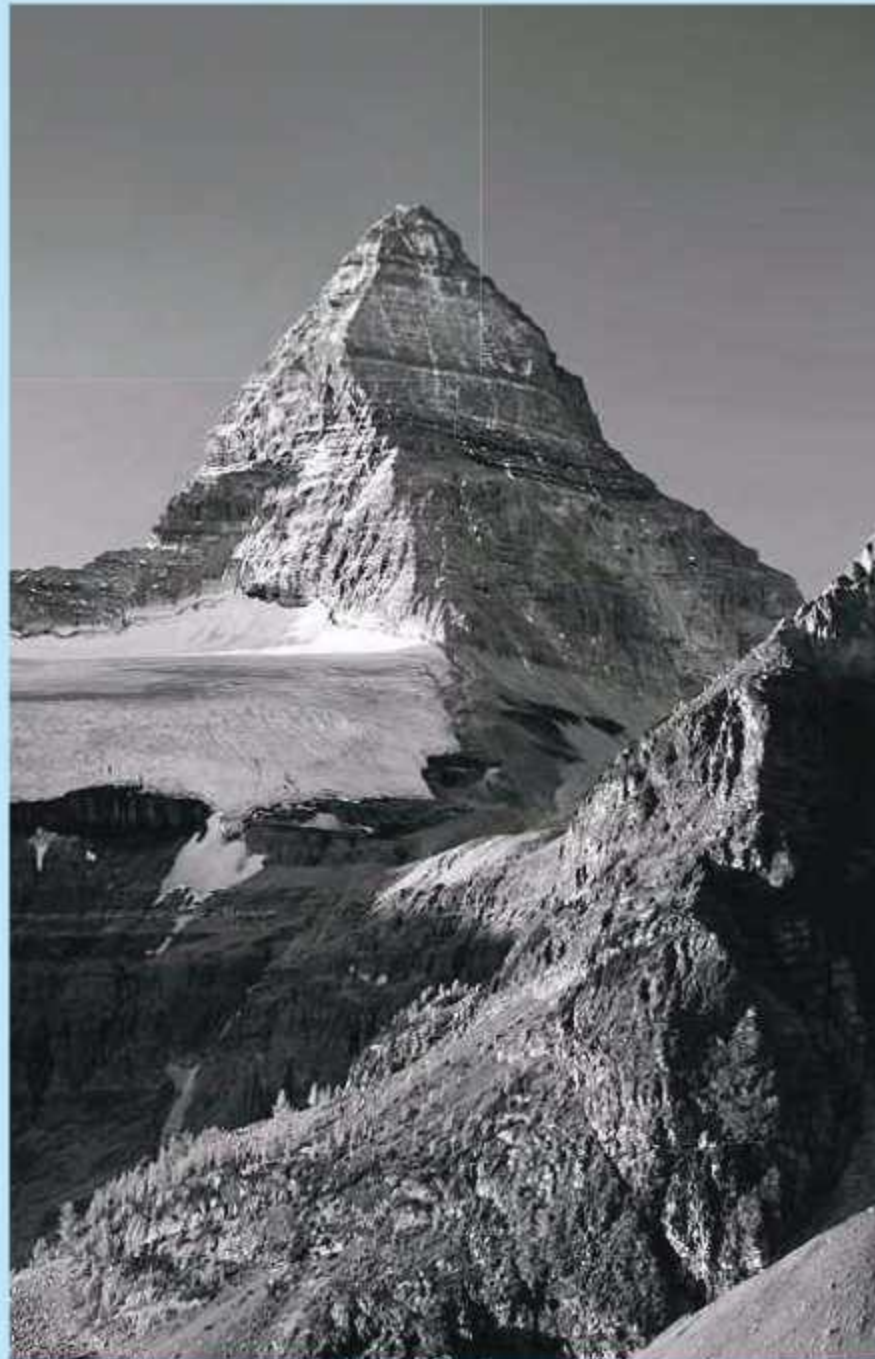


ANNUAL
REPORT
2017-2018



আদার নতুন নাম

ফাস্ট ওয়াশ



<p>কালার গার্ড</p>  <p>কাপড়ের রঙকে রাখে নতুনের মতো স্বকরবে</p>	<p>মাল্টি বুস্টার</p>  <p>কাপড়ের যে কোন দাগ- ময়লাকে নিমিষেই দূর করে</p>
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সবচেয়ে ফাস্ট, সবচেয়ে কার্যকরী ..

 **KOHINOOR
CHEMICAL**



C O N T E N T S

Letter of Transmittal	01
Vision, Mission & Values	03
About the Company	04
Company at a Glance	08
Management Apparatus	10
Director's Profile	12
Our Organogram	17
30 th AGM	19
31 st AGM	20
Our Products	21
Corporate Governance Statement - 2018	31
Communication with Shareholders	35
Business Ethics & Code of Conduct	36
Quality, Hygiene & Environment	38
Nurturing our Human Resources	39
Financial Facts & Figures	41
Five Years Performance	44
Graphical Presentation	45
Value Added Statement	46
Message from the Chairman	47
Statement from the CEO	51
Directors' Report to the Shareholders and annexure thereon	54
Independent Auditor's Report	85
Statement of Financial Position	87
Statement of Profit or Loss and Comprehensive Income	88
Statement of Changes in Equity	89
Statement of Cash Flows	90
Notes to the Financial Statements	91
Proxy Form & Attendance Slip	

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, 2018

Dear Sir(s)

We are privileged to inform you that the Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited has taken the decision, in its Board Meeting held on **October 31, 2018** to hold its 31st Annual General Meeting on **December 10, 2018**. 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, 2018, Statement of Profit or Loss and Other Comprehensive Income, Changes in Equity and Cash Flows for the year ended June 30, 2018 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: **October 31, 2018**

Tibet

A Symphony of World-Class
Soap Cosmetics & Toiletries
from

BANGLADESH



Vision & Mission & Values

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, stakeholders and continuously strive to prove our products' superiority, with an aim to obtain perpetual loyalty.

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.

Mission

Values

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.

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 Kodur Tel etc. were launched. A number of its other brands, such as Sandalina, Genstar, Bactrol, Ice Cool, Fair & Care, Xpert, Heel Guard and Clean Master are equally famous in Bangladesh.





A brief look at the history of



KOHINOOR CHEMICAL

THE BEGINNING

1956

1959

1973

Kohinoor Shilpa Gosti (previous form of Kohinoor Chemical Company Bangladesh Limited) 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 Kodur Tel etc. were launched.

The company was licensed and registered in 1959

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

A brief look at the history of The Company

1976

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

1988

- The company was named as Kohinoor Chemical Company (BD) Limited.
- The company was incorporated with the RJSC.
- The company was converted into public limited company.
- The company got listed in Dhaka Stock Exchange.

1993

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

1996

The company got listed in Chittagong Stock Exchange in 1996.



Company at a Glance



Company Name

Kohinoor Chemical Company (Bangladesh)
Limited

Year of Establishment

1956

Legal Status

Public Listed Company

Converted into Public Limited Company

1988

Listing Status

Listed with Dhaka Stock Exchange (DSE) in
1988 and Chittagong Stock Exchange (CSE)
in 1996

Initial Public Offering (IPO)

In the year 1988

Line of Business

Manufacturing of Cosmetics, Toiletries and
Beauty products

Authorized Share Capital

BDT 500,000,000

Paid Up Share Capital

BDT 140,156,250

Number of Shareholders

6,256

Number of Employees

2,146

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

Fax: +88-02-8870130



Company at a Glance



Main 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
State Bank of India

Insurers

Islami Commercial Insurance Company Limited

Statutory Auditors

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

Governance Compliance Auditor

Podder & Associates
Professional Accountants & Business Advisor
6/A/1, Segun Bagicha (Ground Floor),
Dhaka-1000



Management Apparatus

Board of Directors

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

Professor Dr. M. Shamsheer Ali
Independent Director

Mr. Quazi Mamun-Ul-Ashraf
Independent Director

Company Secretariat

Mr. Md. Ferdous Jaman

Chief Financial Officer

Mr. Abu Bakar Siddique

Head of Internal Audit & Compliance

Mr. Mohd. Shamim Kabir



Management Committee

Mr. Md. Abul Khair
Director, Company Affairs

Mr. M Ziaul Hafiz
Head of Sales and Marketing

Mr. Abu Bakar Siddique
Chief Financial Officer

Mr. Shah Md. Abdul Wadood
Head of Production

Audit Committee

Mr. Quazi Mamun-Ul-Ashraf
Chairman and Independent Director

Mrs. Arzuda Karim
Member and Director

Mr. Md. Ebadul Karim
Member and Director

Nomination & Remuneration Committee

Mr. Quazi Mamun-Ul-Ashraf
Chairman and Independent Director

Mrs. Arzuda Karim
Member and Director

Mr. Md. Ebadul Karim
Member and Director



Management Apparatus



Directors' Profile



Mr. 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 fifty 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 400MW present distribution under HFO) under IPP, under the Ministry of Power of the Government of Bangladesh. Mr. Karim is the Chairman of Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Capital Limited, Orion Natural Care Limited, Orion Restaurants Limited, Orion Tea Company Limited and Orion Tourism & Entertainment Limited.

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 Mohammedan Sporting Club Ltd., a century old legendary and most successful sporting club of the country.



Mr. Rezaul Karim
Managing Director

Mr. Rezaul Karim has been in business for almost 36 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, Member 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), Baridhara Cosmopolitan Club Limited and Member of Advisory Board Center for Zakat Management (CZM).

Mr. Rezaul Karim is also the adviser of Banani Society and Gulshan Joggers Society as well as the Member of Banani Club Limited.



Mr. Md. Ebadul Karim
Director

Mr. Md. Ebadul Karim, entered into the realm of business horizon after completion of his graduation. By virtue of his entrepreneurial skill and sound management capability accompanied with vast experience and farsighted vision he has been running a number of business enterprises very successfully. He is the Managing Director of Beacon Pharmaceuticals Limited, Beacon Developments Limited, Beacon Cephalosporin Limited, Beacon Nutraceuticals Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited, Mujibunnessa Medical College & Hospital Limited, Beacon Oncology Limited, Beacon Power Systems Limited and Chairman of Beacon Point Limited, Beacon Medicare Limited, EREBA Capsules Limited and Beacon Economic Zone Limited. He is also the Director of Kohinoor Chemical Co. (BD) Ltd., one of the largest and leading soaps, cosmetics and toiletries manufacturing company in the Country. He has travelled many countries of the world for business purposes. Currently, he is acting as the member of Audit Committee and Monination & Remunation Committee.



Mrs. Nurun Nahar
Director

Mrs. Nurun Nahar completed her MSS in Political Science from University of Dhaka. She is the wife of Mr. Md. Ebadul Karim and one of the Directors of Kohinoor Chemical Company (Bangladesh) Limited. She has been associated with KCCL from the inception of the company. She has been engaged with the Company by supervising the HR department of KCCL.

Mrs. Nurun Nahar is the Chairman of BEACON Pharmaceuticals Limited, BEACON Cephalosporin Limited, BEACON Nutraceuticals Limited, BEACON Development Limited, BEACON Power System Limited, BEACON Oncology Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited. She is also the Vice Chairman of Mujibunnessa Medical College & Hospital Limited and the Director of BEACON Medicare Limited, BEACON Point Limited and BEACON Economic Zone 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, her skill, knowledge and adaptability are one of the key drivers for success of this company. Currently Mrs. Karim supervises production and commercial division of different concerns of Orion Group. She is acting as the member of Audit Committee and Nomination & Remuneration Committee.

Mrs. Karim is the Chairman of Jafflong Tea Co. Limited and Intergral Energy Limited and also holds the Directorship of Orion Pharma Limited, Orion Infusion Limited, Kohinoor Chemical Co. (BD) Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Renal & General Hospital, Orion Hospitals Limited, Orion Holdings Limited, Orion Footwear Limited, Noakhali Gold Foods Limited, Orion Agro Products Limited, Orion Vegetable Oil & Foods Limited, Orion Natural Care Limited, Orion Tea Company Limited and Orion Tourism & Entertainment Limited.



**Mrs. Shirin Akhter
Director**

Mrs. Shirin Akhter, graduate from University of Dhaka, is the Director of the company since inception. She supervises and monitors the Administration department of the Company. She is the wife of Md. Rezaul Karim, Managing Director of the Company. She is also the Director of Reedisha Knitex Limited, Reedisha Spinning Limited, Reedisha Textstripe Limited.



Mr. 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.

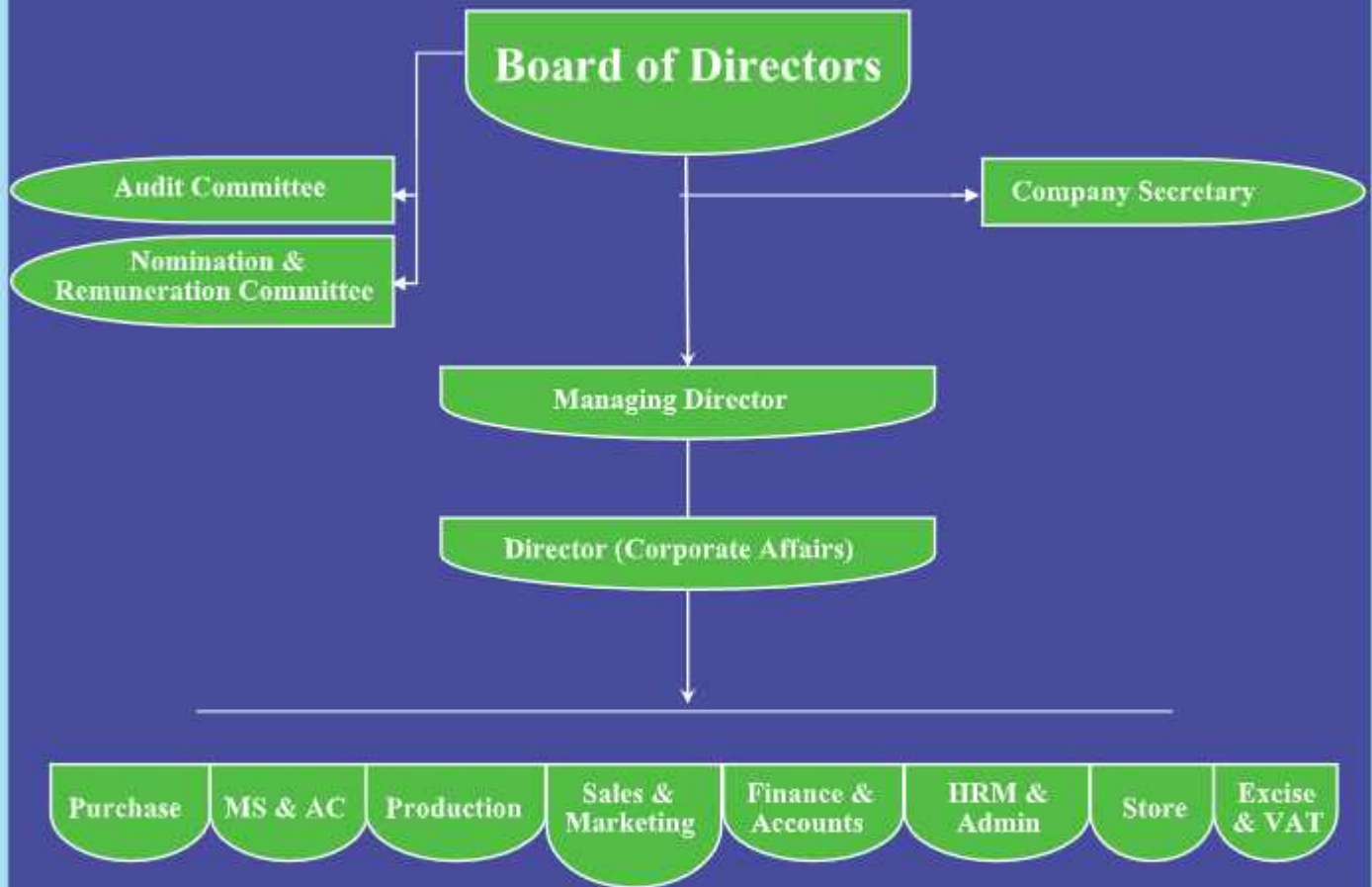
The appointed ID, Mr. Quazi Mamun-Ul Ashraf, is a highly knowledgeable and qualified person. He is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business. He is acting as the Chairman of Audit Committee and Nomination & Remuneration Committee.



Professor
Dr. M. Shamsheer Ali
Independent Director

Professor Dr. M. Shamsheer 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.

