaka BUET Branch, Dhaka Hotel Sheraton Corp. Branch, Dhaka	<u>SouthEast Bank Ltd. (Cont.)</u> Chapainawabganj Branch Dinajpur Branch Hemayetpur Branch(Rural) Joydebpur Branch(Rural) <u>ONE Bank Limited</u> Principal Branch, Dhaka Motijheel Branch, Dhaka Karwan Bazar Branch, Dhaka Gulshan Branch, Dhaka Mirpur Branch, Dhaka Uttara Branch, Dhaka Dhanmondi Branch, Dhaka Banani Branch, Dhaka Kakrail Branch, Dhaka Progoti Sharani Branch, Dhaka Elephant Road Br., Dhaka Jatrabari Branch, Dhaka Nowabgonj Branch, Dhaka Bangshal Branch, Dhaka Ganakbari (EPZ) Branch, Dhaka Imamganj Branch, Dhaka Narayanganj Branch, Narayangonj Joypara Branch, Dhaka Khatungonj Br, Chittagong Agrabad Branch, Chittagong CDA Avenue Branch, Chittagong Nanupur Bazar Branch, Chittagong Jubilee Road Br, Chittagong Cox's Bazar Br, Chittagong Chandragonj Branch, Laxmipur Chowmuhani Branch, Noakhali Feni Branch, Feni Dagon Bhuiyan Branch, Feni Raipur Branch, Laxmipur Sylhet Branch, Sylhet Islampur Branch, Sylhet Sherpur Branch, Moulvi Bazar Bogra Branch, Bogra Jessore Branch, Jessore Sirajgonj Branch, Sirajgonj Laksham Branch, Comilla Ramganj Branch, Laxmipur Maijdee Court Branch, Noakhali Banasree Branch, Dhaka Rajshahi Branch, Rajshahi Shahjadpur Branch, Sirajgonj Jagannathpur Branch, Dhaka Tongi Branch, Gazipur Comilla Branch, Comilla Basabo Branch, Dhaka Satkhira Branch, Satkhira Madhabdi Branch, Narsingdi Rangamati Branch, Rangamati Sitakunda Branch, Chittagong Moghbazar Branch, Dhaka Laldighirpar Branch, Sylhet Rangpur Branch, Rangpur. Khulna Branch, Khulna. Ring Road Branch, Dhaka. Boalkhali Branch, Chittagong. Raozan Branch, Chittagong. Ranirhat Branch, Chittagong Chandgaon Branch, Chittagong	<u>Basic Bank Limited</u> Agrabad Branch, Ctg. Asadgonj Branch, Ctg. Babubazar Branch, Dhaka Banani Branch, Dhaka Bangshal Branch, Dhaka Bosundhara Branch, Dhaka Belkuchi Branch, Sirajgonj Bogra Branch, Bogra Barisal Branch, Barisal CEPZ Branch, Ctg. Chandpur Branch, Chandpur Chitalmari Branch, Bagerhat Chowmuhana Branch, Moulvibazar Comilla Branch, Comilla Dewanhat branch, Ctg. Dhanmondi Branch, Dhaka Dilkusha Branch, Dhaka Fakirhat Branch, Bagerhat Faridpur Branch, Faridpur Gazipur Chowrasta Branch, Gazipur Gulshan Branch, Dhaka Islampur Branch, Dhaka Jessore Branch, Jessore Jhikargacha Branch, Jessore Jubilee Road Br, Chittagong Karwan Bazar Branch, Dhaka KDA Avenue Branch, Khulna Khatungonj Branch, Chittagong. Khulna Branch, Khulna. Kotalipara Branch, Gopalganj Kushtia Branch, Kushtia Madhabdi Branch, Narsingdi Main Branch, Dhaka Mawna Branch, Gazipur Mirpur Branch, Dhaka. Moulvibazar Branch, Dhaka Narsingdi Branch, Narshingdi. Pahartoli Branch, Chittagong Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur. Sayedpur Branch, Nilphamari. Savar Branch, Savar Satinagar Branch, Dhaka Sholoshahor Branch, Chittagong Sirajgonj Branch, Sirajgonj Tanbazar Branch, Narayangonj Tungipara Branch, Gopalganj Uttara Branch, Dhaka Zindabazar Branch, Sylhet
---	---	--	---



Mutual Trust Bank Ltd. (Cont.)	Sonali Bank Limited. (Cont.)	Dutch Bangla Bank Limited	
Baridhara Branch, Dhaka Bashundara branch, Dhaka Bogra Branch, Bogra Brahmanbaria Branch, Brahmanbaria CDA Avenue Branch. Ctg. Chandra Branch. Chawk Moghaltuli Branch Chokoria Branch, Comilla Branch, Comilla Cox's Bazar Branch, Cox's Bazar Dagonbhuyian Branch, Feni Dhanmondi Branch, Dhaka. Dholaikhal Branch, Dhaka. Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. Fulbaria Branch, Dhaka. Feni Branch, Feni Gournadi Branch, Barisal Gulshan Branch, Dhaka. Hobigonj Branch, Hobigonj Ishwardi Branch, Iswardi Mohammadpur Branch, Dhaka. Moulvi Bazar Branch, Dhaka MTB Corporate Center Branch, Dhaka. Mymensingh Branch, Mymensingh Narayanganj Branch. Narayanganj Nazirhat Branch, Chittagong Noria Branch. Oxygen Mor Branch, Ctg. Pabna Branch, Pabna Pallabi Branch, Dhaka. Panthapath Branch, Dhaka. Principal Branch, Dhaka. Progati Sarani Branch, Dhaka. Rajshahi Branch, Rajshahi. Rangpur Branch, Rangpur Raipur Branch, Raipur Savar Branch, Dhaka. Shanir Akhra Branch, Dhaka. Sonargaon Branch. Narayanganj Sreenagar Branch, Munshigonj Syedpur Branch, Syedpur Sylhet Branch, Sylhet. Tongi Branch, Gazipur. Thakurgaon Branch, Thakurgaon Uttara Model Town Branch, Dhaka. Jubilee Road Branch, Chittagong. Khatungonj Branch, Chittagong. Kushtia Branch, Kushtia Jessore Branch, Jessore. Joypurhat Branch, Joypurhat	Newmarket Branch, Dhaka Mirpur Section-1 Branch, Dhaka Sadarghat Corp. Branch, Dhaka Gazipur Courtbuilding Branch, Gazipur Mymensingh Branch, Mymensingh Tangail Corp. Branch, Tangail Narsingdi Branch, Narsinghdi Agrabad Corp. Branch, Ctg. Riazuddin Bazar Branch, Ctg. Wage Earners Branch, Ctg. Court Hill Branch, Ctg. Pahartoli Main Road Branch, Ctg. Khatungonj Branch, Ctg. Patiya Branch, Ctg. Sunamgonj Branch, Sunamgonj Cox's Bazar Main Branch, Cox's Bazar Maijdee Court Branch, Noakhali Feni Branch, Feni Chandpur Branch, Chandpur Brahmon Baria Branch, Brahmonbaria Court Building Branch, Sylhet Moulavibazar Branch, Moulavibazar Hobigonj Branch, Hobigonj Daulatpur College Road Branch, Khulna KDA New Market Branch, Khulna Sir Iqbal Road Branch, Khulna Jessore Corp. Branch, Jessore Kushtia Branch, Kushtia Motihar Branch, Rajshahi Sherpur Road Branch, Bogra <u>BRAC Bank Ltd.</u> Asad gate Br., Dhaka. Banani Br., Dhaka. Bashundhara Br., Dhaka. Donia Br., Dhaka. Eskaton Br., Dhaka. Graphics Building Br., Dhaka. Gulshan Br., Dhaka. Manda Br., Dhaka. Mirpur Br., Dhaka. Narayanganj Br., Narayanganj. Nawabpur Br., Dhaka. Rampura Br., Dhaka. Shyamoli Br., Dhaka. Uttara Br., Dhaka. Agrabad Br., Chittagong. CDA Avenue Br., Chittagong. Halishahar Br., Chittagong. Kazirdeuri Br., Chittagong. Momin Road Br., Chittagong. Bogra Br., Bogra. Rajshahi Br., Rajshahi. Jessore Br., Jessore. Khulna Br., Khulna. Barisal Br., Barisal. Zindabazar Br., Sylhet.	Ambarkhana Branch, Sylhet Askona Branch, Dhaka Ashulia Branch, Dhaka B. B. Road Branch, Narayanganj Baburhat Branch, Narsingdi Bandura Branch, Dhaka Barisal Branch, Barisal Bhulta Branch, Narayanganj Borolekha Branch, Moulavibazar Biswanath Branch, Sylhet. Board Bazar Branch, Gazipur Bogra Branch, Bogra Beanibazar Branch, Sylhet Basurhat Branch, Noakhali Bhairab Branch, Kisorgonj Brahmanbaria Branch, Brahmanbaria CDA Avenue Branch, Chittagong Chittagong EPZ Branch, Ctg. Comilla Branch, Comilla Choumuhani Branch, Noakhali Cox,s Bazar Branch, Cox,s Bazar Chatak Branch, Sunamgonj Donia Branch, Dhaka Dagonbhuyian Branch, Feni Dhaka EPZ Branch, Dhaka Dinajpur Branch, Dinajpur Digpait Branch, Jamalpur Feni Branch, Feni Fatikchari Branch, Ctg. Faridpur Branch, Faridpur Gazipur Chowrasta Branch, Gazipur Golapgonj Branch, Sylhet Goala Bazar Branch, Sylhet Gobindagonj Branch, Gobindagonj Hathazari Branch, Chittagong Halishahar Branch, Ctg. Habigonj Branch, Hobigonj Joypara Branch, Dhaka Jubilee Road Branch, Chittagong Jamalpur Branch, Jamalpur Jessore Br., Jessore. Kadamtali Branch, Tangail Khulna Branch, Khulna Khatungonj Branch, Ctg. Kushtia Branch, Kushtia Konabari Branch, Gazipur Keranigonj Branch, Keranigonj Laxmipur Branch, Laxmipur Laksham Branch, Comilla Lohagara Branch, Chittagong Mawna Branch, Gazipur Matuail Branch, Matuail Manikgonj Branch, Manikgonj Madaripur Branch, Madaripur Munshigonj Branch, Munshigonj Mirzapur Branch, Tangail Moulavi Bazar Branch, Moulavi Bazar. Muradpur Branch, Chittagong Mymensing Branch, Mymensingh Mirer Bazer Branch, Gazipur Narayanganj Branch, Narayanganj Netaigonj Branch, Narayanganj	Narsinghdi Branch, Narsinghdi Naogaon Branch, Naogaon Narayanganj BSCIC Branch. Patherhat Branch, Chittagong Pabna Branch, Pabna Pagla Branch, Narayanganj Rajshshi Branch, Rajshahi Rongpur Branch, Rongpur Pallabi Branch, Dhaka Savar Bazar Branch, Dhaka Shahzadpur Branch, Sirajgonj Sonagazi Branch, Feni Sayedpur Branch, Nilphamari Sremangal Branch, Moulavibazar Satmosjid Road Branch, Dhaka Satkhira Branch, Satkhira Shahajalal Uposohor Branch, Sylhet Sylhet Branch, Sylhet Sunamgonj Branch, Sunamgonj Tongi Branch, Gazipur Tangail Branch, Tangail Uttara Sonargaon Janapad Branch, Dhaka Uttar Khan Branch, Dhaka Vatara Branch, Dhaka



