



**KOHINOOR
CHEMICAL**

ANNUAL
REPORT
2016-2017

স্বাদাত্ লত্ুল লাত্



স্বাদাত্ লত্ুল, স্বাদাত্ লত্ুল ..

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED

29th ANNUAL GENERAL MEETING - 2016

DATE: DECEMBER 20, 2016

TIME: 10:00 AM

VENUE: OFFICERS' CLUB, 26 BANAN ROAD, RAMNA, DHAKA



The members of the board including Independent Directors³, Company Secretary and Chief Financial Officer attended the 29th AGM.

The Director giving his speech



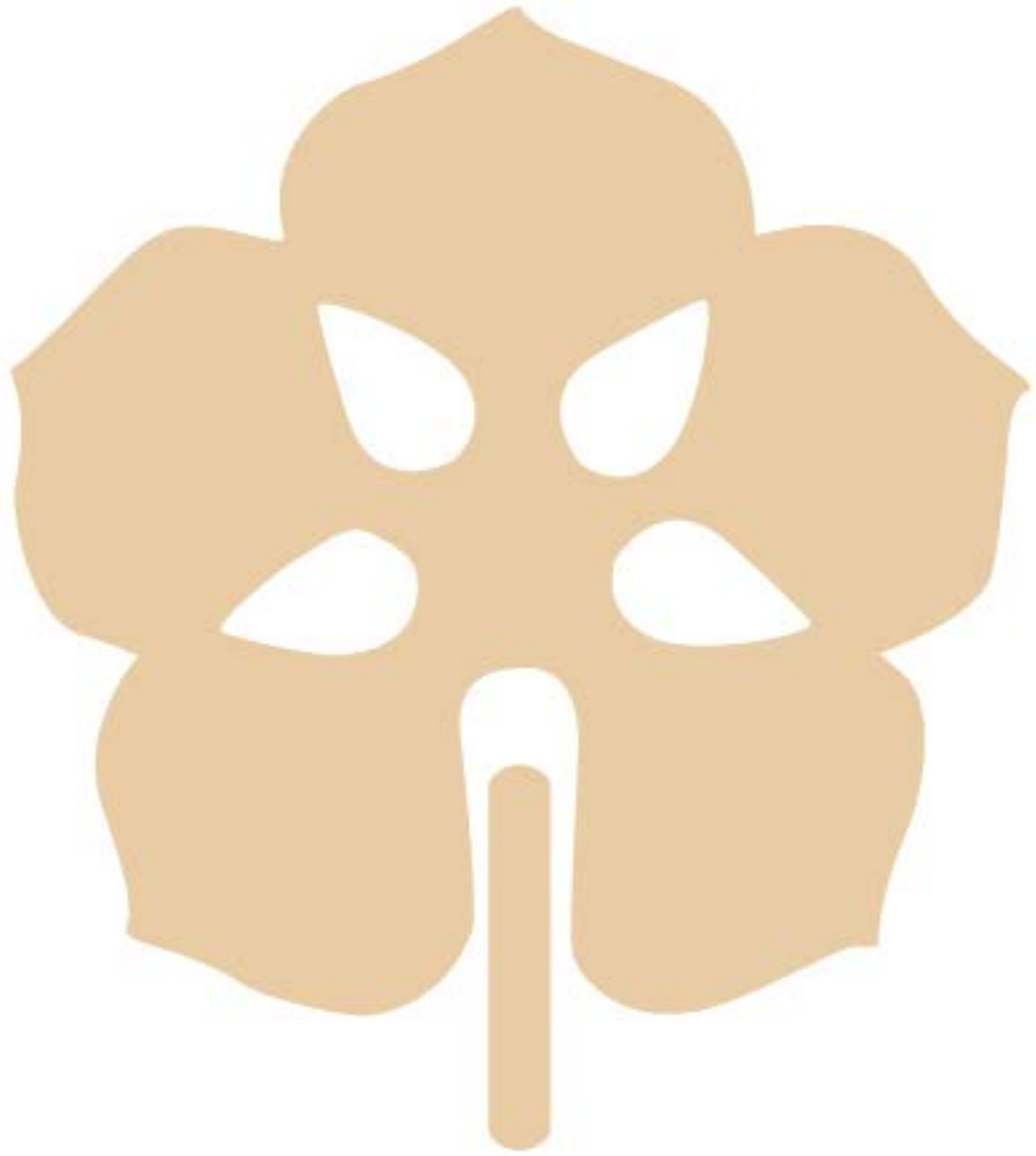
Shareholder expressing his views



Shareholders attending the AGM

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LETTER OF TRANSMITTAL

**The
Hon'ble Shareholders**
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub: Annual Report for the year ended June 30, 2017

Dear Sir(s)

We are privileged to inform you that the Board of Directors of Kohinoor Chemical Co. (Bangladesh) Ltd. has taken the decision, in its Board Meeting held on **November 04, 2017**, to hold its 30th Annual General Meeting on **December 14, 2017** at **Officers Club, 26 Baily Road, Ramna, Dhaka** at **10.00 am**.

As per the notification of Bangladesh Securities and Exchange Commission, we are enclosing a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2017, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2017 along with notes as well as the Directors' Report of the Company thereon for your record/necessary measures.

Yours sincerely

Sd/-
Md. Ferdous Jaman
Company Secretary
Dated: **November 04, 2017**



Tibet

A Symphony of World-Class
Soap Cosmetics & Toiletries
from

BANGLADESH

*"The art of marketing is the art of
brand building. If you are not a
brand, you are a commodity."*

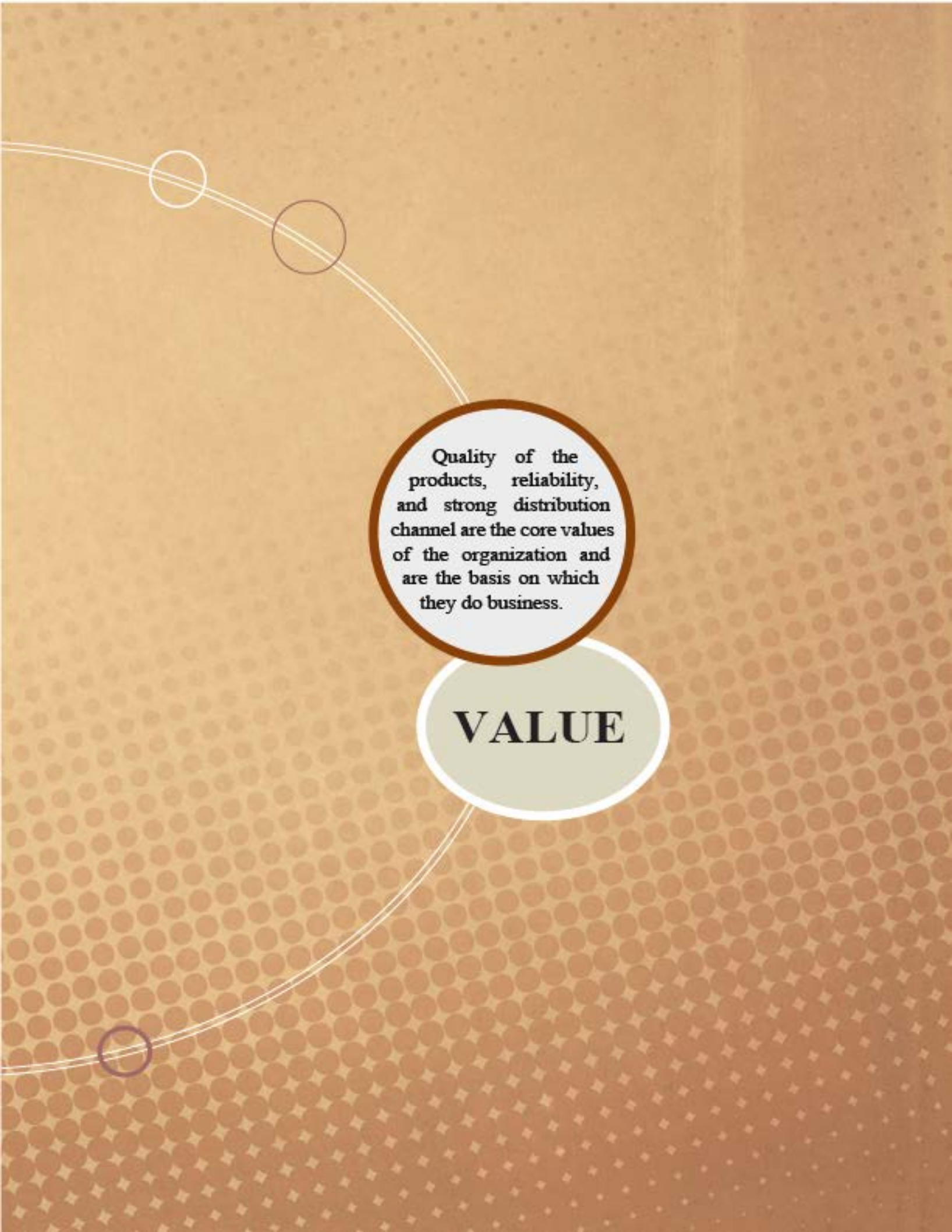
-PHILIP KOTLER

VISION

We envision for a happier, healthier and cleaner life and make the natural attributes of life sustainable through innovation, dedication and ethics. This keeps inspiring us to create a better future by adding value to all we do for the people to look better, feel better, and live better. We persistently care for our valued consumers and stakeholders, and continuously strive to prove our products' superiority, with an aim to obtain perpetual loyalty.

Our aim is to improve the lives of our people through the highest possible quality protocol. We attach paramount value to our consumers in particular and the society in general. We keep introducing newer technologies, and carrying on the most value driven incentives and benefit packages for all the retail chains. We are also charting a pricing policy that manifests a unique blend of quality and affordability. Our comprehensive strategy framework concerning the supply chain across the entire country enables us to be naturally conferred with the prestige and privilege of leadership. We foresee our beloved company to be the best place to work for the people who keep their unflinching trust in us.

MISSION



Quality of the products, reliability, and strong distribution channel are the core values of the organization and are the basis on which they do business.

VALUE

FOR THE SOCIETY

"There are so many men and women who hold no distinctive positions but whose contribution towards the development of the society has been enormous."

-NELSON MANDELA



FOR THE ENVIRONMENT

"Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice, exercise environmental stewardship and strengthen governance."

-BAN KI MOON

Pabitra gets tiller after Star report

By Goutam Barua, Assam

Hardy-poor old elderly farmer Pabitra Das of Barisal village in Kalan's gramda area, in Jaintia Range, a power tiller, thanks to the generosity of Kollam's Chemical Company Ltd.

"After reading the report story titled 'Rural-owned, Poor fight to survive' in the Daily Star on December 9, our company and our employees decided to give Pabitra Das the tiller," said Goutam Barua, vice-president (HR) of the company.

"We had hope to meet the donor as part of an annual report," he said after having made the worth Rs 15,000 tiller to Pabitra Das yesterday afternoon.

"I am grateful to The Daily Star and Kollam's Chemical Company for the great help," Pabitra said after getting what has now become his prized possession.

"Pabitra Das said he will help to create job for the unemployed and social entrepreneurs" said Priti Nandan, officer in charge of Akhila project under Calcutta's Jharkhand.

Pabitra Das, 55, wife Lila and his son-in-law Kumar Das, 11, engaged in tilling the land as usually as he cannot afford to buy any bull for ploughing.

Star's support at the time of several emergencies from Kollam's Government primary school this year.



Pabitra Das, an elderly farmer, receives a power tiller donated to him as part of the social responsibility of Kollam's Chemical Company Ltd yesterday afternoon. Inset: The Daily Star photo on December 9, which helped the company and others to extend helping hand to the poor elderly farmer at Barisal village in Jaintia Range of Assam.



10/10/2014

ABOUT THE COMPANY



Kohinoor Chemical Company (Bangladesh) Limited (KCCL) is the oldest and largest national Soap, Cosmetics and Toiletries manufacturer and marketer of Bangladesh. KCCL started its business in 1956. After the independence of Bangladesh, KCCL became a fully government owned company under the direct control of Bangladesh Chemical Industries Corporation (BCIC) up to May 05, 1988. A few of the employees, who had been laid off during the liberation war, were re-absorbed in the company. It was transformed into a Public Limited Company under Companies Act 1913 and was named as Kohinoor Chemical Company (Bangladesh) Limited from May 05, 1988.



Kohinoor Chemical Company (Bangladesh) Ltd. (KCCL) was acquired by the present entrepreneurs on August 03, 1993 as part of the government privatization policy. The management of KCCL subsequently completed an arduous BMRE program with the technical collaboration of a reputed industrial conglomerate of Europe. Since then, the company has accelerated its journey towards perfection, overcoming all hurdles with wisdom, dedication, hard-work and honesty of the entrepreneurs and employees.



This enabled the enterprise to become a repositioned cosmetics and toiletries manufacturing company of Bangladesh with the most advanced technology. KCCL holds the largest market share in soap, cosmetics and toiletries industry amongst the national companies, primarily due to its highly focused customer orientation.

This Public Limited Company is listed with both the bourses of Bangladesh, the Dhaka Stock Exchange and the Chittagong Stock Exchange.

Most of the products of KCCL are known by the legendary brand name Tibet. The Company Started production with Tibet Snow in 1956. Subsequently other renowned brands like Tibet Pomade, Tibet 570, Tibet Ball, Tibet Pumpkin Hair Oil etc. were launched. A number of its other brands, such as Sandalina, Genstar, Bactrol, Ice Cool, Fast Wash, Xpert and Clean Master are equally famous in Bangladesh.



A brief look at the history of

KOHINOOR CHEMICAL Company (Bangladesh) Limited

**The
beginning**

Kohinoor Shilpa Gosti was founded by a Pakistani entrepreneur

The Company Started production with Tibet Snow. Subsequently other renowned brands like Tibet Pomade, Tibet 570, Tibet Ball, Tibet Pumpkin Hair Oil etc. were launched

1956

1959

The company was licensed and registered in 1959

After the liberation in 1972, the Company was placed under Bangladesh Fertilizer, Chemical and Pharmaceutical Corporation.

1972

1976

Subsequently, in the year 1976, Bangladesh Chemical Industries Corporation (BCIC) took over KCCL.

1988

The company got listed in Dhaka Stock Exchange in 1988. Privatization process began in 1988 under the “51-49” plans as per the industrial policy of 1986.

The present management took over this company in 1993 under the privatization scheme of Bangladesh Government.

1993





CORPORATE DIRECTORY

Registered Office and Factory

36, Shahid Tajuddin Ahmed Sarani
Tejgaon I/A, Dhaka-1208
Phone: +88-02-8891267-70
Fax: +88-02-8891523
E-mail: info@kccl-bd.com
Web: www.kccl-bd.com

Corporate Office

Orion House, 153-154
Tejgaon I/A, Dhaka-1208
Phone: +88-02-8870133-4
Fax: +88-02-8870130

Statutory Auditors

Toha Khan Zaman & Co.
Chartered Accountants
House No. 817 (1st Floor)
Road no. 4, Baitul Aman Housing Society.
Adabor, Dhaka-1207.

Insurers

Islami Commercial Insurance Company Limited

Bankers

Agrani Bank Limited
National Bank Limited
Shahjalal Islami Bank Limited
BRAC Bank Limited
Islami Bank Bangladesh Limited
Standard Bank Limited
United Commercial Bank Limited

COMPANY AT A GLANCE

Company Name

Kohinoor Chemical Company (Bangladesh) Limited

Year of Establishment

1956

Legal Status

Public Limited Company

Converted into Public limited company

In 1988

Initial Public Offering (IPO)

In 1988

Listing Status

Listed with Dhaka stock Exchange and Chittagong Stock Exchange

Line of Business

Manufacturing of Cosmetics, Toiletries and Beauty products

Authorized Share Capital

BDT 50,00,00,000

Paid Up Share Capital

BDT 12,18,75,000

Number of Shareholders

6,441

Number of Employees

2,088

MANAGEMENT APPARATUS

Board of Directors

Mohammad Obaidul Karim
Chairman

Md. Rezaul Karim
Managing Director

Md. Ebadul Karim
Director

Mrs. Arzuda Karim
Director

Mrs. Nurun Nahar
Director

Mrs. Shirin Akhter
Director

Professor Dr. M. Shamsher Ali
Independent Director

Quazi Mamun-UI-Ashraf
Independent Director

Company Secretariat

Md. Ferdous Jaman
Company Secretary

Management Committee

Md. Abul Khair
Director, Corporate Affairs

M. Ziaul Hafiz
Head of Sales and Marketing

Abu Bakar Siddique
Chief Financial Officer

Shah Md. Abdul Wadood
Head of Production



Audit Committee

Quazi Mamun-UI-Ashraf
Chairman and Independent Director

Md. Rezaul Karim
Member and Director

Md. Ebadul Karim
Member and Director

Chief Financial Officer

Abu Bakar Siddique

Chief Internal Auditor

Mohd. Shamim Kabir

PROFILE OF DIRECTORS



Mohammad Obaidul Karim
Chairman

Mohammad Obaidul Karim is a distinguished self-achieved Industrialist & Businessman. He completed his graduation from University of Dhaka. He is the Founder Chairman of ORION GROUP and established the company into one of the largest conglomerates in Bangladesh with his futuristic attitude, determined will and a burning passion. He is an innovative, self-motivated and enterprising Bangladeshi business icon who has instrumented his success in the field of diversified business portfolios. Orion Group comprised of more than 30 individual companies was formed under his dynamic leadership and management power which have received various industrial recognitions.

Mr. Karim is one of the first entrepreneurs in the country to recognize the importance of Public Private Partnership (PPP). Under his leadership, Orion Group constructed and owns the 11.8km long Mayor Mohammad Hanif Flyover, the longest flyover and the first ever successful PPP project of the nation. With Mr. Karim's headship, Orion Group also built City Centre, the tallest commercial complex cum car parking in Motijheel, the financial hub of Bangladesh. Mr. Karim's success went further up when the Group became successfully involved in Private Sector Power generation of the Country, when it signed the biggest contract with Bangladesh Power Development Board (BPDB) of 4 supercritical Coal based power plants of 3000MW (with 300MW present distribution) under IPP, under the Ministry of Power of the Government of Bangladesh.

Mr. Karim is the Chairman of all concerns of Orion Group which include Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Orion Infrastructure Limited, Orion Hospitals Limited, City Centre, Orion Power Meghnaghat Limited, Dutch Bangla Power & Associates Limited, Digital Power & Associates Limited, Orion Power Dhaka Limited, Orion Power Khulna Limited, Orion Power Unit-2 Dhaka Limited, Orion Gas Limited, Orion Agro Products Limited, Orion Footwear Limited, Orion Home Appliance Limited, Orion Restaurant Limited, Noakhali Gold Foods Limited, Orion Oil & Shipping Limited, Orion Holdings Limited and Orion Capital Limited etc.

Besides being the Chairman of Orion Group, Mr. Karim is also the Founder Chairman of Tejgaon Industrial Owners Association. He is also the President of Dhaka Mohamedan Sporting Club Ltd., a century old legendary and most successful sporting club of the country.



Md. Rezaul Karim
Managing Director

Md. Rezaul Karim has been in business for almost 35 years. Besides involvement in Kohinoor Chemical Company (Bangladesh) Limited as its Managing Director, he established Group Reedisha and is associated with a number of business and philanthropic organizations in different management positions including Chairman of Board of Trustees of Southeast University, Bangla Tel Limited, Jibondhara Solutions Limited and BD Link Communication Limited; Vice Chairman of Islami Commercial Insurance Company Limited; Director of Midland Bank Limited, Chartered Life Insurance Company Limited; Proprietor of Reedisha Trading and Distribution Company.

He is also associated with various Business Communities like Secretary General of Bangladesh Cosmetics and Toiletries Manufacturers Association, Director of Bangladesh Textile Mills Association (BTMA), Member of Bangladesh Chamber of Industries (BCI), Dhaka Chamber of Commerce and Industry (DCCI), India-Bangladesh Chamber of Commerce and Industry (IBCCI), Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

Md. Rezaul Karim has been the adviser of Banani Society and Gulshan Joggers Society as well as the Member of Banani Club Limited.



Md. Ebadul Karim
Director

Md. Ebadul Karim, a successful visionary business entrepreneur who has entered into the realm of business horizon after completion of his graduation major with Arts and joined the family business and became the director of Kohinoor chemical Company (BD) Limited. He has been running a number of enterprises successfully by dint of his entrepreneurial skill coupled with his vast experience. He is also the Managing Director of Beacon Pharmaceuticals Limited and Beacon Development Limited. Mr. Ebadul Karim is also the Chairman of Beacon Point Limited.



Mrs. Arzuda Karim
Director

Mrs. Arzuda Karim is the wife of Mohammad Obaidul Karim. She has been one of the most successful women entrepreneurs in Bangladesh over the years. Being post graduated in Social Science, Mrs. Karim supervises production and commercial divisions of different segments of Orion Group. Her skill, knowledge and adaptability are one of the key drivers for success of this Group.

Mrs. Arzuda Karim is the Chairman of Jafflong Tea Company Limited and Director of Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co.(BD) Limited, Orion Infrastructure Limited, Orion Hospitals Limited, Orion Power Meghnaghat Limited, Dutch Bangla Power & Associates Limited, Digital Power & Associates Limited, Orion Power Dhaka Limited, Orion Power Khulna Limited, Orion Power Unit-2 Dhaka Limited, Orion Gas Limited, Orion Agro Products Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Oil & Shipping Limited, Orion Holdings Limited and Orion Capital Limited.



Mrs. Nurun Nahar
Director

Mrs. Nurun Nahar is an MA. She is the wife of Mr. Md. Ebadul Karim, one of the Directors of KCCL. Mrs. Nurun Nahar has been associated with KCCL as the Director from the inception of the Company. Though she was not the director in 2011-2012 because of failing to comply with a regulatory directive on minimum shareholding by not acquiring the required percentage of shares, she got back her directorship in 2012-2013 by conforming to the required directives imposed by SEC. She has been engaged in the Company by supervising the HR department of KCCL. She is also involved with a number of business and industrial ventures which includes among others Beacon Pharmaceuticals Limited, Beacon Development Limited as the director of these Companies.



Mrs. Shirin Akhter
Director

Mrs. Shirin Akhter, graduate from University of Dhaka, is the Director of the company since inception. She lost her directorship in FY 2011-2012 because of failing to comply with a regulatory directive on minimum shareholding by not acquiring the required percentage of shares. However, she became the director of the Company in FY 2012-2013 by complying with the said regulatory directive of SEC. She is the wife of Md. Rezaul Karim, Managing Director of the Company. She supervises and monitors the Administration department of the Company. She is also the Director of Reedisha Knitex Limited, Reedisha Spinning Limited, Reedisha Textstripe Limited and Reedisha Blended Yarn Limited.



Prof. Dr. M. Shamsher Ali
Independent Director

Professor Dr. M. Shamsher Ali is the President of Educational Quality Assurance Foundation of Bangladesh. He was also the President of Bangladesh Academy of Sciences, Founder Vice Chancellor of Bangladesh Open University and Southeast University. He was made Honorary Professor of Physics in 1973 by the University of Dhaka as a mark of recognition of a brilliant career and original contributions to nuclear Physics. He is the life member of Bangla Academy, Asiatic Society of Bangladesh and Bangladesh Mathematical Society. He has been teaching at the graduate and post-graduate level for about 30 years. A large number of research papers of him were published in international Journals.