Our Organogram



Sales Promotional Scheme



Borshakalin Mega Lottery program



Display Program of the
FAST WASH Detergent Powder



Winners of SANDALINA Friendship
Story Contest



'FAST WASH Borshoboron' (Bengali New Year-1425),
Sponsore Program in Dipto TV

30th Annual General Meeting



30th Annual General Meeting of Kohinoor Chemical Company (Bangladesh) Limited for the financial year 2016-17 was held at Officers' Club, Baily Road, Dhaka on December 14, 2017



The Independent Director giving his speech



The Hon'ble Chairman giving his speech



One of our hon'ble Shareholders expressing his opinion

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

NOTICE OF THE 31st ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (AGM) of Shareholders of KOHINOOR CHEMICAL COMPANY (BD) LIMITED will be held on Monday, December 10, 2018, at 09.30 a.m. at Officer's 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, 2018 together with the Auditors' Report and Directors' Reports thereon.
2. To declare dividend for the year ended June 30, 2018.
3. To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
4. To consider the re-appointment of Independent Director of the Company.
5. To appoint Statutory Auditors and to fix their remuneration for the financial year 2018-2019.
6. To appoint Corporate Governance Compliance Auditors and to fix their remuneration for the financial year 2018-2019.
7. To transact any other business with the permission of the Chair.

By the Order of the Board

Date: **25th November, 2018**
Dhaka

Sd/-
Md. Ferdous Jaman
Company Secretary

Note:

1. "Record Date" shall be the November 22, 2018 (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

Growing business

through **our products**

Product Range:

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**

Soap Section:

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



OUR PRODUCTS

Brand	Products	Brief	Specification
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">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 style="writing-mode: vertical-rl; transform: rotate(180deg);">Sandalina</p>		<p>The new variant of SANDALINA Soap, Sandal & Rose, has been launched last year 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 style="writing-mode: vertical-rl; transform: rotate(180deg);">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 style="writing-mode: vertical-rl; transform: rotate(180deg);">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>

OUR PRODUCTS

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 Plus+ (7 Herbal Oil & Multivitamin) 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, Calendula, 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: Refined Mineral Oil, Anti Bacterial Agent with Multi Vitamin Complex, Herbal Extracts, Color, Perfume.</p>

OUR PRODUCTS

Brand	Products	Brief	Specification
		<p>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.</p>	<p>Weight Size: 3.5 ml.</p> <p>Color: Transparent Yellow</p> <p>Ingredients: Non-toxic perfume without Alcohol.</p>
		<p>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-Pink (Natural Glow) white (smooth Care)</p>	<p>Weight Size: 35, 50, 75 & 100 gm</p> <p>Color: Green, Pink & White</p> <p>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.</p>
		<p>Irgason-enriched Tibet Prickly Heat Powder helps treat and prevent rashes and chafing. By absorbing excess perspiration it soothes heat irritation quite instantly.</p>	<p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Purified Talc, Magnesium Carbonate, Zink Oxide, Irgason, Boric Acid, Perfume.</p>
		<p>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.</p>	<p>Weight Size: 50, 100 & 200 gm</p> <p>Color: White</p> <p>Ingredients: Purified Talc, Magnesium Carbonate, Zink Oxide, Perfume.</p>

OUR PRODUCTS

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 fomula 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>

OUR PRODUCTS

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. The sweet fragrance of Beautina® Intensive Moisturizing Body Lotion gives an amazing satisfaction to body and mind.</p>	<p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Calcium Carbonate, Sodium Mono fluoro phosphate, Triclosan, SLS, Flavour.</p>
		<p>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.</p>	<p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Calcium Carbonate, Sodium Mono fluoro phosphate, Triclosan, SLS, Flavour.</p>
		<p>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.</p>	<p>Weight Size: 15 & 50 ml</p> <p>Color: White</p> <p>Ingredients: Jojoba Oil, White petroleum Jelly, Paraffin wax, Liquid Paraffin, Perfume.</p>
		<p>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.</p>	<p>Weight Size: 10 gm</p> <p>Color: White</p> <p>Ingredients: Purified white Petroleum Jelly, Cocoa Butter, Flavour.</p>

OUR PRODUCTS

Brand	Products	Brief	Specification
		<p>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.</p>	<p>Weight Size: 60 & 125 gm</p> <p>Color: White</p> <p>Ingredients: Purified Glycerin, Perfume.</p>
		<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>


OUR PRODUCTS

Brand	Products	Brief	Specification
Fast wash		<p>Fast Wash Detergent Powder is the premium grade white variant detergent powder of its kind. Its Brilliant White 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>
am. pm. TOOTHPASTE		<p>The unique formula of am.p.m. tooth paste protects decay. Its main ingredient, Calcium Carbonate fights against decay; Fluoride is dedicated for protecting gum of teeth; Triclosan protects against germs.</p>	<p>Weight Size: 45, 100 & 200 gm</p> <p>Color: White</p> <p>Ingredients: Calcium Carbonate, Sodium Lauryl Sulphet, Sorbitol, Gum, Sodium Mono Fluoro Phosphet, Triclosan, Aqua, Sodium Saccharine, Flavour.</p>
ICE COOL		<p>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.</p>	<p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Purified Talc, Magnesium Carbonate, Zink Oxide, Boric Acid, Menthol, Perfume.</p>
GENSTAR		<p>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.</p>	<p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Potassium Stearate, Glycerin, Aqua, Perfume.</p>

OUR PRODUCTS

Brand	Products	Brief	Specification
		<p>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.</p>	<p>Weight Size: 4.5 gm</p> <p>Color: White</p> <p>Ingredients: Jojoba Oil, Coco Butter, Vitamin C&E, Liquid Paraffin, Glycerin, Bees wax, anti Oxidant flavor.</p>
		<p>Xpert is a highly effective antibacterial Dishwash Bar, Liquid and Powder. It kills bacteria on contact and leaves crockery hygienically clean. Lemon fragrances 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 ultra power gel 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 & 750 ml</p> <p>Color: Blue</p> <p>Ingredients: LABSA, Alkaline Sillicate, Hydrochloric Acid, Phenol, Color, Methyl Salicylate.</p>

OUR PRODUCTS

Brand	Products	Brief	Specification
CLEAN MASTER		<p>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.</p>	<p>Weight Size: 200 & 400 gm</p> <p>Color: Blue</p> <p>Ingredients: Sodium SAS, Sodium Carbonate, Dolomite, Calcite, Anti bacterial agent, Color, Speckles, Perfume.</p>





CORPORATE GOVERNANCE

Statement - 2018

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 on June 30, 2018, 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 Code issued by the Bangladesh Securities & Exchange Commission (BSEC), the Board is comprised of two (2) Independent Directors.

Name	Status
Mr. Mohammad Obaidul Karim	Chairman
Mr. Rezaul Karim	Managing Director
Mr. Ebadul Karim	Director
Mrs. Arzuda Karim	Director
Mrs. Nurun Nahar	Director
Mrs. Shirin Akhter	Director
Prof. Dr. M. Shamsher 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 Director sand top executives of the Company;
- 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 five (5) 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. However, in order to conform to the new Corporate Governance Code imposed by BSEC, the Head of Internal Audit and Compliance will also attend the Board meeting to be held in the next financial year 2018-19.

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 is responsible for ensuring that Board procedures are followed regulations are complied with. 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. In Compliance with the new Corporate Governance Code, Mr. Jaman cannot hold any executive position in any other company at the same time. As of now, Mr. Jaman is also acting as the Company Secretary of Orion Pharma Limited and Orion Infusion Limited because these three companies including KCCL are operating under the banner of Orion Group. However, the Board has decided to appoint different individual for the position of Company Secretary within December 31, 2018 as required by the Code.

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 5.

Head of Internal Audit & Compliance

The Head of Internal Audit & Compliance, Mohd. Shamim Kabir, is one of the top executives of the Company responsible for performing the full audit cycle including determining internal audit scope and developing annual plans, risk management and control management over operations' effectiveness, financial reliability and compliance with all applicable directives and regulations.

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 operation 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 have been changed as per the new Corporate Governance Code imposed by the Bangladesh Securities and Exchange Commission (BSEC) and the new Audit Committee members are Mr. Quazi Mamun-Ul-Ashraf- Independent Director, Mrs. Arzuda Karim- Non-Exetutive Director and Mr. Ebadul Karim- Non-Executive Director.

Nomination & Remuneration Committee

The newly formed Nomination and Remuneration Committee consisting of three (3) Directors has been established as a sub-committee of the Board of Kohinoor Chemical Company (Bangladesh) Limited in order to assist the Board in formulating nomination policy for the directors and top executives as well as policy for formal process of considering their remuneration. The Members of the Committee are Mr. Quazi Mamun-Ul-Ashraf, Mrs. Arzuda Karim and Mr. Ebadul Karim. Since the committee has recently been formed and they have just started working on their scope of works, the nomination and remuneration policy would be disclosed in next financial year's annual report.

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 Affair 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. Md. Abul Khair, Mr. M 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.

Details on Corporate Governance as per the revised corporate governance code has been described in annexure 2.





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 & Code of Conduct

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.

In Compliance with the new Corporate Governance Code imposed by BSEC, the existing code of conduct for the Board members including the Chairman and the Managing Director/Chief Executive Officer of the Company is under review of the newly formed Nomination & Remuneration Committee to conform to the above mentioned Corporate Governance Code. After finalizing of the said code of conduct, the same shall be posted as on the website of the Company.



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.

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.

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.

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.

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.



Nurturing our Human Resources

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.

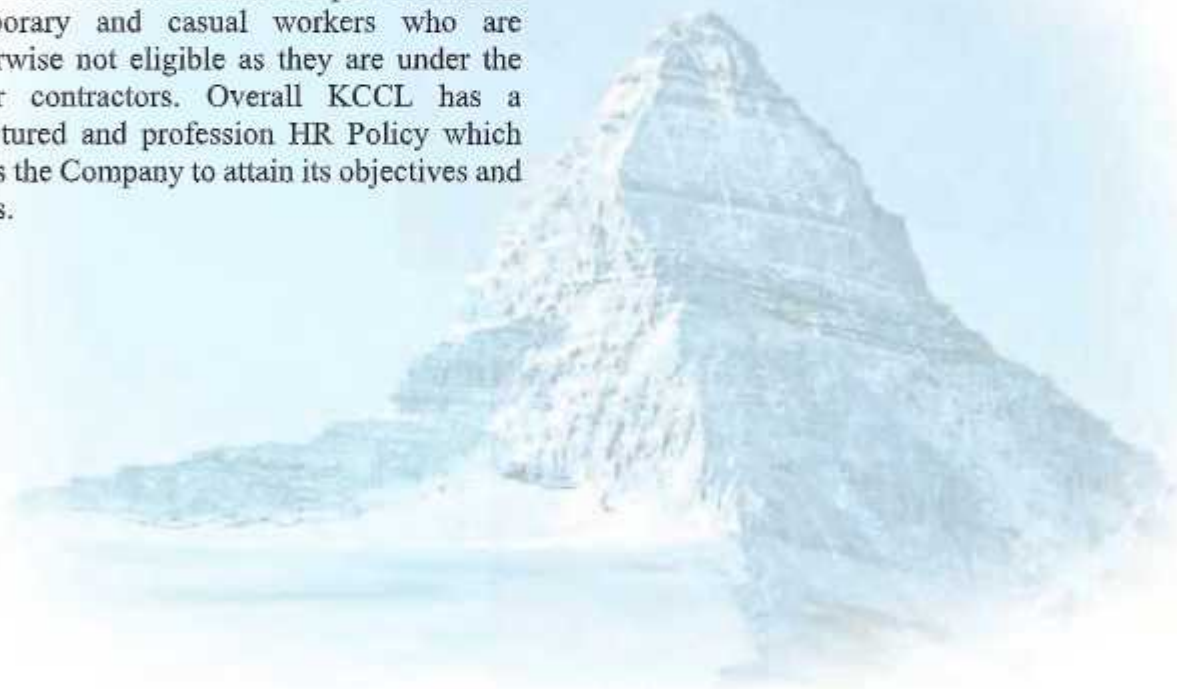
Human Resource policies help implement a consistent approach to management. KCCL has a fair and unbiased HR Policy. The Company

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.

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.

Human Resources

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.



FINANCIALS & Reports



FINANCIAL Facts & Figures

Net Sales Revenue (BDT in thousand)

2017-18

3,661,324

2016-17

3,393,185

Earning per Share (BDT)

2017-18

11.02

2016-17

10.47

Net Profit (BDT in Thousand)

2017-18

154,497

2016-17

146,796

Price Earning Ratio (Times)

2017-18

40,11

2016-17

34.68

Net Asset Value per Share (BDT)

2017-18

51.93

2016-17

39.53

FINANCIAL Facts & Figures

Sales Revenue

UP 7.90%

Sales Revenue of Powder, Snow & Cream and Detergent

UP 36.67%, 28.64% and 28.36% recently

Dividend Declared
20% Stock and 10%
Cash

Earnings Per Share

UP 5.25%

Contribution to National Exchequer

UP 15.99%

Net Profit

UP 5.25%

Five Years' Performance

(BDT in Thousand)

	2017-18	2016-17	2015-16	2014-15	2013-14
OPERATIONAL RESULT					
Net Sales Revenue	3,661,324	3,393,185	2,996,246	2,656,901	2,960,859
Gross Profit	658,143	608,794	537,960	477,614	531,335
Operating Profit	229,808	208,548	191,250	152,650	223,123
Net Profit before Tax	211,402	196,436	160,767	118,195	153,832
Net Profit after Tax	154,497	146,796	119,29	91,457	107,217
FINANCIAL POSITION					
Shareholders' equity	727,878	554,074	417,434	328,605	237,147
Total Assets	1,934,130	1,530,810	1,708,212	1,656,468	1,745,369
Total Current Assets	1,626,305	1,210,816	1,375,727	1,346,238	1,439,953
Total Current Liabilities	880,163	650,646	964,688	1,001,774	1,129,436
FINANCIAL RATIOS					
Current Ratio (times)	1.85	1.86	1.43	1.34	1.27
Debt Equity Ratio (times)	1.66	1.76	3.09	4.04	6.36
Return on Total Assets (%)	7.99	9.59	6.98	5.52	6.14
Inventory Turnover (times)	4.89	4.47	3.28	2.57	2.58
Price Earning Ratio-DSE (times)	40.11	34.68	30.31	39.28	29.92
ORDINARY SHARES INFORMATION					
Number of Shares Outstanding	14,015,625	14,015,625	10,156,250	10,156,250	8,125,000
Dividend (Cash) (%)	10.00 (Proposed)	15.00	10.00	30.00	-
Dividend (Stock) (%)	20.00 (Proposed)	15.00	20.00	-	25.00
Net Asset Value per Share (BDT)	51.93	39.53	34.25	32.35	29.19
Net Operating Cash Flow per Share (BDT)	(8.34)	30.07	10.21	20.69	21.74
Earnings per Share (BDT)	11.02	10.47	9.79	9.01	13.20
Number of Shareholders	6,256	6,441	6,474	6,571	5,946
OTHER DATA					
Number of Employees	2,146	2,088	1,974	1,980	1,841
HUMAN RESOURCES					
Officers	402	399	383	380	350
Staff	1,108	1,074	1,027	1,046	949
Workers	636	615	564	554	542
Total	2,146	2,088	1,974	1,980	1,841

Graphical Presentation

Operating Result (In thousand)

2013-14 2014-15 2015-16 2016-17 2017-18



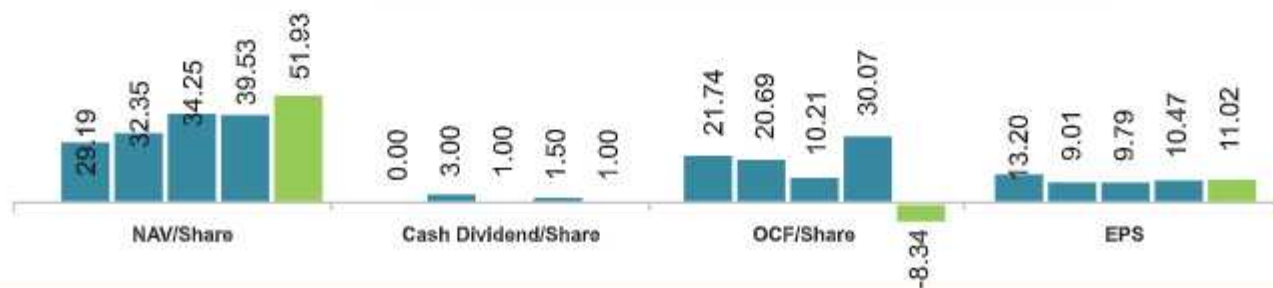
Financial Position (In thousand)

2013-14 2014-15 2015-16 2016-17 2017-18



Ordinary Share Information

2013-14 2014-15 2015-16 2016-17 2017-18



Value Added Statement

for the year ended June 30, 2018

Particulars	BDT in thousand			
	2017-18		2016-17	
	Amount	%	Amount	%
Value Added:				
Gross Revenue	4,233,170		3,920,013	
Less: Bought in Materials and Services	(3,005,149)		(2,833,386)	
Add: Other income	6,946		7,851	
Total value added	1,234,967	100.00	1,094,478	100.00
Distribution of added value:				
To employees as salaries, wages and allowances	381,752	30.91	343,336	31.37
To National Exchequer	670,519	54.29	578,073	52.82
To shareholders as dividend	42,047	3.40	30,469	2.78
	1,094,318	88.60	951,878	86.97
Retained for reinvestment and future growth:				
Depreciation and amortization	28,199	2.28	26,273	2.40
Retained profit	112,450	9.12	116,327	10.63
	140,649	11.40	142,600	13.03
Total value distributed	1,234,967	100.00	1,094,478	100.00



Message from the Chairman

Dear Fellow Shareholders,

Assalamualaikum Wa Rahmatullah

On behalf of the Board of Directors, I am pleased to present the Annual Report of Kohinoor Chemical Company (Bangladesh) Limited for the year ended June 30, 2018. On this 31st Annual General Meeting (AGM), with great pleasure I take this opportunity to inform you all that your Company has done well this year compared to last year. The financial performance of your Company during the first six months of the reporting year was highly impressive and it was better during the last six months.