Date: 04 September 2013

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF
KHULNA PRINTING AND PACKAGING LTD.**

We have audited the accompanying financial statements of **KHULNA PRINTING AND PACKAGING LTD.** which comprise the Statement of Financial Position as at 30 June 2013, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the period from 1 July 2012 to 30 June 2013 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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. 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 **KHULNA PRINTING AND PACKAGING 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 applicable section of companies Act – 1984, the Securities & Exchange Rule – 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 purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Statement of financial position, dealt with by the report are in agreement with the books of accounts, and
- d) The expenditure incurred was for the purpose of the company's business.

Dated Dhaka 04 September, 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants



KHULNA PRINTING & PACKAGING LTD.
51 KHAN A SABUR ROAD, KHULNA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

PARTICULARS	NOTES	TAKA 30 JUNE 2013	TAKA 30 JUNE 2012
NET ASSETS :			
Non- Current Assets		368,515,485	379,530,593
Tangible Fixed Assets, net of accumulated depreciation	19.00	334,015,485	346,030,593
Investment	20.00	34,500,000	33,500,000
Current Assets		694,333,686	564,832,554
Inventories	21.00	173,849,088	135,860,050
Trade Debtors (Considered good)	22.00	151,478,599	159,607,337
Advance and Deposit	23.00	145,040,022	149,682,372
Advance Income Tax	24.00	205,166,170	104,394,357
Cash and Bank balance	25.00	18,799,807	15,288,438
TOTAL ASSETS	Tk.	1,062,849,171	944,363,147
EQUITY AND LIABILITY			
Shareholders' equity	26.00	640,445,099	566,012,837
Share Capital	26.02	264,000,000	264,000,000
Revaluation Reserve	27.00	172,163,643	178,902,315
Retained Earnings		204,281,456	123,110,522
Non Current Liabilities			
Secured loan	28.00	27,888,814	42,911,290
Current Liabilities		394,515,258	335,439,020
Loan from Bank	29.00	267,238,154	253,895,048
Sundry creditors	30.00	54,753,218	34,596,076
Provision for Income Tax	31.00	20,968,658	17,463,219
Deferrred Tax Liabilities	32.00	51,555,228	29,484,677
TOTAL EQUITY AND LIABILITY	Tk.	1,062,849,171	944,363,147

The accounting policies and other notes from 1 to 44 form an integral part of the Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Financial Position referred to in our annexed report.

Sd/-
Shah Mazumder & Co.
Chartered Accountants

Dated : Dhaka, 04 September 2013



KHULNA PRINTING & PACKAGING LTD.
51 KHAN A SABUR ROAD, KHULNA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

PARTICULARS	NOTES	TAKA 30 JUNE 2013	TAKA 30 JUNE 2012
Turnover	33.00	1,910,212,690	2,077,665,763
Cost of Goods Sold	34.00	(1,665,378,384)	(1,815,969,720)
Gross Profit		244,834,306	261,696,043
Operating Expenses			
Administrative, Financial & Selling Expenses	35.00	(121,489,261)	(114,958,129)
		123,345,045	146,737,914
Income from Investment		-	8,500,000
Net Profit Before Tax & WPPWF		123,345,045	155,237,914
Worker Profit Participation & Welfare Fund (WPPWF)		(5,873,574)	(7,392,282)
Net Profit Before Tax		117,471,471	147,845,633
Provision for Income Tax	36.00	(20,968,658)	(17,463,219)
Deferred Tax	36.00	(22,070,551)	(21,919,581)
Net Profit After Tax		74,432,262	108,462,832
Earnings Per Share (EPS)	37.00	2.82	4.11

The accounting policies and other notes from 1 to 44 form an integral part of the Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Comprehensive Income referred to in our annexed report.

Dated : Dhaka, 04 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants

**KHULNA PRINTING & PACKAGING LTD.****51 KHAN A SABUR ROAD, KHULNA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

PARTICULARS	SHARE CAPITAL	REVALUATION RESERVE	RETAINED EARNINGS	TOTAL
At 1st July 2012	264,000,000	178,902,315	123,110,522	566,012,837
Net Profit for the year	-	-	74,432,262	74,432,262
Depreciation on Revaluation	-	(6,738,672)	6,738,672	-
At 30 June 2013	264,000,000	172,163,643	204,281,456	640,445,099

The accounting policies and other notes from 1 to 44 form an integral part of the Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Changes in Equity referred to in our annexed report.

Dated : Dhaka, 04 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants

**KHULNA PRINTING & PACKAGING LTD.**

51 KHAN A SABUR ROAD, KHULNA

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

PARTICULARS	TAKA 30 JUNE 2013	TAKA 30 JUNE 2012
Cash Flows from Operating Activities	10,064,065	52,840,773
Collection against turnover	1,918,341,428	2,052,891,140
Payment to Supplies and Employees	(1,807,505,550)	(1,914,086,610)
Payment of Income Tax	(100,771,813)	(85,963,757)
Cash Flows from Investing Activities	(4,871,326)	(47,844,496)
Purchased of Fixed Assets	(3,871,326)	(45,344,496)
Investments	(1,000,000)	(2,500,000)
Cash Flows from Financing Activities	(1,679,370)	(5,335,675)
Loan Availled	(1,679,370)	88,799,515
Payment Against other Finance (L/C Margin and Others)	-	(94,135,190)
Increase in Cash and Cash Equivalents	3,513,369	(339,398)
Cash and Cash Equivalents at Opening	15,286,438	15,627,836
Cash and Cash Equivalents at Closing	18,799,807	15,288,438

The accounting policies and other notes from 1 to 44 form an integral part of the Financial Statements.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Cash Flows referred to in our annexed report.

Dated : Dhaka, 04 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants



KHULNA PRINTING AND PACKAGING LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1ST JULY 2012 TO 30 JUNE 2013

FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

A. Compliance with the requirements of notification of the Securities and Exchange Commission dated 04.06.2008 under reference # SEC/CMMRPC/ 2008-181/53/Adm/03/28.

