

জেজোবা অয়েল সমৃদ্ধ



Tibet

Petroleum Jelly

With Anti-Cracking Agent

তালতাম্বার উন্নয়ন

সদার জন্য

১৫ মিঃলিঃ এখন **৪** টাকা কমে **১৮** টাকা

৫০ মিঃলিঃ এখন **৫** টাকা কমে **৪৫** টাকা

 **KOHINOOR**
CHEMICAL

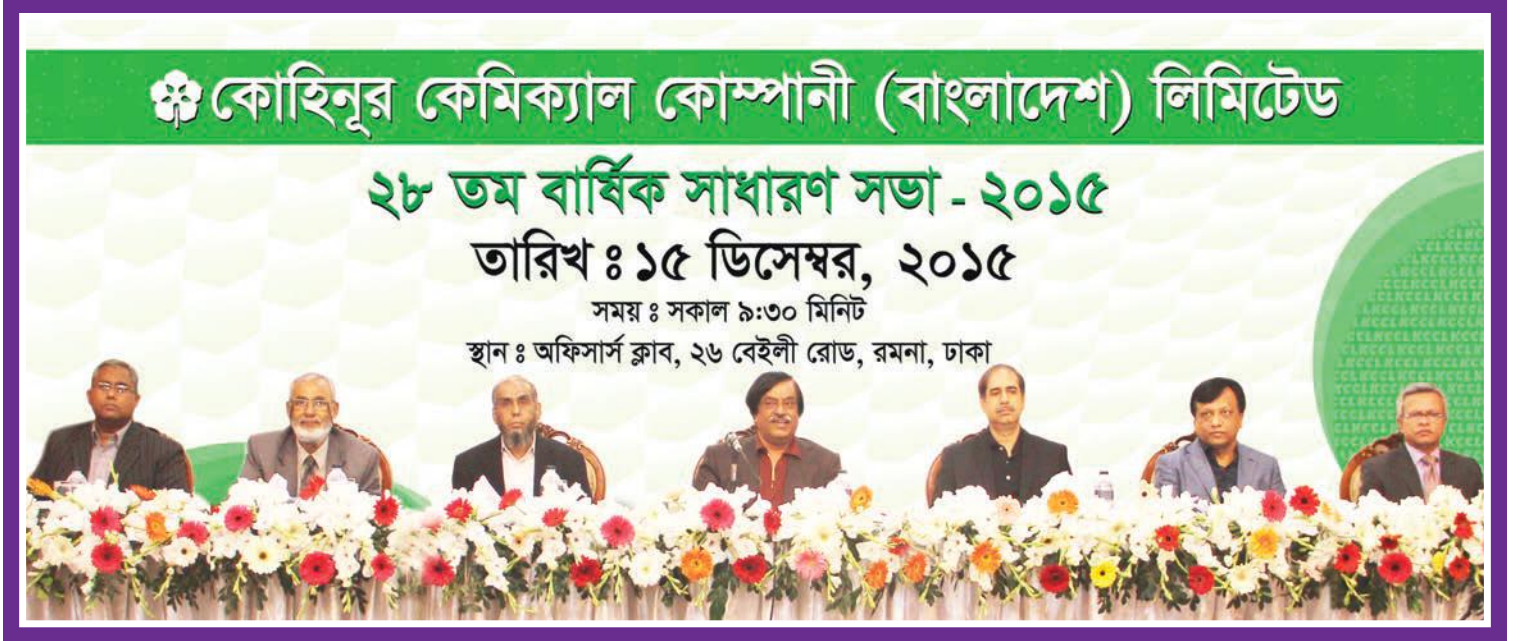


Annual Report

2015-16



28th Annual General Meeting of 2015



28th Annual General Meeting of
Kohinoor Chemical Company (Bangladesh) Ltd. for the
financial year 2014-15 was held at
Officers' Club, Baily Road, Dhaka on 15th December, 2015

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KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED

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

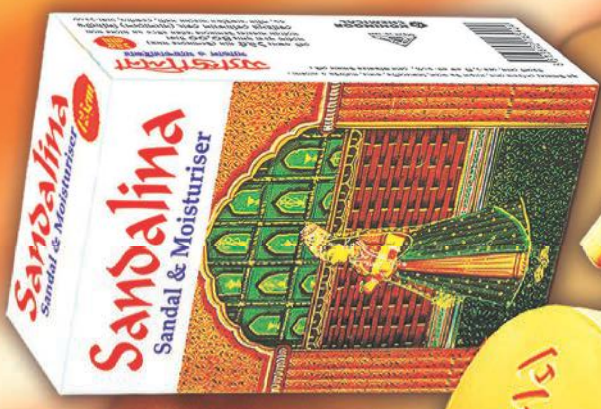
Contact: +88-02-8891387, +88-02-8891466, +88-02-8891378, PABX: +88-02-8891267-70

Fax: +88-02-8891523, Email: info@kccl-bd.com, Web: www.kccl-bd.com

বিশ্বের সেরা Sandal Wood Extract
এর মনমাতানো মৌরভে

স্যান্ডালিমা

স্যান্ডাল এন্ড ময়েচারাইজার



রূপচর্চায় আদ্রিজাত্য...



Tibet

A Symphony of World-Class
Soap Cosmetics & Toiletries

FROM

BANGLADESH



Mission

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



Vision

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

Board of Directors

Chairman

Mohammad Obaidul Karim

Managing Director

Md. Rezaul Karim

Directors

Md. Ebadul Karim

Mrs. Arzuda Karim

Mrs. Nurun Nahar

Mrs. Shirin Akhter

Independent Director

Professor Dr. M. Shamsheer Ali

Quazi Mamun-UI-Ashraf

Management Committee

Md. Abul Khair

M. Ziaul Hafiz

Abu Bakar Siddique

Shah Md. Abdul Wadood

Chief Financial Officer

Abu Bakar Siddique

Company Secretary

Md. Ferdous Jaman

Chief Internal Auditor

Mohd. Shamim Kabir

Audit Committee

Quazi Mamun-UI-Ashraf

Md. Rezaul Karim

Md. Ebadul Karim

General Information

Bankers

Agrani Bank Limited
National Bank Ltd.
Shahajalal Islami Bank Ltd.
BRAC Bank Ltd.
Islami Bank Bangladesh Ltd.
Standard Bank Ltd.
Modhumati Bank Ltd.

Auditors

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

Investors Information

Year of Establishment: 1956
Stock Exchange Listing: Dhaka & Chittagong
Status: Public Limited Company
Business Line: Manufacturing of Cosmetics, Toiletries & Beauty Products
Authorized Capital: BDT. 50,00,00,000
Paid Up Capital: BDT. 10,15,62,500
Number of Shareholders: 6,467
Number of Employees: 1,974

Insurer

Islami Commercial Insurance Company Ltd.

Corporate Office

Orion House, 153-154, Tejgaon I/A
Dhaka-1208 Bangladesh.

Registered Office & Factory

36, Shahid Tajuddin Ahmed Sarani,
Tejgaon, Dhaka-1208 Bangladesh.

Sales Promotional Activities

Rongdhonu Lottery Program:

KHULNA



BOGRA



Ice Cool Branding (Rally):



Fast Wash Branding (BPL):



am. pm. Scool Dental Care Program:



Trade Promotional Scheme at Outlet

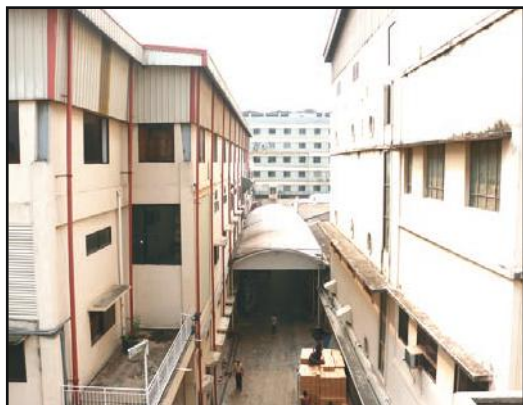
Sandalina Shoppers contact program:



Clean Master shoppers contact program:



KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED





BRAND

IDENTITY QUALITY LOYALTY



Santalina Soap

From the time immemorial sandal wood has been used as a natural source of beautification. Santalina's enormous popularity as to most popular & Grade-1 (TFM 80%). Santalina Sandal Soap enriched with Sandal Wood Oil, suitable for all kinds of skin. It makes your skin soft and supple.