Before going into the details about the performance of your Company, I would like to say a few words about the economy. Bangladesh has gone from being one of the poorest countries in South Asia to an aspiring "tiger" economy. I am very happy to say that we have become one of Asia's most remarkable and unexpected success stories in recent years. Recently we have also heard that as per HSBC Global Research, Bangladesh is likely to be the biggest mover in the global GDP rankings in 2030, becoming the 26th largest economy in the world from 42nd now. Indeed this is a great feat for us.

My fellow shareowners, let me take you all over the financial particulars now. You all will be delighted to know that the progress of the country has also been reflected upon your Company. KCCL has always considered the needs of the mass people of the country and we have also got the return for this strategy. I am pleased to inform that your Company attained a Net Revenue of BDT 3,661.32 million as against BDT 3,393.19 million of the previous year, registering a praiseworthy positive growth of 7.9% over the previous year.

During the present financial year, Gross Profit stood at BDT 658.14 million reflecting a positive growth of 8.11% and the Net Profit reached to BDT 154.50 million which is also higher than the previous year's Net Profit by 5.25%. This increase in Net Profit was a result of increased sales and strict cost management compared to last year. Overall increased demand for consumer goods was favorable for our sale gradually bringing a positive impact on this year's Net Profit.

The Earnings per Share (EPS) for this year is BDT 11.02 compared to previous year's EPS of BDT 10.47 (restated). Taking into account the financial performance of the Company this year, your Board has recommended 10% Cash and 20% Stock Dividend to be appropriated from the profits to the shareholders for this financial year. I ensure you that we will continue this performance and deliver even better products and services to our customers in the future. All our employees work hard so that the value of the company rises increasing the wealth of our shareholders.

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 your Company has contributed an amount of BDT 773.91 million compared to BDT 578.07 million in the last year. This contribution is equivalent to 21.14% of the Company's Net Revenue.

My dear Shareholders, I would now like to take the opportunity over here to thank you for your never ending support and faith. Your valued suggestions, advices and continuous supports are the driving forces behind the growth and development of this business. 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 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 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



প্রতি বছরের ন্যায় এ বছরেও আপনারদের কোম্পানী কর, মূসক ও বিভিন্ন ধরনের শুক্ক প্রদানের মাধ্যমে সরকারী কোষাগারে জমা বৃদ্ধি করে আসছে। ২০১৭-২০১৮ অর্থ বছরে আপনারদের কোম্পানীর সরকারী কোষাগারে জমার পরিমাণ দাঁড়ায় ৭৭.৩৯ কোটি টাকা যা গত বছর ছিল ৫৭.৮১ কোটি টাকা। ফলে এখাতে কোম্পানীর আবদান হল নীট বিক্রয়ের ২১.১৪%।

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমাদের উপর আপনারদের বিশ্বাস ও সহযোগীতার জন্য আমি আপনারদের ধন্যবাদ জানাই। আপনারদের মূল্যবান প্রস্তাবনা, উপদেশ ও সর্বাত্মক সহযোগীতা কোম্পানীর উন্নয়নে সহায়ক ভূমিকা পালন করে। সেই সংগে আমি ধন্যবাদ জানাতে চাই আমাদের সকল গ্রাহক, সরবরাহকারী, ব্যাংক, আর্থিক প্রতিষ্ঠান, সরকারী বিভাগ ও নিয়ন্ত্রনকারী সংস্থাসহ আমাদের কর্মকর্তাদের সাথে প্রত্যক্ষ ও পরোক্ষভাবে জড়িত সকলকে। আমি কোম্পানীর ব্যবস্থাপনার প্রতি কৃতজ্ঞতা প্রকাশ করছি, কারণ ব্যবস্থাপনার সঠিক লক্ষ্য নির্ধারণ ও যথাযথ পদক্ষেপের ফলে কোম্পানীর উন্নতি সম্ভব হয়েছে। আমি কোম্পানীর সকল কর্মকর্তা ও কর্মচারীদের তারিফ করতে চাই যাদের প্রশংসীয় কাজের ফলে কোম্পানীর এরূপ উন্নতি সম্ভব হয়েছে। পরিশেষে আমি কোম্পানীর ভবিষ্যত উত্তরোত্তর উন্নতি কামনা করছি।

অসীম করুণাময় আল্লাহু আমাদের সকলকে পরম সুখ ও শান্তি দান করুন।

আলাহু হাফেজ

স্বা/-

মোহাম্মদ ওবায়দুল করিম
চেয়ারম্যান



চেয়ারম্যান - এর বাণী

বিস্মিলাহির রহমানির রাহিম

প্রিয় শেয়ারহোল্ডার ও সহকর্মীবৃন্দ
আসসালামু আলাইকুম,

কোহিনূর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেডের এর পরিচালক মডুলীর পক্ষ থেকে আজ আমি ৩০শে জুন ২০১৮ সালের সমাপ্ত বছরের বার্ষিক প্রতিবেদন উপস্থাপন করছি। আজকের ৩১তম বার্ষিক সাধারণ সভায় আমি আনন্দের সাথে জানাতে চাই, আপনাদের কোম্পানী গত বছরের তুলনায় এ বছর বেশ সাফল্য অর্জন করেছে যা কোম্পানীর ধারাবাহিক সাফল্যের অংশ হিসাবে পরিগণিত। প্রথম ছয় মাসে কোম্পানীর আর্থিক অগ্রগতি ছিল ব্যাপক এমনকি এ অগ্রগতি শেষের ছয় মাসের তুলনায় ভাল ছিল।

কোম্পানীর অগ্রগতি সম্পর্কে বিস্তারিত বর্ণনা করার পূর্বে আমি দেশের অর্থনীতি সম্পর্কে কিছু বলতে চাই। দক্ষিণ এশিয়ার মধ্যে এক সময়ের সবচেয়ে গরীব দেশ আমাদের এই বাংলাদেশ ধীরে ধীরে টাইগার অর্থনীতির দেশের দিকে এগিয়ে যাচ্ছে। আমি আনন্দের সাথে আপনাদের বলতে চাই যে, সম্প্রতি আমরা এশিয়ার মধ্যে অসাধারণ এবং অপ্রত্যাশিত সাফল্যের গল্পে পরিনত হয়েছি। সম্প্রতি শুনা যাচ্ছে যে HSBC এর Global Research অনুসারে ২০৩০ সালের মধ্যে GDP তে বাংলাদেশ সবচেয়ে বেশী প্রবৃদ্ধি অর্জন করবে এবং বিশ্বের মধ্যে ৪২তম থেকে ২৬তম বৃহত্তম অর্থনৈতিক দেশে পরিণত হবে। প্রকৃত পক্ষে এটা আমাদের জন্য এক অন্যান্য কৃতিত্ব।

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমি এখন আপনাদের সামনে কোম্পানীর আর্থিক দিকগুলি আলোকপাত করব। আপনারা জেনে খুশি হবেন যে, দেশের অর্থনৈতিক অগ্রগতি আপনাদের কোম্পানীতেও প্রতিফলিত হয়েছে। কোহিনূর কেমিক্যাল সর্বদায় দেশের আপামর জনসাধারণের প্রয়োজনীয়তা উপলব্ধি করে এবং এ কৌশল কোম্পানীর সাফল্য অর্জনে সহায়তা করে। আমি আনন্দের সাথে জানাচ্ছি যে, আলোচ্য বছরে কোম্পানীর নীট রাজস্বের পরিমাণ ৩৬৬.১৩ কোটি টাকা যা গত বছরে ছিল ৩৩৯.৩২ কোটি টাকা। গত বছরের তুলনায় প্রবৃদ্ধি অর্জিত হয়েছে ৭.৯০%।

আলোচ্য আর্থিক বছরে দেখা যায় কোম্পানীর মোট মুনাফা অর্জিত হয়েছে ৬৫.৮১ কোটি টাকা, প্রবৃদ্ধি প্রতিফলিত হয়েছে ৮.১১% এবং নীট মুনাফা হয়েছে ১৫.৪৫ কোটি টাকা যা গত বছরের তুলনায় ৫.২৫% বেশী। নীট মুনাফার এ উল্লেখযোগ্য প্রবৃদ্ধির মূলে রয়েছে গত বছরের তুলনায় এ বছরের বিক্রয়ের পরিমাণ বৃদ্ধি ও খরচ সমূহের নিয়ন্ত্রণ। দেশের সার্বিক ভোজ্য চাহিদা বৃদ্ধির ফলে বিক্রয় বৃদ্ধি পেয়েছে ফলশ্রুতিতে নীট মুনাফার প্রবৃদ্ধি ঘটেছে।

২০১৭-২০১৮ অর্থ বছরে কোম্পানীর শেয়ার প্রতি আয় দাঁড়ায় ১১.০২ টাকা যা গত বছরে ছিল ১০.৪৭ টাকা (রিস্টেটেড)। আলোচ্য বছরে কোম্পানীর অসাধারণ সাফল্যের কথা বিবেচনা করে পরিচালনা পরিষদ কোম্পানীর মুনাফা থেকে শেয়ারহোল্ডারদের মাঝে ১০% নগদ ও ২০% বোনাস শেয়ার বিতরণের সুপারিশ করেছে। আমি আপনাদের নিশ্চয়তা দিচ্ছি যে, আমরা ধারাবাহিকভাবে এ সাফল্য ধরে রাখব এবং ভবিষ্যতে ভোজ্যদের মানসম্পন্ন পণ্য ও সেবা সরবরাহ করতে সক্ষম হব। কোম্পানীর সমস্ত কর্মকর্তা ও কর্মচারীদের কঠোর পরিশ্রমের ফলে শেয়ারহোল্ডারদের সম্পদ বৃদ্ধির সংগে সংগে কোম্পানীর সুনামও বৃদ্ধি পেয়েছে।

Statement from **the CEO**

Dear Fellow Shareholders,

Assalamualaikum

On behalf of the management of the Company, I would like to welcome you all to our 31st Annual General Meeting. It is an honor for me to present in front of you about what our Company has achieved in 2017-18 and will request to consider the Company's prospects and future plans.

Economic scenario of the world and the country:

Let us start with a few words regarding the economic conditions in which our business is operating. The outlook for the global economy remains positive despite signs that economic growth in some key parts of the world economy has slowed since growth reached a peak in the second half of 2017. Global economic growth will remain robust at 3.1% in 2018 before slowing gradually over the next two years, as advanced-economy growth decelerates and the recovery in major commodity-exporting emerging market and developing levels off.

After the world scenario, we may take a look at the condition of our country. Bangladesh has become eligible to graduate to a middle income country from the least developed one as it has met all the three criteria, Gross National Index (GNI), Human Asset Index (HAI) and Economic Vulnerability Index (EVI). The Community for Development Policy (CDP) will review Bangladesh's progress in 2021, and the country's official graduation from the LDC category will take place after a three-year transition period.

Bangladesh is experiencing a thriving industry in cosmetics and personal care products with its fast growing economy. The cosmetics & toiletries industry is one of the major sectors which contribute to the national economy. International brands play a dominant role in the upper-end market of Bangladesh, where quality ranks above pricing among the factors affecting purchasing decisions. Most local manufacturers focus on the middle-to low price market segments. Local brands dominate in the booming Bangladeshi cosmetics industry with a 60 percent share of the BDT 150 billion markets.

Guiding Principles:

Dear shareholders, the preparation and presentation of the Financial Statements and the relevant disclosures therein have been made in accordance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Stock Exchanges as applicable and relevant International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

During the financial year under review, no remarkable changes were 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.

It can also be mentioned here that in order to comply with the Notification No.SEC/CMRRC-D/2006-158/207/Admin/80 dated June 03, 2018 issued by Bangladesh Securities and Exchange Commission under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), we have been working towards redefining the Corporate Governance Framework of our Company.

Company Performance:

Dear shareholders, please allow me to take you all through the comparative analysis of the financial performance and financial position of our Company for the last five years. If we consider 2013-2014 to be the base year for the sake of our comparative breakdown, we can see that overall the Company has been enjoying a positive trend in the case of both the financial performance and financial position. If we consider the Net Sales Revenue, in 2013-2014 it was BDT 2,960.86 Million and it has been increasing positively and in 2017-2018 it was BDT 3,661.32 Million. The Gross Profit was BDT 531.33 Million in 2013-2014 and this has also been increasing positively and in 2017-2018 it was BDT 658.14 Million. The Net Profit was BDT 107.22 Million in 2013-2014 and this has also been increasing positively and in 2017-2018 it was BDT 154.50 Million.

If we also take a look at the financial ratios, we will see that Current Ratio which was 1.34 times in 2013-2014 which rose to 1.85 times in 2017-2018. Debt Equity Ratio too has a positive trend and was 4.04 times in 2013-2014 which later turned to 1.66 times in 2017-2018. This downward trend shows that the Company has been properly managing the leverage. The Return on Total Assets was 5.52% in 2013-2014 and this has also been increasing positively and in 2017-2018 it was 7.9%. The Net Asset Value per Share and Earnings per Share have also had a positive trend over the last five years. The Net Asset Value was BDT 29.19 in 2013-2014 which later turned to BDT 49.25 in 2017-2018. The Earnings per Share was BDT 13.20 in 2013-2014 which saw a decreasing trend in the middle but later turned to BDT 11.02 in 2017-2018.

Now let us take a look at the peer industry scenario and have a comparison with them in regards to our performance. If we look at the industry, we will find that there are many competitors but also see that the product lines of many of the listed companies do not match with those of ours. Only two of the listed company's products lines match with us and so we can go for comparisons with those two companies; namely Marico Limited and Keya Cosmetics Limited. Now, if we look at the three year's trend of ratios with our peer companies, we can get a clear picture about our position:

Year	2016-17			2015-16			2014-15		
	KCCL	Marico	Keya	KCCL	Marico	Keya	KCCL	Marico	Keya
Current Ratio (times)	1.86	1.60	3.53	1.43	1.56	4.24	1.34	1.42	3.49
Return on Total Assets (%)	9.59	38.26	6.30	6.98	40.32	5.60	5.52	38.38	1.24
Net Asset Value per share	45.46	54.4	15.37	34.25	54.3	13.59	32.35	50.20	13.10
Earnings per Share (BDT)	12.04	45.72	2.01	9.79	44.89	1.87	9.01	42.69	0.24

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to Credit risk, Liquidity risk, Market risk, Currency risk and Interest-rate risk. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Future Plan:

Dear friends, we always formulate our strategies keeping in mind about providing the best quality and attaining utmost customer satisfaction. In this regard, we have already been able to successfully establish ourselves as one of the top companies in the local market. Now we are working towards competing with the MNCs and also surpass them.

The management is also focused about not letting the next financial year: i.e. 2018-19's political turmoil due to the national election, upset the business of our Company. The management is taking proactive measures so that the political instability does not have any negative impact on the performance of the Company.

Dear Shareholders, I hope that I have been able to explain the overall performance of the Company and ensure that our Company is on the right track. I would therefore like to end my speech by expressing sincere thanks to the management team and all employees for their efforts and performance to improve our Company and make it more competitive. And I would like to thank all of you for your continued confidence in us. I am closing my report with the expectation of your continued support and trust in us.