- Notes to the financial statements marked from C-1 to C-17 setting out the policies are unambiguous with respect to the reporting framework on which the accounting policies are based.
- The accounting policies on all material areas have been stated clearly in the notes marked from C-1 to C-17.
- The accounting standards that underpin the policies adopted by the company can be found in the following places of the notes to the financial statements:

SL. No.	Applicable Accounting Standards	Note reference
01.	IAS/BAS - 1	4.00
02.	IAS/BAS - 2	6.00
03.	IAS/BAS - 7	7.00 & 8.00
04.	IAS/BAS - 12	9.00
05.	IAS/BAS - 16	5.00
06.	IAS/BAS - 18	10.00
07.	IAS/BAS - 19	14.00
08.	IAS/BAS - 21	11.00
09.	IAS/BAS - 33	12.00
10.	IAS/BAS - 36	13.00
11.	IAS/BAS - 37	43.00

- The financial statements are in compliance with the Bangladesh Financial Reporting Standards (BFRS) which are adapted from the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).



B. Legal status and nature of the company – Disclosure under IAS 1 as adopted by Institution of Chartered Accountants of Bangladesh as BAS 1 “Presentation of Financial Statements”

Domicile, Legal Form and Country of Incorporation

The Company was incorporated in Bangladesh on 29 September 1999 as a private company limited by shares and by a resolution passed on 18 May 2012 it was converted into a Public Limited Company under the Company's Act 1994. The company is now a public limited company with local shareholders. The company is engaged in manufacturing & printing of high quality various packaging items and cartons.

Capacity Utilization

Quantitative production capacity, actual production and over/(under) utilization presented below:

Particulars	Unit	Installed Capacity	Utilization during the period	% of Utilization	Under Utilization
Master Carton	Pcs	17,500,000	12,050,000	68.86%	5,450,000
Inner Carton	Pcs	100,000,000	80,000,000	80.00%	20,000,000
Master Sticker	Pcs	190,000,000	112,770,000	59.35%	77,230,000
Inner Sticker/Rider	Pcs	200,000,000	195,000,000	97.50%	5,000,000
Poly Sheet/Bag	Pcs	220,000,000	175,000,000	79.55%	45,000,000

Address of Registered Office and Principal Place of Business

The principal place of business is the registered office at 51 Khan A Sabur Road, Khulna.

(b) Principal Activities and Nature of Operations

The company is engaged in manufacturing & printing of high quality various packaging items and cartons and sales thereof.

Number of Employees

On the payroll of the Company, there were 293 officers 0 staff & workers /technicians apart from many casual / contract technicians /workers.

		Taka
i)	305 Staff / Officers / Employees drew yearly salary & allowances of Tk. 36,000 or more	23,249,587
ii)	- Staff / Officers / Technicians and many other casual workers drew yearly salary / wages & allowances less than Tk. 36,000	-
	<u>305</u>	<u>23,249,587</u>



C. Significant Accounting Policies-Disclosures

1.00 Compliance with International Accounting Standards (IASs)

The financial Statements have been prepared in compliance with requirements of IASs as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and applicable in Bangladesh

2.00 Compliance with local Laws

The financial statements have been prepared in compliance with requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other relevant local laws and rules.

3.00 Measurement Bases used in preparing the Financial Statements.

The elements of financial statements have been measured on "Historical Cost" Basis, which is one of the most commonly adopted base as provided in "the frame-work for the preparation and presentation of financial statements" Issued by the International Accounting Standards Committee (IASC).

4.00 Components of the Financial Statements

According to the International Accounting Standard (IAS) 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements", the complete set of Financial Statements includes the following components.

- (i) Statement of Financial Position as at 30 June 2013.
- (ii) Statement of Comprehensive Income for the year ended 30 June 2013.
- (iii) Statements of Changes in Equity for the year ended 30 June 2013.
- (iv) Statement of Cash Flows for the year ended 30 June 2013.
- (v) Accounting policies and explanatory notes.

5.00 Specific accounting policies selected and applied for significant transactions and events.

Recognition of Property, Plant and Equipment and Depreciation.

Property, Plant and Equipment are stated at their cost less accumulated depreciation in accordance with IAS 16 as adopted by ICAB as BAS 16 "Property, Plant and Equipment". Cost represents cost of acquisition or construction and capitalization of pre-production expenditure including interest during construction periods. No depreciation is charged on land and land development. Depreciation on all other fixed assets is computed using the diminishing balance method in amounts sufficient to write off depreciable assets over their estimated useful economic lives. Expenditures of maintenance and repairs are expensed; major replacements, renewals and betterments are capitalized.

**The depreciation rates applicable to the principal categories are:**

<u>Category of fixed asset</u>	<u>Rate (%)</u>
	5
Building and Civil Works	5
Plant and Machinery	10
Electrical & Gas Installation	15
Furniture and Fixtures	15
Office equipment	20
Vehicles	

Land and land development, building and other constructions, plant and machinery was revalued in the year 2010-2012 by the valuer M/s Unique Survey Service Bureau dated 13-02-211. As per the valuer's reportt he value oft he above assets increased by Tk.44,128,865, Tk.141,866,789, and Tk.71,975,868. Detailed revaluation position is given below:

Assets	Book Value as on 13-02-2012	Revaluation gain	Total Book Value as on 13-02-2012
Land and Land Development	3,121,135	44,128,865	47,250,000,
Building and other Constructions	23,422,211	141,866,789	165,289,000

6.00 Inventories

Inventories comprise raw materials and finished goods. They are stated att he lower of cost and net realizable value on consistent basis in accordance with IAS 2 as adopted by ICAB as BAS 2 "Inventories". Net realizable value is based on estimated selling price less any further costs expected to be incurred for completion and disposal.

7.00 Cash and Cash Equivalents

According to IAS 7 as adopted by ICAB as BAS 7 "Statement of Cash Flows", cash comprises cash in hand and demand deposit and, cash equivalents are shortt erm, highly liquid investments that are readily convertible to known amount of cash and which are subjectt o an insignificant risk of changes in value. IAS 1 as adopted by ICAB as BAS 1 "Presentation of Financial Statements" also provides that cash and cash equivalents are those which have no restriction in use considering the provision of IAS 7 and IAS 1. Cash in hand and bank balances have been considered as cash and cash equivalents.

8.00 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS 7 as adopted by ICAB as BAS 7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules, 1987 and considering the provision of paragraph 19 of IAS 7 which provides that "enterprises are encouraged to report cash flows from operating activities using the direct method" .



9.00 Taxation

Taxation is provided in accordance with fiscal regulations applicable. The company is public company as per the Income Tax Ordinance, 1984. The company qualifies for tax at 37.5% has been applied for while making provision for income tax. The Company provided full amount of estimated tax liability that may be arisen at the rate of 37.5%. The Company will get tax exemption benefit @ 50% on its export income for the period.

10.00 Revenue Recognition

The revenue during the year represents revenue arising from the sale of various packing items and cartons which are recognized when deliveries are made, against the sales order received from the respective customers and after satisfying all the conditions for revenue recognition as provided in IAS 18 as adopted by ICAB as BAS 18 "Revenue Recognition".

11.00 Foreign currency translation

Transactions denominated in foreign currencies are translated into Bangladesh Taka and recorded at rates of exchange ruling on the date of transaction in accordance with IAS 21 as adopted by ICAB as BAS 21 "The Effects of Changes in Foreign Currency Rates".

12.00 Earning Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33 as adopted by ICAB as BAS 33 "Earnings Per Share" which has been shown on the face of Statement of Comprehensive Income and the computation of EPS is stated in Note-37

Basic Earnings

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend, minority interest or extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

Diluted Earnings Per Share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

13.00 Assets of the Company

As all assets of the company shown in the financial statement that are within the scope of BAS-36 are in physical existence and valued no more than their recoverable amount following International Accounting Standards adopted in Bangladesh, disclosures with regard to "Impairment of Assets" as per BAS-36 have not been considered necessary.



14.00 Employee Benefit Obligations

The Company is under consideration of starting a recognized provident fund and Workers Profit Participation fund in near future.

15.00 Trade Creditors and Other Current Liabilities

Liabilities are recognized for amounts to be paid in the future for goods and services received, whether or not billed by the supplier.

16.00 Loans, Advances and Deposits

This is considered good and collectible, and therefore, no amount was written off as bad debt and no debt was considered doubtful to provide for.

17.00 Additional Information

17.01 Responsibility for preparation and presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the provision of "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standards Committee (IASC).

17.02 Risk and uncertainties for use of estimates in preparation of financial statements

The preparation of financial statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that affect the report, amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses during the period reported. Actual results could differ from those estimates. Estimates are used for accounting of certain terms such as long term contracts, provision for doubtful accounts, depreciation and amortization, employees benefit plans, taxes reserves and contingencies.