Tibet DETERGENT POWDER

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 fragrance keeps a miracle satisfaction of mind all day long.



Tibet LUXURY SOAP

A high quality bath soap made from 100% vegetable fat. There are three variants of Tibet Luxury Soap.



TIBET Laundry Soap

Tibet Laundry Soap is a popular laundry soap for the upmarket. This soap is also being used widely throughout the country. It is made from vegetable fat.

The Market Leader since 1956.

Story of the

Tibet

is the story of Leadership through quality.



Tibet Ball Soap

Tibet Ball Soap is a high quality washing soap. It is made from vegetable fat. Tibet ball soap is a combination of optical brightener for brightening and protecting the cloth.



TIBET 570 LAUNDRY

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.



Bactrol Hand Wash

Bactrol Hand Wash works as a defense against the spread of many illnesses, from the common cold to more serious illnesses such as meningitis, bronchiolitis, influenza, hepatitis A, and most types of infectious diarrhea.



Tibet **PUMPKIN** Hair Oil

Tibet Pumpkin Hair Oil, a unique product, represents a heritage of more than 60 years in Bangladesh. It is produced from pumpkin extract, nature's proven hair nourishing agent.



Tibet **Medicated** Hair Oil

A seamless blend of antibacterial multi-vitamin complex and Henna oil are among the active ingredients of Tibet Medicated Hair Oil.



am. *pm.* TOOTHPASTE

The unique formula of am.pm. Tooth Paste protects teeth from infection, removes plaque. Its main ingredient- Calcium Carbonate fights against decay, Triclosan protects against germs and Mouth Freshner Agent removes bad breath.

The Market Leader since 1956.

Story of the

Tibet

is the story of
Leadership through quality.



চন্দন আঁতর

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.



Fast wash

Fast Wash Detergent Powder is the premium grade white variant detergent powder. The Fluorescent Formula removes tough stains and keeps cloths shiny and white. Its Color Guard Formula protects the color and fabric of the cloths. Fast Wash Detergent Powder reduces the average time of cleaning and does not cause skin irritation.



Sandalina

Sandal Talc

Taking extra care of delicate skin, Sandalina Sandal Talc keeps skin soft and smooth. It's sweet sandal perfume lingers for a long while.



Tibet

PRICKLY HEAT POWDER

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



NEW

Tibet

LUXURY

TALCUM POWDER

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



Bactrol

FAMILY HEALTH SOAP

A high quality antibacterial soap made from 100% vegetable fat. Specially formulated with TCC which 100% protects your family health. It is also equally effective against body odor, cuts, scratches and pimples. Bactrol Family Health soap keeps your family clean and protected.



NEW

Tibet

BABY

POWDER

Tibet Baby Powder is specially formulated for sensitive baby skin. The most expensive perfume is used to produce the product. It protects babies from skin rash and infection. It does not block the secretion point of hair root. Tibet Baby Powder keeps rejuvenated with unique fragrance.



ICE

COOL

Prickly Heat Powder

Ice Cool Prickly Heat Powder gives relief from the itching, heat, rash and skin irritation from hot weather. Its advanced triple action formula provides the cooling therapy to refresh and relax body and mind from unbearable heat and stress.

The Market Leader since 1956.

Story of the

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Leadership through quality.



GENSTAR

Lather Shaving Cream

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.



Tibet Lather

SHAVING CREAM

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.



Tibet snow

EMOLIN enriched Tibet Snow is an ideal skin care cream for all seasons. It is a mild skin care cream, made according to the BP (British Pharma Copoiea) grade ingredients added with moisturizer and sufficient skin nutrients. It has strong brand loyalty and brand equity.