Thank you,

Sd/-

Md. Rezaul Karim
Chief Executive Officer



Directors' Report

for the year ended June 30, 2018

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report, prepared under section 184 of the Companies Act, 1994, together with the Audited Accounts of the company for the year ended on June 30, 2018 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, 2018:

Particulars	2017-18	2016-17	% increase
Net Sales Revenue (BDT)	3,661,324,088	3,393,185,456	8%
Cost of Goods Sold (BDT)	3,003,180,758	2,784,391,769	8%
Gross Profit (BDT)	658,143,330	608,793,687	8%
Operating Profit (BDT)	229,808,479	208,547,887	10%
Net Profit (BT) (BDT)	211,402,321	196,435,935	8%
Net Profit (AT) (BDT)	154,496,808	146,795,605	5%
Earnings per Share	11.02	10.47	5%

The Company recorded 8% growth in net sales revenue during the financial year 2017-18 over previous year. Such significant revenue growth has derived mainly from the sale of powder (36% increase), snow and cream (29% increase), detergent (29% increase) and hair oil (25% increase)

products. The operating profit amounted to BDT 229.81million, showing an increase (10%) with respect to June 30, 2017 (BDT 208.55 million). In addition to that net profit after tax shows a growth of 5% compared to previous year's figure of BDT 146.80 million.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

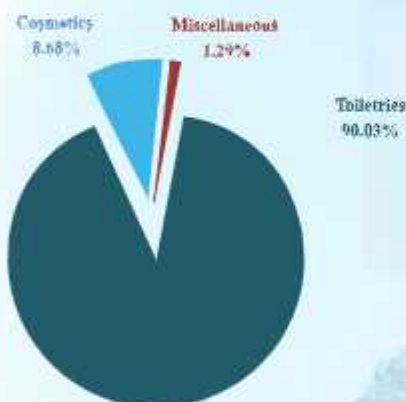
Kohinoor Chemical Company (Bangladesh) Limited, a member of the Cosmetics and toiletries industry of Bangladesh, is operating its business in a single market segment i.e consumer goods market within and outside the territory of Bangladesh. All products of KCCL are categorized under three product lines-

- 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

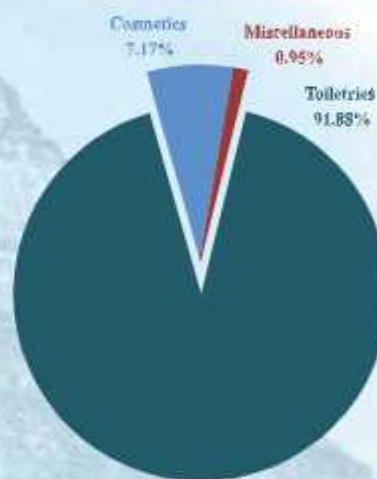
Product Line Wise Gross Sales:

Year	Toiletries Products	Cosmetics Products	Miscellaneous Products	Total Revenue
2017-18	3,811,141,350	367,465,188	54,563,583	4,233,170,121
2016-17	3,601,719,883	280,874,288	37,418,549	3,920,012,720

Sales Portfolio in 2017-18



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

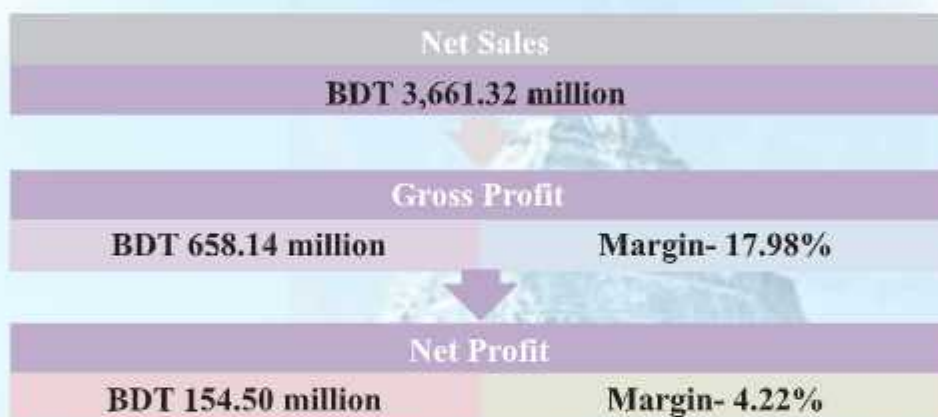
Risk, Exchange Rate Risk, potential changes to limits. In Global or National policies, threats arising from the negative impacts on environment are some of the risks that KCCL takes into consideration.

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 relative to net sales decreased and COGS compared to net sales remained 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	
	2017-18	2016-17	2017-18	2016-17
Direct Materials	2,735,919,762	2,553,930,500	91.10	91.72
Factory Overhead	276,126,653	249,123,403	9.20	8.95
Manufacturing Cost	3,012,046,415	2,803,053,903	100.30	100.67
WIP (Opening-Closing)	(14,892,315)	6,567,356	(0.50)	0.24
FG (Opening-Closing)	6,026,658	(25,229,490)	0.20	(0.91)
Cost of Goods Sold	3,003,180,758	2,784,391,769	100.00	100.00



CAPITAL EXPENDITURES

Keeping in mind the importance to acquire or upgrade the physical assets to maintain or increase the scope of their operations, Kohinoor Chemical Company (Bangladesh) Limited made the following acquisitions during the year:

Additional Investment	2017-18	2016-17
Land & Land Development	-	-
Building	-	-
Plant and Machinery	22,366,099	5,596,342
Vehicles	-	6,871,242
Furniture & Fittings	-	-
Office Equipment	99,400	55,000
Other Assets	245,300	1,509,900
Total	22,710,799	14,032,484

EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements prepared for the financial year 2017-18 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 IAS / IFRS, 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 2017-18. Therefore, no explanation is necessary in regards to this.

EXPLANATION ABOUT SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

Significant variation has occurred between the quarterly and annual financial statements of the company during the year mainly due to the strict cost management which ultimately reduced the operating expenses significantly during the last quarter.

REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTOR

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 to 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) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh.

- Internal Control System is sound in design and implemented and monitored effectively.
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- Key operating and financial data of preceding five years have been included in the report.

- No Bonus share or stock dividend has been or shall be declared as interim dividend.

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:

Net profit for the Year (2017-18)	154,496,808	
Add: Profit brought forward from previous year	<u>388,492,497</u>	
	Profit available for distribution	542,989,305
Less: Appropriation proposed:		
Cash Dividend @ 10%	(14,015,625)	
Stock Dividend @ 20%	<u>(28,031,250)</u>	
		<u>42,046,875</u>
	Transfer to retained earnings	500,942,430



SHAREHOLDING STRUCTURE OF THE COMPANY

The present shareholding structure of the Company is shown in Annexure No 1.

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 2017-18, your company has contributed an amount of BDT 670.52 million Corporate Tax, Value Added Tax (VAT) and different other duties; compared to BDT 578.07 million in the last year. This contribution is equivalent to 18.31% 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 2017-18 were as follows:

Name	Status	Meeting held	Meeting Attended
Mr. Mohammad Obaidul Karim	Chairman	5	5
Mr. Md. Rezaul Karim	Managing Director	5	5
Mr. Md. Ebadul Karim	Director	5	5
Mrs. Arzuda Karim	Director	5	5
Mrs. NurunNahar	Director	5	5
Mrs. Shirin Akhter	Director	5	5
Mr. Quazi Mamun-Ul-Ashraf	Independent Director	5	5
Dr. M. Shamsher Ali	Independent Director	5	5
Mr. Abu Bakar Siddique	Chief Financial Officer	5	5
Mr. Md. Ferdous Jaman	Company Secretary	5	5

DECLARATION OF DIVIDEND

With the Directors' recommendation for a cash dividend of BDT 1.00 (10%) per share and stock dividend of 20% per share for the year under review, the Company will have a payout of BDT 42,046,875.00 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 22, 2018.



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.

Pursuant to the above, Mrs. Nurun Nahar and Mrs. Shirin Akhter, will retire by rotation and as being eligible, the Board has recommended to re-elect and re-appoint them as the Directors of the Company, subject to approval of the Shareholders in the upcoming AGM.

This is further to inform here that Mr. Quazi Mamun-Ul-Ashraf, the Independent Director, is going to complete his first tenure in December 2018 with great success and now, considering his strong business track record and unparalleled experience and efficiency, the Board of Directors has recommended to reappoint him for another term, in compliance with the Notification No.BSEC/CMRRC-D/2006-158/207/Admin/80 dated June 03, 2018 imposed by BSEC, subject to the approval of the shareholders in this AGM.

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, 2018, will retire at the conclusion of the ensuing Annual General Meeting.

Based on condition 2(2)(3) of BSEC Notification No.SEC/CMRRC-D/2006-158/208/Admin/81 dated 20 June, 2018, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same company. M/S Toha Khan Zaman & Co. has been holding the office of statutory auditors of the Company for last three consecutive financial years.

In compliance with said BSEC Notification, the Company requires to appoint new statutory auditors for the upcoming financial year. After scrutinizing a number of CA firms' profile and necessary expertise, the Board has recommended M/S S.F. Ahmed & Co., Chartered Accountants, to be appointed as statutory auditors of KCCL for the year 2018-2019 and to continue till the next AGM, subject to the approval of the Shareholders in the upcoming AGM.

APPOINTMENT OF COMPLIANCE AUDITORS

In compliance with the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006- 158/207/ Admin/80 dated June 03, 2018, a listed Company requires to appoint Compliance Auditors on the newly published Corporate Governance Code and collect the Compliance report thereon, who shall be appointed by the shareholders in the AGM. However, M/S Poddar & Associates, has been appointed as the Compliance Auditors for the financial year under report and their report has been published in 'Annexure to the Directors' Report' in details. Considering the conditions imposed by the Code and necessary expertise, the Board has recommended to appoint M/S Poddar & Associates as the Compliance Auditors for the financial year to be ended on 30th June, 2019, subject to the approval of the Shareholders in the ensuing AGM.

STATUS OF COMPLIANCE

In accordance with the requirements stipulated in the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006- 158/207/Admin/80 dated June 03, 2018 and Notification No. issued under section 2CC of the Securities and Exchange Ordinance 1969, the detailed required disclosures are shown in the next chapter Annexure No (vii) to the Directors' Report'. Along with this, we have appointed M/S Poddar & Associates, 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

Category wise Ownership of Company As on June 30, 2018

Name of Shareholders	Status	No. of Shares	Shareholding %
I. Parent/ Subsidiary/Associates and Other Related Parties:		0	0
ii. Directors:			
Mr. Mohammad Obaidul Karim	Chairman	3,006,351	21.45
Mr. Md. Rezaul Karim	Managing Director	506,178	3.61
Mr. Md. Ebadul Karim	Director	1,096,191	7.82
Mrs. Arzuda Karim	Director	817,109	5.83
Mrs. Nurun Nahar	Director	701,352	5.00
Mrs. Shirin Akhter	Director	701,125	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 compliance and their Spouses and Minor Children:			
Mr. Md. Rezaul Karim	Chief Executive Officer	506,178	3.61
Mr. Abu Bakar Siddique	Chief Financial Officer	-	-
Mr. Md. Ferdous Jaman	Company Secretary	-	-
Mr. Mohd. Shamim Kabir	Head of Internal Audit & Compliance	-	-
iv. Executives:			
Mr. Md. Abul Khair	Director (Company 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	3,006,351	21.45

Type of Shareholders	No. of Shares	Shareholding %
Sponsors /Directors	6,829,106	48.72%
Institutional	2,016,656	14.39%
General Public	5,169,863	36.89%
Total	14,015,625	100.00%



Compliance of Notification No.BSEC/CMRRCD/2006-158/207/Admin/80
Dated June 03, 2018

1. Board of Directors:

1.1 Board Size:

In compliance with the requirements by the code of BSEC, KCCL's Board of Directors comprises 8 (eight) members including 2 (two) Independent Directors as on June 30, 2018.

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 Mr. 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 (b) 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 during the reporting financial year.
- (v) The tenure of office of the Independent Directors nominated above shall be 3 (three) years which may be extended for 1 (one) term only.

However, Mr. Quazi Mamun-Ul Ashraf, has successfully completed his term as the Independent Director of the Company.

Considering his experience and caliber of making time worthy decisions, the Board has recommended him to be reappointed as the ID for the 2nd term, subject to the approval of the Shareholders in the General Meeting.

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 laws, regulatory requirements and corporate laws and can make meaningful contribution to business.
- (ii) Independent Directors, 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) Both the independent directors have more than ten years of experience in their fields.
- (iv) No relaxation of the qualification of ID is required.

1.4 Duality of Chairman of the Board and Managing Director or Chief Executive Officer:

The positions of the Chairman and the Managing Director of the Company are filled by different individuals. Mr. Mohammad Obaidul Karim, Non-Executive director, is the Chairman and Mr. Md. Rezaul Karim is the Managing Director as well as the Chief Executive Officer of the Company.

Md. Rezaul Karim does not hold the same position in another listed company. Their roles and responsibilities have been defined clearly. The Chairman was not absent from any board meeting held during the year under review.

1.5 The Director's Report to Shareholders:

All the requirements have been fulfilled and disclosed properly.

1.6 Meetings of the Board of Directors:

Regarding the conduct of board meeting and the maintenance of record of the minutes of meetings, BSEC's requirements under this section have been properly complied with.

1.7 Code of Conduct for the Chairman, other Board members and Chief Executive Officer:

In Compliance with the new Corporate Governance Code imposed by BSEC, the existing code of conduct for the Board members including the Chairman and the Managing Director/Chief Executive Officer of the Company is under review of the newly formed Nomination & Remuneration Committee to conform to the above mentioned Corporate Governance Code. After finalizing of the said code of conduct, the same shall be posted as on the website of the Company.

2. Governance of Board of Directors of Subsidiary Company:

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

3. Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):

3.1 Appointment:

The following four different persons have been appointed for the post of MD/CEO, CFO, the HIAC and the CS:

Managing Director or Chief Executive Officer:
Mr. Md. Rezaul Karim

Chief Financial Officer:
Mr. Abu Bakar Siddique

Head of Internal Audit and Compliance:
Mr. Mohd. Shamim Kabir

Company Secretary:
Mr. Md. Ferdous Jaman

Note: In compliance with the new Corporate Governance Code imposed by BSEC, Mr. Md. Ferdous Jaman will be replaced by a new individual in the position of Company Secretary within December 31, 2018 as Mr. Jaman is holding the same position in another listed Company.

Their roles and responsibilities have been defined clearly and they excluding the Company Secretary don't hold any executive position in any other company other than KCCL at the same time. Regarding their removal from their respective position, appropriate actions will be taken as per the requirements of Corporate Governance Code.

3.2 Attendance at the meeting of BOD:

The MD or CEO, CFO and CS regularly attended the board meeting held during the reporting financial year. However the HIAC will attend the board meeting to held in the next financial year as per the new corporate governance code.

3.3 Duties of MD or CEO and 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 V of this Annual Report.

4. Board's Committee:

The Board has established Audit Committee and Nomination and Remuneration Committee as the sub-committees of the Board for maintaining better governance in the company.

5. Audit Committee:

5.1 Responsibility to the BOD:

The Board has constituted an Audit Committee as a sub-committee of the Board in order to assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs and in ensuring a good monitoring system within the business. They are accountable to the board for their duties and responsibilities.

5.2 Constitution of the Audit Committee:

The Audit Committee comprises of 3 (three) members, non-executive directors, 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. Also the quorum of the committee did not constitute without at least one independent director.

5.3 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.

5.4 Meeting of the Audit Committee:

The quorum of the Audit Committee meeting is constituted in presence of either two members or two third of the members of the committee, whichever is higher, where presence of an independent directors is must. During the reporting period, the committee met five times in order to carry out its duties and responsibilities

5.5 Role of Audit Committee:

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

5.6 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.

5.7 Reporting to the Shareholders and General Investors:

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

6. Nomination and Remuneration Committee:

6.1 Responsibility to the BOD

The Board has recently constituted a Nomination and Remuneration Committee as a sub-committee of the Board in order to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives as well as a policy for formal process of considering their remuneration.

6.2 Constitution of the NRC:

The Committee comprises of 3 (three) members, non-executive directors, including 1 (one) Independent Director. The Company Secretary acts as the Secretary of the Committee. Also the quorum of the committee does not constitute without attendance of at least one independent director. The members of the committee are not entitled to receive any remuneration for any advisory or consultancy role.

6.3 Chairman of the NRC:

Mr. Quazi Mamun-Ul Ashraf, Independent Director of the Company, has been appointed as the Chairman of the NRC. He will also attend the Annual General Meeting following the BSEC guidelines.