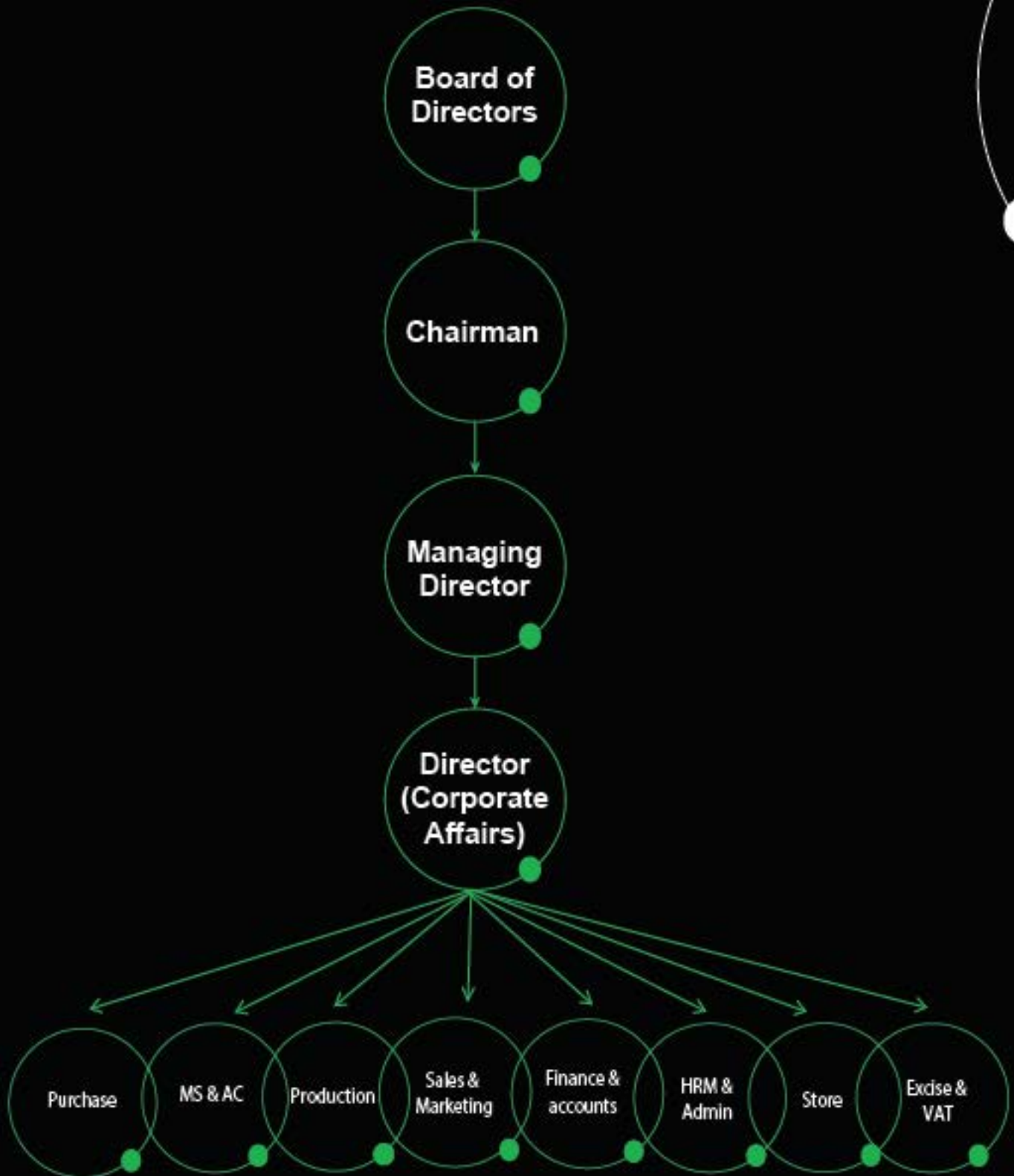


Quazi Mamun-Ul-Ashraf
Independent Director

Mr. Quazi Mamun-Ul Ashraf, B.S.S (Hons) and M.S.S in Economics from University of Dhaka, was the Manager and Vice President of Jamuna Bank Limited till 2007. He also served Dhaka Bank Limited since inception. He started his banking career as an officer of IFIC Bank Limited in 1987. He also completed Diploma from Bangladesh Institute of Bankers in order to enhance his banking career. Now, he is the life member of various Association including Bangladesh Institute of Bankers, Bangladesh Red Crescent Society, Anjuman Mufidul Islam, United Nations of Bangladesh, Bangla Academy, Dhaka University Economics Department Alumni Association.

The appointed ID, Mr. Quazi Mamun-Ul Ashraf, is a highly knowledgeable and qualified person. He is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.

OUR ORGANOGRAM



Sales Promotional Scheme



Fast wash Branding (BPL):

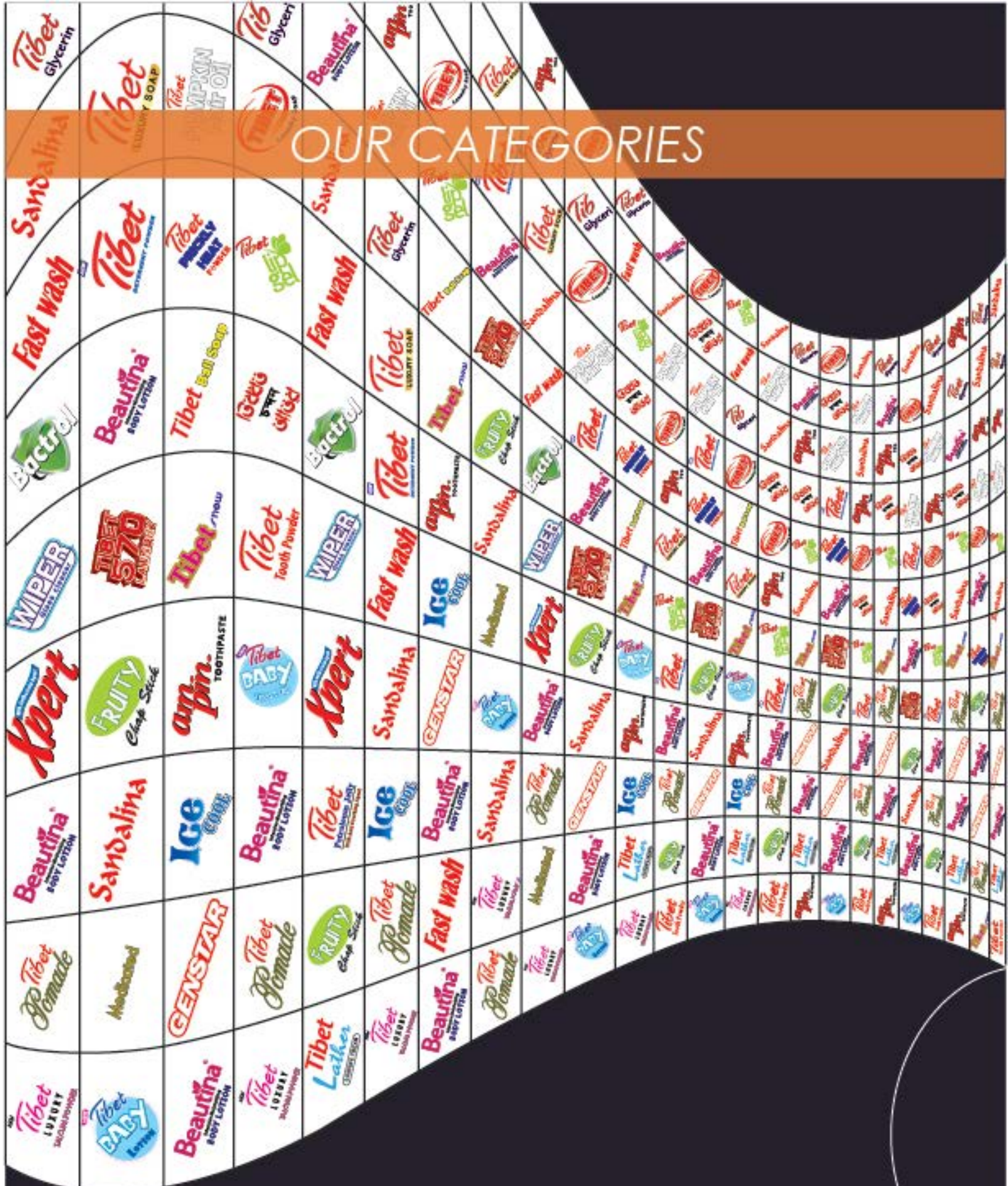


Sandalina & Fast Wash Shoppers contact program:



Rongdhonu Lottery program (Khulna):

OUR CATEGORIES



Soap Section:

This unit produces Beauty Soap, Bath Soap, Health Care Soap and Laundry Soap of various brands and SKU's. Sandalina Sandal Soap is the market leader in its category in Bangladesh. The other popular brands are Tibet 570, Tibet Ball Soap, Ice Cool, Tibet Luxury Soap, etc.

Cosmetics Section:

This section produces Skin Care, Hair Care, Oral Care, Health Care, Fragrance, Household Items, Baby Care and Men's products. "Tibet Pomade" and "Tibet Snow" are the legendary iconic products that have been widely popular in mass market for more than half a century in this region. The other well-known products are am/pm Toothpaste, Tibet Lather Shaving Cream, Ice Cool Shaving Cream, Genstar Lather Shaving Cream, Tibet Lip Gel, Tibet Petroleum Jelly, Fruity Chap Stick, Tibet baby Lotion, Pumpkin Hair Oil, Tibet Coconut Oil, Tibet Luxury Talcum Powder, Bactrol Hand Wash, Tibet Chandon Attar, Wiper Glass Cleaner and so on.

Detergent Section:

"Tibet Detergent Powder" is widely popular across the country for its affordable price and quality. This section also produces premium quality washing powder "Fast Wash".

Household Items Section:

Products like "Xpert" Dish Wash Powder, "Clean Master" all-purpose Surface Cleaning Powder and "Clean Master" Liquid Toilet Cleaner are well known for their effectiveness in every household of Bangladesh.

Product Range:

Tibet Luxury Soap
Bath Soap
Washing Soap
Skin Care
Hair Care
Oral Care
Baby Care
Health Care
Men's Product
Fragrance
Detergent and
Household Items

Number of Brands: 12

Stock Keeping Units: 81

OUR PRODUCTS

Brand	Products	Brief	Specification
<p>Sandalina</p>		<p>Sandalwood has been used as a natural source of beautification. Sandalina Soap is appreciated at every home of this country and beyond. Sandalina's enormous popularity as Grade-1 (TFM 80%) Sandal Soap for all genders is attributed simply because of its basic ingredient, the Sandal Wood Oil, suitable for all kinds of skin. It makes your skin soft and supple.</p>	<p>Weight Size: 75 gm, 100 gm & 125 gm</p> <p>Color: Golden</p> <p>Ingredients: Sodium soap, Sandal wood oil, Presevative, Color, Perfume & Aqua.</p>
<p>Sandalina</p>		<p>The new variant of SANDALINA Soap, Sandal & Rose, has been launched recently with world's purest sandal wood extracts and world famous garden fresh rose oil.</p>	<p>Weight Size: 75 gm, 100 gm & 150 gm</p> <p>Color: Pink</p> <p>Ingredients: Sodium soap, Sandalwood oil, Rose Extract, Sweet Almond oil, Glycerin, Titenium di-oxcied, Anti Oxident, CI-11680, 12085,74160, Perfume & Aqua.</p>
<p>Tibet Ball Soap</p>		<p>Tibet Ball Soap is a highly quality washing soap. It is made from vegetable fat. Tibet ball soap is a combination of optical brightener for brightening and protecting the cloth.</p>	<p>Weight Size: 130 gm</p> <p>Color: Off White</p> <p>Ingredients: Karnel Fat, Color, Fixotiv, Caustic Soda, Palmfatty Acid, RBD Palm Stearine, Coconut Acid Oil, Mixed Perfume, Preservative, Aqua.</p>
<p>Tibet DETERGENT POWDER</p>		<p>Tibet Detergent Powder is prepared from effective extra power whitening and brightening agents to protect delicate skin and fabrics. Gentle refreshing touch of jasmine or lemon & Rose fragrance keeps a miraculous satisfaction of mind all day long.</p>	<p>Weight Size: 20, 200, 500 & 1000 gm</p> <p>Color: Blue & White</p> <p>Ingredients: Sodium LAS, Sodium Carbonate, Precipitate Calsite, SCMC, Zeolite, Leucophor. Color, Perfeume.</p>

Brand	Products	Brief	Specification
		<p>Tibet Laundry Soap is a popular laundry soap for the upmarket. This soap prevents the erosion of thread. It also cleans the cloths effectively with beautiful two types of fragrance.</p>	<p>Weight Size: 130 gm</p> <p>Color: Green & Blue</p> <p>Ingredients: Sodium Soap, Titanium Di-Oxide, Aqua, Preservative, Color.</p>
		<p>Tibet 570 Laundry Soap has been a household name in Bangladesh for the last 60 years. This uniquely formulated washing soap is ideal for any cloth washing.</p>	<p>Weight Size: 130 gm</p> <p>Color: Red</p> <p>Ingredients: Sodium Soap, Aqua, Preservative, Color.</p>
		<p>Tibet Pumpkin Hair Oil, a unique product, represents a heritage of more than 50 years in Bangladesh. Drago Botania enriched Tibet Pumpkin Hair Oil is produced from pumpkin extract, nature's proven hair nourishing agent.</p>	<p>Weight Size: 50,100 & 200 ml</p> <p>Color: Green</p> <p>Ingredients: Macadamia, Avocado, Jojoba, Wheat, Calendul, Camomile, Seaweed, Vitamin & Perfume.</p>
		<p>A seamless blend of antibacterial multi-vitamin complex and Henna oil are among the active ingredients of Tibet Medicated Hair Oil.</p>	<p>Weight Size: 100 ml & 200 ml.</p> <p>Color: Red</p> <p>Ingredients: Refine Mineral Oil, Anti Bacterial Agent with Multi Vitamin Complex, Herbal Extracts, Color, Perfume.</p>

Brand

Products

Brief

Specification

تیبت
چاندن
اتار



Tibet Chandan Attar is a well renowned and premium quality product. It is specially made from sandal wood extracts. It is 100% alcohol free and Halal. The fragrance lingers all day long. People of all religion can use the Attar.

Weight Size:
3.5 ml.

Color: Transparent Yellow

Ingredients:
Non-toxic perfume without Alcohol.

Tibet
LUXURY SOAP



Tibet Luxury Soap with world class fragrance. This Soap is a high quality bath soap made from 100% vegetable fat. There are three different variants with unique benefits-Pinkt (Natural Glow) white (smooth Care) & Green (Herbal touch).

Weight Size:
40, 50, 75 & 100 gm

Color: Green, Pink & White

Ingredients:
Sodium soap, Jojoba Oil, Extract, Milk Cream, Camomile Extracts, Sweet Almond oil, Extract Aloe vera Extract, Olive Extract, Tetra sodium, EDTA, Perfume, Glycerin Titanium di-oxide.

Tibet
PRICKLY
HEAT
POWDER



Irgason-enriched Tibet Prickly Heat Powder helps treat and prevent rashes and chafing. By absorbing excess perspiration it soothes heat irritation quite instantly.

Weight Size:
100 gm

Color: White

Ingredients:
Purified Talc, Magnesium Carbonate, Zink Oxide, Irgason, Boric Acid, Perfume.

NEW
Tibet
LUXURY
TALCUM POWDER



Tibet Luxury Talcum Powder is a deodorant body powder made from the finest and pure imported talc blended with world famous fragrance from Switzerland, equipped with UV sun protection and other skin care ingredients that provides all over protection against body odor.

Weight Size:
50, 100 & 200 gm

Color: White

Ingredients:
Purified Talc, Magnesium Carbonate, Zink Oxide, Perfume.

Brand	Products	Brief	Specification
		<p>Tibet Baby Powder is specially formulated for sensitive baby skin. The most expensive perfume is used to produce the product. It protects skin from rash and infection. It does not block the secretion point of hair root. Tibet Baby Powder keeps rejuvenated with unique fragrance.</p>	<p>Weight Size: 50 & 100 gm Color: White Ingredients: Purified Talc, Magnesium Carbonate, Zink Oxide, Perfume.</p>
		<p>KCCL launched Tibet Snow in 1956 as a skin care cream. It is one of the top leading brands in the skin care segment of Bangladesh as well as in KCCL product portfolio.</p>	<p>Weight Size: 25, 50 gm (tube), 50 gm (Bottle) Color: White Ingredients: Stearic Acid, Cetyle Alcohol, Aqua, Perfume, Preservative.</p>
		<p>A unique combination of well-known antiseptic and soothing cream that guards the facial skin against infections, generates profuse non-irritating foam and provides enough moisture that help smooth shaving.</p>	<p>Weight Size: 50 gm Color: White Ingredients: Potassium Stearate, Glycerin, Aqua, Perfume.</p>
		<p>Tibet Pomade is a well accepted winter product. This ideal winter skin care product is made from the finest contents added by Rose Oil, pure petroleum jelly added with mineral oils and a refreshing fragrance. Its unique formula protects skin from dryness, penetrates through layers of skin to cure cracked lips, ankle and feet.</p>	<p>Weight Size: 50 ml Color: Light Orange Ingredients: White Petroleum Jelly, Paraffin wax, Liquid Paraffin, Color Perfume.</p>

Brand

Products

Brief

Specification

Tibet
Tooth Powder



Tibet Tooth Powder has a unique formulation, containing Tryclosan, Calcium and Clove Oil. Tryclosan protects teeth from germs for the whole day and provides strong cavity. Calcium fights against plaque, germs and decay. Clove Oil strengthens enamel and give sparkling fresh breath. Tibet Tooth Powder makes the teeth whiter and stronger.

Weight Size:
100 gm

Color: White

Ingredients:
Calcium Carbonate, Sodium Mono fluoro phosphate, Triclosan, SLS, Flavour.

Tibet
Petroleum Jelly
With Anti-Cracking Agent



Tibet Petroleum Jelly is a very popular winter tip for beauty conscious men and women. This unique Tibet Petroleum Jelly is made from the finest contents added by Jojoba Oil, Anti-Cracking Agent, rejuvenating fragrance and moisturizing fragrance.

Weight Size:
15 & 50 ml

Color: White

Ingredients:
Jojoba Oil, White petroleum Jelly, Paraffin wax, Liquid Paraffin, Perfume.

Tibet
lip gel



An addition of Cocoa Butter, extra moisturizing and emollient agents with pure petroleum jelly and mineral oils make this product neat all day long for protection against cracking and chapping of the lips in the dry winter season.

Weight Size:
10 gm

Color: White

Ingredients:
Purified white Petroleum Jelly, Cocoa Butter, Flavour.

Tibet
Glycerin



Tibet Glycerin enriched with Emolin & Anti-Cracking Agent is a very popular winter solution for beauty conscious men and women. It's 100% pure and natural formulation prevents skin from dryness and improves complexion, resulting the skin to be soft and smooth.

Weight Size:
60 & 125 gm

Color: White

Ingredients:
Purified Glycerin, Perfume.

Brand	Products	Brief	Specification
		<p>Specially formulated for Baby's soft and tender skin, Tibet Baby Lotion is a synergistic blend of Aloe Vera Gel, beauty oils, moisturizers and emollient agents. It keeps the Baby's delicate skin soft, gentle and velvety.</p>	<p>Weight Size: 50 & 100 ml</p> <p>Color: White</p> <p>Ingredients: LLP, IPM, Alovera, Vitamine E, Aqua, Perfume.</p>
		<p>Bactrol Hand Wash works as a defense against the spread of many diseases from the common cold to more serious diseases such as meningitis, bronchiolitis, influenza, hepatitis A, and most types of infectious diarrhea.</p>	<p>Weight Size: 200 ml (container) & 180 ml (pouch)</p> <p>Color: Pink</p> <p>Ingredients: SLES, TEA, Glycerin, Triclosan, Preservative, Color, Perfume Aqua.</p>
		<p>A high quality antibacterial soap made from 100% vegetable fat which ensure 100% protection of your family health. It is equally effective against body odor, cuts, scratches and pimples. Bactrol Family Health Soap keeps your family healthy and protected.</p>	<p>Weight Size: 100 gm</p> <p>Color: Red & Blue</p> <p>Ingredients: Sodium Soap, Glycerin, Olive Oil, Titanium di-oxide, Perfume, Ci-26100, Preservative, Aqua.</p>
		<p>Fast Wash Detergent Powder is the premium grade white variant detergent powder of its kind. Its fluorescent formula removes tough stains and keeps cloths shiny. Fine fragrance and eco-friendly Fast Wash Detergent Powder (Brilliant White) reduces the average time of cleaning and does not cause skin irritation.</p>	<p>Weight Size: 22gm, 200gm, 500gm & 1000 gm</p> <p>Color: White</p> <p>Ingredients: Sodium LAS, Sodium Carbonate, CMC, Zelite, Optical Brightener, Color, Perfume.</p>

Brand

Products

Brief

Specification

am pm.
TOOTHPASTE



The unique formula of am.pm. tooth paste protects decay. Its main ingredient, Calcium, Carbonate fights against decay; Fluoride is dedicated for protecting gum of teeth; Triclosan protects against germs.

Weight Size:
45, 100 & 200 gm

Color: White

Ingredients:
Calcium Carbonate, Sodium Lauryl Sulphet, Sorbitol, Gum, Sodium Mono Fluro Phosphet, Triclosan, Aqua, Sodium Saccharine, Flavour.

Ice
COOL



Ice Cool Prickly Heat Powder Gives you the relief from the itching heat rash and skin irritation from hot weather. Its advanced therapy to refresh and relax you body and mind from unbearable heat and stress. It also keeps you away from bacterial, fungal agents and body odor all day long.

Weight Size:
100 gm

Color: White

Ingredients:
Purified Talc, Magnesium Carbonate, Zink Oxide, Boric Acid, Menthol, Perfume.

GENSTAR



Special beard softening formula gives you the coolest shave and leaves your face fresh for hours after shaving. It reduces friction to make the shave comfortable. Genstar Lather Shaving Cream improves the performance of your razor / blade.

Weight Size:
100 gm

Color: White

Ingredients:
Potassium Stearate, Glycerin, Aqua, Perfume.

FRUITY
Chap Stick



Contains Vitamin C and E to protect lips from dry and cold weather. Enriched with cocoa butter, jojoba oil and freshly fruity odor, it brings both moisture and fragrance. The botanical extracts prevent collagen loss and flatten fine lines on lips. Keeps your lips smooth and supple.

Weight Size:
4.5 gm

Color: White

Ingredients:
Jojoba Oil, Coco Butter, Vitamin C&E, Liquid Paraffin, Glycerin, Bees wax, anti Oxidant flavor.

Brand	Products	Brief	Specification
		<p>Beautina® Intensive Moisturizing Body Lotion is enriched with the extract of Aloe Vera and Cocoa Butter. Aloe Vera helps to make the skin soft, tender and fresh. Whereas Cocoa Butter gently helps to keep body moisture all day long.</p>	<p>Weight Size: 100 & 200 ml</p> <p>Color: White</p> <p>Ingredients: IPM, Mineral Oil, Dimethicon, Vitamin-E acetate, Cocoa Butter, Polycoaternium, Glycerin, Propylene glycol, alovera, Mithyle parabon, Aqua, Perfume.</p>
		<p>Xpert is a highly effective antibacterial Dishwash Bar, Liquid and Powder. It kills bacteria on contact and leaves crockery hygienically clean. Lemon fragranced Xpert Dishwash Bar, Liquid and Powder is a special blend of active ingredients that gives fastest cleaning action against grease, oils-fat, stains and other deposits without any scratch.</p>	<p>Weight Size: 200, 500 & 750 gm (Powder), 500 ml (Liquid), 325 gm, 125 gm (Bar)</p> <p>Color: Green & White.</p> <p>Ingredients: SLAS, SLES, Concentrate Lime juice, color, Di sodium EDTA, Aqua.</p>
		<p>Wiper is one of the finest Glass Cleaners in Bangladesh. After long research and development, a world class glass and household cleaner has been introduced that does not only clean the dusts, but also kill the germs. Clear visibility is ensured now.</p>	<p>Weight Size: 350 ml</p> <p>Color: Blue</p> <p>Ingredients: Butyle Glycol, STPP, SLES, Amonia Solution, IPA, Color.</p>
		<p>Clean Master Liquid Toilet Cleaner is a highly effective toilet cleaner that is enriched with extra power of LABSA and special inorganic chemical. Clean Master Liquid Toilet Cleaner removes tough stains, kills germs and deodorizes toilet within a very short time. It has Anti Bacterial Agent which is 100% effective for killing germs.</p>	<p>Weight Size: 500 ml</p> <p>Color: Blue</p> <p>Ingredients: LABSA, Alkaline Silicate, Hydrochloric Acid, Phenol, Color, Methyl Salicylate.</p>

Brand**Products****Brief****Specification**

**CLEAN
MASTER**



Clean Master All Purpose Surface Cleaning Powder is very effective for cleaning floor, basin, sink and all types of tiles. It has Anti Bacterial Agent which is 100% effective for killing germs.