Tibet Pomade

Tibet Pomade is a well accepted and ideal winter skin care product which made from Rose Oil & pure petroleum jelly added with mineral oils with refreshing fragrance. It protects skin from dryness, penetrates through layers of skin to cure cracked lips, ankle and feet.

The Market Leader since 1956.

Story of the

Tibet

is the story of Leadership through quality.



Tibet Tooth Powder

Tibet Tooth Powder has a unique formulation, containing Tryclosan, Calcium and Clove Oil. Clove Oil strengthens enamel and give sparkling fresh breath. Tibet Tooth Powder makes the teeth whiter and stronger.



FRUITY Chap Stick

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



Tibet Petroleum Jelly

With Anti-Cracking Agent

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



Tibet Lip Gel

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



Tibet Glycerin

Emolin enriched Tibet Glycerin 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.



Heel Guard

Cracked Heel Cream

Due to massive loss of moisture from skin, especially in dry weather, heel and adjoining foot edges get cracked and the cracks become increasingly larger. It is a common syndrome throughout the year, but mostly prevalent during winter season. That suggests the crucial importance of an effective heel protection preparation like Heel Guard.

The Market Leader since 1956.

Story of the

Tibet

is the story of Leadership through quality.



Tibet BABY LOTION

Specially formulated for Baby's soft and tender skin, the 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.



Beautina

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.

The Market Leader since 1956.

Story of the

Tibet

is the story of
Leadership through quality.



With Antibacterial Agent
Xpert

Xpert is a highly effective antibacterial dishwash Powder, Liquid and Bar. Lemon fragranced Xpert Dishwash Powder, Liquid and Bar are special blend of active ingredients that give fastest cleaning action against grease, oil-fat, stains and other deposits without any scratch.



**CLEAN
MASTER**

Liquid Toilet Cleaner

Clean Master Liquid Toilet Cleaner is a highly effective toilet cleaner that is enriched with extra power of LABSA and special inorganic chemical. Clean Master Liquid Toilet Cleaner removes tough stains, kills germs and deodorizes toilet within a very short time.



WIPER
Glass cleaner

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!



**CLEAN
MASTER**
All Purpose Surface
Cleaning Powder

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

Letter of Transmittal

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

Sub: Annual Report for the year ended 30th June , 2016

Dear Sir(s)

We are privileged to inform you that the Board of Directors of Kohinoor Chemical Co. (Bangladesh) Ltd. has taken the decision, in its Board Meeting held on 08th November, 2016, to hold its 29th Annual General Meeting on 20th December, 2016.

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 30th June, 2016, Statement of Comprehensive Income, Changes in Equity and Cash Flows for the year ended 30th June, 2016 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: 08th November, 2016

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

NOTICE OF THE 29th ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting (AGM) of Shareholders of KOHINOOR CHEMICAL COMPANY (BANGLADESH) Limited will be held on 20th December, 2016, Tuesday at 10.00 a.m. at Officers Club, 26 Baily Road, Ramna, Dhaka-1000, Bangladesh, to transact the following businesses:-

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30th June, 2016 together with the Auditors' Report and Directors' Reports thereon.
2. To declare dividend for the year ended 30th June, 2016.
3. To elect directors in terms of the relevant provisions of Articles of Association.
4. To appoint auditors and to fix their remuneration for the financial year 2016-2017.
5. To transact any other business with the permission of the Chair.