17.03 Reporting Currency and level of precision

The figures in the financial statements represent Bangladesh currency (Taka), which have been rounded off to the nearest integer.

17.04 Comparative Information

Comparative information have been disclosed as per clause 20 of BAS 34 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding the current period's financial statements.

17.05 Turnover

Turnover Comprises Export sales of the company excluding VAT, supplementary duty etc.

17.06 Commission

Commission/Bonus has been paid to sales agents during the period under audit.



17.07 Brokerage or Discount

The company did not pay any brokerage or discount other than the conventional trade discount against sales.

17.08 Miscellaneous Expenses

Miscellaneous expenses do not include any item exceeding 1% of total revenue.

17.09 Board Meeting & Board Members

There were 7 members in the Board of Directors of the Company and 11 Board Meetings were held in the period under review.

17.10 Acknowledgement of Claims

There was no claim against the company acknowledged as debt as on 30 June 2013.

17.11 Going Concern

There is no significant doubt upon the company's ability to continue as a going concern.

17.12 Reporting Period

Financial Statements of the company cover financial period from 1st July 2012 to 30 June 2013.

17.13 Rearrangement of Figures

Comparative figures have been rearranged, wherever necessary.

17.14 Paid to Directors

During the year the company paid Tk. 1,500,000 to Managing Directors and Other Directors as their remuneration, Car facility and Bonus.

17.15 Lease

There is no significant lease agreement entered by the company for its registered office at 51 Khan A Sabur Road, Khulna and Corporate Office Akram Tower, Bijoy Nagar, Dhaka.

**18.00 Ratios and Liquidity :****18.01 Gross Profit:**

The gross profit of printing & packaging business earned during the year is 12.98% as againstt he gross profit earning at 12.60% during the preceding period.

18.02 Liquidity :

	30 June 13	30 June 12
Liquid Assets	520,484,598	428,972,504
Current Liabilities and Provisions	394,515,258	335,439,020
Net Liquid Assets	125,969,340	93,533,484
Other Current Assets	173,849,088	135,860,050
Net Current Assets	299,818,428	229,393,534

18.03 Current Ratio :

	30 June 13	30 June 12
Current Assets	694,333,686	564,832,554
Current Liabilities and Provisions	394,515,258	335,439,020
Ratio	1.76:1	1.68:1
Standard Ratio	2.00:1	2.00:1

18.04 Operating Ratio :

	30 June 13	30 June 12
Net Sales	1,910,212,690	2,077,665,763
	1,786,867,645	1,930,927,849
Cost of Goods Sold	1,665,378,384	1,815,969,720
Add : Administrative, Financial and Selling Expenses	121,489,261	114,958,129
Ratio	1.07:1	1.08:1

18.05 Others:

	Taka	Taka
Net Assets Value (NAV)	24.26	21.44
Operating Cash Flows per share	0.38	5.66

**19.00 Fixed Assets : Tk. 334,015,485**

Details have been shown in Annexure-"A"

20.00 Investments: Tk. 34,500,000

The break-up of above as follows :

	30 June 13	30 June 12
Fixed Deposit in Bank	1,000,000	-
Rupsha Fish & Allied Ind. Ltd.	13,500,000	13,500,000
Moon Star Jute Mills Ltd	20,000,000	20,000,000
	34,500,000	33,500,000

The company bought 1,350,000 ordinary shares of Tk. 10 each of Rupsha Fish & Allied Int.Ltd. The company also bought 2,000,000 ordinary shares of Tk.10 Moon Star Jute Mills Ltd. and nominated a Director in its Board. Sundry Bonds in Bank and Fixed deposit in Bank have been presented under note-25 Cash and Bank Balances for fair presentation in the current period.

21.00 Inventories: Tk. 173,849,088

The break-up of above as follows :

	30 June 13	30 June 12
Imported Raw Materials	158,941,944	129,180,432
Local Materials	1,257,884	2,595,618
Finished Goods	13,649,260	4,084,000
	173,849,088	135,860,050

Physical Inventory was taken and valued by the management of the company. The quantity of the Inventories and values thereof was increased during the financial year to meet up increased sales target as production capacity has increased significantly after import and installation of some new machinery.

22.00 Trade Debtors (Considered good) : Tk. 151,478,599

The break-up of above as follows :

	30 June 13	30 June 12
Bagerhat Seafood Ind. Ltd	14,092,553	8,560,937
Lockpur Fish Processing Co. Ltd	2,578,065	2,578,065
Rupsha Fish and Allied Ind. Ltd	4,646,645	7,275,916
Shampa Ice and Cold Storage Ltd.	6,567,609	613,268
Southern Foods USA Inc.	1,131,213	1,131,213
Western Inn International Ltd	12,106	-
Moon Star Jute Mills	315,773	-
Southern Foods Ltd	8,757,189	2,582,452
Janata Biscuits Com.	3,690,970	2,921,006
Bionic Fish Processing Ltd	1,174,827	-
Bionic Sea Food Export Ltd	711,630	-



KHULNA PRINTING & PACKAGING LIMITED

Mitom Sea Food Ind. Ltd	463,084	-
Save Food Product	322,260	-
Bright Seafood Limited	3,983,587	1,542,063
Modern Seafoods Ind. Ltd	227,522	752,349
Achia Sea Foods Ltd	312,145	-
Affix Conjumer Product Ltd.	2,140,305	2,140,305
Aqua Resource Ltd.	1,099,661	1,099,661
Arif Poultry	353,367	-
Bionic Fish Processing Ltd. (New)	-	1,129,071
Cosmos Seafood Limited	1,016,113	998,429
AB Foods	35,900	-
Abir Interprise	13,475	-
Gemini Seafood Ltd	45,920	-
Jahanabad Sea Food Industry Limited	2,725,167	8,607,714
Jalalabad Frozen Foods Ltd.	2,385,258	-
Mofa Fish Processing (Pvt) Ltd	104,924	-
National Seafood Ltd	7,261,436	7,039,784
New Foods Ltd	86,255	-
Oriental Fish Processing & Culture Ltd	950,865	-
Pack Solutions Ltd.	27,314,645	69,576,285
Priyam Fish Ltd	778,709	-
Rosemco Foods Ltd	1,244,937	1,694,759
Rupali Sea Foods Ind. Ltd.	1,027,841	1,091,987
Satkhira Foods Ltd.	1,079,051	1,079,051
Sobi Fish Processing Co. Ltd.	2,830,176	3,028,720
Southfield Fisheries Limited	1,427,392	1,614,111
Ananna Print Media	26,500	-
Agrogoti Aret Press	114,945	-
Ahona Food Ind. Ltd	134,875	-
Atik Saheb	98,501	-
Ajij Press	117,000	-
Minhar Seafoods Ltd	1,081,558	-
Majharul Haque Shahid	80,500	-
Khulna Frozen Foods Export Ltd	345,246	-
Nirala Seafood Ltd	23,021	-
Borak Fish	20,365	-
B & F Int. Ltd	171,500	-
Mitali Food Ind. Ltd	220,375	-
Karumoy	53,371	-
Maxzim International	217,950	-
Moklesur Rahman	353,445	-
South Pack BD	2,281,683	1,897,058
SS Enterprise	-	1,026,000
Surovi Agro Ind. Ltd	247,560	-
Atlas Seafood	1,306,506	-
Bismillah Laminator	10,491,935	6,568,866
Azad Sb Dhaka	123,963	-



Madhumati Mudranaloy	6,442,858	1,410,804
Perfect Pack	4,271,245	2,363,048
Print N Pack	1,579,608	-
Rimi Food Product	1,905,507	1,571,445
AHZ Agro Pvt. Ltd	532,375	-
Yoko Food and Agro Ltd	2,589,794	3,599,101
Asma Enterprise	144,306	-
Hajrat Shahjalal Newsprint Ind. Ltd	24,810	-
Aqua Chemical	286,865	-
Anando Perfumery	2,598,480	-
Bangladesh Poly Printing International Ltd.	-	5,000,000
Chalna Marine	1,863,529	-
Chowdhury Food Product	168,980	-
Creative Trade Int	359,000	-
Famos Packaging	436,340	-
Jalal Saheb	200,000	-
Kollol Sha Dhaka	154,122	-
Misuda Paper House	1,725,796	-
Mostafa Organinc Shirimps	268,672	-
Najma Trading	1,168,230	-
Shajan Enterprise	63,620	-
Shanaj Seafoods	121,200	-
Sorifa Printers and Packagers	1,004,000	-
Total Pack	872,585	-
Unipack	365,190	-
Uro Agrovat Ltd	478,271	-
National Art Press	123,842	-
Rotonpur Still	1,310,000	-
Others	-	9,113,869
	151,478,599	159,607,337

The amount receivable from Debtors is considered good and will be realized in full within the next 12 months period. No provision has been made for doubtful or bad debts.