Weight Size:
200 & 400 gm

Color: Blue

Ingredients: Sodium SAS,
Sodium Carbonate, Dolomite,
Calcite, Anti bacterial agent,
Color, Speckles, Perfume.



We are focusing more on

Optimising value through
the practice of good

CORPORATE GOVERNANCE

Corporate governance is the system by which companies are directed and controlled. Kohinoor Chemical Company (Bangladesh) Limited believes that Corporate Governance is a significant issue for the long-term success of the company as it facilitates effective, entrepreneurial and prudent management of the organization improving transparency and accountability within existing systems. The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited is responsible for the Corporate Governance of the Company.

Board Composition

As at June 30, 2017, the Board of Kohinoor Chemical Company (Bangladesh) Limited is comprised of eight (8) Directors including the Chairman of the Company. In compliance with the Corporate Governance Guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC), the board has appointed two (2) Independent Directors.

Name	Status
Mr. Mohammad Obaidul Karim	Chairman
Mr. Md Rezaul Karim	Managing Director
Mr. Md Ebadul Karim	Director
Mrs. Arzuda Karim	Director
Mrs. Nurun Nahar	Director
Mrs. Shirin Akhter	Director
Prof. Dr. M. Shamsheer Ali	Independent Director
Mr. Quazi Mamun-Ul-Ashraf	Independent Director

Principal Responsibilities of the Board

The responsibilities of the Board of Kohinoor Chemical Company (Bangladesh) Limited include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. In order to fulfill their responsibilities, directors always have unrestricted access to information including financial data, documents, and records of the company.

In performing its responsibilities, the Board is directed by the Company's Memorandum and Articles of associations, the Companies Act 1994 and guidelines and regulations imposed by various regulatory authorities.

The principal responsibilities of the board are:

- Retention of full and effective control of the company;
- Formulation of strategic objectives, goals and direction to the company;
- Taking decisions concerning certain policies, budgets, financing plan and major capital expenditures of the Company;
- Monitoring management in implementing plans and strategies, as approved by the board;
- Appointment of the CEO and other directors;
- Identification and monitoring of key risk areas and key performance indicators of the business;
- Confirmation of the fact that the company complies with relevant laws, regulations and codes of business practice;
- Providing assurance that the company communicates with shareholders and relevant stakeholders openly and promptly;
- Monitoring of the company's integrated performance;
- Establishment of a formal and transparent procedure for appointment to the board;
- Regularly review the report provided by the Audit Committee;
- Assessment of the performance of the board, its committees and its individual members on a regular basis.

Board Meeting

The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited holds periodic meetings and takes appropriate decisions. The Board meets not only for scheduled meeting but also on other occasions to deal with urgent matters that require attention; additional meetings are convened on an ad hoc basis.

As per the provision mentioned under Section 96 of the Companies Act-1994, a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year.

Pursuant to the above, The Board met Six (6) times during the year under review and all the directors including both the independent directors were present in all meetings. The Company Secretary and the Chief Financial Officer were also present in the Board meetings.

Company Secretary

The Company Secretary, Mr. Md. Ferdous Jaman, works at the centre point of the decision making process in Kohinoor Chemical Company (Bangladesh) Limited. He assists and guides the Chairman and Board of Directors acts with integrity and independence to protect the interests of the company, its shareholders and employees. Mr. Jaman is responsible for ensuring that Board procedures are followed and that all applicable rules and regulations are complied with.



Chief Financial Officer

The Chief Financial Officer, Mr. Abu Bakar Siddique, is one of the key members of management committee and has been serving as a credible, knowledgeable and trusted resource to the CEO.

His certification on the financial statements is disclosed in Annexure 4.

Separation of work for the Chairman and Chief Executive Officer

Mr. Mohammad Obaidul Karim was elected as the Chairman of the Board by the Directors and Mr. Rezaul Karim is the Managing Director of the Company. Mr. Rezaul Karim is responsible for all day to day management decisions and for the routine business operations of the Company and Mr. Obaidul does not engage into the operational and regular affairs of the company.

The separation of work for the Chairman and Chief Executive Officer of Kohinoor Chemical Company (Bangladesh) Limited ensures the compliance of corporate governance guidelines imposed by BSEC and also a balance of authority with regard to the Board's decision-making processes.

Audit Committee

The Audit Committee consisting of three (3) Directors was established as a sub-committee of the Board of Kohinoor Chemical Company (Bangladesh) Limited in order to enable the Board to carry out its responsibilities and duties effectively, by delegating certain of Board's responsibilities to this Board committee. The Members of the Audit Committee are Mr. Quazi Mamun-Ul-Ashraf, Mr. Md Rezaul Karim and Mr. Md Ebadul Karim.

Management Committee

The Management Committee of Kohinoor Chemical Company (Bangladesh) Limited is involved in managing and running the affairs of the Company. The committee is in full control of the Company's Affairs and is also accountable to the Board of Directors. It builds the confidence of the Board by ensuring that all the activities carried out by them are consistent with high ethical standards. The Members of the Management Committee are Mr. Abul Khair, Mr. Ziaul Hafiz, Mr. Abu Bakar Siddique and Mr. Shah Mohd. Abdul Wadood.

Investor Relation

Kohinoor Chemical Company (Bangladesh) Limited pays great importance to its investors' community and their information requirements. The Company always tries to bridge the gap between investors' and the Company to stay close with investors' community.

Communication with Stakeholders

The Company holds regular Annual General Meeting as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness. Quarterly, Half-yearly and the Annual Financial Statements are also posted at Company's website to keep all the stakeholders informed about the financial performance and position of the Company.



COMMUNICATION WITH SHAREHOLDERS



Kohinoor Chemical Company (Bangladesh) Limited believes in promoting effective and transparent communication with all shareholders, ensuring consistency and clarity of disclosure at all times. The Company aims to earn the trust of the shareholders by regularly engaging with them and facilitating a mutual understanding of respective objectives, by ensuring effective communication not only prior to the Annual General Meeting (AGM) but throughout the course of the year.

Annual General Meeting

The Company holds regular Annual General Meetings as per law with adequate notice and disclosures in the Directors' Report and the Auditors' Report on Accounts/Notes and resolutions are passed with consensus and unanimity. Shareholders are welcome to attend the Company's interactive and informative Annual General Meetings at which they have the opportunity to ask questions. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness.

Company Website

All shareholders have access to the annual report and accounts and other Price Sensitive Information about the Company, through the website at www.kohinoor-bd.com. Quarterly, Half-yearly and the Annual Financial Statements are posted at Company's website to keep all the stakeholders informed about the financial performance and position of the Company.

Point of Contact

For other queries, shareholders of Kohinoor Chemical Company (Bangladesh) Limited can also communicate with the point of contact for the shareholders – share department of the organization, and address their queries.

Poor communication with shareholders can lead to losing their trust and confidence from the business. Hence, Kohinoor Chemical Company (Bangladesh) Limited leaves no stones unturned in order to establish a strong and regular flow of information and communicate the results that create value for the shareholders.

BUSINESS ETHICS

Business ethics are moral principles that guide the way a business behaves and a code of ethics specifies the ethical rules of operation. It is applicable from members of the Board of Directors to all employees of Kohinoor Chemical Company (Bangladesh) Limited. Ethics in the workplace sensitizes employees to how they should act and helps ensure that when leaders and managers are struggling in times of crises and confusion, they retain a strong moral compass.



Compliance with laws, rules & regulations

Complying with the prevailing laws, rules and regulations and being in conformity with social norms are the basics of our business. Nationally and internationally where ever we do business we obey the relevant laws and regulations and avoid any action that can discredit the company.

Business integrity and honesty

Integrity and honesty are playing key roles to building a strong, solid and successful business. We act in truthful manner both in our communication and conduct. We demonstrate these in our every step and avoid taking any action that may be questionable.



Accountable & responsible

We take full responsibility for all our business decisions, actions and conduct and we are accountable to the stakeholders. Our accountability and responsibility show the most effective way to achieve high standards.



Keeping and showing accurate data

The business information that we work with is vital to our success. We keep the data in a well organized and easily accessible manner so that it can give us important knowledge for prudent business decisions, playing a crucial role in business growth strategies and financial reporting. We must use all of this information wisely and carefully to get the best value from it.



Protection of data and assets .

Information is vital asset of a company. Information and data which is not in the public domain is considered confidential and proprietary information. Again our customers, suppliers and others also may share their confidential and proprietary information with us. We have the duty to properly use and safeguard business information belonging to and shared with the company. Again we are conscious and committed about other assets of our company to protect these from misappropriation, loss and destruction.



Respect people and uphold their interest

People are the greatest asset if can be utilized properly. They provide new ideas and concept that can be given practical form. So we maintain our workplace a comfort zone where employees feel valued and respected. We do not engage in any conduct that could be considered as disrespectful, harassing, intimidating and aggressive.



Best sales and marketing practices

We believe in fair competition and avoid unhealthy rivalry with competitors which might lead to any unethical conduct. We disclose accurate and true information of our products. Marketing and promotion are carried out for the well being of the society.

STRATEGY

to improve quality, hygiene and environment

Kohinoor Chemical Company (Bangladesh) Limited (KCCL) has not only emerged as a potent industrial entity, but also represents the brand of the mass people. For maintaining the standard quality of our Cosmetics and Toiletries products, we follow BSTI (Bangladesh Standard Testing Institute) rules and regulations. Side by side, we take care of incoming raw materials and check whether they are manufactured in internationally recognized and standard organizations who follow ISO, FDA, and HACCP etc.

Besides, for maintaining good quality products, we keep contact with various internationally reputed organizations and take necessary supports if required. Furthermore, Quality control Dept. inspects the standard operating procedures (SOP) by regular floor monitoring during Cosmetics & Toiletries items production in different sections. At the same time, the management has revamped the Research & Development and the Quality Control departments to attain greater degrees of excellence for all the products, batch by batch piece by piece.

Quality Control Department carries on Research & Development (R&D) works where various experiments and trial batches are carried out to develop existing products and new products. The Quality Control and R&D units have a highly equipped sophisticated laboratory to perform all sorts of parameter testing for the raw materials consumed and finished goods produced in this facility. It performs tasks such as Pre-Production Testing, Production Monitoring and Development of new products.

Large numbers of cleaners are working for cleaning the office and factory premises. Officers and workers always use factory shoes, aprons, caps, masks, hand gloves, goggles on manufacturing floors. All our machineries are eco-friendly. We do not use any hazardous chemicals. Natural gas is used as fuel in generator and boiler. We recycle water in production purpose. Steam is used in production instead of open fire for heat generation. Rooftops of factory and office buildings are used for gardening.



MEET OUR PEOPLE

Kohinoor Chemical Company (Bangladesh) Limited (KCCL) was acquired by the present management on August 03, 1993 as part of the government's privatization policy. Since then the Company has been very cognizant regarding abiding by the Statutory Rules & Regulations when formulating the Company as well as the Human Resource Policy, also taking into consideration the macroeconomic factors such as inflation, standard of living and national economic policies. This can be reflected in the Company's policy and other courses of action when the present management welcomed the employees recruited by BCIC to continue work at their previously set wages and benefits, which were better in comparison to the wages and benefits that were set by the Company after the privatization took place.

As the number of employees recruited by BCIC have reduced significantly due to retirement and the remaining are about to follow them, at present the management has decided to establish a single set of rules and regulation for all the employees with a few exceptions. The Company decided to treat all employees equally and bring them all on the same platform, which has proved to be a significant gain for all.

Human Resource policies help implement a consistent approach to management. KCCL has a fair and unbiased HR Policy. The Company is committed for establishing equal employee opportunity for its valued employees. We strictly maintain an equal and diverse work place free from gender, age or race discrimination, hostility, and any kind of harassment with respect to religion, ethnicity, sexual orientation, or minority. There is a proper balance of discipline and flexibility. The employees are encouraged to concentrate on the norms, values and customs of KCCL and they are always motivated due to the interesting and friendly working environment.

A total 2,088 people work at KCCL and the Field Force includes 1,085 people. Our human resource management always works with the responsibility of adding value to our success and without ethical HR practice the success is not achievable in true sense. KCCL is always committed to provide a workplace where employees remain motivated and engaged because only engaged and motivated employees are capable of giving their full capability. Every year 5/6 workers are sponsored by the Company to perform Hazz at Saudi Arabia and iftar in the month of Ramadan is provided for free for all workers, staffs and officers of the Company. KCCL also provides donation for medical treatment, marriage ceremony and education of dependents of the employees. Other than these benefits, everyday a subsidized cafeteria is run for both breakfast and lunch round the year to facilitate approximately 1500 workers and staffs.

The Company's recruitment process is a standard way to find out the right person for the right post. We usually receive CVs from time to time and we store them carefully in data box. Networking and referencing is another approach that we follow to get trustworthy people. After getting job applications or CVs, we screen and conduct interviews and finally select the candidate who best fits the job profile. KCCL has a comprehensive compensation policy that consists of guaranteed pay, variable pay and benefits. Festival bonuses are provided to all temporary and casual workers who are otherwise not eligible as they are under the labor contractors. Overall KCCL has a structured and profession HR Policy which helps the Company to attain its objectives and goals.

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED
36, Shahid Tajuddin Ahmed Sarani, Tejgaon I/A, Dhaka-1208

NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting (AGM) of Shareholders of KOHINOOR CHEMICAL COMPANY (BD) LIMITED will be held on December 14, 2017, Thursday at 10.00 a.m. at Officers Club, 26 Baily Road, Ramna, Dhaka-1000, Bangladesh, to transact the following businesses:-

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2017 together with the Auditors' Report and Directors' Reports thereon.
2. To declare dividend for the year ended June 30, 2017.
3. To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
4. To consider the reappoint of Independent Director of the Company
5. To appoint auditors and to fix their remuneration for the financial year 2017-2018.
6. To transact any other business with the permission of the Chair.

By the Order of the Board

Date: 4th November, 2017
Dhaka

Sd/-
Md. Ferdous Jaman
Company Secretary

Note:

1. "Record Date" shall be the November 23, 2017 (Thursday). Shareholders whose names appeared in the Depository/Members Register on the Record Date will be eligible to attend the meeting and will qualify for Dividend.
2. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote on his/her behalf. The proxy form, duly stamped (BDT. 20.00), must be deposited at the Company's Corporate Office not later than 48 hours before the time fixed for the meeting and in default, Form of Proxy will not be treated as valid.
3. Annual Report, Attendance Slip and Proxy Form along with the notice are being sent to all the members through post/courier service. The members may collect the Annual Report or the Proxy Form from the registered office of the Company. Admission into the venue of the AGM will be allowed on the production of the Attendance Slip/Proxy Form sent with the Annual Report.
4. Members are requested to notify change of address if any, to the Company.

Attention : As per BSEC Guidelines, the Shareholders shall not be entertained with any gift/food item in the ensuing AGM



Financials & Reports

2016-17 HIGHLIGHTS

Sales value increased by **43%, 20% and 12%** for Snow & Cream, Toilet Soap and Detergent respectively.

Net sales revenue continued to improve

Net sales revenue increased by 13% compared to 2015-16.

EPS reached to BDT 12.04

During the reporting year, earnings per share increased by 23%.

Followed Cost Management Strictly

Ending the year with net profit 23% higher than prior year.

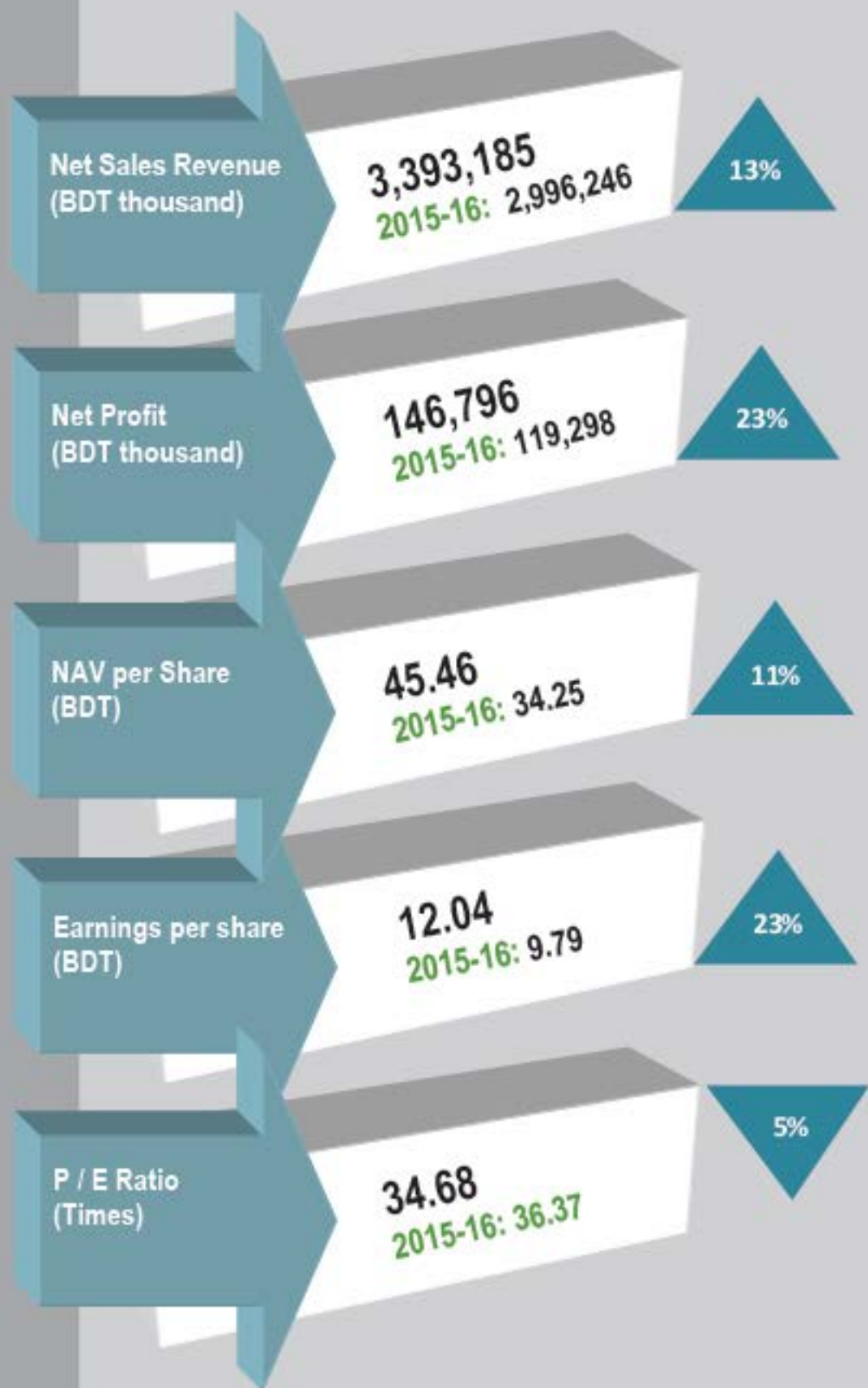
Income from other sources

During the reporting year, income from other sources increased by 56%.

15% Cash and 15% Stock dividend

Proposed by the Board of Directors for the financial year 2016-17.





2016-17 HIGHLIGHTS

(BDT in Thousand)

	2016-17	2015-16	2014-15	2013-14	2012-13
OPERATIONAL RESULT					
Net Sales Revenue	3,393,185	2,996,246	2,656,901	2,960,859	2,718,968
Gross Profit	608,794	537,960	477,614	531,335	470,625
Operating Profit	208,548	191,250	152,650	223,123	179,704
Net Profit before Tax	196,436	160,767	118,195	153,832	125,458
Net Profit after Tax	146,796	119,298	91,457	107,217	93,128
FINANCIAL POSITION					
Shareholders' equity	554,074	417,434	328,605	237,147	129,931
Total Assets	1,530,810	1,708,212	1,656,468	1,745,369	1,668,177
Total Current Assets	1,210,816	1,375,727	1,346,238	1,439,953	1,343,851
Total Current Liabilities	650,646	964,688	1,001,774	1,129,436	1,161,068
FINANCIAL RATIOS					
Current Ratio (times)	1.86	1.43	1.34	1.27	1.16
Debt Equity Ratio (times)	1.76	3.09	4.04	6.36	11.84
Return on Total Assets (%)	9.59	6.98	5.52	6.14	8.76
Inventory Turnover (times)	4.47	3.28	2.57	2.58	2.60
Price Earning Ratio –DSE (times)	34.68	30.31	39.28	29.92	16.75
ORDINARY SHARES INFORMATION					
Number of Shares Outstanding	12,187,500	10,156,250	10,156,250	8,125,000	6,500,000
Dividend (Cash) (%)	15.00	10.00	30.00	-	-
Dividend (Stock) (%)	15.00	20.00	-	25.00	25.00
Net Asset Value per Share (BDT)	45.46	34.25	32.35	29.19	19.99
Operating Cash flow per Share (BDT)	34.58	10.21	20.69	21.74	6.24
Earnings per Share (BDT)	12.04	9.79	9.01	13.20	14.33
Number of Shareholders	6,441	6,474	6,571	5,946	6,026
OTHER DATA					
Number of Employees	2,088	1,974	1,980	1,841	1,702
HUMAN RESOURCES					
Officers	399	383	380	350	330
Staff	1,074	1,027	1,046	949	873
Workers	615	564	554	542	499
Total	2,088	1,974	1,980	1,841	1,702

GRAPHICAL PRESENTATION

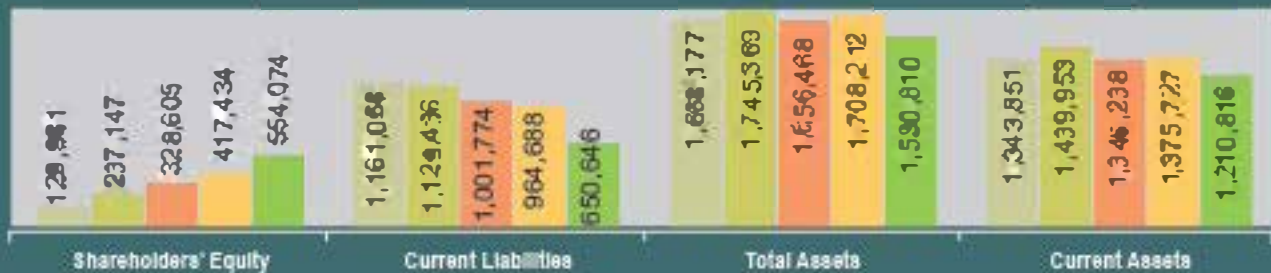
Operating Result (In thousand)

2012-13 2013-14 2014-15 2015-16 2016-17



Financial Position (In thousand)

2012-13 2013-14 2014-15 2015-16 2016-17



Ordinary Share Information

2012-13 2013-14 2014-15 2015-16 2016-17



VALUE ADDED STATEMENT

for the year ended June 30, 2017

BDT in '000'

Particulars	2016-17		2015-16	
	Amount	%	Amount	%
Value Added:				
Gross Revenue	3,920,013		3,472,208	
Less: Bought in Materials and Services	(2,833,386)		(2,486,643)	
Add: Other income	7,851		5,019	
Total value added	1,094,478	100.00	990,584	100.00

Distribution of added value:

To Employees as salaries, wages and allow.	343,336	31.37	302,533	30.54
To National Exchequer	578,073	52.82	543,332	54.85
To shareholders as dividend	30,469	2.78	30,469	3.08
	951,878	86.97	876,334	88.47

Retained for reinvestment and future growth:

Depreciation and amortization	26,273	2.40	25,421	2.57
Retained profit	116,327	10.63	88,829	8.97
	142,600	13.03	114,250	11.53
Total value distributed	1,094,478	100.00	990,584	100.00



STATEMENT OF THE CHAIRMAN

Dear Fellow Shareholders,

Assalamualaikum Wa Rahmatullah

It is a matter of great pleasure for me to announce today, in the 30th Annual General Meeting (AGM) of Kohinoor Chemical Company (Bangladesh) Limited, that your amazing company has done exceptionally well this year compared to last year, and has exceeded all our expectations and forecasts. The financial performance of your company during the first six months of the reporting year was highly impressive and it was even better during the last six months.