By the Order of the Board

Date: **8th November, 2016**
 Dhaka

Sd/-
Md. Ferdous Jaman
 Company Secretary

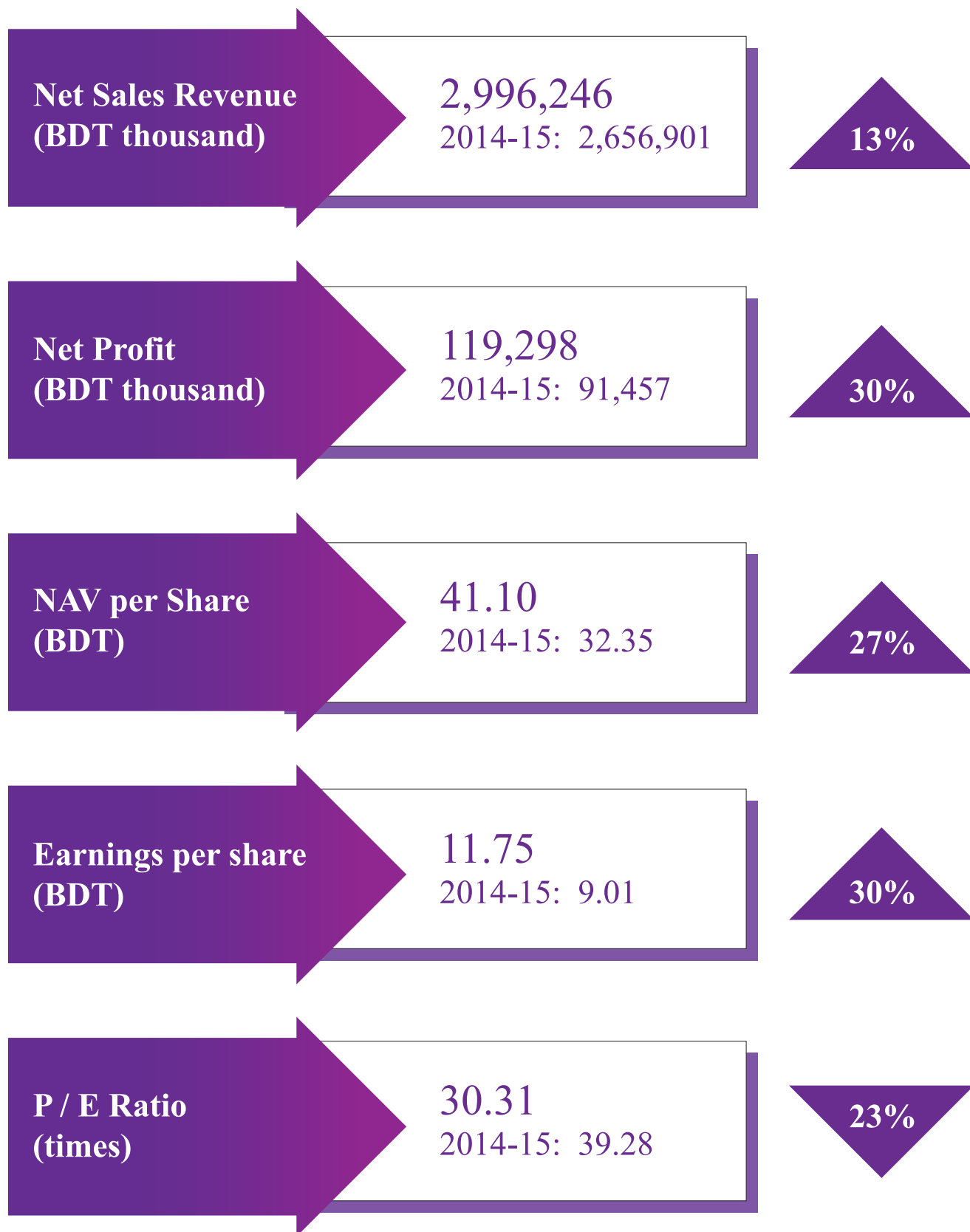
Note:

1. "Record Date" shall be the 30th November, 2016 (Wednesday). Shareholders whose names appeared in the Depository 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, 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. Admission into the venue of the AGM will be allowed on the production of the attendance slip 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 ensuring AGM