6.4 Meeting of the NRC:

The quorum of the Audit Committee meeting is constituted in presence of either two members or two third of the members of the committee, whichever is higher, where presence of an independent directors is must. No meeting was held during the reporting period since the committee has been formed after the end of financial year.

6.5 Role of NRC:

The Committee is accountable to the Board and to the shareholders for its activities and has the responsibilities according to the guidelines given by BSEC.

7. External or 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 statutory auditors were not involved in the services mentioned under condition no 7 of the

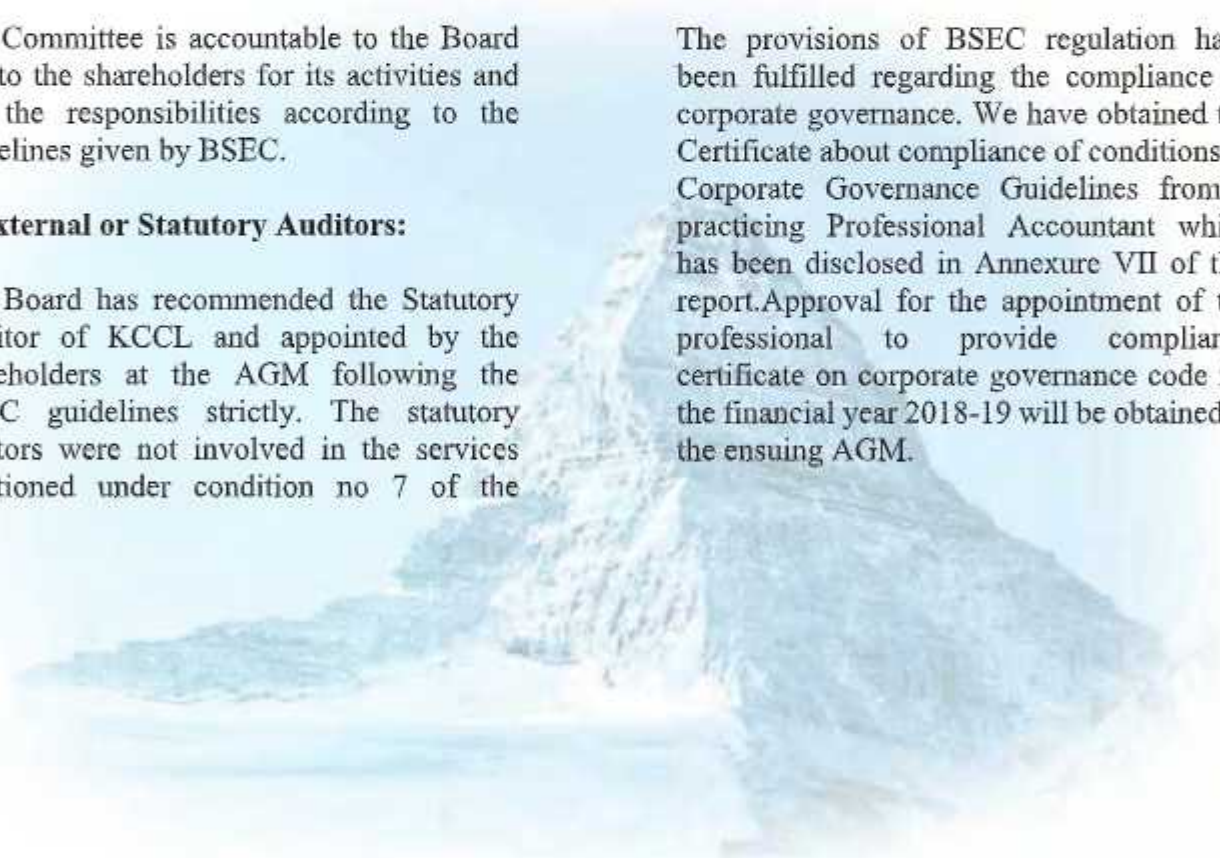
Corporate Governance Code imposed by BSEC. Furthermore, no partner or employees or their family members does not hold any shares in the company particularly during the tenure of their audit assignment and representative of the external auditors will be present in the AGM to answer the queries of the shareholders.

8. Maintaining a website by the company:

The company has its official website linked with the website of both the stock exchanges. It is the responsibility of the company to keep the website up to date and functional and make available the detailed disclosures as required under the listing regulations.

9. 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 VII of this report. Approval for the appointment of the professional to provide compliance certificate on corporate governance code for the financial year 2018-19 will be obtained in the ensuing AGM.



Report on the Activities of Audit Committee to the Shareholders

Dear 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/CMRRC-D/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 5.

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 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. 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 till August 29, 2018	Managing Director
	Mrs. Arzuda Karim	Member since August 29, 2018	Director
3	Mr. Md. Ebadul Karim	Member	Director

Secretary: Mr. Md. Ferdous Jaman

The Committee was reconstituted due to the compliance issues with the new Corporate Governance Code. As per the new Code, all the members of the committee need to be the Non-Executive Directors. As Mr. Md. Rezaul Karim, the Managing Director, is the Executive Director of the Company, he was replaced by Mrs. Arzuda Karim, one of the Non-Executive Directors of Kohinoor Chemical Company BD Limited. The Board at its meeting held on August 29, 2018 has approved this change.

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 five (5) times during the financial year 2017-18 and the attendance of the members and secretary of Committee is as below:

Members	Status	Meetings attended
Mr. Quazi Mamun Ul Ashraf	Chairman	5/5
Mr. Md. Rezaul Karim	Member till August 29, 2018	5/5
Mrs. Arzuda Karim	Member since August 29, 2018	5/0
Mr. Md. Ebadul Karim	Member	5/5
Mr. Md. Ferdous Jaman	Company Secretary	5/5

Scope of Work of Audit Committee:

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

3. 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.
4. Monitoring and reviewing the integrity of the financial reporting process ensuring compliance to the accounting policies and principles, internal control risk management process.
5. Ensuring the adequacy of internal audit and compliance function and considering the major findings of the internal audit and compliance report.

6. 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.

7. Reviewing statement of significant related party transactions submitted by management.

8. Recommending to the Board the appointment, re-appointment or removal of external auditors and overseeing their performance as well.

9. Holding meeting with external auditors for review of the annual financial statements before submission to the Board for approval

1. Reviewing the management's discussion and analysis before disclosing in the annual report.

2. Monitoring and overseeing the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit.

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 2017-18, the audit committee met five times to discharge its duties and responsibilities and accordingly forwarded their reports to the Board. Besides, there was no other issue arose in 2017-18 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, 2018.



Report from the Audit Committee

Dated: November 04, 2018

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, 2018.

Dear Sirs:

In terms of the condition No.5.7 conferred by the Notification No.BSEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 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.

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.

The committee also monitored the hiring, determination of audit fees and performance of the external auditors as well as held meeting with external auditors for review of the annual financial statements before submitting to the Board.

M/S Toha Khan Zaman & Co., Chartered Accountants were the External Auditors of Kohinoor Chemical Company (BD) Limited for last three consecutive years and as per BSEC Notification, an audit firm cannot be engaged for more than three consecutive years as statutory auditors of the same company. Considering the Situation, the Audit Committee has reviewed a number of Expression of Interest (EOI) of audit firms. Considering the experience and eligibility as appeared most appropriate and proficient to perform the external audit, the Audit Committee has recommended M/S S.F. Ahmed & Co., Chartered Accountants, to be appointed as the new Statutory Auditors of the Company for the upcoming financial year.

On behalf of the Committee

Sd/-

Quazi Mamun-Ul Ashraf
Chairman

Scope of Work of NRC:

The committee is entrusted with the responsibility to oversee, among others, the following matters and make report with recommendation to the Board:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

-the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

-the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

-remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

2. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

3. Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

4. Formulating the criteria for evaluation of performance of independent directors and the Board;

5. Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

6. Developing, recommending and reviewing annually the company's human resources and training policies.

The committee has already started working on the formulation of nomination and remuneration criteria for the directors and the top level executives. In addition, the committee is currently involved in setting criteria for the selection, transfer, replacement, promotion and the development of human resources at various levels. Therefore, the nomination and remuneration policy will be disclosed after finalizing the policies in the next financial year's annual report.

Report on the Activities of Nomination & Remuneration Committee to the Shareholders

Dear Shareholders,

It is a pleasure on the part of the Nomination and Remuneration Committee to introduce this report by taking into account of the Guidance on Nomination and Remuneration Committee by the Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 6.

Constitution and Assistance of the Audit Committee to the Board:

The Nomination and Remuneration Committee of Kohinoor Chemical Company (BD) Limited has recently been formed as a sub-committee of Board as per the terms of reference approved by the Board in accordance with the notification of BSEC. The committee's function is to support and assist the board in fulfilling its oversight responsibilities in areas such as formulating nomination and remuneration criteria for directors and top level executives. The NRC 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	Mrs. Arzuda Karim	Member	Director
3	Mr. Md. Ebadul Karim	Member	Director

Secretary: Mr. Md. Ferdous Jaman

The committee was constituted as per the new Corporate Governance Code. As per the new Code, all the members of the committee need to be the Non-Executive Directors. Therefore Mr. Quazi Mamun-Ul Ashraf, Mrs. Arzuda Karim and Mr. Md. Ebadul Karim have been appointed as the members of this committee. The Board at its meeting held on August 29, 2018 has approved this committee.

Mr. Quazi Mamun-Ul Ashraf stood as the Chairman of the Audit Committee duly selected and approved by the Board. The committee has been formed after the end of the reporting financial year. However, the Chairman of NRC will attend the ensuing General Meeting of the Company's shareholders to answer any queries on the Committee's 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 death, resignation, disqualification or removal of any members or any other reasons by any Committee members, there was no such situation arose during the year under review occurring vacancy in the committee.

The NRC Committee has been established after the end of the reporting financial year. As a result, no meeting was held during the financial year 2017-18

Report of the CEO and CFO to the Board
to the Shareholders

Kohinoor Chemical Company (BD) Limited
Declaration by CEO and CFO

Date: November 04, 2018

The Board of Directors
Kohinoor Chemical Company (BD) Limited
36, ShahidTajuddin Ahmed Sarani, Tejgaon
Dhaka-1208

Subject: Declaration on Financial Statements for the year ended on June 30, 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No.SEC/CMRRC-D/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

01. The Financial Statements of Kohinoor Chemical Company (BD) Limited for the year ended June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
02. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
03. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
04. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
05. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
06. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended June 30, 2018 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Md. Rezaul Karim
Chief Executive Officer (CEO)

Sd/-

Abu Bakar Siddique
Chief Financial Officer (CFO)



Compliance Report on IAS and IFRS

IAS No.	IAS 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	Separate Financial Statements	N/A
28	Investment in Associates & Joint Ventures	N/A
29	Financial Reporting in Hyperinflationary Economies	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
IFRS No.	IFRS 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 Discontinued 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	Applied
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

Report to the Shareholders of Kohinoor Chemical Co.(Bangladesh) Ltd. on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Kohinoor Chemical Co.(Bangladesh) Ltd.** for the year ended on June 30, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission Except under conditions number 1(2)(c),1(4)(b),1(7)(a),1(7)(b),3(1)(c) & 9(2).
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws , and
- (d) The governance of the company is satisfactory

Place: Dhaka
Dated:10 November 2018

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓	-	-
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓	-	-
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓	-	-
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓	-	-
1(5)(xvii)	A statement that there is no Significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓	-	-
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓	-	-
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓	-	-
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A	-	The Company has Declared 20% Stock & 10% cash Dividend for the year 2017-2018
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	N/A	-	-
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓	-	-
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓	-	-
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name-wise details);	✓	-	-
1(5)(xxiii)(c)	Executives;	✓	-	-
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details).	✓	-	Mr. Mohaamd Obaidul Karim is holding 21.45% Share of the Company
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-	✓	-	Mrs. Nurun Nahar & Mrs. Shirin Akther have been recommended for re-appointment by the BOD.
1(5)(xxiv)(a)	a brief resume of the director	✓	-	-
1(5)(xxiv)(b)	nature of his/her expertise in specific functional areas;	✓	-	-
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓	-	-
1(5)(xxv)	A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on;			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓	-	-
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	-	-	N/A
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓	-	-
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓	-	-
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓	-	-
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓	-	-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓	-	-
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓	-	-
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓	-	-
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	-	✓	Under review of NRC
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company	-	✓	Will be complied after finalization of the code of conduct
2	Governance of Board of Directors of Subsidiary Company:-			KCCL does not have any Subsidiary Company
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		-	N/A
2(b)	At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company;		-	N/A
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.		-	N/A
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;		-	N/A
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		-	N/A
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):-			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓	-	In practice
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓	-	In practice
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;		✓	Will be complied by 31st December, 2018
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	-	In practice
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	-	In practice
3(2)	Requirement to attend Board of Director's Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	✓	-	In practice
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief;			
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	-	-
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the code of conduct for the company's Board or its member;	✓	-	-
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓	-	-
4.	Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee;	✓	-	-
4(ii)	Nomination and Remuneration Committee	✓	-	-
5.	Audit Committee.-			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓	-	-
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓	-	-
5(1)(c)	The Audit Committee shall be responsible to the Board;the duties of the Audit Committee shall be clearly set forth in writing.	✓	-	-
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓	-	-
5(2)(b)	The Board shall appoint members of the audit committee who shall benon-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓	-	-
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10(ten)years of such experience;	✓	-	-
5(2)(d)	When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓	-	-
5(2)(e)	The company secretary shall act as the secretary of the Committee.	✓	-	-
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓	-	-
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director;	✓	-	-
5(3)(b)	In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reson of absence of the regular chairperson shall be duly recorded in the minutes.	✓	-	-
5(3)(c)	Chairperson of the Audit Committee shall remin present in the Annual General Meeting(AGM):	✓	-	-
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓	-	-
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓	-	-
5(5)	The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	✓	-	-
5(5)(b)	Monitor choice of accounting policies and principles;	✓	-	-
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance plan and review of the Internal Audit and Compliance Report;	✓	-	-
5(5)(d)	Oversee hiring and performance of external auditors.	✓	-	-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓	-	-

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓	-	-
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;	✓	-	-
5.5(h)	Review the adequacy of internal audit function;	✓	-	-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓	-	-
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓	-	-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓	-	-
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓	-	-
5(5)(m)	Oversee whether the proceeds raised through Initial public Offering(IPO) or Repeat public Offering(RPO) or Rights Share offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission;	-	-	N/A
5(6)(a)	Reporting of the Audit Committee			
5(6)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓	-	
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	report on conflicts of interests;	-	-	No such Incidence arose
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal internal audit and compliance process or in the financial statements;control system;	-	-	No such Incidence arose
5(6)(a)(ii)(c)	suspected infringement of laws,regulatory compliances including securities related laws, rules and regulations;	-	-	No such Incidence arose
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-	-	No such Incidence arose
5(6)(b)	Reporting to the Authorities:-			
	if the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-	-	No such reportable incidence arose
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓	-	-
6.	Nomination and remuneration Committee(NRC):-			NRC has been established by the Board it will operate as per scope of work defined by the CGC.
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	-	-	-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	-	-	
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	-	-	
6(2)	Constitution of the NRC	-	-	
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	-	
6(2)(b)	All member of the Committee shall be non-executive directors;	-	-	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	-	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	-	

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	-	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	-	-	
6(3)	Chairperson of the NRC	-	-	
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	-	Mr. Quazi Mamun-Ul-Ashraf Independent Director of the Company has been appointed as the Chairman of NRC.
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-	-	Though the NRC was formed after the reporting period, the Charman of NRC will be present in the ensuing AGM
6(4)	Meeting of the NRC	-	-	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	NRC was formed after the reporting Financial Year and hence, no such meeting held during the reporting year
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-	-	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-	-	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-	-	
6(5)	Role of the NRC	-	-	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	-	-	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-	-	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:	-	-	
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	-	-	
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	-	-	
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	-	-	
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-	-	
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-	-	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	-	-	
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-	-	

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	-	-	-
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-	-	-
7.	External or Statutory Auditors			
7(1)	The issuer shall not engage its external or statutory auditors to perform the following services of the company, namely :-			
7(1) (i)	Appraisal or valuation services or fairness opinions;	\checkmark	-	-
7(1) (ii)	Financial information system design and implementation;	\checkmark	-	-
7(1) (iii)	Book-keeping or other services related to the accounting records or financial statement;	\checkmark	-	-
7(1) (iv)	Broker -dealer services;	\checkmark	-	-
7(1) (v)	Actuarial services;	\checkmark	-	-
7(1) (vi)	Internal audit services or special audit services;	\checkmark	-	-
7(1) (vii)	Any services that the Audit Committee determines.	\checkmark	-	-
7(1) (viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	\checkmark	-	-
7(1) (ix)	Any other service that creates conflict of interest	\checkmark	-	-
7(2)	No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	\checkmark	-	-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	\checkmark	-	-
8.	Maintaining a website by the Company.-	\checkmark	-	-
8(1)	The Company shall have an official website linked with the website of the stock exchange.	\checkmark	-	www.Kohinoor-bd.com
8(2)	The company shall keep the website functional from the date of listing.	\checkmark	-	-
8(3)	The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s)	\checkmark	-	-
9.	Reporting and Compliance of Corporate Governance.-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report			-
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting.			Board recommended Poddar & Associates for their appointment by the Shareholders as the Corporate Governance Compliance Auditors for the year 2018-2019 in Upcoming AGM.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.			