The fiscal year 2016-2017 proved to be a great year for our country as we achieved progress in all major economic indicators aided by macroeconomic and political stability, and strong domestic demand. The GDP was more than 7% and growth was higher than expected as consumption picked up in response to rising income, and as private investment strengthened. Poverty reduced significantly and our position in socio-economic indicators like inequality, women empowerment, sanitation, mother and child mortality rate, population growth rate and social mobility has been strengthened further.

My fellow shareowners, I am delighted to inform that the progress of the country has also been reflected upon your Company. Let me take you all over the financial particulars now. I am pleased to inform that your Company attained Net Revenue of BDT 3,393.19 million as against BDT 2,996.25 million of the previous year, registering a praiseworthy positive growth of 13.25% over the previous year.


During the present financial year, Gross Profit stood at BDT 608.79 million reflecting a positive growth of 13.17% and the Net Profit reached to BDT 146.80 million which is also higher than the previous year's Net Profit by 23.05%.

This increase in Net Profit was a result of increased sales compared to last year. The thriving economic condition of the country resulted in increased demand for consumer goods which was favorable for our sale, which gradually had a positive impact on this year's Net Profit.

The Earnings per Share (EPS) for the year 2016-17 is BDT 12.04 compared to previous year's EPS of BDT 9.79 (restated). Taking into account the extraordinary financial performance of the company this year, your Board has recommended 15% Cash and 15% Stock Dividend to be appropriated from the profits to the shareholders for the financial year 2016-17.

Your Company makes a significant contribution to the National Exchequer in the form of Corporate Tax, Value Added Tax (VAT) and different other duties every year.

This year was also no exception. During the financial year 2016-17, your company has contributed an amount of BDT 578.07 million compared to BDT 543.33 million in the last year. This contribution is equivalent to 17.04% of the company's Net Revenue.



The financial performance of your company has been exceptionally good in the financial year 2016-17. Most of the financial indicators of the company have improved compared to last year. I ensure you that we will continue this performance and deliver even better products and services to our customers in the future, so that ultimately the value of the company rises increasing the wealth of our shareholders.

My dear Shareholders, I would now like to take the opportunity over here to thank you for your never ending support and faith upon us. Your valued suggestions, advices and continuous supports are the driving forces behind the growth and development of this business. I am grateful to the Management as they have been very determined and focused towards their goals. All our employees have done an admirable job in contributing to our success, and on behalf of all the shareholders, I would like to applaud all our employees for doing such a commendable job.


I would also like to sincerely appreciate all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies, regulatory authorities and everyone with whom the company interacted with in conducting its business. I wish and pray for the continued success of the company in the future.

May the Almighty always bless us & guide us to right path.

Thank you,

Sd/-

Mohammad Obaidul Karim
Chairman



চেয়ারম্যান - এর বাণী



বিস্মিল্লাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডার ও সহকর্মীবৃন্দ
আসসালামু আলাইকুম,

কোহিনূর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেডের আজকের ৩০তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে ঘোষণা করছি যে, আপনাদের কোম্পানী গত বছরের তুলনায় এ বছর ব্যাপক সাফল্য অর্জন করেছে যা আমাদের সমস্ত প্রত্যাশা এবং পূর্বধারণাকে অতিক্রম করেছে। প্রথম ছয় মাসে কোম্পানীর আর্থিক অগ্রগতি ছিল ব্যাপক এমনকি এ অগ্রগতি শেষের ছয় মাসের তুলনায় ভাল ছিল।

২০১৬-২০১৭ অর্থ বছরে আমাদের কোম্পানী ব্যাপক সফলতা অর্জন করেছে। যেখানে সহায়ক শক্তি হিসাবে আমরা দেখতে পায় দেশের সাময়িক অর্থনীতি, রাজনৈতিক স্থিরতা ও ব্যাপক আন্তর্জাতিক চাহিদা। আমাদের দেশের মোট আন্তর্জাতিক উৎপাদন (জিডিপি) ৭% এর বেশী এবং এ প্রবৃদ্ধি আমাদের প্রত্যাশাকে অতিক্রম করেছে। কারণ দেশের মানুষের আয় বৃদ্ধির সাথে সাথে ক্রয় ক্ষমতা এবং জনগণের বিনিয়োগ শক্তি বৃদ্ধি পেয়েছে। ফলস্বরূপ আমরা দেখতে পাই, আমাদের দারিদ্র ব্যাপকভাবে কমেছে, আর্থ সামাজিক অবস্থান সুদৃঢ় হয়েছে এবং সাথে সাথে নারী ক্ষমতায়ন, জনস্বাস্থ্যের উন্নতি, গর্ভজনিত মা ও শিশু মৃত্যুর হার রোধ, জনসংখ্যা প্রবৃদ্ধির হার রোধ ইত্যাদি শক্তিশালী হয়েছে।

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমি আনন্দের সাথে আপনাদের জানাতে চাই দেশের উন্নতির প্রভাব আপনাদের কোম্পানীতেও প্রতিফলিত হয়েছে। এখন আমি আপনাদের কোম্পানীর আর্থিক সূচকগুলি জানাতে চাই। আলোচ্য বছরে কোম্পানীর নীট রাজস্ব আয় হয়েছে ৩৩৯.৩২ কোটি টাকা যা গত বছরে ছিল ২৯৯.৬৩ কোটি টাকা। ফলে গত বছরের তুলনায় প্রবৃদ্ধি অর্জিত হয়েছে ১৩.২৫%।

আলোচ্য বছরে মোট মুনাফা অর্জিত হয়েছে ৬০.৮৮ কোটি টাকা, প্রবৃদ্ধি ১৩.১৭% এবং নীট মুনাফা হয়েছে ১৪.৬৮ কোটি টাকা যা গত বছরের তুলনায় ২৩.০৫% বেশী। নীট মুনাফার এ উল্লেখযোগ্য প্রবৃদ্ধির মূলে রয়েছে গত বছরের তুলনায় এ বছরের বিক্রয়ের পরিমাণ বৃদ্ধি ও খরচ নিয়ন্ত্রণ। দেশের উত্তরোত্তর অর্থনৈতিক উন্নতির কারণে ভোগ্য পণ্যের চাহিদা বৃদ্ধি পেয়েছে যা কোম্পানীর বিক্রয় বৃদ্ধিতে সহায়ক ভূমিকা পালন করেছে এবং ফলস্বরূপ কোম্পানীর নীট মুনাফা বৃদ্ধি পেয়েছে।

২০১৬-২০১৭ অর্থ বছরে শেয়ার প্রতি আয় দাঁড়ায় ১২.০৪ টাকা যা গত বছরে ছিল ৯.৭৯ টাকা। আশাতীত সফলতা বিবেচনা করে কোম্পানীর পর্ষদ ২০১৬-২০১৭ অর্থ বছরের জন্য ১৫% নগদ লাভ্যাংশ ও ১৫% বোনাস শেয়ার বিতরণের সুপারিশ করেছে।

আপনাদের কোম্পানী প্রতি বছরের ন্যায় এবছরেও কর, মূলক ও বিভিন্ন ধরনের শুল্ক প্রদানের মাধ্যমে সরকারী কোষাগারে জমা বৃদ্ধি করে আসছে। ২০১৬-২০১৭ অর্থ বছরে আপনাদের কোম্পানীর সরকারী কোষাগারে জমার পরিমাণ দাঁড়ায় ৫৭.৮১ কোটি টাকা যা গত বছর ছিল ৫৫.৩৭ কোটি টাকা। ফলে এখানে কোম্পানীর অবদান হল নীট বিক্রয়ের ১৭.০৪%।

আমি মনে করি, ২০১৬-২০১৭ অর্থ বছরে আপনাদের কোম্পানীর আর্থিক অগ্রগতি অত্যন্ত ভাল। গত বছরের তুলনায় এ বছর কোম্পানীর বেশীর ভাগ আর্থিক সূচক বৃদ্ধি পেয়েছে। আমি আপনাদের আশ্বস্ত করতে পারি যে আমাদের এ বৃদ্ধির ধারা বজায় থাকবে এবং ভবিষ্যতে ভোক্তাদের আরও উন্নত পণ্য ও সেবা সরবরাহ করতে সক্ষম হব। ফলে কোম্পানীর প্রবৃদ্ধির সাথে সাথে শেয়ারহোল্ডারদের সম্পদের পরিমাণও বৃদ্ধি পাবে।

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমাদের উপর আপনাদের বিশ্বাস ও সহযোগিতার জন্য আমি আপনাদের ধন্যবাদ জানাই। আপনাদের মূল্যবান প্রস্তাবনা, উপদেশ ও সর্বাত্মক সহযোগিতা কোম্পানীর উন্নয়নে সহায়ক ভূমিকা পালন করে। আমি কোম্পানীর ব্যবস্থাপনার প্রতি কৃতজ্ঞতা প্রকাশ করছি কারণ ব্যবস্থাপনার সঠিক লক্ষ্য নির্ধারণ ও যথাযথ পদক্ষেপের ফলে কোম্পানীর উন্নতি সম্ভব হয়েছে। সেই সঙ্গে আমি কোম্পানীর সমস্ত কর্মকর্তা ও কর্মচারীদেরকে ধন্যবাদ জানাই যাদের অক্লান্ত পরিশ্রম, দক্ষতা ও অভিজ্ঞতা কোম্পানীর উন্নয়নে অবদান রাখছে এবং কোম্পানীর শেয়ার হোল্ডারদের পক্ষে কাজ করেছে।

অবশেষে সভার পরিচালকমন্ডলীর পক্ষ থেকে উপস্থিত সবাইকে আন্তরিক অভিনন্দন ও কৃতজ্ঞতা জানাচ্ছি। একই সঙ্গে আমাদের সকল গ্রাহক, ব্যাংক, আর্থিক প্রতিষ্ঠান, সরবরাহকারী, সরকারী বিভাগ ও নিয়ন্ত্রনকারী সংস্থাসহ আমাদের কর্মকর্তাদের সাথে প্রত্যক্ষ ও পরোক্ষভাবে জড়িত সকলকে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। পরিশেষে আমি কোম্পানীর ভবিষ্যত উত্তরোত্তর উন্নতি কামনা করছি।

অসীম কলনাময় আন্তাহ্ আমাদের সকলকে পরম সুখ ও শান্তি দান করুন।

আন্তাহ্ হাফেজ।

স্বা/-

মোহাম্মদ ওবায়দুল করিম
চেয়ারম্যান

DIRECTORS' REPORT

Dear Fellow Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year ended on 30th June, 2017 and Auditors' Report thereon:

INDUSTRY OUTLOOK

Locally produced cosmetics and toiletries products are now playing a significant role that was previously dominated by imports. Most of the products in this sector are common consumer goods which have a large demand in the domestic market. Local manufacturer is able to satisfy most of the local customers by offering quality products with reasonable price. While most of the manufacturers focus primarily on meeting the demands of the local market, some firms have started exporting cosmetics and toiletries products from Bangladesh.

The production and sales scenario of major manufacturers over recent periods suggest that all the major firms including KCCL have experienced steady growth. The demand for cosmetic and personal care products is now huge and these types of products are increasingly becoming essentials for people belonging to all classes in society. KCCL is working really hard to build consumer trust through producing good quality products and competes with two leading brands Unilever Bangladesh Ltd and Square Toiletries Limited.

HIGHLIGHTS ON FINANCIAL RESULTS

The Board of Directors takes pleasure in reporting the summary of the Financial Results of the Company for the year ended June 30, 2017:

Particulars	2016-17	2015-16	% increase
Net Sales Revenue (BDT)	3,393,185,456	2,996,245,717	13%
Cost of Goods Sold (BDT)	(2,784,391,769)	(2,458,285,505)	13%
Gross Profit (BDT)	608,793,687	537,960,212	13%
Operating Profit (BDT)	208,547,887	191,249,506	9%
Net Profit (BT) (BDT)	196,435,935	160,767,494	22%
Net Profit (AT) (BDT)	146,795,605	119,298,302	23%
Earnings per Share	12.04	9.79	23%

The Company recorded 13% growth in net sales revenue during the financial year 2016-17 over previous year. Such significant

revenue growth has derived mainly from the sale of snow and cream (43% increase), toilet soap (20% increase) and detergent

(12% increase) products. The operating profit amounted to BDT 208.56 million, showing an increase (9%) with respect to June 30, 2016 (BDT 191.25 million).

In addition to that net profit after tax shows an amazing growth of 23% compared to previous year's figure of BDT 119.3 million. This result brings the performance levels of KCCL similar to those recorded during the financial year 2015-16.

The improvement in the operating result generated by KCCL was mainly driven by two factors- one is better performance of each segment and the other is strict cost management. In line with the strategic objective of increasing the operating profitability of KCCL, the return on total asset is 9.59%, increasing from 6.98% at June 30, 2016.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

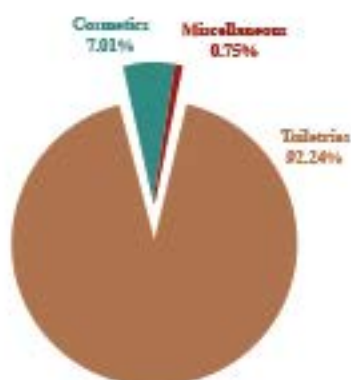
Kohinoor Chemical Company (Bangladesh) Limited, a member of the Cosmetics and toiletries industry of Bangladesh, is operating its business in a single market segment i.e consumer goods market within and outside the territory of Bangladesh. All products of KCCL are categorized under three product lines-

- Washing soap, toilet soap, tooth paste, shaving cream, detergent powder are classified as toiletries products
- Snow & Cream, Powder, Hair oil and Coconut oil are considered as cosmetics products
- All other products are included under miscellaneous products.

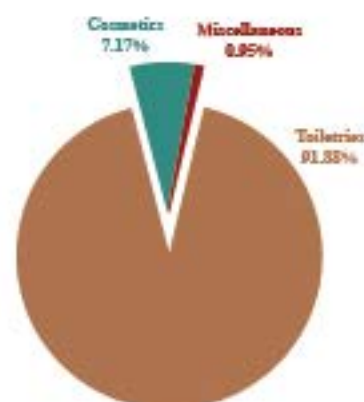
Product Line wise Gross Sales:

Year	Toiletries Products	Cosmetics Products	Miscellaneous Products	Total Revenue
2016-17	3,601,719,883	280,874,288	37,418,549	3,920,012,720
2015-16	3,202,687,614	243,385,985	26,134,495	3,472,208,094

Sales Portfolio in 2015-16



Sales Portfolio in 2016-17



RISKS AND CONCERNS

The Company's management is well aware of the fact that business is subject to variety of risks and uncertainties. The management is responsible to identify, communicate, and mitigate risks in order to minimize their potential impact on the business for which a special risk management framework has been established, where policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Industry Risks, Regulatory Risks, Market Risk, Operational Risk, Legal Risk, Interest Rate Risk, Exchange Rate Risk and potential changes in Global or National policies are some of the risks that KCCL takes into consideration.

KCCL has well defined its risk management policies and introduced periodic monitoring system that act as an effective tool in mitigating various risks to which our businesses are exposed to in the course of its day-to-day operations as well as in its strategic actions. These policies are reviewed regularly to take into consideration changes in market conditions and the company's activities.

COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN

The overall costs of direct materials as well as the cost of goods sold relative to net sales remained almost stable during the reporting year and the previous year (Direct material cost is 74% of net sales in reporting year and 75% in previous year and cost of goods sold is 82% of net sales during both years).

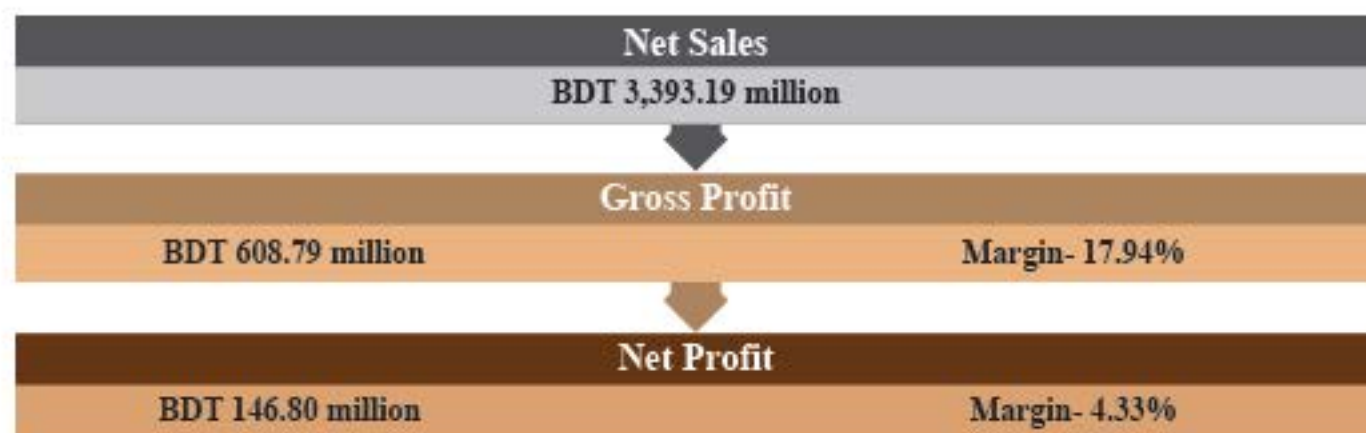
COGS	Value in BDT		% of Total COGS	
	2016-17	2015-16	2016-17	2015-16
Direct Materials	2,553,930,500	2,211,719,494	91.72	89.97
Factory Overhead	249,123,403	229,527,855	8.95	9.34
Manufacturing Cost	2,803,053,903	2,441,247,349	100.67	99.31
WIP (Opening-Closing)	6,567,356	(349,583)	0.24	(0.01)
FG (Opening-Closing)	(25,229,490)	17,387,739	(0.91)	0.71
Cost of Goods Sold	2,784,391,769	2,458,285,505	100.00	100.00

Cost of Goods Sold % of Net Sales in 2016-17	82.06%
Cost of Goods Sold % of Net Sales in 2015-16	82.05%

CAPITAL EXPENDITURES

It is necessary for companies to acquire or upgrade the physical assets to maintain or increase the scope of their operations. Keeping this in mind, Kohinoor Chemical Company (Bangladesh) Limited made the following acquisitions during the year:

Additional Investment	2016-17	2015-16
Land & Land Development	-	18,552,000
Building	-	4,913,868
Plant and Machinery	5,596,342	8,859,329
Vehicles	6,871,242	13,217,585
Furniture & Fittings	-	175,500
Office Equipment	55,000	2,079,000
Other Assets	1,509,900	-
Total	14,032,484	47,797,282



EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements prepared for the financial year 2016-17 under report.

RELATED PARTY TRANSACTION

The Directors and other key management personnel are very cautious to avoid any conflicts of interest inconformity with the prevailing rules and regulations. Related party transactions, when undertaken, are carried out on the basis of Arm's Length Transaction without any special benefit to the related party. All such transactions have been approved unanimously by the Board of Directors of the Company. As per BAS/BFRS, the related party transactions carried out by the Company on a commercial basis during the year have been disclosed in the Note-11 of the audited financial statements.

UTILIZATION OF PROCEEDS FROM PUBLIC ISSUES, RIGHT SHARES AND/OR THROUGH ANY OTHER INSTRUMENT

Initial Public Offering (IPO) of Kohinoor Chemical Company (Bangladesh) Limited was made in 1988 and the fund raised thereby has already been utilized and reported accordingly to the respective regulators. No further issue of any instrument was made during the year.

EXPLANATION IF FINANCIAL RESULTS DETERIORATE AFTER THE COMPANY GOES FOR IPO, RPO, RIGHT OFFER, DIRECT LISTING

As stated above, KCCL went for IPO in 1988 and after that the company did not raise any fund by any sort of offerings like Repeated Public Offering, Right Issue, and Direct Listing during the financial year 2016-17. Therefore, no explanation is necessary in regards to this.

EXPLANATION ABOUT SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

No significant variation has been occurred between the quarterly and annual financial statements of the Company during the year.

REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Directors including the Independent Directors of KCCL did not receive any remuneration or other facilities or perquisites during the reporting financial year. This information is disclosed in the Notes of the audited financial statement under point no 2.32.

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to conform the following:

- The Financial Statements of the Company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- Books of Accounts have been maintained properly as required by the law.
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent.

- The financial statements were prepared in accordance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh.

- Internal Control System is sound in design and implemented and monitored effectively.

- Key operating and financial data of preceding five years have been included in the report.

SIGNIFICANT DEVIATION FROM THE OPERATING RESULTS OF LAST YEAR

During the year, no significant variations occurred from the operating results of last year.

APPROPRIATIONS OF PROFIT

Considering the annual accounts of Kohinoor Chemical Company (Bangladesh) Limited and also the interest of the Shareholders, the Board of Directors has proposed and recommended following appropriation of profit:

SHAREHOLDING STRUCTURE OF THE COMPANY

The present shareholding structure of the Company is shown in the next chapter 'Annexure to the Directors' Report'.

Net profit for the Year (2016-17)	146,795,605	
Add: Profit brought forward from previous year	<u>278,259,392</u>	
Profit available for distribution		425,054,997
Less: Appropriation proposed:		
Cash Dividend @ 15%	(18,281,250)	
Stock Dividend @ 15%	<u>(18,281,250)</u>	
		(36,562,500)
Transfer to retained earnings		<u>388,492,497</u>

GOING CONCERN

Subsequent to the conduction of appropriate enquiries and analysis of the significant operating and financials, the Board ensures that the Company has the ability to continue its operation for a foreseeable future. The Directors have a reasonable anticipation that the resources are adequate to continue its operation without any major interruptions. Therefore, all these analysis qualify the Company as a going concern and consequently the financial statements are also prepared on the basis of going concern assumption.

CONTRIBUTION TO NATIONAL ECONOMY

During the financial year 2016-17, your company has contributed an amount of BDT 578.07 million Corporate Tax, Value Added Tax (VAT) and different other duties; compared to BDT BDT 553.68 million in the last year. This contribution is equivalent to 17.04% of the company's Net Revenue.