**23.00 Advance and Deposit: Tk. 145,040,022**

The break-up of above as follows :

		30 June 13	30 June 12
Advances	23.01	15,864,617	34,372,289
Margin Account LC and ILC		129,175,405	115,310,083
		145,040,022	149,682,372

23.01 Advances: Tk. 15,864,617

The break-up of above as follows :

	30 June 13	30 June 12
Arfan Engineering Words	11,500	71,900
Arzan Ali Head Office	50,000	150,000
Bangladesh Poly Printing Int.	15,000,000	29,393,958
Hajarat Sahajalal Newsprint Ind.Ltd.	24,810	24,810
Lockpur Shipping Agency	728,307	732,507
Omni Systems	-	1,500,000
Wordly Print Company Taiwan	-	75,420
Provision on Baddebt Rerurce (PSL)	-	1,299,120
Rafi Engineering Work	-	300,000
Jahid Electric Works	-	8,000
Janony Thai	50,000	15,000
Motahar Tourism	-	150,000
Enargy Power Service Company	-	40,000
Nepal Babu DGM	-	100,000
Employee Advance	-	511,574
	15,864,617	34,372,289

24.00 Advance Income Tax: Tk. 205,166,170

The break-up of above as follows :

	30 June 13	30 June 12
Opening Balance	104,394,357	49,133,556
Income Tax Paid in Advance/ deducted at source 24.01	100,771,813	85,963,757
	205,166,170	135,097,313
Less: Adjustment during the period	-	30,702,956
	205,166,170	104,394,357

**24.01 Income Tax Paid in Advance / deducted at source: Tk. 100,771,813**

Month	30 June 13
July 2012	7,474,996
August 2012	7,936,797
September 2012	9,695,915
October 2012	11,564,179
November 2012	9,092,697
December 2012	9,795,422
January 2013	9,811,992
February 2013	2,672,062
March 2013	3,909,110
April 2013	11,916,133
May 2013	8,996,038
June 2013	7,906,472
	100,771,813

25.00 Cash and Bank Balances: Tk. 18,799,807

The break-up of above as follows :

	30 June 13	30 June 12
Cash in Hand	463,836	796,171
Cash at Bank	18,335,971	14,492,267
	18,799,807	15,288,438

25.01 Cash at Bank: Tk. 18,335,971

The break-up of above as follows :

	30 June 13	30 June 12
Sonali Bank Daulatpur Branch	11,930	11,930
Sonali Bank Corporate Branch	276,495	7,422
First Security Bank Khulna Branch	3,198,621	47,081
Standard Chartered Bank	2,012,411	508,644
Dutch Bangla Bank	12,723,793	3,119,095
First Security Bank Khulna Branch FDR	-	750,000
Sonali Bank Corporate Branch FDR	-	250,000
Bangladesh Bank 3 years Bond	-	9,500,000
State Bank of India	112,721	298,095
	18,335,971	14,492,267

26.00 Share Holders' Equity :

Tk. 640,445,099	Tk. 566,012,837
------------------------	------------------------

26.01 Authorized Capital: 1,000,000,000

The Company has an authorized capital Tk. 1,000,000,000 divided into 100,000,000 Ordinary Shares of Tk. 10 each.

**26.02 Share Capital: Tk. 264,000,000**

It represents the paid up capital of the company consisting of 26,400,000 Ordinary Shares of Tk. 10 each issued for cash fully paid.

The Share Holding position of the company are as follows:

Name	30 June 13	30 June 12
SM Amzad Hossain	132,000,000	132,000,000
Ms Sufia Khatun	66,000,000	66,000,000
Rupsha Fish and allied Industries	13,200,000	13,200,000
Metro Bricks Ltd.	13,200,000	13,200,000
Southern foods Ltd.	13,200,000	13,200,000
Bagerhat Sea Foods	13,200,000	13,200,000
Shampa Ice and Cold Storage Ltd.	13,200,000	13,200,000
	264,000,000	264,000,000

27.00 Revaluation Reserve: Tk. 172,163,643

The break-up of above as follows :

	30 June 13	30 June 12
Opening Balance	178,902,315	257,971,522
Add: During the year	-	-
	178,902,315	257,971,522
Less: Adjustment for reversal of revaluation on Plant and Machinery	-	71,975,868
	178,902,315	185,995,654
Less: Depreciation on Revaluation	6,738,672	7,093,339
	172,163,643	178,902,315

28.00 Secured Loan: Tk. 27,888,814

The break-up of above as follows :

	30 June 13	30 June 12
Sonali Bank Ltd. Corporate Branch.	27,888,814	42,911,290
	27,888,814	42,911,290

The Status of this Loan is standard and repaying regularly. The Loan is secured by Land, Building, Machinery, Equipment and personal Guarantee of Directors. The Loan is repaid under quarterly installment which bears 14% rate of interest.

**29.00 Loan From Bank: Tk. 267,238,154**

The break-up of above as follows :

	30 June 13	30 June 12
Sonali Bank Corp. Br. WC Pledge 334	130,803,361	85,740,428
Sonali Bank Corp. Br. WC Hypo 335	17,172,793	8,258,726
Sonali Bank Corp. Br. (Deferred LC)	-	49,396,894
First Security Bank (SOD)	-	9,000,000
LIM Liability Sonali Bank Corp. Branch	119,262,000	101,499,000
	267,238,154	253,895,048

The Status of his Loan is standard and repaying regularly. The Loan is secured by the personal Guarantee of Directors and charge on current assets of the Company. The Loan bears rate of interest 13% & 14% .

30.00 Sundry Creditors: Tk.54,753,218

The break-up of above as follows :

	30 June 13	30 June 12
MB Traders	-	2,000,000
Helal Uddin	3,355,913	-
Jesan International Pvt. Ltd	1,767,043	-
Choudhury Shipping Agency	528,000	-
Al Haramine Printing	222,017	-
Al Mamun Paper Agency	151,160	-
Lutfor Rahaman Dhaka	6,411,226	-
Mir Trading	444,520	-
Nahid Corporation	13,356,700	-
Raju Saheb Dhaka	4,250,000	-
SOS Food and Agro	110,000	-
Wahid Mantaka	901,478	-
Modina Still Metal and Fabrication Works	350,000	-
Metro Bricks Ltd	180,760	-
Abdul Gaffar	16,200,000	5,575,905
Worker Profit Participation & Welfare Fund (WPPWF)	5,873,574	7,392,282
Gias Uddin	-	236,400
Ideal Polymer	-	5,000,000
Masuda Paper House	-	83,005
Akram Hossain, Dhaka	-	10,000,000
Majaharul Haque Shoid	-	2,747,500
Oahid Mantaka	-	1,000,000
Others	650,827	560,984
	54,753,218	34,596,076

**31.00 Provision for Tax: Tk.20,968,658**

The break-up of above as follows :

	30 June 13	30 June 12
Balance as per last Accounts	17,463,219	19,106,904
Add: During the year	20,968,658	17,463,219
	38,431,877	36,570,123
Less: Adjustment during the period	(17,463,219)	(19,106,904)
	20,968,658	17,463,219

32.00 Deferred Tax: Tk.51,555,228

The break-up of above as follows :

	30 June 13	30 June 12
Balance as per last Accounts	29,484,677	7,565,096
Add: During the year	22,070,551	21,919,581
	51,555,228	29,484,677
Less: Adjustment during the period	-	-
	51,555,228	29,484,677

33.00 Turnover: Tk. 1,910,212,690

The break-up of above as follows :

	30 June 13	30 June 12
5 Ply Master Carton	503,085,400	211,909,464
3 Ply Master Carton	5,040,000	77,539,000
3 Ply Master Carton Duplex	2,070,540	3,696,700
Inner Carotn Top	70,000,520	77,534,100
Inner Carotn Bottom	90,500,300	78,320,520
Inner Carotn Envelop	85,907,500	98,085,120
Poly Bag White	793,080,000	77,686,835
Poly Bag Printed	300,220,000	697,005,200
Others	60,308,430	755,888,824
	1,910,212,690	2,077,665,763

**34.00 Cost of Goods Sold: Tk.1,665,378,384**

The break-up of above as follows :

		30 June 13	30 June 12
Raw Materials Consumed	34.01	1,613,533,422	1,760,646,036
Wages & Salary		10,274,830	9,568,919
Electricity		14,871,835	8,700,532
Other Factory Overheads	34.02	20,796,863	19,827,658
Depreciation		15,466,694	15,310,575
		1,674,943,644	1,814,053,720
Add: Opening Stock of F.G		4,084,000	6,000,000
		1,679,027,644	1,820,053,720
Less: Closing Stock of F.G		13,649,260	4,084,000
		1,665,378,384	1,815,969,720