2015-16 RESULTS HIGHLIGHTS

<p>Sales value increased by 197%, 96% and 65% for Powder, Hair oil and Snow & Cream respectively</p>	<p>Followed Cost Management Strictly ending the year with net profit 30% higher than prior year</p>
<p>Net sales revenue continued to improve net sales revenue increased by 13% compared to 2014-15</p>	<p>Export of Washing Soap during the reporting year, export of washing soap to India decreased by 64%</p>
<p>EPS reached to BDT 11.75 EPS was broadly stable throughout the financial year</p>	<p>10% Cash and 20% Stock dividend proposed by the Board of Directors</p>



5-YEAR PERFORMANCE REVIEW

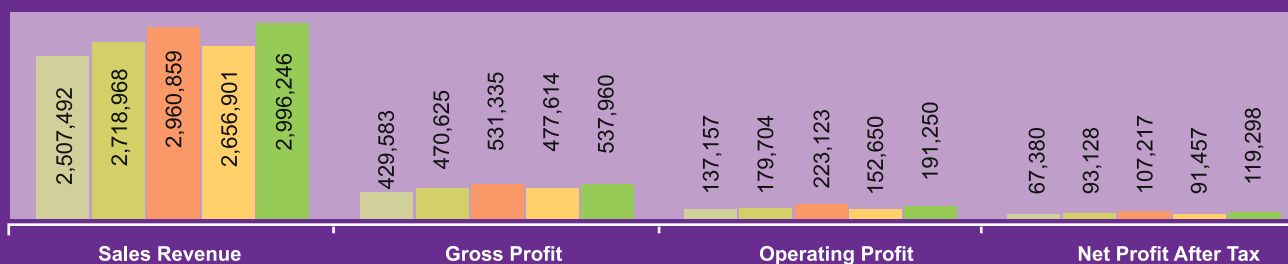
(BDT in Thousand)

	2015-16	2014-15	2013-14	2012-13	2011-12
OPERATIONAL RESULT					
Net Sales Revenue	2,996,246	2,656,901	2,960,859	2,718,968	2,507,492
Gross Profit	537,960	477,614	531,335	470,625	429,583
Operating Profit	191,250	152,650	223,123	179,704	137,157
Net Profit before Tax	160,767	118,195	153,832	125,458	83,598
Net Profit after Tax	119,298	91,457	107,217	93,128	67,380
FINANCIAL POSITION					
Shareholders' equity	417,434	328,605	237,147	129,931	41,803
Total Assets	1,708,212	1,656,468	1,745,369	1,668,177	1,567,172
Total Current Assets	1,375,727	1,346,238	1,439,953	1,343,851	1,237,237
Total Current Liabilities	964,688	1,001,774	1,129,436	1,161,068	1,147,021
FINANCIAL RATIOS					
Current Ratio (times)	1.43	1.34	1.27	1.16	1.08
Debt Equity Ratio (times)	3.09	4.04	6.36	11.84	36.49
Return on Total Assets (%)	6.98	5.52	6.14	8.76	7.56
Inventory Turnover (times)	3.28	2.57	2.58	2.60	2.69
Price Earning Ratio –DSE (times)	30.31	39.28	29.92	16.75	13.35
ORDINARY SHARES INFORMATION					
Number of Shares Outstanding	10,156,250	10,156,250	8,125,000	6,500,000	5,000,000
Dividend (Cash) (%)	10.00	30.00	-	-	10.00
Dividend (Stock) (%)	20.00	-	25.00	25.00	30.00
Net Asset Value per Share (BDT)	41.10	32.35	29.19	19.99	8.36
Operating Cash flow per Share (BDT)	12.25	20.69	21.74	6.24	22.78
Earnings per Share (BDT)	11.75	9.01	13.20	14.33	13.48
Number of Shareholders	6,474	6,571	5,946	6,026	6,262
OTHER DATA					
Number of Employees	1,974	1,980	1,841	1,702	1,556
HUMAN RESOURCES					
Officers	383	380	350	330	311
Staff	1,027	1,046	949	873	758
Workers	564	554	542	499	487
Total	1,974	1,980	1,841	1,702	1,556