BOARD MEETINGS HELD

The number of Board Meetings and attendance of the directors, CFO and CS during the financial year 2015-16 were as follows:

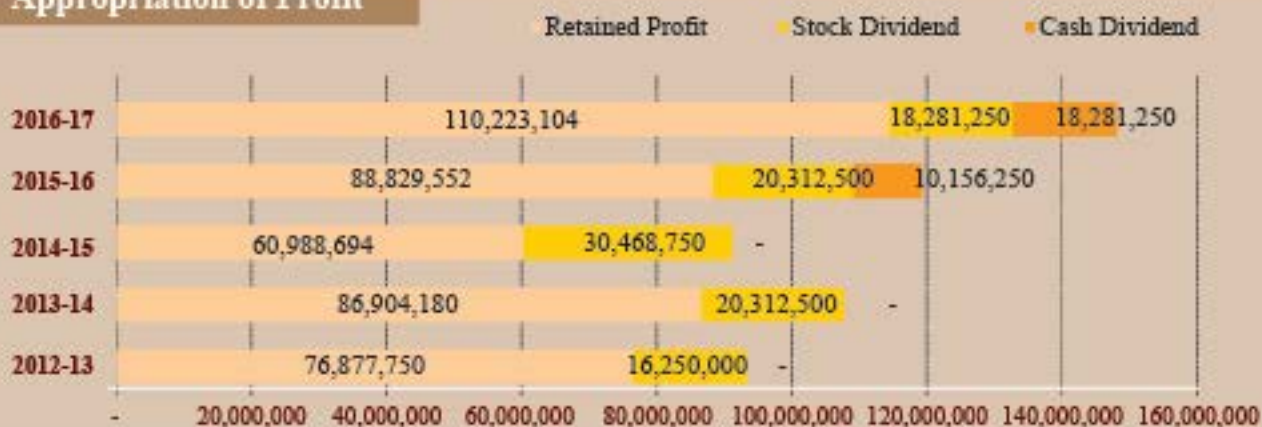
Name	Status	Meeting held	Meeting Attended
Mr. Mohammad Obaidul Karim	Chairman	6	6
Mr. Md. Rezaul Karim	Managing Director	6	6
Mr. Md. Ebadul Karim	Director	6	6
Mrs. Arzuda Karim	Director	6	6
Mrs. Nurun Nahar	Director	6	6
Mrs. Shirin Akhter	Director	6	6
Mr. Quazi Mamun-Ul-Ashraf	Independent Director	6	6
Dr. M. Shamsheer Ali	Independent Director	6	6
Mr. Abu Bakar Siddique	Chief Financial Officer	6	6
Mr. Md. Ferdous Jaman	Company Secretary	6	6

DECLARATION OF DIVIDEND

With the Directors' recommendation for a cash dividend of BDT 1.50 (15%) per share and stock dividend of 15% per share for the year under review, the Company will have a payout of BDT 36,562,500 subject to approval at the Annual General Meeting. The dividend will be applicable for the shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e. November 23, 2017.

Pursuant to the above, Md. Ebadul Karim and Mrs. Arzuda Karim, Directors of the Company, retire by rotation from the Board, but being eligible, have offered themselves for re-election. Brief profiles of the Directors being proposed for re-appointment are given under profile of Directors.

Appropriation of Profit



ENVIRONMENTAL CONSIDERATION

Kohinoor Chemical Company (Bangladesh) Limited is highly committed to providing a healthy and pollution free environment for its employees, customers, suppliers, and all other parties with whom it interacted to conduct its business. They are continuously striving to minimize the environmental impact through their operational excellence. The Company follows different Rules, Regulations and standards applicable for the Company in order to maintain a pollution free environment and its facilities are carefully designed and operated to prevent all forms of pollution.

ELECTION OF DIRECTORS

With regard to the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act 1994 and other related legislations. In order to comply with the provision mentioned under Section 91(2) of the Companies Act 1994, at least one third of the Directors shall retire from the office in each Annual General Meeting.

APPOINTMENT OF AUDITORS

The Directors hereby report that as per the Companies Act 1994 and the Articles of Association of the Company the existing Auditor, M/S Toha Khan Zaman & Co., Chartered Accountants, who were appointed as auditors of the company in the last Annual General Meeting of the Company has carried out the audit for the year ended June 30, 2017, will retire at the conclusion of the ensuing Annual General Meeting.

However, being eligible they have offered themselves for re-appointment as auditors of the Company for the next financial year. Based on their audit performance record, the Board recommends M/S Toha Khan Zaman & Co., Chartered Accountants to be reappointed as the Statutory Auditor of the Company for the financial year 2017-18 subject to the approval of Shareholders in the AGM.

STATUS OF COMPLIANCE

In accordance with the requirements stipulated in the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006- 158/134/Admin/44 dated 7th August, 2012 and Notification No. SEC/CMRRCD/2006-158/147/Admin/48 dated July 21, 2013 issued under section 2CC of the Securities and Exchange Ordinance 1969, the detailed required disclosures are shown in the next chapter 'Annexure to the Directors' Report'. Along with this, we have appointed M/S Poddar & Associates, Cost and Management Accountants for issuance of Certificate on compliance of Corporate Governance Guidelines for Kohinoor Chemical Company (Bangladesh) Limited for the financial year under report.

ACKNOWLEDGEMENT

The Board of Directors record with deep appreciation the efforts made by the Employees, Workers, Customers, Creditors, Suppliers, Banks, Insurance Companies, Utilities Providers, Government Agencies, BSEC, RJSC, DSE, CSE and the Government in particular.

The Directors would also like to express profound gratitude to all other stakeholders including the Shareholders and Business Partners for their trust and confidence on the Company by supporting the activities of the Company and look forward to their continued support and cooperation in future.

On behalf of the Board

Sd/-

Mohammad Obaidul Karim
Chairman

ANNEXURE – I

CATEGORY WISE OWNERSHIP OF COMPANY'S SHARE

As on June 30, 2017

Name of Shareholders	Status	No. of Shares	Shareholding %
i. Parent/ Subsidiary/Associates and Other Related Parties:			
ii. Directors:			
Mr. Mohammad Obaidul Karim	Chairman	2,614,218	21.45
Mr. Md. Rezaul Karim	Managing Director	440,155	3.61
Mr. Md. Ebadul Karim	Director	953,905	7.83
Mrs. Arzuda Karim	Director	710,530	5.83
Mrs. Nurun Nahar	Director	609,871	5.00
Mrs. Shirin Akhter	Director	609,674	5.00
Mr. Quazi Mamun-Ul Ashraf	Independent Director	-	-
Professor Dr. M. Shamsher Ali	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children:			
Mr. Md. Rezaul Karim	Chief Executive Officer	440,155	3.61
Mr. Abu Bakar Siddique	Chief Financial Officer	-	-
Mr. Md. Ferdous Jaman	Company Secretary	-	-
Mr. Mohd. Shamim Kabir	Chief Internal Auditor	-	-
iv. Executives:			
Mr. Md. Abul Khair	Director (Corporate Affairs)	-	-
Mr. Ziaul Hafiz	Head of Sales & Marketing	-	-
Mr. Shah Md. Abdul Wadood	Head of Production	-	-
Mr. A.S.M. Zaman	Head of Distribution	-	-
Mr. Md. Aslam Hossain Baig	Head of HR & Admin	-	-
v. Shareholders Holding 10% or More Voting Interest in the Company:			
Mohammad Obaidul Karim	Chairman	2,614,218	21.45

Type of Shareholders	No. of Shares	Shareholding %
Sponsors /Directors	5,938,353	48.72%
Institutional	1,971,937	16.18%
General Public	4,277,210	35.10%
Total	12,187,500	100%



ANNEXURE – II

Compliance of Notification No.SEC/CMRRCD/2006-158/134/Admin/44

Dated 7th August, 2012

1. Board of Directors:

1.1 Board Size:

In compliance with the requirements by the regulations of BSEC, KCCL's Board of Directors comprises 8 (eight) members including 2 (two) Independent Directors as on June 30, 2017.

1.2 Independent Director:

- (i) In order to conform to the condition of the minimum number of Independent Director which is at least one fifth of the total number of Directors, the Board of Directors, as empowered by the Regulations, appointed Quazi Mamun-Ul Ashraf and Professor Dr. M. Shamsher Ali as the Independent Directors of KCCL.
- (ii) All the requirements as prescribed under the sub-clause (ii) of BSEC Notification under reference have been fulfilled.
- (iii) Both the existing Independent Directors were appointed by the Directors and approved by the Shareholders in the Annual General Meeting (AGM).
- (iv) The post of Independent Director was not vacant for more than 90 days.
- (v) The Board has laid down a code of conduct of all Board members and a record of compliance of the code has been maintained.
- (vi) The tenure of office of the Independent Directors nominated above shall be 3 (three) years which may be extended for 1 (one) term only.

1.3 Qualification of Independent Director (ID):

- (i) The appointed IDs are highly knowledgeable and qualified persons. Both of them are able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.
- (ii) Independent Director, Professor Dr. M. Shamsher Ali, has been teaching at the University level for about 31 years and Quazi Mamun-Ul Ashraf was the Manager and Vice President of Jamuna Bank Limited and now the life member of many associations including Bangladesh Institute of Bankers.
- (iii) No relaxation of the qualification of ID is required.

1.4 Chairman of the Board and Chief Executive Officer:

Mr. Mohammad Obaidul Karim is the Chairman and Mr. Md. Rezaul Karim is the Managing Director as well as the Chief Executive Officer of the Company. Their roles and responsibilities have been defined clearly.

1.5 The Director's Report to Shareholders:

All the requirements have been fulfilled properly.

2. Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):

2.1 Appointment:

The following three different persons have been appointed for the post of CFO, Head of Internal Control and the CS:

Chief Financial Officer:

Mr. Abu Bakar Siddique

Head of Internal audit:

Mr. Mohd. Shamim Kabir

Company Secretary:

Mr. Md. Ferdous Jaman

2.2 Attendance of CFO and CS at the meeting of BOD:

The CFO and the CS attend the meeting regularly.

3. Audit Committee:

The Board has constituted an Audit Committee as a sub-committee of the Board for the Company according to the conditions of BSEC guidelines.

3.1 Constitution of the Audit Committee:

The Audit Committee comprises of 3 (three) members including 1 (one) Independent Director. All the members of the Committee are literate on financial management and are able to analyze and interpret financial statements effectively. The Company Secretary acts as the Secretary of the Committee.

3.2 Chairman of the Audit Committee:

Mr. Quazi Mamun-Ul Ashraf, Independent Director of the Company, had been appointed as the Chairman of the Audit Committee. He also attended the Annual General Meeting following the BSEC guidelines.

3.3 Role of Audit Committee:

The Audit Committee has performed its duties and responsibilities according to the guidelines given by BSEC.

3.4 Reporting of the Audit Committee:

The Audit Committee reports to the Board of Directors from time to time. It immediately informs Board of Directors regarding any deviation, conflict of interest and any other matters necessary to ensure the true and fair view of the financial statements.

3.5 Reporting to the Shareholders and General Investors:

The Audit Committee Report has been disclosed in the Annexure III of the Annual Report of Kohinoor Chemical Company (Bangladesh) Limited.

4. External Statutory Auditors:

The Board has recommended the Statutory Auditor of KCCL and appointed by the shareholders at the AGM following the BSEC guidelines strictly. The auditcommittee monitored and ensured that the statutory auditors were not involved in the services mentioned under point no 4 of the Corporate Governance Guideline imposed by BSEC.

5. Subsidiary Company:

Since KCCL does not have any subsidiary company, the requirements of this section are not applicable for the Company.

6. Duties of CEO & CFO:

All the requirements relating to the duties of CEO and CFO are being complied with. CEO and CFO's declaration to the board has been disclosed in the Annexure IV of this Annual Report.

7. Reporting and Compliance of Corporate Governance:

The provisions of BSEC regulation have been fulfilled regarding the compliance of corporate governance. We have obtained the Certificate about compliance of conditions of Corporate Governance Guidelines from a practicing Professional Accountant which has been disclosed in Annexure VI of this report.

ANNEXURE – III

Report on the Activities of Audit Committee

to the Shareholders

Dear Fellow Shareholders,

It is a pleasure on the part of the Audit Committee to introduce this report, which the Committee hopes to be a useful insight into the work of the Audit Committee and the issues it considered during the year. The report takes into account of the Guidance on Audit Committees by the Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 3.

Constitution and Assistance of the Audit Committee to the Board:

The audit committee of Kohinoor Chemical Company (BD) Limited was formed as a sub-committee of Board as per the terms of reference approved by the Board in accordance with the aforementioned notification of BSEC. The audit committee's function is to support and assist the board in fulfilling its oversight responsibilities in areas such as the integrity of financial reporting, the effectiveness of the risk management and internal control system and related governance and compliance matters. During the financial year under review, the Audit Committee consisted of the following members:

Sl. No.	Members	Status with the Committee	Status with the Board
1	Mr. Quazi Mamun-Ul Ashraf	Chairman	Independent Director
2	Mr. Md. Rezaul Karim	Member	Managing Director
3	Mr. Md. Ebadul Karim	Member	Director

Secretary: Mr. Md. Ferdous Jaman

The Board considers that all the current Committee members have recent and relevant financial experience as recommended by the BSEC Corporate Governance Guidelines.

Mr. Quazi Mamun-Ul Ashraf stood as the Chairman of the Audit Committee duly selected and approved by the Board. He also attended the General Meeting of the Company's shareholders to answer any queries on the Committees activities. The Company Secretary, Mr. Md. Ferdous Jaman, supports the Committee as its secretary as well which ensures compliance

with the Corporate Governance Guidelines issued by the BSEC. The requirements regarding the Quorum of the Committee have also been fulfilled.

Regarding the expiration of terms of service or inability to hold the office till expiration period by any Committee members, there was no such situation arose during the year under review making the number of Committee members lower than 3 (three) persons.

The Audit Committee met six (6) times during the financial year 2016-17 and the attendance of the members and secretary of Committee is as below:

Members	Status	Meetings attended
Mr. Quazi Mamun-Ul Ashraf	Chairman	6/6
Mr. Md. Rezaul Karim	Member	6/6
Mr. Md. Ebadul Karim	Member	6/6
Mr. Md. Ferdous Jaman	Company Secretary	6/6

Scope of Work of Audit Committee:

The authorities, duties and responsibilities of Audit Committee, among others, include:

1. Ensuring the non-engagement of external auditors in any material non-audit work including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.
2. Reviewing the quarterly, half yearly and annual financial statements of the Company and upon satisfaction of the review, recommend them to the Board for approval.
3. Monitoring and reviewing the integrity of the financial reporting process ensuring compliance to the accounting policies and principles, internal control risk management process.
4. Ensuring the adequacy of internal audit function and considering the major findings of the internal investigations and management response and where necessary, ensuring the appropriate actions are taken.
5. Reviewing Management Letter and Letter of Internal Control weakness issued by the statutory auditors on the effectiveness of the systems for internal financial control, financial reporting and risk management.
6. Reviewing statement of significant related party transactions submitted by management.
7. Recommending to the Board the appointment, re-appointment or removal of external auditors and overseeing their performance as well.

Reporting of the Audit Committee:

The Audit Committee reports to the Board of Directors from time to time and is responsible to inform Board of Directors about its regular activities and about any material defects in internal control, conflict of interest and any other matters necessary to ensure the true and fair view of the financial statements. Apart from reporting to the Board, it also needs to report the Regulatory Authorities regarding any issue having material financial impact if the Board and the management have unreasonably ignored such issues without making any rectification. It reports to Shareholders and other interested parties on annual basis by means of presenting a summary of its activities in the form of this report.

During 2016-17, the audit committee met six times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. Besides, there was no other issue arose in 2016-17 having significant material impact on Company's financial statements which needed to be disclosed to the Board or the Regulatory Authorities. It presented here in its report for the shareholders and other interested parties prepared for the financial year ended June 30, 2017.

Report from the Audit Committee

Dated: November 06, 2017

The Board of Directors
Kohinoor Chemical Co. (BD) Limited
36, Shahid Tajuddin Ahmed Sarani,
Tejgaon, Dhaka-1208

Subject: Audit Committee Report for the financial year ended June 30, 2017

Dear Sirs

In terms of the condition No.3.5 conferred by the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969),

I, the undersigned Independent Director and Chairman of Audit Committee on behalf of the members of Audit Committee, do hereby declare that the committee, on a quarterly basis, reviewed the financial statements of the Company and did not find any statement of significant re-current related party transactions entered into by the Company throughout the year under report. The committee ensures that the external auditors were not engaged in any material non-audit work of the Company.

Also the Committee is of the view that the financial reporting process, the application of accounting policies and principles, the internal control and audit functions and the risk management procedures are adequate to present a true and fair view of the activities and financial status of the Company.

Moreover, the Committee did not find any material deviation, discrepancies or any adverse findings in the areas of reporting and disclosures and did not receive any findings of management through management letter and any weakness in internal control through letter issued by statutory auditors.

Since M/S. Toha Khan Zaman & Co., Chartered Accountants were the External Auditors of Orion Infusion Limited for last year and being eligible, they have offered their interest to act as the External Auditors of the Company for the forthcoming Financial Year. Hence, after necessary observation, the Committee recommended M/S Toha Khan Zaman & Co. Chartered Accountants, for re-appointing as the external auditors of the Company for the next financial year to be ended on June 30, 2018.

On behalf of the Committee

Sd/-

Quazi Mamun-ul-Ashraf
Chairman
Audit Committee

ANNEXURE – IV

Report of the CEO and CFO to the Board

Date: November 06, 2017

The Board of Directors
Kohinoor Chemical Co. (BD) Limited
36, Shahid Tajuddin Ahmed Sarani, Tejgaon
Dhaka-1208

Subject: Certification of CEO and CFO to the Board

Dear Sirs:

In terms of the condition No.6 conferred by the Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969),

We, the undersigned CEO & Managing Director and the Chief Financial Officer (CFO), do hereby certify to the Board of the Company that we have reviewed the financial statements of Kohinoor Chemical Company (BD) Limited for the year ended June 30, 2017 and to the best of our knowledge and belief:

- i)
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Yours sincerely

Sd/-
Md. Rezaul Karim
Managing Director & CEO

Sd/-
Abu Bakar Siddique
Chief Financial Officer

ANNEXURE – V

COMPLIANCE REPORT ON

BAS and BFRS

BAS No.	BAS Title	Remarks
01	Presentation of Financial Statements	Applied
02	Inventories	Applied
07	Statement of Cash Flows	Applied
08	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
10	Events after the reporting period	Applied
11	Construction Contracts	N/A
12	Income Taxes	Applied
16	Property, Plant and Equipment	Applied
17	Leases	N/A
18	Revenue	Applied
19	Employee Benefits	Applied
20	Accounting of Government Grants and Disclosure of Government Assistance	N/A
21	The Effects of Changes in Foreign Exchange Rates	Applied
23	Borrowing Costs	Applied
24	Related Party Disclosures	Applied
26	Accounting and Reporting by Retirement Benefit Plans	N/A
27	Consolidated and Separate Financial Statements	N/A
28	Investment in Associates	N/A
29	Financial Reporting in Hyperinflationary Economics	N/A
32	Financial Instruments: Presentation	N/A
33	Earnings per share	Applied
34	Interim Financial Reporting	N/A
36	Impairment of Assets	Applied
37	Provisions, Contingent Liabilities and Contingent Assets	N/A
38	Intangible Assets	Applied
39	Financial Instruments: Recognition and Measurement	N/A
40	Investment Property	N/A
41	Agriculture	N/A

BFRS No.	BFRS Title	Remarks
01	First-time Adoption of International Financial Reporting Standards	N/A
02	Share-based Payment	N/A
03	Business Combinations	N/A
04	Insurance Contracts	N/A
05	Non-current Assets Held for Sale and Discontinues Operations	N/A
06	Exploration for and Evaluation of Mineral Resources	N/A
07	Financial Instruments: Disclosures	N/A
08	Operating Segments	N/A
09	Financial Instruments	N/A
10	Consolidated Financial Statements	N/A
11	Joint arrangements	N/A
12	Disclosure of Interests in Other Entities	N/A
13	Fair Value Measurement	N/A

CERTIFICATION ON COMPLIANCE OF

Corporate Governance



PODDER & ASSOCIATES

Cost and Management Accountants

As per BSEC rules (letter SEC/CMRRC/2006-158/134/Admin/44, dated 07 August, 2012), all the companies listed with any stock exchange in Bangladesh shall comply with some conditions in accordance with condition no. 7. The condition requires that the directors of the company shall state, in accordance with the annexure attached, in the directors' report whether the company has complied with these conditions and prerequisites set by BSEC in their letter.

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Kohinoor Chemical Co. (Bangladesh) Ltd.

We have examined the compliance to the BSEC guidelines on Corporate Governance by **Kohinoor Chemical Co. (Bangladesh) Ltd.** for the financial year ended on 30th June 2017, these guidelines relate to the Notification no. SEC/CMRRC/2006 158/134/Admin/44 dated 7 August 2012, as amended vide notification dated 21 July 2013 and 18 August 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance is the responsibility of the company. Our examination for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Company for ensuring the compliance on the attached statement on the basis of evidence gathered and representation received.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines as issued by BSEC.