34.01 Raw Materials Consumed: Tk. 1,613,533,422

		30 June 13	30 June 12
Opening Stock of R.M.		131,776,050	116,098,904
Add: Purchase of R.M.	34.01.01	1,641,957,200	1,776,323,182
Available for Consumption		1,773,733,250	1,892,422,086
Less: Closing Stock of R.M.		160,199,828	131,776,050
Raw Materials Consumed		1,613,533,422	1,760,646,036

34.01.01 Purchase of R.M. Tk. 1,641,957,200

Items	30 June 13	30 June 12
Imported Materials	1,604,445,550	1,716,705,659
Local Materials	50,560	18,897,009
Insurance Premium	14,193,447	6,327,802
Carrying Charge	12,680,122	16,416,389
Clearing & Forwarding Charges	10,323,350	17,668,800
Labour Charge	264,171	307,523
	1,641,957,200	1,776,323,182

34.02 Other Factory Overheads: Tk. 20,796,863

	30 June 13	30 June 12
Accessories	7,139,497	6,608,018
Repair & Maintenance	7,060,736	6,326,939
Petrol & Lubricant	5,913,373	6,112,405
Printing & Processing	683,257	780,296
	20,796,863	19,827,658

35.00 Administrative, Financial & Selling Expenses: Tk.121,489,261

The break-up of above as follows :

		30 June 13	30 June 12
Administrative and FinancialExp.	35.01	118,685,437	112,211,025
Selling Expenses	35.02	2,803,824	2,747,104
		121,489,261	114,958,129

35.01 Administrative and Financial Expenses: Tk.118,685,437

	30 June 13	30 June 12
Director Remuneration	1,500,000	1,500,000
Salaries	12,974,757	13,270,178
Advertise and Publicity	139,000	203,259
Bank Interest	46,967,401	32,777,333
Bank Charges and Commision	16,293,511	16,764,648
Bonus	5,096,575	3,669,086
Business Development	8,140,868	12,312,283
Entertainment Expenses	14,093,810	1,939,027
Subscription and Donation	274,079	2,809,970
Travelling and Conveyance	2,010,152	6,899,227
Miscellaneous Expenses	120,000	11,270,885
Overtime Bill	5,864,781	4,202,352
Stamps	252,155	204,450
Telephone, Postage and Internate	182,056	188,419
Licence and Renewal Fees	17,500	6,500
Fees and Professional Charges	3,781,177	2,388,635
Medical Expenses	37,875	18,097
Rent, Rate and Taxes	520,000	449,774
Depreciation	419,740	1,336,902
	118,685,437	112,211,025

**35.02 Selling Expenses: Tk. 2,803,824**

	30 June 13	30 June 12
Carriage Outward	2,803,824	2,747,104
	2,803,824	2,747,104

36.00 Provision for Income Tax: Tk.20,968,658

	30 June 13
Net Profit before Tax	117,471,471
Less: 50% profit for export	58,735,736
	58,735,736
Income Tax provision @ 37.5%	20,968,658
Deferred Tax provision:	
Opening Balance	29,484,677
Add: During the year	22,070,551
Total	51,555,228

37.00 Earnings Per Share:

The Computation of EPS is given Below:

	30 June 13	30 June 12
(a) Earnings attributable to the Ordinary Shareholders	74,432,262	108,462,832
(b) Weighted Number of Ordinary Shares	26,400,000	26,400,000
Earnings Per Share (EPS)	2.82	4.11

**38.00 Tax Assessment Status**

There is no income Tax liability of the Company up to the assessment year 2012-2013 as per certificate issued by the concerned Deputy Commissioner of Taxes.

39.00 Information relating to Quantity of Purchase, Production, Sale and Stock (Major Items only)

Particulars	Quantity in MT				
	Opening Stock on 01.07.2012	Purchase during the Period	Total	Consumption during the Period	Closing Stock as on 30.04.2013
Duplex Paper	150.43	4,000	4,150	4,095.16	55.28
Kraft Liner Paper	264.14	2500	2,764	2,502.90	261.24
Medium Paper	99.29	1500	1,599	1,252.77	346.52
Poly Dana	168.99	2485	2,654	2,390.64	263.35
BOPP Film	259.7	650	910	850.51	59.19
Ink	85	980	1,065	984.86	80.14

40.00 Some information with regard to income and expenditure in foreign currency etc.

		30-Jun-13	30-Jun-12
(a)	Value of Imports on C & F basis		
	(i) Raw Materials	\$ 20,517,206	\$ 20,633,823
	(ii) Capital Goods	Nil	\$ 394,095
(b)	Value of imported Raw Materials, Packing Materials, Stores & Spares consumed with percentage:		

	Taka		Taka		Taka	
	Raw Materials	%	Packing Materials	%	Stores & Spares	%
Imported	1,612,145,128	99%	Nil	-	Nil	-
Local	13,882,094	1%	Nil	-	Nil	-

**41.00 Capital Expenditure Commitment :**

There was no such commitment as on 30 June 2013.

42.00 Related Party Transaction:

List of related parties with whom transactions have taken place and their relationship as identified and certified by the Management is as under:

SL	Name of related party	Nature of transaction	Balance as of 30 June 2013
1	Rupsha fish & Allied Ind. Ltd.	Sales of Packing Materials	4,646,645
2	Bagerhat Seafood Ind. Ltd.	Sales of Packing Materials	14,092,553
3	Shampa Ice & cold Storage Ltd.	Sales of Packing Materials	6,567,609
4	Southern Foods Ltd.	Sales of Packing Materials	8,757,189
5	Lockpur Fish Processing Co.Ltd.	Sales of Packing Materials	2,578,065
6	Southern Foods USA Inc	Sales of Packing Materials	1,131,213
7*	Western Inn International Ltd.	Sales	12,106
8*	Moon Star Jute Mills	Sales	315,773

All the above transactions were made on arms length basis through L/Cs and will be realized on maturity.

* Subsequently adjusted in full.

43.00 Contingent Liability :

These have been considered as per IAS 37 "Provisions, Contingent liabilities, and Contingent assets". As on 30 June 2013, there were following contingent assets and liabilities are to be disclosed:

- ❖ The Company opened L/C for import of Raw Materials Valued Tk.129,175,405 for which L/C margin was paid in advance to bank accordingly. Provision is made when there is any obligation incurred and which can be and measured certainly.



KHULNA PRINTING & PACKAGING LIMITED

44.00 Post Balance Sheet Events:

There is no significant eventt hat has occurred between the Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

Dated: Dhaka, 04 September 2013

KHULNA PRINTING & PACKAGING LTD.
51 KHAN A SABUR ROAD, KHULNA

SCHEDULE OF FIXED ASSETS AS AT 30 JUNE 2013

Annexure-A

SL. No.	Particulars	Cost & Revaluation			Depreciation			Written down value as on 30 June 2013
		Balance as on 1st July 2012	Addition during the period	Total cost as on 30 June 2013	Rate	Balance as on 1st July 2012	Charged during the year	Total as on 30 June 2013
		Cost	Revaluation					
1	Land and land development	3,121,135	44,128,865	47,250,000	0%	-	-	47,250,000
2	Factory Building & Boundary Wall	23,422,211	141,866,789	165,289,000	5%	13,532,974	7,587,801	21,120,775
3	Plant & Machinery	178,090,033	-	181,740,033	5%	38,945,132	7,139,745	46,084,877
4	Electrical Installation	3,318,797	-	3,494,547	15%	905,962	388,288	1,294,250
5	Furniture & Fixture	3,592,589	-	3,638,165	10%	439,795	319,837	759,632
6	Office Equipment	338,452	-	338,452	15%	97,568	36,133	133,701
7	Vehicles	3,534,385	-	3,534,385	20%	1,461,231	414,631	1,875,862
	Total :	215,417,602	185,995,654	405,284,582		55,382,663	15,886,434	71,269,097
								334,015,485

Allocation of Depreciation:

Items	On Cost	On Revaluation	Total
Charge to Manufacture	8,728,022	6,738,672	15,466,694
Charge to Administration	419,740	-	419,740
Total	9,147,762	6,738,672	15,886,434



KHULNA PRINTING & PACKAGING LIMITED

**Auditors Certificate regarding deposit of an amount equivalent to the paid up capital**

We certify that paid up capital of Khulna Printing & Packaging Limited as on 05 September 2013 is Tk. 264,000,000 dividend into of 26,400,000 Ordinary shares of Tk. 10 each as follows:

Allotment	Date of allotment	Number of ordinary share issued /allotted		Value	
		For consideration in cash	For consideration otherwise than in cash	Cumulative Amount of Paid up Capital	Value per share
1 st	At the time of registration	10,000	-	10,000,00	100
2 nd	17-16-2004	90,000	-	10,000,000	100
3 rd	05-06-2006	50,000	-	15,000,000	100
4 th	26-02-2009	950,000	-	110,000,000	100
5 th	14-05-2012	-	15,400,000	264,000,000	10

The Company was converted to public company limited by share on 08.05.2011 and denominated its shares from Tk. 100 each to Tk. 10 each.