**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 2018, 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 International Financial Reporting Standards (IFRS), 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 International Standards on Auditing (ISA). 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 2018, and its financial performance for the year then ended in accordance with the International Financial Reporting Standards (IFRS) 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
31 October 2018

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



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2018

(Figures in BDT)

PARTICULARS	NOTE	AS AT 30-06-2018	AS AT 30-06-2017
ASSETS:			
I. Non-Current Assets:			
Property, Plant and Equipment	4.00	307,824,838	312,849,492
Goodwill	5.00	0	7,144,400
Total Non-Current Assets:		<u>307,824,838</u>	<u>319,993,892</u>
II. Current Assets:			
Investment in Marketable Securities	6.00	185,134,228	147,542,355
Inventories	7.00	750,731,088	478,086,812
Accounts Receivable	8.00	2,327,760	2,167,018
Advances, Deposits & Pre-payments	9.00	471,032,537	315,975,211
Short Term Investment (FDR)	10.00	30,086,724	28,680,150
Related Party Transaction	11.00	3,793,304	3,890,602
Cash and Cash Equivalents	12.00	183,199,401	234,473,700
Total Current Assets:		<u>1,626,305,043</u>	<u>1,210,815,848</u>
Total Assets (A)=(I+II):		<u>1,934,129,881</u>	<u>1,530,809,740</u>
SHAREHOLDERS' EQUITY & LIABILITIES:			
III. Shareholders' Equity:			
Share Capital	13.00	140,156,250	121,875,000
Revaluation Reserve	14.00	7,143,605	7,143,605
FVOCI reserve		37,588,366	0
Retained Earnings	15.00	542,989,305	425,054,997
Total Shareholders' Equity:		<u>727,877,526</u>	<u>554,073,602</u>
IV. Non-Current Liabilities:			
Long Term Loan	16.00	326,089,784	326,089,784
Total Non-Current Liabilities:		<u>326,089,784</u>	<u>326,089,784</u>
V. Current Liabilities:			
Short Term Loan	17.00	142,909,410	30,888,539
Sundry Creditors	18.00	313,551,201	404,740,938
Accrued Liabilities	19.00	362,284,032	155,485,384
Dividend Payable	20.00	15,024,180	13,733,281
Provision for Gratuity	21.00	15,963,367	16,780,235
Deferred Tax Liability	22.00	30,430,380	29,017,977
Total Current Liabilities:		<u>880,162,570</u>	<u>650,646,354</u>
Total Shareholders' Equity & Liabilities (B)= (III+IV+ V):		<u>1,934,129,881</u>	<u>1,530,809,740</u>
Contingent Liability	23.00	<u>268,101,570</u>	<u>268,101,570</u>
Net Asset Value (NAV)/Total No. of Shares		<u>51.93</u>	<u>39.53</u>
Per Value (Tk.)		<u>10</u>	<u>10</u>

1.00 The Annexed notes from 01 to 40 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
31 October 2018

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 30 JUNE 2018

(Figures in BDT)

PARTICULARS	NOTE	AS AT 30-06-2018	AS AT 30-06-2017
Turnover (Net of VAT)	24.00	3,661,324,088	3,393,185,456
Less: Cost of Goods Sold	25.00	(3,003,180,758)	(2,784,391,769)
Gross Profit:		658,143,330	608,793,687
Less: Operating Expenses:			
General & Administrative Expenses	26.00	59,044,957	54,883,450
Marketing, Selling & Distribution Expenses	27.00	369,289,894	345,362,350
Total Operating Expenses:		428,334,851	400,245,800
Operating Profit:		229,808,479	208,547,887
Less: Financial Expenses	28.00	(7,637,229)	(7,759,766)
Less: Impairment Charge on Goodwill	5.00	(7,144,400)	(2,381,466)
Net Profit after Financial Expenses		215,026,850	198,406,655
Income from Other Sources	29.00	6,945,587	7,851,077
Net Profit before Contribution to WPPF		221,972,437	206,257,732
Less: Contribution to WPPF and Welfare Fund	30.00	(10,570,116)	(9,821,797)
Net Profit before Tax:		211,402,321	196,435,935
Less: Provision for Income Tax @ 25%	31.00	(55,493,109)	(50,572,553)
Deferred Tax Income/(Expense)	32.00	(1,412,404)	932,223
Net profit after tax for the year		154,496,808	146,795,605
Other Comprehensive Income:			
Net profit after tax for the year		154,496,808	146,795,605
Item that will not be reclassified to profit or loss:			
Unrealized Gain on quoted shares		37,588,366	0
Total Comprehensive Income for the year		192,085,174	146,795,605
No. of Shares		14,015,625	14,015,625
Earnings per Share (EPS):	33.00	11.02	10.47

1.00 The Annexed notes from 01 to 40 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
31 October 2018

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

Status of Compliance with the Corporate Governance Code (CGC) Corporate Governance

the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors.-			
1(1)	Size of the Board of Directors			
	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	√	-	The KCCL's Board is comprised of 8 Directors.
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	√		02 out of 8 directors are appointed as Independent Director
1(2)(b)(i)	Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√	-	The Independent Directors have declared their compliances.
1(2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√	-	Do
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2(two) financial years;	√	-	Do
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	√	-	Do
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange;	√	-	Do
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√	-	Do
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√	-	Do
1(2)(b)(viii)	Who is not an independent director in more than 5 (five) listed companies;	√	-	Do
1(2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√	-	Do
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√	-	Do
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	√		In practice
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days.	√		Do
1(2)(e)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	√	-	Mr. Quazi Mamun-Ul-Ashraf has been recommended to be re-appointed as the ID of the Company by the Board subject to the approval of the Shareholders in the upcoming AGM.
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	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.	√	-	The qualification and background of Independent Directors justify their ability as such.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	N/A	-	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	✓	-	Independent Directors are Knowledgeable individuals with integrity to ensure compliance with the Corporate Governance Code.
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or bussiness or law;	✓	-	-
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓	-	-
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓	-	-
1(3)(c)	The independent director(s) shall have at least 10(ten) years of experiences in any field mentioned in clause (b);	✓	-	-
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	✓	-	-
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.-	✓	-	-
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓	-	-
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;		✓	Will be complied by 31st December, 2018
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;			-
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/ or Chief Executive officer;	✓	-	-
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓	-	-
1(5)	The Directors' Report to the Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓	-	-
1(5)(ii)	The Segment-wise or product-wise performance;	✓	-	-
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓	-	-
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓	-	-
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications(gain or loss);	✓	-	-
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party,nature of transactions and basis of transactions of all related party transactions;	✓	-	-
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or through any others instruments;	-	-	N/A
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc;	-	-	N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performance and Annual Financial Statements;	✓	-	-
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓	-	-
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓	-	-
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓	-	-

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2018

(Figures in BDT)

PARTICULARS	Share Capital	Revaluation Reserve	FVOCI reserve	Retained Earnings	Total Equity
Year 2017-2018:					
Balance as at 01 July 2017	121,875,000	7,143,605	0	425,054,997	554,073,602
Add: Net Profit after Tax	0	0	0	154,496,808	154,496,808
Add: Unrealized Gain on quoted shares			37,588,366		37,588,366
Less: 15% Cash dividend for the year 2016-2017	0	0	0	(18,281,250)	(18,281,250)
Less: 15% Stock Dividend for the year 2016-2017	18,281,250	0	0	(18,281,250)	0
Balance at the end of the year 30 June 2018	140,156,250	7,143,605	37,588,366	542,989,305	727,877,526
Year 2016-2017:					
Balance as at 01 July 2016	101,562,500	7,143,605	0	308,728,142	417,434,247
Add: Net Profit after Tax	0	0	0	146,795,605	146,795,605
Less: 10% Cash dividend for the year 2015-2016	0	0	0	(10,156,250)	(10,156,250)
Less: 20% Stock Dividend for the year 2015-2016	20,312,500	0	0	(20,312,500)	0
Balance at the end of the year 30 June 2017	121,875,000	7,143,605	0	425,054,997	554,073,602

1.00 The Annexed notes from 01 to 40 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
31 October 2018

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

CASH FLOWS STATEMENT
FOR THE YEAR ENDED JUNE 30, 2018

(Figures in BDT)

PARTICULARS	NOTE	AS AT 30-06-2018	AS AT 30-06-2017
A. OPERATING ACTIVITIES:			
Collection against Sales		4,233,170,120	3,393,185,456
Payment to Creditors		(3,576,180,049)	(2,393,645,386)
Payment for AIT, VAT & SD		(773,908,100)	(578,073,077)
Net Cash Flow from Operating Activities	Taka:	(116,918,029)	421,466,993
B. INVESTING ACTIVITIES:			
Acquisition of Property, Plant & Equipment		(22,710,799)	(14,032,484)
Investment in Fixed Deposit		(1,406,574)	(1,951,205)
Investment in Marketable Security		(1,360)	(3,349)
Dividend Income		3,443,802	3,967,520
Sales Proceeds of Marketable Security		0	2,865
Proceeds from Sale of Property, Plant & Equipment		247,000	866,936
Net Cash Flow from Investing Activities	Taka:	(20,427,931)	(11,149,717)
C. FINANCING ACTIVITIES:			
Payment of Loan		0	(234,090,590)
Proceeds from Short Term Loan		112,020,870	0
Bank Interest & Others Paid		(7,637,229)	(7,759,754)
Dividend Paid		(17,495,112)	(10,355,774)
Gratuity Payment		(816,868)	(461,658)
Net Cash Flow from Financing Activities	Taka:	86,071,661	(252,667,776)
D. Net Cash Inflow/(Outflow) (A+B+C)		(51,274,299)	157,649,500
E. Opening Cash and Bank Balances:		234,473,700	76,824,199
F. Closing Cash and Bank Balances:		183,199,401	234,473,700
Net Operating Cash Flow per Share		(8.34)	30.07

- 1.00 Annexed notes from 01 to 40 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
31 October 2018

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 manufacturing and marketing of cosmetic and toiletries, i.e. soap, toothpaste, powders, shaving cream, hair oil etc.

1.04 Production Unit:

Production unit of the company is situated at 36, 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 International Accounting Standards (IAS)'s adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and International Financial Reporting Standard (IFRS) as applicable to the company. The Statement of Profit or Loss and Other Comprehensive Income have been prepared according to IAS 1 'Presentation of Financial Statements' under Generally Accepted Accounting Principles (GAAP) and practices in Bangladesh. Cash Flows Statement of the company has been prepared under direct method in accordance with IAS 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 IASs and IFRSs. 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 IAS are applicable to the financial statements for the year under review:

IAS 1 Presentation of Financial Statements

IAS 2 Inventories

IAS 7 Cash Flows Statements

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

IAS 10 Events after the Balance Sheet Date

IAS 12 Income Tax

IAS 16 Properties, Plant and Equipment

IAS 18 Revenue

IAS 19 Employee Benefits

IAS 21 The Effects of Changes of Foreign Exchange Rates

IAS 23 Borrowing Costs

IAS 24 Related Parties Disclosure

IAS 33 Earnings per Share

IAS 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 IAS 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 2018 and valuation has been done on the basis as stated above.

2.06 Cash Flows Statements:

Cash Flows Statement has been prepared under direct method in accordance with IAS 7 'Cash Flows Statement'.

2.07 Accounting Policies, Changes in Accounting Estimates and Errors:

As per IAS 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 IAS 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 IAS 12 has been made in the financial statements. Income tax return of the company for the assessment year 2017-2018 has been duly filed but not yet assessed.

2.10 Property, Plant and Equipment:

Tangible fixed assets are accounted for according to IAS 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 IAS 17 no financial and operating leases is accounted for during the year under review.

2.12 Revenue Recognition:

In compliance with the requirements of IAS 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, and the associated cost and possible return of goods can be estimated reliable.
- ♦ Interest income is accounted for on accrual basis.
- ♦ Dividends shall be recognized when the shareholder's right to receive payment is established.

2.13 Employee Benefits (IAS 19):

The company provides the benefits to its employees as 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 IAS-21 (The Effects of Changes in Foreign Exchange Rates).

2.15 Borrowing Costs:

In compliance with the requirements of IAS-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 IAS 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 IAS 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 IAS 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 on a Quarterly Basis. Depreciation is charged on additions in available for use basis respective of the date of acquisition. Depreciation is charged at the rates varying from 2.5% to 20% depending on estimated useful lives of assets. No depreciation is charged for land.

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:

International Accounting Standards (IAS) 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 IAS 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 IAS 38 intangible assets are usually absorbed as revenue charges as and when incurred. The company has goodwill which defines as intangible assets and rest of the portion of goodwill amortized during the year.

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 House-breaking 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 Securities has been classified as "Fair value through other comprehensive income (FVOCI)" as per IFRS 9-Financial Instruments. Capital gain/loss from sale of shares has been charged in Income from Other Sources. Unrealized gain/loss has been charged in the Other Comprehensive Income.

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 2017-2018	Salary Above Tk. 5,000	Salary Bellow Tk. 5,000	Total Person FY 2016-2017
Officers	402	402	-	399
Staff	1,108	1,108	-	1,074
Workers	636	636	-	615
Total:	2,146	2,146	-	2,088

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)/IFRS:

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 IAS/IFRS 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 2016-2017 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 2017 to 30 June 2018 followed consistently.

3.06 Approval of Financial Statement:

The financial statements have been approved by the Board of Directors as on 31 October 2018.

4.01 PROPERTY, PLANT & EQUIPMENT: Tk. 307,824,838

The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance at 01-07-2017	774,877,477	762,088,509
Add: Addition during the year	22,710,799	14,032,484
Less: Adjustment during the year	14,139,217	1,243,516
Depreciable Value (A):	783,449,061	774,877,477
Opening Accumulated Depreciation at 01-07-2017	462,027,986	439,129,414
Add: Addition during the year	21,055,157	23,891,287
Less: Adjustment during the year	7,458,920	992,715
Accumulated Depreciation (B):	475,624,223	462,027,986
Written Down Value (A-B):	307,824,838	312,849,492

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. 22,710,799.

4.04 Depreciation for the Year: Tk. 21,055,157

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Factory Overhead	17,054,677	19,351,942
Administrative Overhead	2,316,067	2,628,042
Selling Overhead	1,684,413	1,911,303
Total Taka:	21,055,157	23,891,287

4.05 Gain on Disposal of Property, Plant and Equipment: Tk. 199,460

The above amount has been arrived at as under:

Original Cost	Accumulated Depreciation	Net Book Value	Sales Proceeds	Gain	
				2018	2017
557,000	509,460	47,450	247,000	199,460	616,135

4.06 7 (Seven) numbers of motorcycle were disposed of and for a gain of Tk.199,460.

5.00 GOODWILL: Tk. Nil

5.01 The above balance has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	7,144,400	9,525,866
Less: Impairment Charge during the year	7,144,400	2,381,466
Closing Balance	Taka: -	7,144,400

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 meeting held on 12 April 2018 had decided to write-off the full amount of Goodwill for the year.

6.00 INVESTMENT IN MARKETABLE SECURITIES: Tk. 185,134,228

6.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Investment in Marketable Security	6.02	185,126,630	147,539,625
BO Account at SJBIL		7,598	2,730
Total Taka:		185,134,228	147,542,355

6.02 Investment in Marketable Security: Tk. 185,126,630

Breakup of the above amount is given below:

Particulars	Number Of Shares	Market Value	Cost Value	
		30-06-2018	30-06-2018	30-06-2017
Beacon Pharma (Placement Share)	650000	11,570,000	6,190,476	6,190,476
National Bank Ltd.	1234316	12,096,297	24,137,280	24,137,280
Al Arafah Islami Bank Ltd.	1263400	28,679,180	26,424,663	26,426,023
Eastern Bank Ltd.	163012	5,509,806	6,720,000	6,720,000
Square Pharma	434225	127,271,348	84,065,846	84,065,846
Total Taka:		185,126,630	147,538,265	147,539,625

6.03 The above amounts have been classified as "Fair value through other comprehensive income (FVOCI)" and shown at market value of Tk. 185,126,630 per IFRS 9. Realized Capital gain from sale of shares during the year for an amount of Tk. 102.70 has been charged in Income from Other Sources. Unrealized gain of Tk. 37,588,366 has been charged in the Other Comprehensive Income.