For Podder & Associates

Jayanta Kumar Podder
Cost and Management Accountant

Date: 2 NOV 2017

Place: Dhaka, Bangladesh

ANNEXURE – VII

Status of Compliance with the Corporate Governance Guideline (CGG)

For the year ended 30th June 2017

Status of compliance with the condition imposed by the Commission's Notification No. letter SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 7.00)

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1	Board of Directors			
1.1	Boards size			
	The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty).	√		The KCCL's Board is comprised of 8 Directors including Managing Director.
1.2	Independent Directors			
(i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	√		02 out of 8 directors are appointed as Independent Director
(ii)	For the purpose of this clause 'Independent directors' means a director-			
a)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The Independent Directors have declared their compliances.
b)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company;	√		
c)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	√		
d)	Who is not a member, director, or officer of any stock exchange;	√		
e)	Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	√		
f)	Who is not a partner or an executive or was not a Partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm;	√		
g)	Who shall not be an independent director in more than 3 (three) listed companies;	√		
h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	√		
i)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
(iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		
(iv)	The post of independent director(s) can not remain vacant for more than 90(ninety) days.	√		
(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		
(vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√		
1.3	Qualification of Independent Director (ID)			
(i)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	√		
(ii)	The person should be a Business Leader/ Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, and Chartered Secretaries. The independent director must have a least 12(twelve) years of corporate management /professional experiences.	√		
(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	Chairman of the Board and Chief Executive Officer			
(i)	The position of the chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the chairman and the chief executive officer.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		The Director's report complies with the guideline.
(ii)	Segment-wise or product-wise performance.			Not Applicable
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not Applicable
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
(x)	Remuneration to directors including independent directors.	√		
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer company have been maintained.	√		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			Not Applicable
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	if the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.			The Company has dedared 15 % cash & 15% Stock dividend.
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		No share held except Directors & CEO (as per notification)
(xxi) c)	Executives;	√		
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(xxii)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
(xxii) a)	a brief resume of the director	√		
(xxii) b)	nature of his/her expertise in specific functional areas;	√		
(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
2.0	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS)			
2.1 Appointment	The company shall Appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	√		The company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board as per requirement of BSEC notification.
2.2 Requirement to attend the board meetings	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	√		In practice
3.0	Audit Committee			
(i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		Already in place
(ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		In practice
(iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing	√		In practice
3.1	Constitution of the Audit Committee			
(i)	The Audit Committee shall be composed of at least 3 (three) members.	√		
(ii)	The Board of Directors shall appoint members of the audit committee who shall be directors of the company and shall include at least 1 (one) independent director.	√		
(iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience. The term " Financially literate means the ability to read and understand the financial statements i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/finance graduate with at least 12 (twelve) years of corporate management/ professional experiences.	√		
(iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	√		The Board appointed AC member in due time and no vacancy occurred.
(v)	The company secretary shall act as the secretary of the Committee.	√		In practice
(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	√		In practice
3.2	Chairman of the Audit Committee			
(i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	√		
(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		In practice
3.3	Role of Audit Committee			
(i)	Oversee the financial reporting process.	√		
(ii)	Monitor choice of accounting policies and principles.	√		
(iii)	Monitor Internal Control Risk management process.	√		
(iv)	Oversee hiring and performance of external auditors.	√		
(v)	Review along with the management, the annual financial statements before submission to the board for approval.	√		
(vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	√		
(vii)	Review the adequacy of internal audit function.	√		

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
(vii)	Review statement of significant related party transactions submitted by the management.	√		
(ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	√		
(x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.			There was no IPO/RPO/Rights Issue in 2017 or in recent past.
3.4	Reporting of Audit Committee			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	√		
3.4.1 (i) a)	report on conflicts of interests;			No such Incidence arose
b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	√		No such Incidence arose
c)	suspected infringement of laws, including securities related laws, rules and regulations;	√		No such Incidence arose
d)	any other matter which shall be disclosed to the Board of Directors immediately.	√		No such Incidence arose
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		No such reportable incidence arose
3.5	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		
4	External/ Statutory Auditors			
	The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:-			
(i)	Appraisal or valuation services or firmness opinions.	√		
(ii)	Financial information system design and implementation	√		
(iii)	Book-keeping or other services related to the accounting records or financial statement	√		
(iv)	Broker-dealer services	√		
(v)	Actuarial services	√		
(vi)	Internal audit services	√		
(vii)	Any other services that the audit committee determines.	√		
(viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		
(ix)	Audit/ Certification services on compliance of corporate governance as required under clause (i) of condition.	√		
5	Subsidiary Company			KCCL does not have any Subsidiary Company
(i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			Not Applicable
(ii)	At least 1 (one) independent director of the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			Not Applicable
(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.			Not Applicable
(iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.			Not Applicable
(v)	The Audit Committee of the holding company shall also review the financial statements, in particular, the investments made by the subsidiary company.			Not Applicable

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6.0	<i>Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</i>			
The CEO and CFO shall certify to the Board that:-				
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		In practice
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the company's code of conduct.	√		In practice
7.0	<i>Reporting and Compliance of Corporate Governance</i>			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2017.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		



**INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF
KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.**

Report on the Financial Statements:

We have audited the accompanying Financial Statements of Kohinoor Chemical Company (Bangladesh) Ltd., which comprises the Statement of Financial Position as at 30 June 2017, and the Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flows Statement for the year then ended, and a summary of significant accounting policies and explanatory information through Notes – 1.00 to Notes – 39.00.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

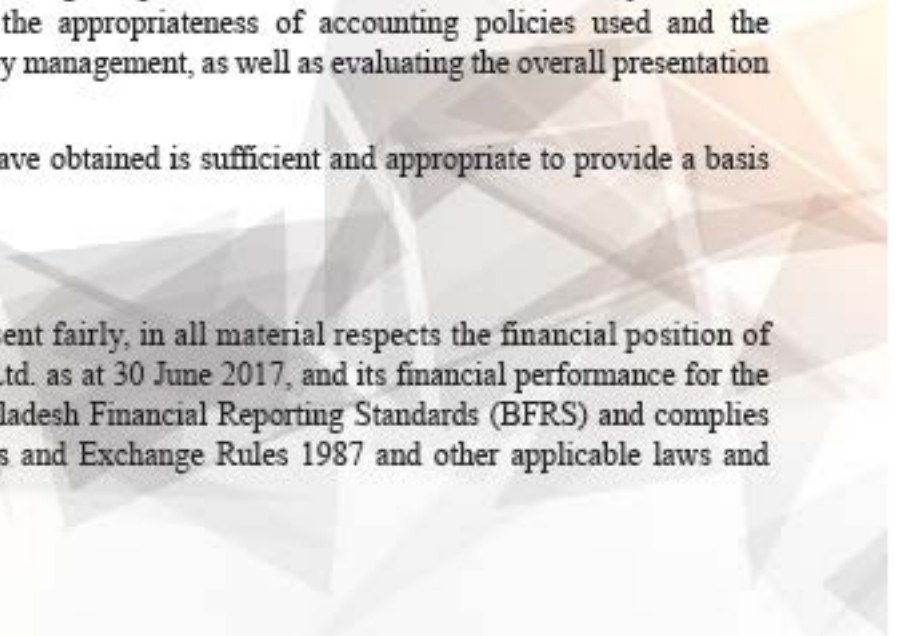
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk 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 entities 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 that 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 Kohinoor Chemical Company (Bangladesh) Ltd. as at 30 June 2017, and its financial performance for the year then ended in accordance with the Bangladesh Financial Reporting Standards (BFRS) and complies with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.



We also report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. In our opinion, the company as required by law has kept proper books of account, so far as it appeared from our examination of those books;
- c. The financial statements dealt with by the report are in agreement with the books of account; and
- d. The expenditure incurred was for the purposes of the company's business.

Dated, Dhaka
04 November 2017

Sd/-
(Toha Khan Zaman & Co.)
Chartered Accountants



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

(Figures in BDT)

PARTICULARS	NOTE	AS AT 30-06-2017	AS AT 30-06-2016
ASSETS:			
I. Non-Current Assets			
Property, Plant and Equipment	4.00	312,849,492	322,959,095
Goodwill	5.00	7,144,400	9,525,866
Total Non-Current Assets		319,993,892	332,484,961
II. Current Assets:			
Investment in Marketable Securities	6.00	147,542,355	147,546,916
Inventories	7.00	478,086,812	767,238,337
Accounts Receivable	8.00	2,167,018	7,308,265
Advances, Deposits & Pre-payments	9.00	315,975,211	346,425,721
Short Term Investment (FDR)	10.00	28,680,150	26,728,944
Related Party Transaction	11.00	3,890,602	3,655,021
Cash and Cash Equivalents	12.00	234,473,700	76,824,199
Total Current Assets		1,210,815,848	1,375,727,403
Total Assets (A)=(I+II)		1,530,809,740	1,708,212,364
SHAREHOLDERS' EQUITY & LIABILITIES:			
III. Shareholders' Equity:			
Share Capital	13.00	121,875,000	101,562,500
Revaluation Reserve	14.00	7,143,605	7,143,605
Retained Earnings	15.00	425,054,997	308,728,142
Total Shareholders' Equity		554,073,602	417,434,247
IV. Non-Current Liabilities:			
Long-Term Loan	16.00	326,089,784	326,089,784
Total Non-Current Liabilities		326,089,784	326,089,784
V. Current Liabilities:			
Short Term Loan	17.00	30,888,539	264,979,129
Accounts Payables	18.00	404,740,938	465,169,940
Accrued Expenses	19.00	155,485,384	174,602,274
Dividend Payable	20.00	13,733,281	12,744,898
Provision for Gratuity	21.00	16,780,235	17,241,893
Deferred Tax Liability	22.00	29,017,977	29,950,199
Total Current Liabilities		650,646,354	964,688,333
Total Shareholders' Equity & Liabilities (B)= (III+IV+ V)		1,530,809,740	1,708,212,364
Contingent Liability	23.00	268,101,570	268,101,570
Net Asset Value (NAV)/Total No. of Shares		45.46	34.25
Per Value (Tk.)		10	10

1.00 The Annexed notes from 01 to 33 form an integral part of the financial statements.

2.00 Figures have been rounded off to the nearest taka.

3.00 Previous year's figures have been rearranged for comparison, where required.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

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

Dated, Dhaka
04 November 2017

Sd/-
(Toha Khan Zaman & Co.)
Chartered Accountants

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

(Figures in BDT)

PARTICULARS	NOTE	2016-2017	2015-2016
Turnover (Net of VAT)	24.00	3,393,185,456	2,996,245,717
Less: Cost of Goods Sold	25.00	2,784,391,769	2,458,285,505
Gross Profit:		608,793,687	537,960,212
Less: Operating Expenses:			
General & Administrative Expenses	26.00	54,883,450	46,771,873
Marketing, Selling & Distribution Expenses	27.00	345,362,350	299,938,833
Total Operating Expenses:		400,245,800	346,710,706
Operating Profit:		208,547,887	191,249,506
Less: Financial Expenses	28.00	7,759,766	25,081,141
Less: Impairment charge on Goodwill	5.00	2,381,466	2,381,466
Net Profit after Financial Expenses		198,406,655	163,786,899
Income from Other Sources	29.00	7,851,077	5,018,970
Net Profit before Contribution to WPPF		206,257,732	168,805,869
Less: Contribution to WPPF and Welfare Fund	30.00	9,821,797	8,038,375
Net Profit before Tax:		196,435,935	160,767,494
Less: Provision for Income Tax @ 25%	31.00	50,572,553	41,722,328
Deferred Tax Income/(Expense)	32.00	932,223	253,136
Net profit after tax for the year		146,795,605	119,298,302
Total Comprehensive Income for the year		146,795,605	119,298,302
No. of Shares		12,187,500	12,187,500
Earnings per Share (EPS):	33.00	12.04	9.79

1.00 The Annexed notes from 01 to 33 form an integral part of the financial statements.

2.00 Figures have been rounded off to the nearest taka.

3.00 Previous year's figures have been rearranged for comparison, where required.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

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

Dated, Dhaka
04 November 2017

Sd/-
(Toha Khan Zaman & Co.)
Chartered Accountants

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017

(Figures in BDT)

PARTICULARS	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Year 2016-2017:				
Balance as at 01 July 2016	101,562,500	7,143,605	308,728,142	417,434,247
Add: Net Profit after Tax	0	0	146,795,605	146,795,605
Less: 10% Cash dividend for the year 2015-2016	0	0	(10,156,250)	(10,156,250)
Less: 20% Stock Dividend for the year 2015-2016	20,312,500	0	(20,312,500)	0
Balance at the end of the year 30 June 2017	121,875,000	7,143,605	425,054,997	554,073,602
Year 2015-2016:				
Balance as at 01 July 2015	101,562,500	7,143,605	219,898,591	328,604,696
Add: Net Profit transferred from Income Statement	0	0	119,298,302	119,298,302
Less: Dividend for the year 2014-2015	0	0	(30,468,751)	(30,468,751)
Balance at the end of the year 30 June 2016	101,562,500	7,143,605	308,728,142	417,434,247

1.00 The Annexed notes from 01 to 33 form an integral part of the financial statements.

2.00 Figures have been rounded off to the nearest taka.

3.00 Previous year's figures have been rearranged for comparison, where required.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

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

Dated, Dhaka
04 November 2017

Sd/-
(Toha Khan Zaman & Co.)
Chartered Accountants



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

(Figures in BDT)

PARTICULARS	NOTE	2016-2017	2015-2016
A. OPERATING ACTIVITIES:			
Collection against Sales		3,393,185,456	2,997,087,622
Payment to Creditors		(2,393,645,386)	(2,318,985,841)
Payment for AIT, VAT & SD		(578,073,077)	(553,675,976)
Net Cash Flow from Operating Activities	Taka:	<u>421,466,993</u>	<u>124,425,805</u>
B. INVESTING ACTIVITIES:			
Acquisition of Property, Plant & Equipment		(14,032,484)	(47,797,282)
Investment in Fixed Deposit		(1,951,205)	(2,129,642)
Investment in Marketable Securities		(3,349)	(3,078,141)
Dividend Income		3,967,520	0
Sales Proceeds of Marketable Securities		2,865	2,402
Receipt from sale of Property, Plant & Equipment		866,936	839,500
Net Cash Flow from Investing Activities	Taka:	<u>(11,149,717)</u>	<u>(52,163,163)</u>
C. FINANCING ACTIVITIES:			
Payment of Loan		(234,090,590)	(72,244,704)
Bank Interest & Others Paid		(7,759,754)	(25,081,140)
Dividend Paid		(10,355,774)	(25,145,912)
Gratuity Payment		(461,658)	(1,510,411)
Net Cash Flow from Financing Activities	Taka:	<u>(252,667,776)</u>	<u>(123,982,167)</u>
D. Net Cash Inflow/(Outflow) (A+B+C)		<u>157,649,500</u>	<u>(51,719,525)</u>
E. Opening Cash and Bank Balances:		<u>76,824,199</u>	<u>128,543,724</u>
F. Closing Cash and Bank Balances:		<u>234,473,700</u>	<u>76,824,199</u>
Net Operating Cash Flow per Share		<u>34.58</u>	<u>10.21</u>

1.00 The Annexed notes from 01 to 33 form an integral part of the financial statements.

2.00 Figures have been rounded off to the nearest taka.

3.00 Previous year's figures have been rearranged for comparison, where required.

Sd/-
Managing Director

Sd/-
Director

Sd/-
Company Secretary

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

Dated, Dhaka
04 November 2017

Sd/-
(Toha Khan Zaman & Co.)
Chartered Accountants

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1.00 BACKGROUND AND ACTIVITIES OF THE COMPANY:

1.01 Background of the Company:

Kohinoor Chemical Company Limited (KCCL) was a fully government owned industry under the direct control of Bangladesh Chemical Industries Corporation (BCIC) up to May 05 1988. It was transformed into a Public Limited Company under Companies Act, 1913 and was named as **Kohinoor Chemical Company (Bangladesh) Limited** and was incorporated with the Registrar of Joint Stock Companies vide registration No.C-17489(289)/88 date 05 May 1988. During transformation, its Paid-Up-Capital was determined at Tk. 50,000,000. The Government of the Peoples' Republic of Bangladesh has vested 51% of the share of the company to Bangladesh Chemical Industries Corporation. Out of the remaining 49% shares, 34% of the shares were sold to the public and the balance 15% shares was reserved for sale among the officers, staff and workers. Since these shares remained unsold, those were held in the account of the Government. Later, those 15% shares were handed over to the officers, staff and workers of KCCL on July 20, 1991. Subsequently, the ownership of the said 51% of the shares was transferred from BCIC to the Sponsor Director on 03-08-1993. The shares of the Company are publicly traded in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

1.02 Address of the Registered and Corporate Office:

The registered office of the company is located at 36, Shahid Tajuddin Ahmed Sarani, Tejgaon I/A, Dhaka -1208.

1.03 Nature of Business Activities:

The company is engaged in manufacture and marketing of cosmetic and toiletries, i.e. soap, toothpaste, powder, shaving cream, hair oil etc.

1.04 Production Unit:

Production unit of the company is situated at Tejgaon I/A, Dhaka -1208.

2.00 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation and Presentation of the Financial Statements:

Preparation and presentation of the Financial Statements and the disclosures of information made therein in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange as applicable and Bangladesh Accounting Standard (BAS)'s adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and Bangladesh Financial Reporting Standard (BFRS) as applicable to the company. The Statement of Profit or Loss and Other Comprehensive Income have been prepared according to BAS 1 'Presentation of Financial Statements' under Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh. Cash Flow Statement of the company has been prepared under direct method in accordance with BAS 7.

2.02 Accounting Convention and Assumption:

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain fixed assets which are stated at revalued amount. Accordingly, historical cost is used to determine the monetary amounts at which the elements of the financial statements are to be recognized and carried in the statement of financial position and statement of profit or loss and other comprehensive income.

2.03 Principle Accounting Policies:

The specific accounting policies have been selected and applied by the company's management for significant transactions and events that have a material effect on the financial statement. Financial Statements have been prepared and presented in compliance with the applicable BASs and BFRSs. Previous year's figures have been re-arranged where necessary for comparison. There were no significant changes in the accounting policies and valuation policies affecting the financial position and performance of the company. However, changes (as applicable) made to the presentation are explained in the notes for the respective items.

2.04 Application of accounting Standards:

The following BAS are applicable to the financial statements for the year under review:

BAS 1 Presentation of Financial Statements

BAS 2 Inventories

BAS 7 Cash Flow Statements

BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

BAS 10 Events after the Balance Sheet Date

BAS 12 Income Tax

BAS 16 Properties, Plant and Equipment

BAS 18 Revenue

BAS 19 Employee Benefits

BAS 21 The Effects of Changes of Foreign Exchange Rates

BAS 23 Borrowing Costs

BAS 24 Related Parties Disclosure

BAS 33 Earnings per Share

BAS 36 Impairment of Assets

2.05 Valuation of Inventories:

Inventories are stated at the lower of cost or net realizable value in compliance with the requirements of Para 21 and 25 of BAS 2.

Category of Stocks	Basis of Valuation
Raw Materials and Packing Materials	: Moving average (weighted) cost
Work in Process	: Actual Cost
Finished Goods	: Actual Cost
Others	: Actual Cost

Cost comprises of the value of materials and directly attributable labor cost, depreciation and production overheads. Physical verification of inventories has been carried out annually on the last day of the financial year of business as on 30 June 2017 and valuation has been done on the basis as stated above.

2.06 Cash Flow Statements:

Cash Flow Statement has been prepared under direct method in accordance with BAS 7 'Cash Flow Statement'.

2.07 Accounting Policies, Changes in Accounting Estimates and Errors:

As per BAS 8, the preparation of financial Statements in conformity with the International Accounting Standards requires management to make judgment to estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the end of the financial year under review.

During the financial year under review no remarkable change was found that make judgment to estimates and assumptions that affect the application of accounting policies and would have required reported amounts of assets, liabilities, income and expenses.

2.08 Events after the Balance Sheet Date:

In compliance with the requirements of BAS 10 it may be noted that, no material transaction occurred after the balance sheet date but prior to preparation and signing of these financial statements.

2.09 Income Tax:

The company makes provision for income tax as per the requirements of the Income Tax Ordinance 1984. The applicable tax rate for the Company is 25% or 0.60 percent of Gross Receipt as per provision of Section 82C (4) of The Income Tax Ordinance 1984, whichever is higher. Provision for Deferred Tax as per the requirement by BAS 12 has been made in the financial statements. Income tax return of the company for the assessment year 2016-2017 has been duly filed but not yet assessed.

2.10 Property, Plant and Equipment:

Tangible fixed assets are accounted for according to BAS 16 Property, Plant and Equipment at historical cost less accumulated depreciation. Tangible assets are depreciated according to Reducing Balance method of depreciation.

2.11 Leases:

In compliance with the requirements of BAS 17 no financial and operating leases is accounted for during the year under review.

2.12 Revenue Recognition:

In compliance with the requirements of BAS 18 Revenue, the following principles of revenue recognition have been followed;

- Revenue receipts from customers against sales are recognized when products are dispatched to the customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliable and there is no continuing management involvement with the goods.
- Interest income is accounted for on accrual basis.

2.13 Employee Benefits (BAS 19):

The company provides no additional benefits to its employees other than regular salary, allowances, bonus, Provident Fund (PF), Gratuity, and Worker Profit Participation Fund (WPPF). Provision at the rate of 5% has been made for Companies Profit (Workers Participation) Fund during the year. The Provision for Gratuity Fund has not been made during the current year.

2.14 The Effects of Changes of Foreign Exchange Rates:

Foreign currency transactions are recorded at the rates applicable on the date of transaction in accordance with BAS-21 (The Effects of Changes in Foreign Exchange Rates).

2.15 Borrowing Costs:

In compliance with the requirements of BAS-23 'Borrowing Costs' borrowing costs on short-term loan as retaining to operational period and overdraft facilities from Banks have been charged to statement of Profit and Loss.

2.16 Related Parties Disclosure:

In compliance with the requirements of BAS 24, the company carried out a number of transactions with related parties in the normal course of business. Related party disclosures have been made in a separate note to the accounts (Note No. 11.00).

2.17 Earnings per Shares:

Earning of share (EPS) is calculated in accordance with BAS 33 'Earnings per Share' which has been shown on the face of Statement of Profit and Loss. The same has been calculated dividing profit available for ordinary shareholders by weighted average number of ordinary shares outstanding at the end of the year.

2.18 Impairment of Assets:

In compliance with the requirements of BAS 36, Impairment of Assets, the carrying amount of non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then recoverable amount of the assets is estimated and impairment losses are recognized in statements of Profit and Loss. No such indication of impairment existed on the reporting date.

2.19 Depreciation on Fixed Assets:

Depreciation is charged based on Reducing Balance method. Depreciation is charged on additions in available for use basis respective of the date of acquisition.

The depreciation rate(s) are as follows:

Category of Fixed Assets	Rate (%)
Land & Land Development	0
Building	2.5-10
Plant & Machinery	10
Vehicles	20-25
Furniture & Fixtures	10
Office Equipment	10-25
Other Assets	20

2.20 Provision:

Bangladesh Accounting Standards (BAS) 37 provides that, Provisions, Contingent Liabilities and Contingent Assets requires management to make estimates and assumption that affect the reported amounts of revenues, expense, assets and liabilities, and the disclosure requirements for contingent assets and liabilities during the period covered by and at the date of the financial statements.

In accordance with the requirements of BAS 37, provisions are recognized in the following situations:

- When the company has a present obligation as a result of past event.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

2.21 Intangible Assets:

In compliance with requirements of BAS 38 intangible assets are usually absorbed as revenue charges as and when incurred. The company has goodwill which defines as intangible assets and a portion of goodwill amortized during the year under review.

2.22 Cash and Cash Equivalents:

Cash and Cash Equivalents include cash in hand, cash at banks, and cash in transits which are available for use by the company without any restrictions. There is an insignificant risk of change in value of the same.

2.23 Trade and Other Payable:

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

2.24 Repairs and Maintenance Charges:

These are usually charged as revenue expenditure in the period in which it is incurred.

2.25 Advertisement Expenses:

All costs associated with promotional activities are charged in the year those were incurred.

2.26 Insurance Coverage:

Assets, Inventories and materials of the company are covered by Fire Insurance Policy, Burglary and Housebreaking Insurance Policy.

2.27 Revaluation Reserve:

Assets were revalued during the period of BCIC management and the balance of revaluation reserve is being carried forward in the balance sheet from that period.

2.28 Investment in Marketable Security:

Investment in Marketable Security have been classified as " Held for Trading " and shown at cost value of Tk.147,539,625. But as per BAS 39 financial assets should be shown at fair value.

2.29 Payable to Government (interest):

Payable to Government (interest) represents interest payable to the Government (for the period up to 30-06-1983) on the price of 3,396 metric tons of fat given to the company out of US Relief & Rehabilitation Grant. This balance has been carried forward as long term and deferred liability since 1991-1992.

2.30 BCIC Current Account:

BCIC Current Account needed to be written off in the financial statement.

2.31 Contingent Liability:

Contingent Liability Tk. 268,101,570 represents interest claimed on BCIC/Government Debentures issued by Kohinoor Chemical Company (BD) Ltd. The matter is pending with the Joint Dist. Courts, Dhaka for hearing and settlement.

2.32 Director Remuneration:

Disclosure as per requirement of schedule XI, Part II, Para 4 of Company Act 1994:
No director including independent director of the company has drawn any remuneration during the year under audit.

2.33 Payroll:

Disclosure as per requirement of schedule XI part II Para III of Company Act 1994:

Particulars	Total Person FY 2016-2017	Salary Above Tk. 5,000	Salary Bellow Tk. 5,000	Total Person FY 2015-2016
Officers	399	399	0	383
Staff	1,074	1,074	0	1,027
Workers	615	615	0	564
Total:	2,088	2,088	0	1,974

3.00 COMPLIANCE AND OTHERS:

3.01 Compliance with Local Laws:

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

3.02 Compliance with International Accounting Standards (IAS)/BAS:

The Financial Statements have been prepared in compliance with the requirements of IAS/IFRS adopted by the Institute of Chartered Accounts of Bangladesh (ICAB) as BAS/BFRS and as applicable in Bangladesh.