GRAPHICAL PRESENTATION of Selected Growth Indicators

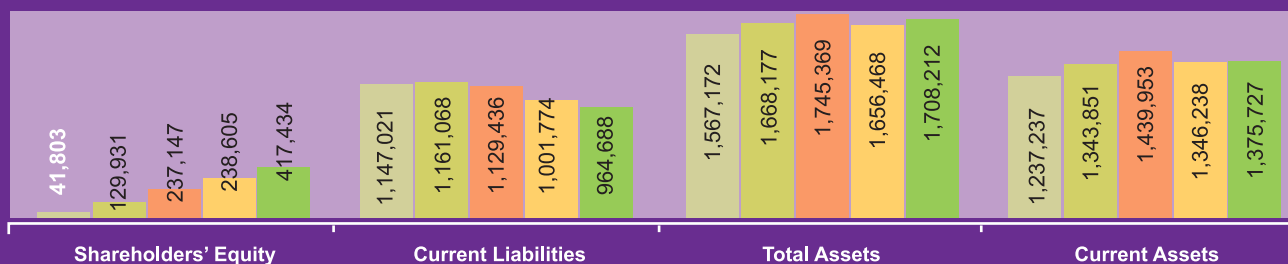
Operating Result (In thousand)

■ 2011-12 ■ 2012-13 ■ 2013-14 ■ 2014-14 ■ 2015-16



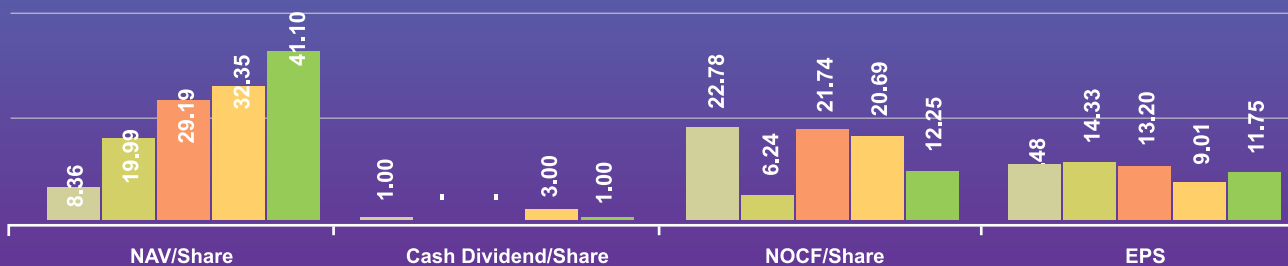
Financial Position (In thousand)

■ 2011-12 ■ 2012-13 ■ 2013-14 ■ 2014-14 ■ 2015-16



Ordinary Share Information

■ 2011-12 ■ 2012-13 ■ 2013-14 ■ 2014-14 ■ 2015-16



VALUE ADDED STATEMENT

For the Year Ended 30th June, 2016

(Figures in thousand BDT)

Particulars	2015-16		2014-15	
	Amount	%	Amount	%

Value Added:

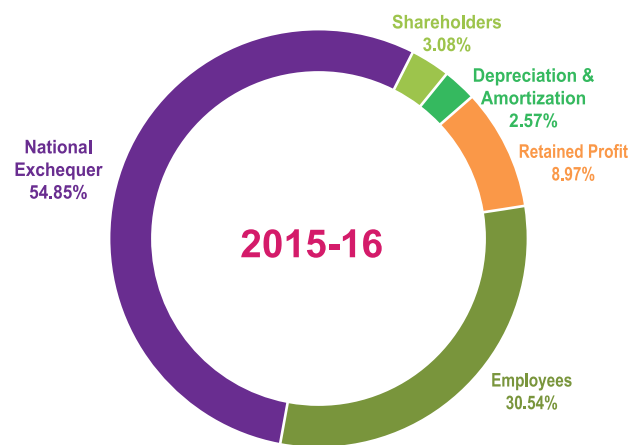
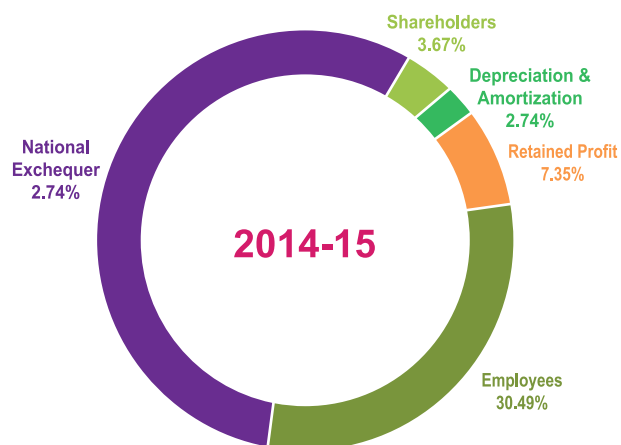
Gross Revenue	3,472,208		3,067,450	
Less: Bought in Materials and Services	(2,486,643)		(2,247,885)	
Add: Other income	5,019		9,663	
Total value added	990,584	100.00	829,228	100.00