We also certify that the entire paid up capital issued for cash has been deposited into the Company's Account.

Dated: Dhaka, 05 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants



Khulna Printing & Packaging Limited
Statement of Ratio Analysis
For the period from 01 July 2009 to 30 June 2013

We have examined the following accounting ratios of Khulna Printing and Packaging Ltd. (the "Company") for the years ended 30 June 2009 to 2013 as submitted to us by its management. The preparation of these ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared/ascertained using acceptable principles on the basis of audited financial statements for the years ended mentioned above.

Based on our review, we hereby certify that the Company has properly prepared/ascertained the following ratios for the years as stated below:

		30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
A. Liquidity Ratios						
Current ratio		1.76:1	1.68:1	1.64 :1	1.43 : 1	3.61:1
Quick ratio		1.32:1	1.28:1	1.15:1	0.71:1	3.14:1
Times interest earned	times	3.63	4.13	7.45	5.12	7.30
Debt-equity ratio		0.46:1	0.52:1	0.39:1	0.95:1	0.20:1
B. Operating Ratios						
Accounts receivable turnover ratio	times	12.61	13.02	8.80	16.54	1.90
Assets turnover ratio	times	1.80	2.20	1.44	1.14	0.77
Inventory turnover ratio	times	12.34	13.37	7.68	3.69	6.94
Net Assets Value Per Share		24.26	21.44	48.60	13.08	10.10
C. Profitability Ratios						
Gross margin ratio (%)		12.82%	13%	21%	16%	18%
Operating income ratio (%)		6.15%	7%	13%	10%	1%
Net income ratio (%)		3.90%	5%	11%	10%	1%
Return on assets ratio (%)		7.00%	11%	16%	11%	1%
Return on equity (after tax) (%)		11.62%	19%	25%	23%	1%
Earnings per share (Taka)(Adjusted)		2.82	4.11	12.07	2.99	0.10

Dated Dhaka:
05 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants



Khulna Printing & Packaging Limited
Certificate of Net Tangible Assets Value per Share (NTAV)

We have examined the following Net Tangible Assets Value per Share (NTAV) of Khulna Printing and Packaging Limited the "Company" as at 30 June 2013 and at 30 June 2012 as submitted to us by its management. The preparation of these is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly ascertained using acceptable principles on the basis of audited financial statements for the period/year ended as mentioned above.

Based on our review, we hereby certify that the Company has properly ascertained the following NTAV for the years as stated below:

	30 June 2013	30 June 2012
	Amount in Taka	Amount in Taka
Tangible Assets		
Non-Current Assets	368,515,485	379,530,593
Current Assets	694,333,686	564,832,554
A) Total Tangible Assets	1,062,849,171	944,363,147
Less: Outside Liabilities		
Non-Current Liabilities	27,888,814	42,911,290
Current Liabilities	394,515,258	335,439,020
B) Total Liabilities	422,404,072	378,350,310
C) Net Tangible Assets (A-B)	640,445,099	566,012,837
D) Net Tangible Assets Value Per Share (C/F)	24.26	21.44

Dated Dhaka:
05 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants

Khulna Printing & Packaging Limited

Auditors' Report Under Section 135(1) and Paragraph 24(1) of Part-II of Third Schedule of the Companies Act 1994

For the period from 01 July 2008 to 30 June 2013

We have examined the financial statements of Khulna Printing & Packaging Limited (the "Company") for the the years ended 30 June 2009 to 2013 which have been produced to us by the management of the company to us. The preparation of these financial statements is the responsibility of the Company's management. In pursuance of Section 135(1) and Paragraph 24(1) of Part-II of Third Schedule of the Companies Act 1994, our report is as under:

(A) Statement of Assets and Liabilities:

Particulars	Amount in Taka as at				
	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
ASSETS					
Non-Current Assets					
Tangible Fixed Assets	334,015,485	346,030,593	389,309,443	129,048,295	41,959,897
Investment	34,500,000	33,500,000	31,000,000	14,750,000	4,200,000
Total Non-Current Assets	368,515,485	379,530,593	420,309,443	143,798,295	46,159,897
Current Assets					
Inventories	173,849,088	135,860,050	122,098,904	77,744,364	52,853,260
Trade Debtors	151,478,599	159,607,337	134,832,714	20,639,730	18,358,171
Advance and Deposit	145,040,022	149,682,372	83,743,747	54,872,343	19,201,602
Advance Income Tax	205,166,170	104,394,357	49,133,556	-	-
Cash and Bank Balances	18,799,807	15,288,438	15,627,836	1,118,404	922,631
Total Current Assets	694,333,686	564,832,554	405,436,757	154,374,841	91,335,664
Total Assets	1,062,849,171	944,363,147	825,746,200	298,173,136	137,495,561
EQUITY AND LIABILITIES					
Capital and Reserves					
Share Capital	264,000,000	264,000,000	110,000,000	110,000,000	110,000,000
Revaluation Reserve	172,163,643	178,902,315	257,971,522	-	-
Retained Earnings	204,281,456	123,110,522	166,650,406	33,903,759	1,052,378
Shareholders' Fund	640,445,099	566,012,837	534,621,928	143,903,759	111,052,378
Non-Current Liabilities:					
Secured Loan	27,888,814	42,911,290	43,728,045	46,279,256	-
	27,888,814	42,911,290	43,728,045	46,279,256	-
Current Liabilities:					
Loan from Bank	267,238,154	253,895,048	164,278,778	90,064,969	22,572,463
Sundry Creditors	54,753,218	34,596,076	56,445,449	16,925,152	3,870,720
Provision for Income Tax	20,968,658	17,463,219	19,106,904	1,000,000	-
Deferred Tax Liabilities	51,555,228	29,484,677	7,565,096	-	-
Total Current Liabilities	394,515,258	335,439,020	247,396,227	107,990,121	26,443,183
Total Equity and Liabilities	1,062,849,171	944,363,147	825,746,200	298,173,136	137,495,561

Khulna Printing & Packaging Limited

B) Statement of Comprehensive Income

Particulars	Amount in Taka as at				
	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Turnover	1,910,212,690	2,077,665,763	1,186,261,728	341,375,693	106,515,460
Cost of Goods Sold	(1,665,378,384)	(1,815,969,720)	(937,189,376)	(286,845,422)	(87,020,091)
Gross Profit	244,834,306	261,696,043	249,072,351	54,530,271	19,495,369
Operating Expenses					
Administrative, Financial and Selling Expenses	(121,489,261)	(114,958,129)	(90,653,704)	(20,433,546)	(18,841,119)
Income from Investment		8,500,000	-	-	-
Net Profit before Tax and WPPWF	123,345,045	155,237,914	158,418,647	34,096,725	654,250
Worker Profit Participation and Welfare Fund	(5,873,574)	(7,392,282)	-	-	-
Net Profit before Tax	117,471,471	147,845,632	158,418,647	34,096,725	654,250
Provision for Taxation	(20,968,658)	(17,463,219)	(18,106,904)	-	-
Deferred Tax	(22,070,551)	(21,919,581)	(7,565,096)	-	-
Net Profit/(Loss) after Tax	74,432,262	108,462,832	132,746,647	34,096,725	654,250
Earning per Share (ESP)	2.82	4.11	12.07	2.99	0.10
Net Assets per Share	24.26	21.44	48.60	13.08	10.10

Khulna Printing & Packaging Limited

C) Statement of Cash Flows

Particulars	Amount in Taka as at				
	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
CASH FLOWS FROM OPERATING ACTIVITIES	10,064,065	52,840,773	42,114,545	50,766,194	(248,811)
Collection against Turnover	1,918,341,428	2,052,891,140	1,072,068,744	339,094,134	57,783,764
Payment to Suppliers and Employees	(1,807,505,550)	(1,914,086,610)	(980,820,643)	(288,127,940)	(57,832,575)
Payment of Income Tax	(100,771,813)	(85,963,757)	(49,133,556)	(200,000)	(200,000)
CASH FLOWS FROM INVESTING ACTIVITIES	(4,871,326)	(47,844,496)	(26,041,767)	(128,871,442)	(38,492,955)
Purchase of Fixed Assets	(3,871,326)	(45,344,496)	(9,791,767)	(118,321,442)	(34,292,955)
Investment	(1,000,000)	(2,500,000)	(16,250,000)	(10,550,000)	(4,200,000)
CASH FLOWS FROM FINANCING ACTIVITIES	(1,679,370)	(5,335,675)	(1,563,346)	78,301,021	39,285,282
Share Capital	-	-	-	-	60,000,000
Loan Availed	(1,679,370)	88,799,515	71,662,598	113,771,762	(3,620,866)
Payment against other Finance (L/C Margin and others)	-	(94,135,190)	(73,225,944)	(35,470,741)	(17,093,852)
Increase/(Decrease) in Cash and Cash Equivalents	3,513,369	(339,398)	14,509,432	195,773	543,516
Cash and Cash Equivalents at Opening	15,286,438	15,627,836	1,118,404	922,631	379,115
Cash and Cash Equivalents at Closing	18,799,807	15,288,438	15,627,836	1,118,404	922,631

Khulna Printing & Packaging Limited

(D) Dividends

Details of dividends declared by the company for the above mentioned years are as under:

Particulars	Percentage				
	30-Jun-13	30-Jun-12	30-Jun-11	30-Jun-10	30-Jun-09
Stock dividend	0%	140%	0%	0%	0%
Cash Dividend	0%	0%	0%	0%	0%

(E) The Company has been incorporated in Bangladesh on 29 September 1999 as a private company limited by shares and by a resolution passed on 18 May 2011 it has been converted into a public company limited by shares under the Company's Act 1994. The company is engaged in manufacturing & printing of high quality various packaging items and cartons.