7.00 **INVENTORIES: Tk. 750,731,088**

7.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Raw Materials, Chemicals & Packing Materials	7.02	507,937,163	258,389,454
Work in Process	7.03	51,188,253	36,295,938
Finished Goods	7.04	72,638,980	78,665,637
Stores in Transit	7.05	34,799,705	30,258,045
Spares, Accessories & Stores	7.06	84,166,987	74,477,738
Total Taka:		750,731,088	478,086,812

7.02 **Raw Materials, Chemicals & Packing Materials: Tk. 507,937,163**

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Raw Materials:		
Soap	313,373,750	82,792,516
Cosmetic	41,077,438	32,387,334
Chemicals (Aromatic):		
Aromatic Chemical	92,828,546	88,004,192
Packing Materials:		
Soap	26,968,854	18,894,185
Cosmetic	22,202,114	25,398,886
Plant Stock:		
Aromatic Chemicals	11,486,462	10,912,341
Total Taka:	507,937,163	258,389,454

7.03 **Work in Process: Tk. 51,188,253**

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Raw Material of Soap	43,341,319	30,024,713
Raw Material of Detergent Powder	2,964,208	2,176,328
Raw Material of Cosmetic	4,882,726	4,094,897
Total Taka:	51,188,253	36,295,938

7.04 Finished Goods: Tk. 72,638,980

Breakup of the above amount is given below:

Particulars	30-06-2018		30-06-2017	
	Quantity (Pcs)	Amount	Quantity (Pcs)	Amount
Washing Soap	1,570,414	15,202,933	1,125,993	10,795,611
Toilet Soap	2,294,280	36,519,756	2,609,097	43,988,505
Tooth Paste	49,966	1,182,808	67,255	1,645,860
Powder	208,868	5,059,901	99,410	1,937,913
Shaving Cream	54,301	1,434,889	53,080	1,390,076
Snow/Cream	333,377	4,013,935	406,542	4,836,826
Hair Oil	24,628	1,089,796	24,079	1,034,139
Miscellaneous Cosmetics	99,851	2,152,921	117,022	3,391,073
Detergent Powder	462,729	5,622,698	678,766	8,822,895
Glycerin C.P.	4,492	103,692	23,751	567,088
Coconut Oil	5,707	255,651	5,707	255,651
Total Taka		72,638,980		78,665,637

7.05 Stores in Transit: Tk. 34,799,705

Store-in-Transit represents raw material purchased from abroad but not received till June 30, 2018. 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. 84,166,987

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Spare & Accessories	74,734,532	67,432,917
Consumable Stores	9,432,455	7,044,821
Total Taka:	84,166,987	74,477,738

7.07 Physical inventory of all the stock & stores were conducted by the management of KCCL every end of the month. KCCL management has provided us all the store ledger and the management has valued and certified the inventory items.

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

7.09 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. 2,327,760

8.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Trade Receivable	8.02	696,310	864,675
Other Receivable	8.03	1,631,450	1,302,343
Total Taka:		2,327,760	2,167,018

8.02 Trade Receivable: Tk. 696,310

a. Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Ahmedia Enterprise	10,312	10,271
Mostafa Traders	13,752	13,422
Sakil Enterprise	-	19,214
Shawapno	606,986	757,462
Others	65,260	64,306
Total Taka:	696,310	864,675

b. Aging of the above balance is given below: 696,310

Particulars	30-06-2018	30-06-2017
Below 180 days	696,310	864,675
Above 180 days	-	-
	696,310	864,675

Particulars	30-06-2018	30-06-2017
Accounts Receivable considered good in respect of which the company is fully secured	696,310	864,675
Accounts Receivable due by Common Management	-	-
Total Taka:	696,310	864,675

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. 1,631,450

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

Particulars	30-06-2018	30-06-2017
Accrued Interest on Fixed Deposit	1,631,450	1,302,343
Total Taka:	1,631,450	1,302,343

9.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 471,032,537

9.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Advances to Employees and others	9.02	20,412,624	16,844,812
Advance against Tax	9.03	340,093,916	291,993,021
Advance against VAT & SD	9.04	110,525,997	7,137,378
Total Taka:		471,032,537	315,975,211

9.02 Advances to Employees and Others: Tk. 20,412,624

Details of the amount are given below:

Particulars	30-06-2018	30-06-2017
Advance:		
Advance against Salaries (Officer)	383,267	302,552
Advance against Salaries (Staff)	172,000	191,500
Advance against Wages (Workers)	453,541	316,041
Advance against Expenses	1,239,034	2,898,654
Advance against Supplies/ Purchase	5,821,538	6,102,978
Advance against Advertisement:		
Others	200,000	200,000
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	4,376,237	4,359,981
Security against Bank Guarantee	937,363	937,363
Shipping Guarantee Margin	177,001	177,001
Advance against Motorcycle	5,293,901	0
Total Taka:	20,412,624	16,844,812

9.03 Advances against Tax: Tk. 340,093,916

The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	291,993,021	282,469,536
Add: Addition during the year	98,673,448	51,245,813
	390,666,469	333,715,349
Less: AIT Adjustment during the year	(50,572,553)	(41,722,328)
Closing Balance	Taka: 340,093,916	291,993,021

9.04 Advances against VAT & SD: Tk. 110,525,997

Details of the amount are given below:

Particulars	30-06-2018	30-06-2017
VAT on Import	107,031,029	0
VAT on Local Purchase	3,494,968	400
Deposit against SD	0	500,000
Deposit against VAT	0	6,636,978
Total Taka:	110,525,997	7,137,378

10.00 SHORT TERM INVESTMENT (FDR): Tk. 30,086,724

10.01 Breakup of the above amount is given below:

Particulars	FDR No.	30-06-2018	30-06-2017
The National Bank Ltd.	No.0103341/22132	21,718,436	20,705,385
The National Bank Ltd.	No.0103209/20846	2,885,413	2,751,701
The National Bank Ltd.	No.0103244/21191	2,050,256	1,947,605
Shahjalal Islami Bank Ltd.	No.1038/53300001650	3,382,619	3,225,459
Agrani Bank Ltd.	No.0249744/24103	50,000	50,000
Total Taka:		30,086,724	28,680,150

10.02 Details are shown in Annexure A/2.

11.00 RELATED PARTY TRANSACTION: Tk. 3,793,304

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 IAS-24 "Related Party Disclosures": Breakup of the above amount is given below:

Particulars	Relationship	Nature of Transaction	30-06-2018	30-06-2017
Orion Infusion Ltd.	Sister-Concern	Inter-trade	1,235,592	1,335,158
Orion Pharma Ltd.			2,557,712	2,555,444
		Total Taka:	3,793,304	3,890,602

12.00 CASH AND CASH EQUIVALENTS: Tk. 183,199,401

12.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Cash in Hand (Including All Depots)	12.02	11,805,792	6,853,534
Cash at Bank	12.03	63,456,193	68,707,560
Cash in Transit	12.04	107,937,416	158,912,606
Total Taka:		183,199,401	234,473,700

12.02 Cash in Hand: Tk. 11,805,792

a. Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Head Office	11,771,152	6,818,894
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:	11,805,792	6,853,534

b. The management through balance confirmation certificate has confirmed the above balance as on 30 June 2018. Our audit team physically verified the cash balance as on June 30, 2018 and has found the exact amount in hand.

12.03 Cash at Bank: Tk. 63,456,193

Breakup of the above amount is given below:

Particulars	Account No.	30-06-2018	30-06-2017
Agrani Bank, Tejgaon Branch	STD-692988 (313)	306,023	298,322
Agrani Bank, Ramna Branch	STD-104332 (336)	0	416,639
Agrani Bank, Ramna Branch	STD-104270 (397)	0	683,914
Agrani Bank, Ramna Branch	CD-105365 (92015)	37,823	39,973
National Bank Ltd., Karwan Bazar Br.	SND-339	1,000,375	968,797
Shahjalal Islami Bank, Dhaka	Main A/C MSND-0061	24,961,584	28,749,933
Shahjalal Islami Bank, Dividend	MSND-151	158,026	260,367
Shahjalal Islamai Bank, Dividend	MSND-410	8,411,598	7,019,705
Islami Bank (Bd.) Ltd., Kawran Bazar Br.	CD-80203	0	306,526
BRAC Bank, Gulshan Br. Dhaka	Saving-769159001	5,106,465	2,679,961
Islami Bank (Bd.) Ltd., Kawran Bazar	MSND-6209	1,237,590	1,413,238
Al-Arafaha Islami Bank	MSND-4901	0	1,056
Shahjalal Islami Bank, Fraction	BO A/C SND-2652	1,082,322	563,644
Modhumati Bank, Motijheel Br.	SND-025	0	107,352
UCBL, Tejgaon Br.	SND-170	17,387,766	23,567,809
Shahjalal Islami Bank (KCCL WPPF)	SND-2748	3,661,140	1,630,323
State Bank of India	CD-05420503920201	105,480	0
Total Taka:		63,456,193	68,707,560

12.04 Cash in Transit: Tk. 107,937,416

Breakup of the above amount is given below:

Name of Office	30-06-2018	30-06-2017
Central Depot	24,952,683	61,706,859
Chittagong Depot	10,659,407	6,354,283
Khulna Depot	32,985,070	33,712,103
Bogra Depot	15,881,597	35,299,852
Barisal Depot	14,404,291	13,042,458
Sylhet Depot	9,054,368	8,797,051
Total Taka:	107,937,416	158,912,606

13.00 SHARE CAPITAL: Tk. 140,156,250**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. 140,156,250

a. The above amount represents the value of 14,015,625 shares of Tk.10 each fully paid up.

Particulars	30-06-2018	30-06-2017
5,000,000 Ordinary Shares of Taka 10 each issued for cash	50,000,000	50,000,000
9,015,625 Ordinary Shares of Taka 10 each issued as fully paid-up Bonus shares	90,156,250	71,875,000
Total Taka:	140,156,250	121,875,000

b. The movement of issued shares during the year 2017-2018 is as follows:

Particulars	Number of Shares	Amounts
Shares as on 30 June 2018	14,015,625	140,156,250
Total Taka:	14,015,625	140,156,250

c. Composition of Shareholding:

Category of Shareholder	30-06-2018			30-06-2017		
	No. of Share	No. of Shareholders	% of Total Shares	No. of Share	No. of Shareholders	% of Total Shares
Sponsors/Directors	6,829,106	6	48.72%	5,938,353	6	48.72%
Institutions	2,016,656	139	14.39%	1,971,937	1	16.18%
General Public	5,169,863	6,111	36.89%	4,277,210	6,434	35.10%
Total:	14,015,625	6,256	100%	12,187,500	6,441	100%

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

Sl. No.	Particulars	Numbers of Shares 30-06-2018	Numbers of Shares 30-06-2017
01.	Mr. Mohammad Obaidul Karim	3,006,351	2,614,218
02.	Mr. Rezaul Karim	506,178	440,155
03.	Mr. Md. Ebadul Karim	1,096,991	953,905
04.	Mrs. Arzuda Karim	817,109	710,530
05.	Mrs. Nurun Nahar	701,352	609,871
06.	Mrs. Shirin Akhter	701,125	609,674
	Total:	6,829,106	5,938,353

e. Position of holding shares as on June 30, 2018 is as follows:

Range of Holdings	No. of Shareholders	No. of Shares	% of Holding 2018	% of Holding 2017
Less than 500 Shares	5687	821,260	5.86%	6.75%
501 to 5,000 Shares	512	649,576	4.63%	4.50%
5,001 to 10,000 Shares	23	147,445	1.05%	0.52%
10,001 to 20,000 Shares	8	109,306	0.78%	0.93%
20,001 to Above	26	12,288,038	87.67%	87.30%
Total:	6,256	14,015,625	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. 542,989,305

The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	425,054,997	308,728,142
Add: Profit during the year	154,496,808	146,795,605
	579,551,805	455,523,747
Less: Dividend for the year	(36,562,500)	(30,468,750)
Closing Balance	Taka: 542,989,305	425,054,997

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

16.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
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	30-06-2018	30-06-2017
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.

16.04 The above long term loan was taken from Government since long. The loan facility was not taken from a lending institution, as such, current/non-current classification as per IAS 1 is not required.

17.00 SHORT TERM LOAN: Tk. 142,909,410

17.01 Breakup of the above amount is given below:

Particulars	Notes	30-06-2018	30-06-2017
Agrani Bank Ltd., Ramna Br. A/C No. 833887 (21)	17.02	120,877,245	1,667,281
Standard Bank Ltd., Gulshan Branch A/C No. 471	17.03	(780)	(780)
Shahjalal Islami Bank Ltd., Dhaka Main Br.		0	20,065,000
United Commercial Bank Ltd., Tejgaon Br. A/C No. OD-068	17.04	9,953,691	150,893
National Bank Ltd., Kawran Bazar Br., A/C No. SOD- 2572	17.05	12,079,254	9,006,146
Total Taka:		142,909,410	30,888,539

17.02 CC (Hypo) - Agrani Bank Limited: Tk. 120,877,245

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 OD/CC - United Commercial Bank Limited: Tk. 9,953,691

Short term loan:

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

17.05 OD FO - National Bank Limited: Tk. 12,079,254

Continuous Loan:

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

18.00 SUNDRY CREDITORS: Tk. 313,551,201

18.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2018	30-06-2017
Creditors for Goods Supply	18.02	190,562,250	289,373,614
Creditors for Other Finance	18.03	21,256,261	20,618,852
Creditors for Expenses	18.04	62,181,222	55,814,091
Advance against Sales	18.05	709,795	728,641
BCIC Current Account	18.06	15,990,426	15,990,426
Creditors for Security Deposits		22,851,247	22,215,314
Total Taka:		313,551,201	404,740,938

18.02 Creditors for Goods Supply: Tk. 190,562,250

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
J M S Glass Industries	4,638,107	6,093,041
Polycon Ltd.	5,934,144	6,422,144
S.S. Packaging Industries Ltd.	0	8,454,841
Plasticon	4,853,322	12,026,000
The Merchants Ltd.	5,654,161	15,953,372
Bay Fishing Corporation Ltd.	0	39,111,599
Maritime Entrepreneurs (Pvt.) Ltd.	0	3,500,000
Hi-Tec Printing & Packaging Ltd.	7,919,794	11,259,395
Dana Engineering Int.	238,829	429,121
Golden Trading Co.	10,770,678	32,104,227
Unicorn Ind. Ltd.	8,140,386	5,737,051
Elite Printing & Packaging Ltd.	4,788,322	7,703,263
Padma Lamitube Ltd.	4,491,212	1,775,318
Sunimex Corporation	2,965,000	12,493,000
Union Chemicals	1,184,111	965,111
Kalyar Replica Ltd.	8,518,616	9,885,247
Karim Salt Crushing & R. Ind.	163,400	2,113,400
Piticon Industries	0	1,424,840
NRG Printing & Packaging	8,618,664	13,366,828
Zon Ron Ltd.	0	9,968,954
Laboni Chemical	0	4,133,512
Others	111,412,096	83,887,286
Creditors for Goods Supply (Spot Purchase)	271,408	566,064
Total Taka:	190,562,250	289,373,614

18.03 Creditors for Other Finance: Tk. 21,256,261

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Factory Union Fee	18,494	7,464
Salary Tax Deduction from Employees	119,890	403,578
Workers' Profit Participation Fund	11,373,384	11,151,128
Deduction of Tax at Source	2,245,615	5,524,550
Provision for Revenue Stamp	113,150	90,640
20% Reserve Fund for WPPF	3,572,035	1,607,675
Employees Contribution to P.F.	367,206	0
VAT deduction at Source	3,320,239	0
Others	126,248	1,833,817
Total Taka:	21,256,261	20,618,852

18.04 Creditors for Expenses: Tk. 62,181,222

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Provision for Gas	4,011,984	3,618,299
Provision for Electric Bill	925,646	769,754
Provision for Legal & Professional Fees	50,000	50,000
Provision for C&F Bill	1,333,277	803,485
Income Tax Provision	55,493,109	50,572,553
Provision for Employers Contribution to P.F.	367,206	0
Total Taka:	62,181,222	55,814,091

18.05 Advances against Sales: Tk. 709,795

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Narayan Store	50,645	51,253
P.P. Enterprise	51,693	50,365
Rokeya Enterprise	101,285	101,440
Howlader Store	101,324	102,455
Others	404,848	423,128
Total Taka:	709,795	728,641

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

The above amount represents accumulated balance of BCIC current account as on June' 30, 2018 and the amount is subject to confirmation.