3.03 Reporting Currency and Level of Precision:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicated otherwise.

3.04 Comparative Information:

Comparative information has been disclosed in respect of the year 2015-2016 for all numerical information in the Financial Statements and also for the narrative and descriptive information when it is relevant for understanding of the current period's Financial Statements.

3.05 Reporting Period:

The financial period of the company covers year from 01 July 2016 to 30 June 2017 followed consistently.

3.06 Approval of Financial Statement:

The financial statements have been approved by the Board of Directors as on 04 November, 2017

4.00 PROPERTY, PLANT & EQUIPMENT: Tk. 312,849,492

4.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance 01-07-2016	762,088,509	715,599,727
Add: Addition during the year	14,032,484	47,797,282
Less: Adjustment during the year	1,243,516	1,308,500
Depreciable Value (A):	774,877,477	762,088,509
Opening Accumulated Depreciation 01-07-2016	439,129,414	417,277,159
Add: Addition during the year	23,891,287	23,040,387
Less: Adjustment during the year	992,715	1,188,132
Accumulated Depreciation (B):	462,027,986	439,129,414
Written Down Value (A-B):	312,849,492	322,959,095

4.02 Details of fixed assets and depreciation there on are enclosed in Annexure-A/1.

4.03 During the year under audit the company management has purchased fixed assets for amounting to Tk. 14,032,484.

4.04 Depreciation for the Year: Tk. 23,891,287

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Factory Overhead	19,351,942	18,662,713
Administrative Overhead	2,628,042	2,534,443
Selling Overhead	1,911,303	1,843,231
Total Taka:	23,891,287	23,040,387

4.05 Gain on Disposal of Property, Plant and Equipment:

The above amount has been arrived at as under:

Original Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain	
				2017	2016
1,243,516	992,715	250,801	866,936	616,135	719,131

5.00 GOODWILL: Tk. 7,144,400

5.01 The above balance has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	9,525,866	11,907,332
Less: Impairment charge during the year	2,381,466	2,381,466
Closing Balance	Taka: 7,144,400	9,525,866

5.02 The valuation of goodwill has been done during period of BCIC management and since then the above amount has been appearing in the balance sheet. As such, subsequent periodic testing of goodwill to compare carrying value with fair value and determining whether there has been an impairment loss is not practical. Therefore, the Board of Directors vide their resolution 02 in the meeting held on 28 July 2016 had decided to annually write-off the amount within 5 years.

6.00 INVESTMENT IN MARKETABLE SECURITY: Tk. 147,542,355

6.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Investment in Marketable Security	6.02	147,539,625	147,542,985
BO Account at SJBIL		2,730	3,931
Total Taka:		147,542,355	147,546,916

6.02 Investment in Marketable Security: Tk. 147,539,625

Breakup of the above amount is given below:

Particulars	Number of Shares	Cost Value	
		30-06-2017	30-06-2016
Beacon Pharma (Placement Share)	650,000	6,190,476	6,190,476
National Bank Ltd.	1,102,068	24,137,280	24,137,280
Al Arafah Bank Ltd.	1,203,300	26,426,023	26,429,383
Eastern Bank Ltd.	163,012	6,720,000	6,720,000
Square Pharma	403931	84,065,846	84,065,846
Total Taka:		147,539,625	147,542,985

6.03 The above amounts have been classified as "Held for Trading" and shown at cost value of Tk.147,539,625. But as per BAS 39 financial assets should be shown at fair value. Realized Capital loss from sale of shares during the year for an amount of Tk. 483 has been charged in Income from Other Sources.

7.00 INVENTORIES: Tk. 478,086,812

7.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Raw Materials, Chemicals & Packing Materials	7.02	258,389,454	568,884,643
Work in Process	7.03	36,295,938	42,863,294
Finished Goods	7.04	78,665,637	53,436,148
Stores in Transit	7.05	30,258,045	23,646,021
Spares, Accessories & Stores	7.06	74,477,738	78,408,231
Total Taka:		478,086,812	767,238,337

7.02 Raw Materials, Chemicals & Packing Materials: Tk. 258,389,454

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Raw Materials:		
Soap	82,792,516	340,252,107
Cosmetic	32,387,334	88,653,639
Chemicals (Aromatic):		
Aromatic Chemical	88,004,192	74,350,064
Packing Materials:		
Soap	18,894,185	17,604,850
Cosmetic	25,398,886	35,513,688
Plant Stock:		
Aromatic Chemicals	10,912,341	12,510,295
Total Taka:	258,389,454	568,884,643

7.03 Work in Process: Tk. 36,295,938

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Raw Material of Soap	30,024,713	39,136,979
Raw Material of Detergent Powder	2,176,328	1,820,068
Raw Material of Cosmetic	4,094,897	1,906,247
Total Taka:	36,295,938	42,863,294

7.04 Finished Goods: Tk. 78,665,637

Breakup of the above amount is given below:

Particulars	30-06-2017		30-06-2016	
	Quantity (Pcs)	Amount	Quantity (Pcs)	Amount
Washing Soap	1,125,993	10,795,611	528,864	5,086,621
Toilet Soap	2,609,097	43,988,505	1,571,057	23,847,945
Tooth Paste	67,255	1,645,860	67,832	1,566,126
Powder	99,410	1,937,913	118,072	2,428,998
Shaving Cream	53,080	1,390,076	56,266	1,450,388
Snow/Cream	406,542	4,836,826	412,479	5,452,016
Hair Oil	24,079	1,034,139	27,772	1,229,996
Miscellaneous Cosmetics	117,022	3,391,073	92,284	2,015,498
Detergent Powder	678,766	8,822,895	635,822	9,869,041
Glycerin C.P.	23,751	567,088	13,492	315,537
Coconut Oil	5,707	255,651	6,546	173,982
Total Taka:		78,665,637		53,436,148

7.05 Stores in Transit: Tk. 30,258,045

Store-in-Transit represents raw material purchased from abroad but not received till June 30, 2017. Store-in-Transit has been valued at actual cost incurred on the date of closure of the books of accounts.

7.06 Spares, Accessories & Stores: Tk. 74,477,738

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Spare & Accessories	67,432,917	68,622,969
Consumable Stores	7,044,821	9,785,262
Total Taka:	74,477,738	78,408,231

7.07 Inventories are carried at the lower of cost and net realizable value as prescribed by BAS 2. Cost of inventories are determined on weighted average cost basis.

7.08 As the company deals in large number of items which vary in units, it is not feasible to disclose item-wise quantity statement of inventories.

8.00 ACCOUNTS RECEIVABLE: Tk. 2,167,018

8.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Trade Receivable	8.02	864,675	272,385
Other Receivable	8.03	1,302,343	7,035,880
Total Taka:		2,167,018	7,308,265

8.02 Trade Receivable: Tk. 864,675

a. Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Ahmedia Enterprise	10,271	10,312
Mostafa Traders	13,422	13,845
Modina Traders	0	49,453
Sakil Enterprise	19,214	0
Shawapno	757,462	0
Others	64,306	198,775
Total Taka:	864,675	272,385

b. Aging of the above balance is given below:

Particulars	30-06-2017	30-06-2016
Below 180 days	864,675	272,385
Above 180 days	0	0
	864,675	272,385

Particulars	30-06-2017	30-06-2016
Accounts Receivable considered good in respect of which the company is fully secured	864,675	272,385
Accounts Receivable due by common management	0	0
Total Taka:	864,675	272,385

1. The above amount is receivable from distributors against sales.
2. The above receivables are considered good and covered by security deposits received from dealers.
3. No amount was due from the Directors, Managing Director and other officers of the Company and any of them or jointly with any other person.

8.03 Other Receivable: Tk. 1,302,343

Country-wise breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Sirco Soap & Chemicals	0	5,257,064
Accrued Interest on Fixed deposit	1,302,343	1,400,383
Others	0	378,433
Total Taka:	1,302,343	7,035,880

9.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 315,975,211

9.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Advance, Deposits & Prepayments	9.02	16,844,812	17,949,007
Advance against Tax	9.03	291,993,021	282,469,536
Advance against VAT & SD	9.04	7,137,378	46,007,178
Total Taka:		315,975,211	346,425,721

9.02 Advances to Suppliers and Creditors: 16,844,812

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
Advance:		
Advance against Salaries (Officer)	302,552	637,552
Advance against Salaries (Staff)	191,500	69,700
Advance against Wages (Workers)	316,041	416,041
Advance against Expenses	2,898,654	794,375
Advance against Supplies/ Purchase	6,102,978	9,032,251
Advance against Advertisement:		
Others	200,000	0
Deposit:		
Security against Telephone	26,500	26,500
Security against Electricity	5,450	5,450
Security against Gas	1,326,792	1,326,792
Other Deposits	4,359,981	4,525,981
Security against Bank Guarantee	937,363	937,364
Shipping Guarantee Margin	177,001	177,001
Total Taka:	16,844,812	17,949,007

9.03 Advances against Tax: Tk. 291,993,021

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	282,469,536	244,973,526
Add: Addition during the year	51,245,813	67,370,371
	<u>333,715,349</u>	<u>312,343,897</u>
Less: AIT Adjustment during the year	(41,722,328)	(29,874,361)
Closing Balance	Taka: 291,993,021	282,469,536

9.04 Advances against VAT & SD: Tk. 7,137,378

Details of the amount are given below:

Particulars	30-06-2017	30-06-2016
VAT on Import	0	40,511,348
VAT on Local Purchase	400	5,495,830
Deposit against SD	500,000	0
Deposit against VAT	6,636,978	0
Total Taka:	7,137,378	46,007,178

10.00 SHORT TERM INVESTMENT (FDR): Tk. 28,680,150

10.01 Breakup of the above amount is given below:

Particulars	FDR No.	30-06-2017	30-06-2016
The National Bank Ltd.	No. 0103341/22132	20,705,385	19,240,953
The National Bank Ltd.	No. 0103209/20846	2,751,701	2,573,686
The National Bank Ltd.	No. 0103244/21191	1,947,605	1,841,393
Shahjalal Islami Bank Ltd.	No. 1038/53300001650	3,225,459	3,022,912
Agrani Bank Ltd.	No. 0249744/24103	50,000	0
Total Taka:		28,680,150	26,728,944

10.02 Details are shown in Annexure A/2.

11.00 RELATED PARTY TRANSACTION: Tk. 3,890,602

During the year, the Company carried out number of transactions with related parties in the normal course of business on an arm's length basis. Name of those related parties, nature of those transactions and their total value has been shown in the below table in accordance with BAS-24 "Related Party Disclosures": Breakup of the above amount is given below:

Particulars	Relationship	Nature of Transaction	30-06-2017	30-06-2016
Orion Infusion Ltd.	Sister-Concern	Inter trade	1,335,158	3,655,021
Orion Pharma Ltd.			2,555,444	0
Total Taka:			3,890,602	3,655,021

12.00 CASH AND CASH EQUIVALENTS: Tk. 234,473,700

12.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Cash in Hand (Including All Depots)	12.02	6,853,534	2,537,019
Cash at Bank	12.03	68,707,560	32,547,054
Cash in Transit	12.04	158,912,606	41,740,126
Total Taka:		234,473,700	76,824,199

12.02 Cash in Hand: Tk. 6,853,534

a. Breakup of the above amount is given below:

Name of Office	30-06-2017	30-06-2016
Head Office	6,818,894	2,502,379
Chittagong Depot	6,640	6,640
Khulna Depot	7,000	7,000
Bogra Depot	7,000	7,000
Barisal Depot	7,000	7,000
Sylhet Depot	7,000	7,000
Total Taka:	6,853,534	2,537,019

b. The management through balance confirmation certificate has confirmed the above balance as on 30 June 2017. Our audit team physically verified the cash balance as on June 30, 2017 and has found the exact amount in hand.

12.03 Cash at Bank: Tk. 68,707,560

Breakup of the above amount is given below:

Particulars	Account No.	30-06-2017	30-06-2016	Remarks
Agrani Bank Ltd., Tejgaon Branch	STD-692988 (313)	298,322	290,317	Agreed
Agrani Bank Ltd., Ramna Branch	STD-104332 (336)	416,639	404,803	Agreed
Agrani Bank Ltd., Ramna Branch	STD-104270 (397)	683,914	665,022	Agreed
Agrani Bank Ltd., Ramna Branch	CD-105365 (92015)	39,973	42,273	Agreed
National Bank Ltd., Kawranbazar Branch	SND-339	968,797	945,179	Agreed
Shahjalal Islami Bank Ltd., Dhaka	MSND-0061	28,749,933	20,690,220	Reconciled
Shahjalal Islami Bank Ltd., Dividend	MSND-151	260,367	300,665	Agreed
Shahjalal Islami Bank Ltd., Dividend A/C	MSND-410	7,019,705	6,557,992	Agreed
Islami Bank Bangladesh Ltd.	CD-80203	306,526	142,176	Agreed
BRAC Bank Ltd., Gulshan Br. Dhaka	Saving-769159001	2,679,961	2,209,373	Agreed
IFIC Bank Ltd., Kawran Bazar	CD-173761001	0	500	Agreed
Islami Bank Bangladesh Ltd.	MSND-6209	1,413,238	180,413	Agreed
Al-Arafah Islami Bank Ltd.	MSND-4901	1,056	2,155	Agreed
Shahjalal Islami Bank Ltd., Fraction BO A/C	SND-2652	563,644	8,455	Agreed
Modhumati Bank Ltd., Motijheel Br.	SND-025	107,352	107,398	Agreed
UCBL, Tejgaon Br.	SND-170	23,567,809	112	Reconciled
Shahjalal Islami Bank (KCCL WPPF)	SND-2748	1,630,323	0	Agreed
Total Taka:		68,707,560	32,547,054	

12.04 Cash in Transit: Tk. 158,912,606

Breakup of the above amount is given below:

Name of Office	30-06-2017	30-06-2016
Central Depot	61,706,859	6,967,045
Chittagong Depot	6,354,283	3,330,103
Khulna Depot	33,712,103	15,903,735
Bogra Depot	35,299,852	7,603,321
Barisal Depot	13,042,458	7,015,608
Sylhet Depot	8,797,051	920,314
Total Taka:	158,912,606	41,740,126

13.00 SHARE CAPITAL: Tk. 121,875,000**13.01 Authorized Capital: Tk. 500,000,000**

Authorized capital consists of 50,000,000 ordinary shares of Tk. 10 each.

13.02 Issued, Subscribed, Called-up and Paid-up Capital: Tk. 121,875,000

a. The above amount represents the value of 12,187,500 shares of Tk.10 each fully paid up.

Particulars	30-06-2017	30-06-2016
5,000,000 Ordinary Shares of Taka 10 each issued for cash	50,000,000	50,000,000
7,187,500 Ordinary Shares of Taka 10 each issued as fully paid-up bonus shares	71,875,000	51,562,500
Total Taka:	121,875,000	101,562,500

b. The movement of issued shares during the year 2016-2017 is as follows:

Particulars	Number of share	Amount
Shares as on 30 June 2017	12,187,500	121,875,000
Total:	12,187,500	121,875,000

c. Composition of Shareholding:

Category of Shareholder	30-06-2017			30-06-2016		
	No. of Share	No. of Shareholders	% of Total Shares	No. of Share	No. of Shareholders	% of Total Shares
Sponsors/Directors	5,938,353	6	48.72%	4,948,628	6	48.72%
Investment Corporation of Bangladesh (ICB)	1,971,937	1	16.18%	1,203,315	1	11.85%
General Public	4,277,210	6,434	35.10%	4,004,307	6,467	39.43%
Total:	12,187,500	6,441	100%	10,156,250	6,474	100%

d. The sponsors/directors' shareholding positions of the company are as under:

Sl. No.	Particulars	Numbers of Shares 30-06-2017	Numbers of Shares 30-06-2016
01.	Mr. Mohammad Obaidul Karim	2,614,218	2,178,515
02.	Mr. Rezaul Karim	440,155	366,796
03.	Mr. Md. Ebadul Karim	953,905	794,921
04.	Mrs. Arzuda Karim	710,530	592,108
05.	Mrs. Nurun Nahar	609,871	508,226
06.	Mrs. Shirin Akhter	609,674	508,062
	Total:	5,938,353	4,948,628

e. Position of holding shares as on June 30, 2017 is as follows:

Range of Holdings	No. of Shareholders	No. of Shares	% of Holding 2017	% of Holding 2016
Less than 501 Shares	5,998	822,708	6.75%	7.19%
501 to 5,000 Shares	401	548,759	4.50%	4.69%
5,001 to 10,000 Shares	10	63,467	0.52%	0.51%
10,001 to 20,000 Shares	8	113,117	0.93%	0.45%
20,001 to Above	24	10,639,449	87.30%	87.16%
Total:	6,441	12,187,500	100.00%	100.00%

14.00 REVALUATION RESERVE: Tk. 7,143,605

The company was revalued during BCIC management and the above balance is being carried forward in the financial statement from year to year.

15.00 RETAINED EARNINGS: Tk. 425,054,997

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	308,728,142	219,898,591
Add: Profit during the year	146,795,605	119,298,302
	455,523,747	339,196,893
Less: Dividend for the year	30,468,750	30,468,751
Closing Balance	Taka: 425,054,997	308,728,142

16.00 LONG TERM LOAN: Tk. 326,089,784

16.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Debenture	16.02	287,500,000	287,500,000
Payable to Govt. (Interest)	16.03	38,589,784	38,589,784
Total Taka:		326,089,784	326,089,784

16.02 Debenture: Tk. 287,500,000

Breakup of the above amount is given below:

Particulars	Rate of Interest	30-06-2017	30-06-2016
Govt. of Bangladesh	13.50%	103,500,000	103,500,000
BCIC	13.50%	184,000,000	184,000,000
Total Taka:		287,500,000	287,500,000

16.03 Payable to Government (Interest): Tk. 38,589,784

The above amount represents interest payable to the Government (for the period prior up to 30-06-1983) on the price of 3,396 metric tons of fat given to the company out of US Relief & Rehabilitation Grant. This balance has been carried forward as long term and deferred liability since 1991-1992.

17.00 SHORT TERM LOAN: Tk. 30,888,539

17.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Agrani Bank Ltd., Ramna Br. A/C No. 833887 (21)	17.02	1,667,281	1,014,969
Standard Bank Ltd., Gulshan Branch A/C No. 471	17.03	(780)	743,598
Shahjalal Islami Bank Ltd., Dhaka Main Br. Bai Muajjal	17.04	20,065,000	121,016,666
United Commercial Bank Ltd., Tejgaon Br. A/C No.0068	17.05	150,893	128,532,728
National Bank Ltd., Kawran Bazar Br., A/C No. OD FO - 671186	17.06	9,006,146	13,671,168
Total Taka:		30,888,539	264,979,129

17.02 CC (Hypo) - Agrani Bank Limited: Tk. 1,667,281**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 400,000,000
Interest rate : 10.50 %-14%

17.03 CC (Hypo) - Standard Bank Limited: Tk. (780)**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 350,000,000
Interest rate : 10 %.

17.04 Bai Muajjal - Shahjalal Islami Bank Limited: Tk. 20,065,000**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 1,260,000,000
Interest rate : 9% - 10%.

17.05 OD/CC - United Commercial Bank Limited: Tk. 150,893**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 780,000,000
Interest rate : 9 %-9.50%

17.06 OD FO - National Bank Limited: Tk. 9,006,146**Continuous Loan:**

Purpose : Working capital.
Sanction Limit : Tk. 14,000,000
Interest rate : 8.25%- 9.50%.

18.00 ACCOUNTS PAYABLE: Tk. 404,740,938

18.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2017	30-06-2016
Creditors for Goods Supply	18.02	289,373,614	370,493,584
Creditors for Other Finance	18.03	20,618,852	10,166,566
Creditors for Expenses	18.04	55,814,091	47,276,385
Advance against Sales	18.05	728,641	878,483
BCIC Current Account	18.06	15,990,426	15,990,426
Creditors for Security Deposits		22,215,314	20,364,496
Total Taka:		404,740,938	465,169,940

18.02 Creditors for Goods Supply: Tk. 289,373,614

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
J M S Glass Industries	6,093,041	7,723,641
Polycon Ltd.	6,422,144	6,814,618
S.S. Packaging Industries Ltd.	8,454,841	9,191,788
Plasticon	12,026,000	16,746,500
The Merchants Ltd.	15,953,372	18,106,388
Bay Fishing Corporation Ltd.	39,111,599	11,344,726
Maritime Entrepreneurs (Pvt.) Ltd.	3,500,000	7,945,869
Hi-Tec Printing & Packaging Ltd.	11,259,395	10,348,598
Dana Engineering Int.	429,121	425,525
Golden Trading Co.	32,104,227	35,871,247
Unicorn Ind. Ltd.	5,737,051	3,799,025
Elite Printing & Packaging Ltd.	7,703,263	4,499,962
Padma Lamitube Ltd.	1,775,318	2,204,121
Sunimex Corporation	12,493,000	16,249,586
Union Chemicals	965,111	1,020,111
Polycord Ltd.	0	613,098
Crescent Chemicals Ltd.	0	664,095
Kalyar Replica Ltd.	9,885,247	11,311,039
Karim Salt Crushing & R. Ind.	2,113,400	3,224,275
Piticon Industries	1,424,840	1,495,790
NRG Printing & Packaging	13,366,828	12,460,549
Mim International	0	6,812,122
Zon Ron Ltd.	9,968,954	15,359,524
Laboni Chemical	4,133,512	14,390,576
Others	83,887,286	151,618,309
Creditors for Goods Supply (Spot Purchase)	566,064	252,502
Total Taka:	289,373,614	370,493,584

18.03 Creditors for Other Finance: Tk. 20,618,852

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Factory Union Fee	7,464	2,894
Salary Tax Deduction from Employees	403,578	159,981
Workers' Profit Participation Fund	11,151,128	8,544,006
Deduction of Tax at Source	5,524,550	1,133,509
Provision for Revenue Stamp	90,640	48,310
20% Reserve Fund for WPPF	1,607,675	0
Others	1,833,817	277,866
Total Taka:	20,618,852	10,166,566

18.04 Accrued Expenses: Tk. 55,814,091

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Provision for Gas	3,618,299	3,761,822
Provision for Electric Bill	769,754	962,261
Audit Fee	0	60,000
Provision for Legal & Professional Fees	50,000	50,000
Provision for C&F Bill	803,485	719,974
Income Tax Provision	50,572,553	41,722,328
Total Taka:	55,814,091	47,276,385

18.05 Advances against Sales: Tk. 728,641

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Narayan Store	51,253	0
P.P. Enterprise	50,365	0
Rokeya Enterprise	101,440	134,095
Howlader Store	102,455	103,612
Others	423,128	640,776
Total Taka:	728,641	878,483

18.06 BCIC Current Account: Tk. 15,990,426

The above amount represents accumulated balance of BCIC current account as on June 30, 2017 and the amount is subject to confirmation.

19.00 ACCRUED EXPENSES: Tk. 155,485,384

Breakup of the above amount is given below:

Particulars	30-06-2017	30-06-2016
Liabilities for Payment against Import	155,485,384	174,602,274
Total Taka:	55,485,384	174,602,274

20.00 DIVIDEND PAYABLE: Tk. 13,733,281

The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	12,744,898	11,079,694
Add: 10% Cash Dividend for the year	11,344,157	26,811,116
	24,089,055	37,890,810
Less: Dividend paid during the year	10,355,774	25,145,912
Closing Balance	Taka: 13,733,281	12,744,898

21.00 PROVISION FOR GRATUITY: Tk. 16,780,235

21.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Opening Balance	17,241,893	18,752,304
Add: Addition during the year	0	0
	17,241,893	18,752,304
Less: Paid during the year	461,658	1,510,411
Closing Balance	Taka: 16,780,235	17,241,893

21.02 The company has an approved gratuity scheme which covers all permanent employees who meet eligibility requirements. The company has determined an amount of Tk. 16,780,235 as actual liability as on 30 June 2017. During the year under audit, no provision has been made.