(F) The Statement of Cash Flows of the company for years ended 30 June 2009 to 2013 as in para© above are certified by us.

(G) The Company has no subsidiaries;

(H) The Company did not prepare any financial statements for any period subsequent to 30 June 2013 ; and

(I) Figures related to previous years have been rearranged wherever considered necessary.

Dated: Dhaka, 05 September 2013

Sd/-
Shah Mazumder & Co.
Chartered Accountants

Khulna Printing & Packaging Limited

Auditors' Certificate for Issue of Shares for consideration otherwise than in Cash
(bonus share)

After verification of books of account of Khulna Printing & Packaging Limited, we certify that the following shares have been issued to the directors and subscribers to the Memorandum of Association and Articles of Association for any consideration otherwise than in cash:

Name of Shareholders	Position	No. of shares Allotted
SM Amzad Hossain	Director	7,700,000
Ms Sufia Khatun	Director	3,850,000
Rupsha Fish and Allied Industries Ltd. Representative Md. Amzad Hossain	Director	770,000
Metro Bricks Ltd. Representative Mr.Khan Habibur Rahman	Director	770,000
Southern Foods Ltd. Representative Mr. S. M. Abul Hossain	Director	770,000
Bagerhat Sea Foods Ltd. Representative Mr.Sujit Kumar Saha	Director	770,000
Shampa Ice and Cold Storage Ltd. Representative Mr. Mrinal Kanti Debnath	Director	770,000
Total		15,400,000

Sd/-

Dated: Dhaka, 05 September 2013

Shah Mazumder & Co.

Chartered Accountants

শেয়ারবাজারে বিনিয়োগ কৃতিপূর্ণ,জেনে বুঝে ও 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 THEISSUE MANAGER"



KHULNA PRINTING & PACKAGING LIMITED

APPLICATION FORM

APPLICATION FOR SHARES BY INVESTORS OTHER THAN NON-RESIDENT BANGLADESHIS

WARNING: Please read the instructions on the back of the form. Incorrectly filled applications may be rejected.

The Managing Director
Khulna Printing & Packaging Limited.
51, Khan A Sobur Road, Khulna.

Bankers Sl No.

Dear Sir,

I/we apply for and request you to allot me/us the number 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 approved Prospectus and 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 shares to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

- No. of Ordinary Shares.....of Tk. 10.00 each at par
- Total subscription money of the amount of Tk. (in figure) Taka (in words) only deposited vide Cash/Cheque/Draft/Pay Order No.....Date..... on..... Bank.....Branch

3. Beneficiary Owner(BO) Account Number

(If you do not mention your valid (BO) Account, your application will be treated as invalid.)

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

Particulars of Applicant(s) :

Sole/First Applicant: Mr./Mrs./Ms.	
Father's/Husband's Name :	
Mother's Name:	
Postal Address :	
Telephone:	
Occupation :	Nationality:
For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank.).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made). The applicant shall provide with the same Bank Account Number in the application form as it is in the BO account of the applicant.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable 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.	
Applicants Bank A/c no.	
Name of the Bank:	Branch
Second Applicant:	
Mr./Mrs./Ms.	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

- I/we hereby declare that I/we have read the Prospectus of Khulna Printing & Packaging Limited, and have willingly subscribed for..... no. of Shares of Tk.10.00 each at par.

6. Specimen Signature(s) :

Name in Block Letters	Signature
(i)	
(i)	

(c) 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. of Ordinary Shares of Khulna Printing & Packaging Limited.

Banker's SL. No.
Signature

Seal & Date

Authorized

(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 BO account number 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 Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favouring A/C "KHULNA PRINTING & PACKAGING 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. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. An applicant can not 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 acknowledgement 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 in to the respective bank "Account Payee" cheque(s) with bank account number and name of bank 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 shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of the 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 specified by the Bangladesh Securities and Exchange Commission(BSEC). This may be in addition to any other penalties as may be provided for by 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 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 may forfeit whole or part of their application too.

INSTRUCTIONS

01. 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 BO account number your application will be treated as invalid.
02. All information must be typed or written in full (in Block letters) in English or in Bengali and must not be abbreviated.
03. 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.
04. 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 share favoring **"Khulna Printing & Packaging Limited"** and crossed **"Account Payee Only"**.
05. Application shall be sent by the applicant directly to the Company within **May 08, 2014** so as to reach the Company within **May 17, 2014**. Any applications sent after **May 08, 2014** or received by the Company after **May 17, 2014** will not be considered for allotment purpose.
06. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant through A/C Payee Cheque payable at Dhaka with bank account number, bank's name and branch.
07. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission.
08. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
09. Joint application by two persons will be acceptable. In such a case, allotment or 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 the other jointly with another person by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/EURO/BDT (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or company, 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 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 specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be 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\$/UK Pound Sterling/EURO demand draft drawn on any Bank and payable in Dhaka, Bangladesh, 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". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his 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 NRB 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 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 percent) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.
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 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 of those applicants will be directly credited into the respective bank accounts as mentioned in their Application Forms. Otherwise, refund 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, Barisal, 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 percent) 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.

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



APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (अभिभावित सूत्र निमित्तानांकाही)

WARNING: Please read the instructions on the back of the form. Incorrectly filled applications may be rejected.

Bankers Sl No.

Dear Sir,

I/we apply for and request you to allot me/us the number 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 approved Prospectus and 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 shares to my/our Depository (BO) Account and/or a crossed (A/C Payee Only) cheque in respect of any Application money refundable by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares.....of Tk. 10.00 each at par
2. Total subscription money of the amount of Tk. (in figure)Taka (in words) only deposited vide
Cash/Cheque/Draft/Pay Order No.....Date.....on.....Bank.....Branch.....

3. Beneficiary Owner(BO) Account Number

[illegible]

(If you do not mention your valid (BO) Account, your application will be treated as invalid.)

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

Particulars of Applicant(s) :

For Refund: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. To avoid this complication, investors are requested not to use the name of any non-scheduled bank.).	
For refund purpose: I/we want refund through ☐ Bank Account ☐ Hand Delivery/Courier (Please put tick mark in which refund will be made). The applicant shall provide with the same Bank Account Number in the application form as it is in the BO account of the applicant.	
In case of deposit into the applicant's bank account, the applicant will bear the applicable 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.	
Applicants Bank A/c no.	
Name of the Bank:	Branch
Second Applicant:	
Mr./Mrs./Ms.	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Occupation:	Nationality:

5. I/we hereby declare that I/we have read the Prospectus of Khulna Printing & Packaging Limited, and have willingly subscribed for... .. no. of Shares of Tk.10.00 each at par.

6. Specimen Signature(s) :

Name in Block Letters	Signature
(i)	
(ii)	

(d) **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. of Ordinary Shares of Khulna Printing & Packaging Limited.

(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 BO account number 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 Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favouring A/C "KHULNA PRINTING & PACKAGING 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. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. An applicant can not 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 acknowledgement 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 in to the respective bank "Account Payee" cheque(s) with bank account number and name of bank 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 shall make the Application liable to rejection and subject to forfeiture of application money and/or forfeiture of the 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 specified by the Bangladesh Securities and Exchange Commission (BSEC). This may be in addition to any other penalties as may be provided for by 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 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 may forfeit whole or part of their application too.
18. অধিকাংশ ক্ষেত্রেই মূল বিনিয়োগকারী তাদের জন্য সংশ্লিষ্ট ২০% কোটায় নিজ নামে ও যৌথভাবে আবেদন করতে পারবেন। তিনি ইচ্ছা করলে সংশ্লিষ্ট কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীর জন্য নির্ধারিত কোটায় নিজ ও যৌথ নামে আবেদন করতে পারবে।