19.00 ACCRUED LIABILITES: Tk. 362,284,032

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Liabilities for Payment against Import	362,284,032	155,485,384
Total Taka:	362,284,032	155,485,384

20.00 DIVIDEND PAYABLE: Tk. 15,024,180

The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	13,733,281	12,744,898
Add: 15% Cash Dividend for the year	18,786,012	11,344,157
	32,519,293	24,089,055
Less: Dividend paid during the year	(17,495,112)	(10,355,774)
Closing Balance Taka:	15,024,180	13,733,281

21.00 PROVISION FOR GRATUITY: Tk. 15,963,367

21.01 The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	16,780,235	17,241,893
Add: Addition during the year	0	0
	16,780,235	17,241,893
Less: Paid during the year	(816,868)	(461,658)
Closing Balance	15,963,367	16,780,235

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. 15,963,367 as actual liability as on 30 June 2018. During the year under audit, no provision has been made.

22.00 DEFERRED TAX LIABILITY: Tk. 30,430,380

22.01 The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Carrying value of Fixed Assets as Accounting base	195,175,125	200,199,779
Carrying value of Fixed Assets as Tax base	74,690,019	84,127,873
Less: Adjustments during the year	(1,236,415)	0
	73,453,604	84,127,873
Temporary Difference:	121,721,521	116,071,906
Deferred Tax Liability @ 25.00%	30,430,380	29,017,977

22.02 Deferred Tax Liabilities has been recognized in accordance with the provision of IAS 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 People's 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 District 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. 3,661,324,088

24.01 Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Local Sales:		
Washing Soap	660,921,567	592,318,440
Toilet Soap	1,759,543,258	1,921,370,072
Snow & Cream	157,347,277	122,318,331
Tooth Paste	11,362,855	9,477,308
Powder	139,569,759	102,121,752
Hair Oil	70,548,151	56,386,221
Shaving Cream	14,557,646	15,335,506
Coconut Oil	0	47,984
Detergent Powder	1,364,756,024	1,063,218,557
Misc.	54,563,583	37,418,549
Gross Sales:	4,233,170,120	3,920,012,720
Less: VAT & SD	571,846,032	526,827,264
Total Taka:	3,661,324,088	3,393,185,456

24.02 This represents Sale of 188,357,968 products in 2017-2018, as against Sale of 177,503,243 products in 2016-2017

25.00 COST OF GOODS SOLD: Tk. 3,003,180,758

25.01 Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Materials Consumed (Note-25.02)	2,735,919,762	2,735,919,762
Factory Overhead (Note-25.03)	276,126,653	276,126,653
Total Manufacturing Cost	3,012,046,415	3,012,046,415
Add: Opening Work-in-Process	36,295,938	36,295,938
Total Work-in-Process	3,048,342,353	3,048,342,353
Less: Closing Work-in-Process (Note-25.04)	51,188,253	51,188,253
Cost of Production	2,997,154,100	2,997,154,100
Add: Opening Finished Goods	78,665,638	78,665,638
Finished Goods available for Sale	3,075,819,738	3,075,819,738
Less: Closing Finished Goods (Note-25.05)	72,638,980	72,638,980
Cost of Goods Sold	3,003,180,758	3,003,180,758

25.02 Materials Consumed (Raw & Packing Material): Tk. 2,735,919,762

Purchase, issues and stock of raw materials and packing materials involve production of 5,108,613 Pcs finished goods in 2017-2018 as against 5,210,702 Pcs in 2016-2017. The measurement is in different units via 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	203,184,041	2,613,663,535	447,279,732	2,369,567,844
Packing Materials	44,293,072	371,229,811	49,170,966	366,351,918
Total Taka:	247,477,113	2,984,893,346	496,450,698	2,735,919,762
Pr. Year's Taka:	556,374,384	2,245,033,229	247,477,113	2,553,930,500

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. 496,450,698

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Closing Raw & Packing Material	496,450,698	247,477,113
Total Taka:	496,450,698	247,477,113

25.03 Factory Overhead: Tk. 276,126,653

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Factory Overhead (Variable):		
Gas & Fuel for Generator	44,035,056	37,537,127
Electricity	12,274,654	9,161,424
Oil & Lubricants	3,242,156	2,991,535
Spares & Accessories	42,513,930	38,721,300
Store Consumed	25,301,437	24,687,040
Repair & Maintenance	913,900	1,000,575
Other Overhead	669,985	654,359
Factory Overhead (Fixed):		
Direct Factory Wages & Allowances	87,374,264	74,523,354
Factory Salaries & Allowances	32,225,465	30,701,774
Electricity, Gas & WASA	5,769,960	5,723,832
Repair & Maintenance	165,090	147,778
Depreciation	17,054,677	19,351,942
Other Factory Overhead (Note- 25.03.01)	4,586,079	3,921,363
Total Taka:	276,126,653	249,123,403

25.03.01 Other Fixed Factory Overhead: Tk. 4,586,079

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Repair & Maintenance (Factory Building)	2,844,860	2,237,745
Conveyance	829,838	800,011
Printing	139,938	138,483
Office Stationery	379,921	376,613
Medical Expenses	391,522	368,511
Total Taka:	4,586,079	3,921,363

25.04 Closing Working– In- Process: Tk. 51,188,253

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Raw Material of Soap	43,341,319	30,024,713
Raw Material of Detergent Powder	2,964,208	2,176,328
Raw Material of Cosmetic	4,882,726	4,094,897
Total Taka:	51,188,253	36,295,938

25.05 Closing Finished Goods: Tk. 72,638,980

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Washing Soap	15,202,933	10,795,611
Toilet Soap	36,519,756	43,988,505
Tooth Paste	1,182,808	1,645,860
Powder	5,059,901	1,937,913
Shaving Cream	1,434,889	1,390,076
Snow/Cream	4,013,935	4,836,826
Hair Oil	1,089,796	1,034,139
Miscellaneous Cosmetics	2,152,921	3,391,072
Detergent Powder	5,622,698	8,822,896
Glycerin C.P.	103,692	567,088
Coconut Oil	255,651	255,651
Total Taka:	72,638,980	78,665,637

26.00 GENERAL & ADMINISTRATIVE EXPENSES: Tk. 59,044,957

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Salaries & Allowances:		
Staff	17,367,096	14,727,959
Officers	25,648,058	23,778,909
Entertainment	299,800	256,000
Insurance Premium	1,244,187	1,514,851
Legal & Professional Fees	151,150	165,000
Printing	300,746	288,448
Office Stationery	346,420	333,822
News Papers & Magazine	110,225	107,315
Postage, Telegram, Telephone, Telex	278,831	275,680
Renewals, Rates & Taxes	1,222,030	1,830,089
Conveyance	1,282,439	1,239,736
Vehicle Running Expenses (Fuel)	2,714,342	2,653,491
Repair & Maintenance (Vehicles)	1,700,083	1,696,620
Audit Fee	230,000	220,000
A.G.M Expenses	450,000	450,000
Depreciation	2,316,067	2,628,042
Drinking Water	109,520	105,330
IT & Software Maintenance	1,929,560	2,167,721
Repair & Maintenance (General)	450,103	444,437
Land Revenue	894,300	0
Total Taka:	59,044,957	54,883,450



27.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 369,289,894

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Salaries & Allowances:		
Officers	84,359,042	78,608,142
Staff	124,209,420	111,174,118
Entertainment	807,709	777,010
Carriage Outward	20,704,960	19,530,190
Publicity & Advertisement	122,293,850	117,728,068
Printing	299,429	297,075
Office Stationery	282,313	279,756
Conveyance	972,015	925,328
Electricity	97,961	101,923
Telephone	74,902	97,240
Postage & Telegram	169,756	166,920
Rates & Taxes	412,398	820,078
Rent	2,190,000	2,409,000
Insurance Premium	441,876	527,352
DD Commission	1,408,997	1,528,996
Newspaper & Magazine	17,980	17,920
Repair & Maintenance (Vehicles)	2,487,660	2,411,368
Vehicle Running Expenses (Fuel)	5,798,678	5,517,145
Loading & Unloading	467,985	425,538
Drinking Water	108,550	107,880
Depreciation	1,684,413	1,911,303
Total Taka:	369,289,894	345,362,350

28.00 FINANCIAL EXPENSES: Tk. 7,637,229

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Interest on Bank Loan	6,894,849	5,517,743
Bank Charges & Commission	742,380	2,242,023
Total Taka:	7,637,229	7,759,766

29.00 INCOME FROM OTHER SOURCES: Tk. 6,945,587

Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Interest	3,302,223	3,267,905
Gain/(Loss) on Sale of Fixed Assets	199,460	616,135
Gain/(Loss) on Sale of Marketable Security	103	(483)
Dividend Income of Marketable Security	3,443,802	3,967,520
Total Taka:	6,945,587	7,851,077

30.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND (WPPF) AND WELFARE FUND: Tk. 10,570,116

30.01 Breakup of the above amount is given below:

Particulars	30-06-2018	30-06-2017
Contribution to WPPF and Welfare Fund	10,570,116	9,821,797
Total Taka:	10,570,116	9,821,797

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	2017-2018
Contribution to Participatory Fund	80%	8,456,092
Contribution to Welfare Fund	10%	1,057,012
Contribution to Workers Welfare Foundation Fund	10%	1,057,012
Total Taka:		10,570,116

31.00 PROVISION FOR INCOME TAX: Tk. 55,493,109

Breakup of the above amount is given below:

Particulars	Tax Rate	Income for the FY 2017-2018	Income Tax 2017-2018
Net Profit before WPPF & Tax excluding Income from Marketable Securities	25%	221,972,437	55,493,109
Dividend Income (Net of Tax)		3,443,802	0
Total Taka		225,416,239	55,493,109

32.00 DEFERRED TAX INCOME/ (EXPENSE): Tk. (1,412,404)

The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Opening Balance	29,017,977	29,950,199
Less: Closing Balance during the year (Note-22.00)	30,430,380	29,017,977
Total Taka:	(1,412,404)	932,223

33.00 EARNINGS PER SHARE (EPS): Tk. 11.02

33.01 The above amount has been arrived at as under:

Particulars	30-06-2018	30-06-2017
Earnings attributable to Ordinary Shareholders	154,496,808	146,795,605
Weighted Average number of Ordinary Shares Outstanding (Note-33.02)	14,015,625	14,015,625
Diluted Earnings Per Share (EPS):	11.02	10.47

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	
				2017-2018	2016-2017
01 July 2017 to 14 December 2017	12,187,500	5.5/12	1.15	6,423,828	12,187,500
15 December 2017 to 30 June 2018	14,015,625	6.5/12		7,591,797	1,828,125
Total Restated Weighted Average ordinary shares:				14,015,625	14,015,625

33.03 The Board of Directors had recommended 15% Stock Dividend (i.e. Bonus Shares) for the year ended on June 30, 2017. Date of AGM: 14.12.2017. 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 2018 in terms of International Accounting Standard (IAS-33). According to IAS-33, EPS for the year ended 30 June 2017 was restated for the issues of Bonus Share of 2017.

34.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS DEBT:

None as on 30.06.2018

35.00 CLAIMS AGAINST THE COMPANY NOT ACKNOWLEDGED AS RECEIVABLE:

None as on 30.06.2018

36.00 CREDIT FACILITIES NOT AVAILED:

There is no credit facility available of the Company that was not availed as on 30.06.2018 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 2,146 (2,088 in 2017) 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 Metric Ton)	2017-2018		2016-2017	
			Actual Production (In Metric Ton)	Utilization (%)	Actual Production (In Metric Ton)	Utilization (%)
1	Washing Soap	14,500	6,899.78	47.58%	6,324.55	43.62%
2	Toilet Soap	20,500	6,535.74	31.88%	7,098.04	34.62%
3	Tooth Paste	125	27.46	21.97%	24.35	19.48%
4	Powder	400	360.57	90.14%	268.47	67.12%
5	Shaving Cream	110	31.31	28.46%	32.18	29.25%
6	Snow/Cream	500	176.38	35.28%	127.84	25.57%
7	Hair Oil	175	110.40	63.09%	80.90	46.23%
8	Miscellaneous Cosmetics	100	59.12	59.12%	51.10	51.10%
9	Detergent Powder	19,000	15,502.85	81.59%	12,089.32	63.63%
10	Glycerin C.P.	100	23.12	23.12%	17.53	17.53%
11	Coconut Oil	50	0	0%	0	0%
	Total	55,560	29,726.72		26,114.27	

38.00 EVENTS AFTER THE REPORTING PERIOD:

The Board of Directors in their meeting held on 31 October 2018 have recommended cash dividend @ 10% per share of Taka 1.00 each and Stock dividend @ 20% per share aggregating Taka 4,20,46,875.00 for the year ended 30 June 2018 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 10 December 2018. The financial statements for the year ended 30 June 2018 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.

39.00 FINANCIAL RISK MANAGEMENT:

The management of the company has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks for its use of financial instruments.

39.01 Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. As at 30 June 2018 all of the Trade receivables are due for less than 180 days and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

39.02 Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

39.03 Market Risk:

Market risk is the risk that any change in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(a) Currency risk:

The company is exposed to currency risk on certain purchases since the company imports materials and machineries from abroad, unfavorable volatility of currency fluctuation may affect the profitability of the Company. The products of the company are sold in local currency and so will have no impact due to volatility of exchange rates.

(b) Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. At present the Company has no borrowings which is subject to significant interest rate risk.



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

Annexure-A/1

FIXED ASSETS SCHEDULE
AS AT 30 JUNE 2018

Sl. No.	PARTICULARS	V A L U E A T C O S T				D E P R E C I A T I O N					Written Down Value
		Opening Balance	Addition for the year	Adjust for the year	Total Cost	Opening Balance	Rate	For the year	Adjustment	Accumulated	
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	83,456,870	56,953,141	2.5%-10%	1,477,171	0	58,430,311	25,026,558
3	Plant & Machinery	473,268,980	22,366,099	0	495,635,081	332,740,245	10%	14,278,239	0	347,018,484	148,616,597
4	Vehicles	76,868,839	0	14,139,217	62,729,622	49,199,555	20%-25%	4,640,157	7,458,920	46,380,792	16,348,830
5	Furniture & Fixtures	6,061,428	0	0	6,061,428	5,595,415	10%	49,220	0	5,644,636	416,793
6	Office Equipment	10,433,512	99,400	0	10,532,911	9,397,077	10%-25%	206,951	0	9,604,028	928,884
7	Other Assets	12,138,136	245,300	0	12,383,436	8,142,554	20%	403,419	0	8,545,973	3,837,463
	Total Taka:	774,877,477	22,710,799	14,139,217	783,449,061	462,027,986		21,055,157	7,458,920	475,624,223	307,824,838
	Pr. Year's 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

Allocation of Depreciation:

Particulars	Proportion	Amount
Factory Overhead	81%	17,054,677
Administrative Overhead	11%	2,316,067
Selling, Marketing & Distribution Expenses	8%	1,684,413
Total:	100%	21,055,157

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

FIXED DEPOSIT SCHEDULE
AS AT 30 JUNE 2018

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	14-08-2018	6.75%	20,705,385	1,013,051	1,282,745	21,718,436
02.	The National Bank Ltd. Kawran Bazar Br.	0103209/20846	11-12-2005	11-12-2018	7.30%	2,751,701	133,712	114,094	2,885,413
03.	The National Bank Ltd., Kawran Bazar Br.	0103244/21191	04-02-2006	04-02-2019	7.50%	1,947,605	102,652	64,071	2,050,256
04.	Shahjalal Bank Ltd., Main Branch	1038/53300001650	05-08-2003	05-08-2018	5.50%	3,225,459	157,160	170,540	3,382,619
05.	Agrani Bank Ltd., Tejgaon Branch	0249744/24103	11-09-2005	11-09-2018	0%	50,000	0	0	50,000
Total Taka:						28,680,150	1,406,575	1,631,450	30,086,724

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 31st Annual General Meeting of the company to be held on Monday, the 10th December, 2018 at 09:30 am at Officers' Club, 26, Baily Road, Ramna, Dhaka at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018 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 31st Annual General Meeting of the Company to be held on Monday, the 10th December, 2018 at 09:30 a.m at Officers' Club, 26, Baily Road, Ramna, 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.

মাথা ঠান্ডা রাখার প্রাকৃতিক গুণে ভরা

ড্রাগো বোটানিয়া প্লাস+ সমৃদ্ধ
(৭টি হারবাল অয়েল ও মাল্টিভিটামিন)

তিব্বত কদুর তেল

হারবাল কুলিং অয়েল

ঠান্ডা মাথায়
ভালবাসার জয়



 **KOHINOOR
CHEMICAL**

ANNUAL
REPORT
2017-2018



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