22.00 DEFERRED TAX LIABILITY: Tk. 29,017,977

22.01 The above amount has been arrived at as under:

Particulars	30-06-2017	30-06-2016
Carrying value of Fixed Assets as Accounting base	200,199,779	210,309,380
Less: Carrying value of Fixed Assets as Tax base	84,127,873	90,508,582
Temporary Difference:	116,071,906	119,800,798
Deferred Tax Liability @ 25.00%	29,017,977	29,950,199

22.02 Deferred Tax Liabilities has been recognized in accordance with the provision of BAS 12 "Income Taxes" based on temporary differences arising due to differences in the carrying amount of assets or liabilities and its tax base.

23.00 CONTINGENT LIABILITY: Tk. 268,101,570

Contingent Liability Tk. 268,101,570 represents interest claimed on BCIC/Government Debentures issued by Kohinoor Chemical Company (BD) Ltd. The above balance has been carried forward since long and remains pending with the honorable Judge Court for hearing and settlement. The Government of the Peoples Republic of Bangladesh represented by the Secretary, Ministry of Industries and Bangladesh Chemical Industries Corporation (BCIC) represented by the Chairman has filed Money Suit No. 31/2009 in the 4th Joint Dist Court, Dhaka for recovery of money against Debentures issued to it by Kohinoor Chemical Co. (BD) Ltd. Kohinoor Chemical Co. (BD) Ltd. has also filed Title Suit No. 194/2013 in the 6th Joint Dist. Court, Dhaka against wrong claim of Bangladesh Chemical Industries Corporation (BCIC). Both the cases are pending in the above courts for hearing and settlement.

24.00 TURNOVER (Net of VAT): Tk. 3,393,185,456

24.01 Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Local Sales:		
Washing Soap	592,318,440	628,183,794
Toilet Soap	1,921,370,072	1,595,323,670
Snow & Cream	122,318,331	85,726,589
Tooth Paste	9,477,308	11,930,728
Powder	102,121,752	101,588,714
Hair Oil	56,386,221	51,814,052
Shaving Cream	15,335,506	19,801,977
Coconut Oil	47,984	4,256,630
Detergent Powder	1,063,218,557	946,575,759
Misc.	37,418,549	26,134,495
Sub-Total:	3,920,012,720	3,471,336,408
Export Sales:		
Washing Soap	0	871,686
Sub-Total:	0	871,686
Gross Sales:	3,920,012,720	3,472,208,094
Less: VAT & SD	526,827,264	475,962,377
Total Taka:	3,393,185,456	2,996,245,717

24.02 This represents Sale of 177,503,243 products in 2016-2017, as against Sale of 164,158,934 products in 2015-2016

25.00 COST OF GOODS SOLD: Tk. 2,784,391,769

25.01 Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Materials Consumed (Note-25.02)	2,553,930,500	2,211,719,494
Factory Overhead (Note-25.03)	249,123,403	229,527,855
Total Manufacturing Cost	2,803,053,903	2,441,247,349
Add: Opening Work-in-Process	42,863,294	42,513,711
Total Work-in-Process	2,845,917,197	2,483,761,060
Less: Closing Work-in-Process (Note-25.04)	36,295,938	42,863,294
Cost of Production	2,809,621,259	2,440,897,766
Add: Opening Finished Goods	53,436,148	70,823,887
Finished Goods available for Sale	2,863,057,407	2,511,721,653
Less: Closing Finished Goods (Note-25.05)	78,665,638	53,436,148
Cost of Goods Sold	Taka: 2,784,391,769	2,458,285,505

25.02 Materials Consumed (Raw & Packing Material): Tk. 2,553,930,500

Purchase, issues and stock of raw materials and packing materials involve production of 5,210,702 Pcs finished goods in 2016-2017 as against 3,530,486 Pcs in 2015-2016. The measurement is in different units viz kilogram, liter, pieces etc. In view of different units, the following table has been presented in value only:

Particulars	Opening Balance	Purchase for the year	Closing Balance	Materials Consumed during the year
Raw Materials	503,255,810	1,913,076,202	203,184,041	2,213,147,970
Packing Materials	53,118,574	331,957,027	44,293,072	340,782,530
Total Taka:	556,374,384	2,245,033,229	247,477,113	2,553,930,500
Pr. Year's Taka:	507,606,449	2,260,487,429	556,374,384	2,211,719,494

As per Part II of Schedule XI of the Companies Act 1994, the quantities of raw materials, purchase and stock should be expressed in quantitative denomination. However, disclosure of such information is not feasible as the company deals with large number of products both locally made and imported.

25.02.01 Closing Raw & Packing Material: Tk. 247,477,113

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Closing Raw & Packing Material	247,477,113	556,374,384
Total Taka:	247,477,113	556,374,384

25.03 Factory Overhead: Tk. 249,123,403

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Factory Overhead (Variable):		
Gas & Fuel for Generator	37,537,127	36,052,422
Electricity	9,161,424	9,551,351
Oil & Lubricants	2,991,535	2,686,879
Spares & Accessories	38,721,300	34,423,416
Store Consumed	24,687,040	21,777,368
Repair & Maintenance	1,000,575	882,072
Other Overhead	654,359	524,198
Factory Overhead (Fixed):		
Direct Factory Wages & Allowances	74,523,354	67,132,580
Factory Salaries & Allowances	30,701,774	29,225,518
Electricity, Gas & WASA	5,723,832	5,017,850
Repair & Maintenance	147,778	71,734
Depreciation	19,351,942	18,662,713
Other Factory Overhead (Note- 25.03.01)	3,921,363	3,519,754
Total Taka:	249,123,403	229,527,855

25.03.01 Other Fixed Factory Overhead: Tk. 3,921,363

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Repair & Maintenance (Factory Building)	2,237,745	1,912,404
Conveyance	800,011	795,825
Printing	138,483	118,787
Office Stationery	376,613	355,550
Medical Expenses	368,511	337,188
Total Taka:	3,921,363	3,519,754

25.04 Closing Working– In- Process: Tk. 36,295,938

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Raw Material of Soap	30,024,713	39,136,979
Raw Material of Detergent Powder	2,176,328	1,820,068
Raw Material of Cosmetic	4,094,897	1,906,247
Total Taka:	36,295,938	42,863,294

25.05 Closing Finished Goods: Tk. 78,665,637

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Washing Soap	10,795,611	5,086,621
Toilet Soap	43,988,505	23,847,945
Tooth Paste	1,645,860	1,566,126
Powder	1,937,913	2,428,998
Shaving Cream	1,390,076	1,450,388
Snow/Cream	4,836,826	5,452,016
Hair Oil	1,034,139	1,229,996
Miscellaneous Cosmetics	3,391,072	2,015,498
Detergent Powder	8,822,896	9,869,041
Glycerin C.P.	567,088	315,537
Coconut Oil	255,651	173,982
Total Taka:	78,665,637	53,436,148

26.00 GENERAL & ADMINISTRATIVE EXPENSES: Tk. 54,883,450

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Salaries & Allowances:		
Staff	14,727,959	13,318,956
Officers	23,778,909	20,363,635
Entertainment	256,000	231,000
Insurance Premium	1,514,851	1,357,650
Legal & Professional Fees	165,000	180,000
Printing	288,448	256,214
Office Stationery	333,822	287,551
News Papers & Magazine	107,315	105,310
Postage, Telegram, Telephone, Telex	275,680	246,929
Renewals, Rates & Taxes	1,830,089	1,261,548
Conveyance	1,239,736	1,118,988
Vehicle Running Expenses (Fuel)	2,653,491	2,262,408
Repair & Maintenance (Vehicles)	1,696,620	1,499,440
Audit Fee	220,000	60,000
A.G.M Expenses	450,000	360,000
Depreciation	2,628,042	2,534,443
Drinking Water	105,330	97,720
IT & Software Maintenance	2,167,721	1,230,081
Repair & Maintenance (General)	444,437	0
Total Taka:	54,883,450	46,771,873



27.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 345,362,350

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Salaries & Allowances:		
Officers	78,608,142	64,421,936
Staff	111,174,118	1 00,030,896
Entertainment	777,010	691,035
Carriage Outward	19,530,190	17,306,293
Publicity & Advertisement	117,728,068	98,158,382
Printing	297,075	264,203
Office Stationery	279,756	219,533
Conveyance	925,328	885,737
Electricity	101,923	120,213
Telephone	97,240	108,536
Postage & Telegram	166,920	169,998
Training & Dev. Expenses	0	1,535,805
Rates & Taxes	820,078	551,557
Rent	2,409,000	2,154,000
Insurance Premium	527,352	598,341
DD Commission	1,528,996	1,589,825
Newspaper & Magazine	17,920	17,990
Repair & Maintenance (Vehicles)	2,411,368	2,426,979
Vehicle Running Expenses (Fuel)	5,517,145	4,521,201
Market Research Expenses	0	1,865,207
Loading & Unloading	425,538	355,365
Drinking Water	107,880	102,570
Depreciation	1,911,303	1,843,231
Total Taka:	345,362,350	299,938,833

28.00 FINANCIAL EXPENSES: Tk. 7,759,766

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Interest on Bank Loan	5,517,743	23,721,805
Bank Charges & Commission	2,242,023	1,359,336
Total Taka:	7,759,766	25,081,141

29.00 INCOME FROM OTHER SOURCES: Tk. 7,851,077

Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Interest	3,267,905	2,383,145
Gain/(Loss) on Sale of Fixed Assets	616,135	719,131
Gain/(Loss) on Sale of Marketable Security	(483)	342
Dividend Income of Marketable Security	3,967,520	1,916,352
Total Taka:	7,851,077	5,018,970

30.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND (WPPF) AND WELFARE FUND: Tk. 9,821,797

30.01 Breakup of the above amount is given below:

Particulars	2016-2017	2015-2016
Contribution to WPPF and Welfare Fund	9,821,797	8,038,375
Total Taka:	9,821,797	8,038,375

30.02 As per provisions of Section 234 of the Bangladesh Labor Law 2006, 5% of net profit before tax is contributed to the above fund in the following proportions:

Particulars	Proportion	30-06-2016
Contribution to Participatory Fund	80%	7,857,437
Contribution to Welfare Fund	10%	982,180
Contribution to Workers Welfare Foundation Fund	10%	982,180
Total Taka:		9,821,797

31.00 PROVISION FOR INCOME TAX: Tk. 50,572,553

Breakup of the above amount is given below:

Particulars	Tax Rate	Income for the FY 2016-2017	Income Tax 2016-2017
Net Profit before WPPF & Tax excluding Income from Marketable Securities	25%	202,290,212	50,572,553
Dividend Income (Net of Tax)		3,967,520	0
Total Taka:		206,257,732	50,572,553

32.00 DEFERRED TAX INCOME/(EXPENSE): Tk. 932,223

The above amount has been arrived at as under:

Particulars	2016-2017	2015-2016
Opening Balance	29,950,199	30,203,335
Less: Closing Balance during the year (Note-22.00)	29,017,977	29,950,199
Total Taka:	932,223	253,136

33.00 BASIC EARNINGS PER SHARE (EPS): Tk. 12.04

33.01 The above amount has been arrived at as under:

Particulars	2016-2017	2015-2016
Earnings attributable to Ordinary Shareholders	146,795,605	119,298,302
Weighted Average number of Ordinary Shares Outstanding (Note-33.02)	12,187,500	12,187,500
Restated Earnings Per Share (EPS):	12.04	9.79

33.02 Calculation of Weighted Average ordinary shares outstanding during the year:

Particulars	No. of Shares	Fraction of Period	Bonus Fraction	Weighted Average Number of Shares	
				2016-2017	2015-2016
01 July 2016 to 20 December 2016	10,156,250	5.6/12	6/5	5,687,500	10,156,250
21 December 2017 to 30 June 2017	12,187,500	6.4/12		6,500,000	2,031,250
Total Restated Weighted Average ordinary shares:				12,187,500	12,187,500

33.03 The Board of Directors had recommended 20% Stock Dividend (i.e. Bonus Shares) for the year ended on June 30, 2016. Date of AGM: 20.12.2016. As such, Earnings Per Share (EPS) has been computed by dividing the basic earnings by the Weighted Average number of ordinary shares outstanding as of 30 June 2017 in terms of Bangladesh Accounting Standard (BAS-33). According to BAS-33, EPS for the year ended 30 June 2016 was restated for the issues of Bonus Share of 2016.

34.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:

None as on 30.06.2017

35.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS RECEIVABLE:

None as on 30.06.2017

36.00 CREDIT FACILITIES NOT AVAILED:

There is no credit facility available of the Company that was not availed as on 30.06.2017 under any contract, other than those mentioned in the financial statements arising in the ordinary course of business.

37.00 DISCLOSURES AS PER REQUIREMENT OF SCHEDULE XI, PART II OF THE COMPANIES ACT, 1994:**37.01 Employee Position of Kohinoor Chemical Company (BD) Ltd. as per requirement of Schedule XI, Part II, Para 3:**

The company engaged 2,088 (1,974 in 2016) permanent employees as required. All employees received total salary of above Tk. 5,000 per annum.

37.02 Capacity Utilization:

Production capacity and current utilization as required by the Companies Act 1994, Schedule-XI, Para-7. Actual production and utilization for major products groups are as follows:

Sl. No.	Major product group/Unit	Capacity (In MT)	2016-2017		2015-2016	
			Actual Production (In MT)	Utilization (%)	Actual Production (In MT)	Utilization (%)
1	Washing Soap	14,500	6,324.55	43.62%	6,633.43	45.75%
2	Toilet Soap	20,500	7,098.04	34.62%	6,085.52	29.69%
3	Tooth Paste	125	24.35	19.48%	30.43	24.34%
4	Powder	400	268.47	67.12%	260.15	65.04%
5	Shaving Cream	110	32.18	29.25%	41.10	37.36%
6	Snow/Cream	500	127.84	25.57%	84.74	16.95%
7	Hair Oil	175	80.90	46.23%	79.76	45.58%
8	Miscellaneous Cosmetics	100	51.10	51.10%	33.15	33.15%
9	Detergent Powder	19,000	12,089.32	63.63%	11,211.84	59.01%
10	Glycerin C.P.	100	17.53	17.53%	14.42	14.42%
11	Coconut Oil	50	0	0%	5.05	16.82%
	Total:	55,540	26,114.27		24,479.59	

39.00 EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors in their meeting held on 04 November 2017 have recommended cash dividend @15% per share of Taka 1.50 each and Stock dividend @15% per share aggregating Taka 3,65,62,500.00 for the year ended 30 June 2017 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 14 December 2017. The financial statements for the year ended 30 June 2017 do not include the effects of the above dividend which will be accounted for in the period when shareholders' right to receive the payment will be established.

Except for the fact above, there is no material adjusting events after the reporting date that came to the management attention which may require disclosure to the stakeholders.

Annexure-A/1
KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

FIXED ASSETS SCHEDULE
AS AT JUNE 30, 2017

Sl. No.	PARTICULARS	VALUE AT COST				DEPRECIATION					Written Down Value
		Opening Balance	Addition for the year	Adjustment for the year	Total Cost	Opening Balance	Rate	For the year	Adjustment	Accumulated Depreciation	
1	Land & Land Develop.	112,649,713	0	0	112,649,713	0	0	0	0	0	112,649,713
2	Building	83,456,869	0	0	83,456,869	55,374,786	2.5%-10%	1,578,354	0	56,953,141	26,503,729
3	Plant & Machinery	467,672,638	5,596,342	0	473,268,980	317,503,733	10%	15,236,512	0	332,740,245	140,528,737
4	Vehicles	71,241,113	6,871,242	1,243,516	76,868,839	43,491,625	20%-25%	6,700,645	992,715	49,199,555	27,669,284
5	Furniture & Fixtures	6,061,428	0	0	6,061,428	5,543,636	10%	51,779	0	5,595,415	466,013
6	Office Equipment	10,378,512	55,000	0	10,433,512	9,166,414	10%-25%	230,662	0	9,397,076	1,036,434
7	Other Assets	10,628,236	1,509,900	0	12,138,136	8,049,219	20%	93,335	0	8,142,554	3,995,582
	Total Taka:	762,088,509	14,032,484	1,243,516	774,877,477	439,129,414		23,891,287	992,715	462,027,986	312,849,492
	Pr. Year's Taka:	715,599,727	47,797,282	1,308,500	762,088,509	417,277,159		23,040,387	1,188,132	439,129,414	322,959,095

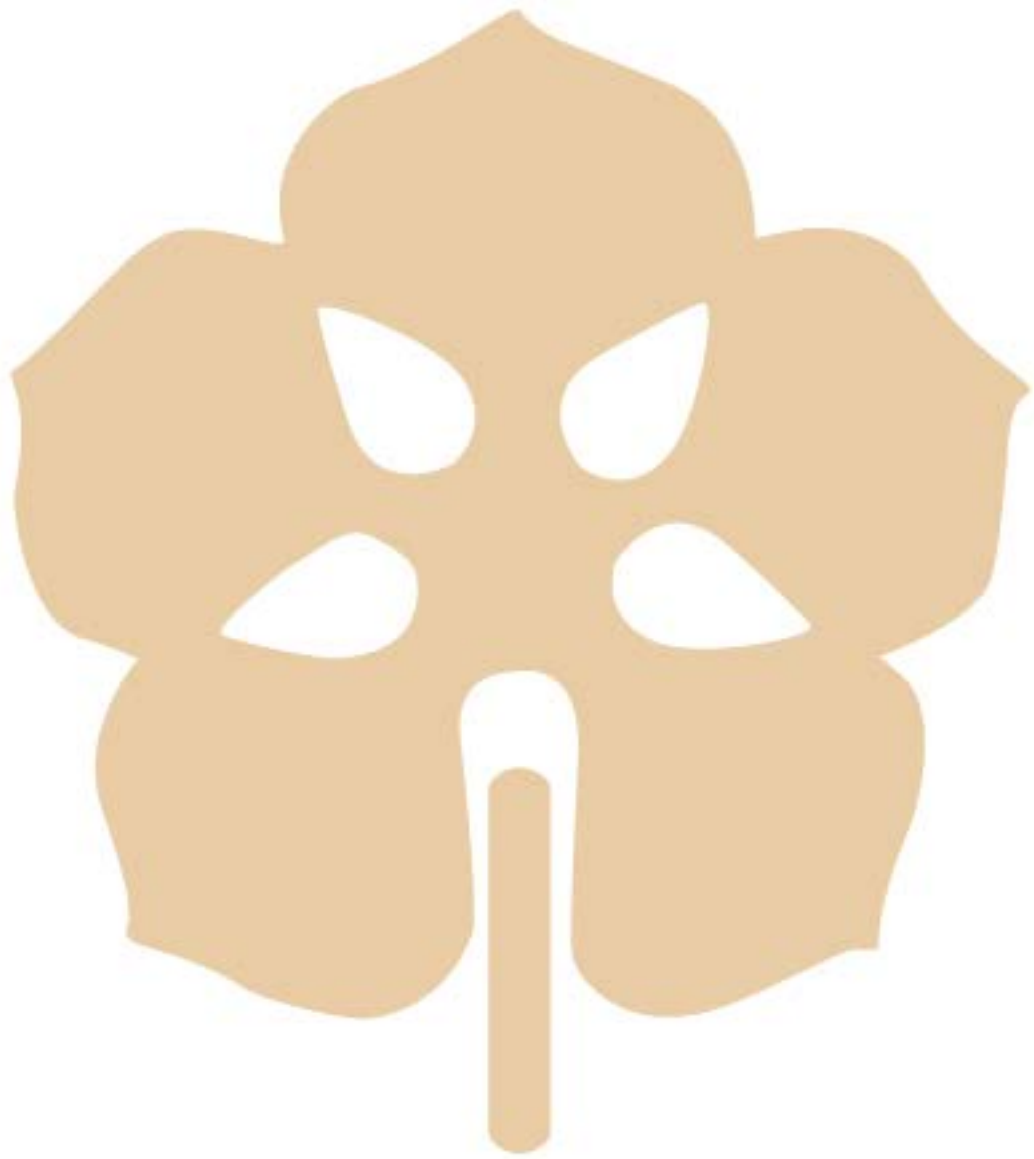
Allocation of Depreciation:

Particulars	Proportion	Amount
Factory Overhead	81%	19,351,942
Administrative Overhead	11%	2,628,042
Selling, Marketing & Distribution Expenses	8%	1,911,303
Total:	100%	23,891,287

Annexure-A/1 Annexure-A/2
KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

FIXED DEPOSIT SCHEDULE
AS AT JUNE 30, 2017

SL. No.	Name of Bank	FDR No.	Date of Issue	Date of Maturity	Interest Rate	Opening Balance	Interest Income		Closing Balance
							Addition during the year	Accrued during the year	
01.	The National Bank Ltd., Kawran Bazar Br.	0103341/22132	14-08-2005	14-08-2016	5.50%	19,240,953	1,464,433	996,447	20,705,385
02.	The National Bank Ltd. Kawran Bazar Br.	0103209/20846	11-12-2005	11-12-2016	5.50%	2,573,686	178,015	94,590	2,751,701
03.	The National Bank Ltd., Kawran Bazar Br.	0103244/21191	04-02-2006	04-02-2017	6.00%	1,841,393	106,212	48,690	1,947,605
04.	Shahjalal Islami Bank Ltd., Main Branch	1038/53300001650	05-08-2003	05-08-2016	5.50%	3,022,912	202,546	162,617	3,225,459
05.	Agrani Bank Ltd., Tejgaon Branch	0249744/24103	11-09-2005	11-09-2016		50,000	0	0	50,000
Total Taka:						26,728,944	1,951,206	1,302,343	28,680,150



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

36, Shahid Tajuddin Ahmed Sarani, Tejgaon I/A Dhaka- 1208

PROXY FORM

I/We _____ of _____ being a member of Kohinoor Chemical Company (BD.) Ltd. hereby appoint Mr./Mrs. _____ of _____ as my proxy to attend and vote for me/us on my/our behalf at the 30th Annual General Meeting of the company to be held on Thursday, the 14th December, 2017 at 10:00 am at Officers' Club, 26, Baily Road, Dhaka at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2017 signed by the said in presence of _____

Revenue
Stamp
Tk. 20.00

(Signature of the Proxy)

Signature of the Shareholder(s)
Register Folio No. _____
B/O No. _____
Dated _____

Signature of Witness

Note :

A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. The proxy form, duly stamped, must be deposited at the Registered Office of the Company not later than 48 hours before the time appointed for the meeting.

Signature Verified

Authorised Signatory

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

Shareholders Attendance Slip

I/We hereby record my attendance at the 30th Annual General Meeting of the Company to be held on Thursday, the 14th December, 2017 at 10:00 a.m at Officers' Club, 26, Baily Road, Dhaka.

Name of Member(s) _____ Register Folio/BO
No. _____ holding of _____ ordinary Shares of Kohinoor Chemical
Company (BANGLADESH) Ltd.

Signature of the Proxy

Signature of the Shareholder(s)

N.B.

1. Please note that AGM can only be attended by the honourable shareholders or properly constituted proxy. Therefore, any friend or children accompanying with honourable shareholder or proxy cannot be allowed into the meeting.
2. Please present this slip at the reception Desk.

ঐতিহ্যের আর এক নাম আধুনিকতা
ঠিক যেমন রূপচর্চায় আভিজাত্য ঘাটে

ম্যাগডালিনা সোপ



রূপচর্চায় আভিজাত্য...



us on f /Sandalina



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED

Factory and Corporate Office: 36, Shahid Tajuddin Ahmed Sarani, Tejgaon I/A, Dhaka - 1208, Bangladesh

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