Distribution of added value:

To employees as salaries, wages and allowances	302,533	30.54	252,827	30.49
To National Exchequer	543,332	54.85	462,257	55.75
To shareholders as dividend	30,469	3.08	30,469	3.67
	876,334	88.47	715,084	89.91

Retained for reinvestment and future growth:

Depreciation and amortization	25,421	2.57	22,687	2.74
Retained profit	88,829	8.97	60,988	7.35
	114,250	11.53	114,144	10.09
	990,584	100.00	829,228	100.00



From the Desk of The Chairman

Dear Fellow Shareholders,

Assalamualaikum Wa Rahmatullah

2015 was a great year for Bangladesh as it graduated from the status of lower income country to that of lower-middle income country in 2015, according to World Bank. My fellow shareowners, the fact which should inspire us the most is that Bangladesh achieved this status six years ahead of the government's projection, as Bangladesh was set to cross the threshold of a middle income economy by 2021. This only shows us that nothing is impossible if we work hard and are determined towards our goals. Irrespective of the global recession, Bangladesh managed to be resilient and has been successful in maintaining a stable macroeconomic situation.

I am delighted to announce today, in the 29th Annual General Meeting (AGM) of Kohinoor Chemical Company (Bangladesh) Limited that the above-mentioned success of the country has also reflected upon our business. I can proudly say that your amazing company has done phenomenally better than last year, and has exceeded all our expectations and forecasts. The performance of your company during the first six months of the reporting financial year; i.e. from July to December 2015, was highly impressive. The company performed even better during the last six months of the reporting year; i.e. from January to June 2016.

Let me take you all over the financial particulars now. I am pleased to inform that your Company attained Net Revenue of BDT 2,996.25 million as against BDT 2,656.90 million of the previous year, registering a praiseworthy positive growth of 12.77% over the previous year.

During the present financial year, Gross Profit stood at BDT 537.96 million reflecting a positive growth of 12.63% and the Net Profit reached to BDT 119.30 million which is also higher than the previous year's Net Profit by 30.44%. It can be mentioned here that,

this enormous increase in Net Profit was a result of increased sales as well as decreased expenses compared to last year. As I have already mentioned, the prosperous economic condition of the country resulted in increased demand for consumer goods which was favorable for our sales. On the other hand, the Management of our company worked diligently and closely monitored the expenses, which resulted into decreased expenses compared to last year.

The Earnings per Share (EPS) for the year 2015-16 is BDT 11.75 compared to previous year's EPS of BDT 9.01. Taking into account the extraordinary 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 the financial year 2015-16.

Needless to say, the Management has been very determined and focused towards their goals, which has a reflection on the financial performance of our company. 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.

The financial performance of your company has been highly impressive this year. All the financial indicators of the company have improved compared to last year. Our focus and objectives for the upcoming year will be to continue this performance and deliver even better products and services to our customers, so that ultimately the value of the company rises increasing the wealth of our shareholders. With the grace of the Almighty, we are very optimistic to reach and out-perform our target next year as well.

KCCL introduces new products every year with the view to increase sales and its market capitalization.

From the Desk of The Chairman

This year too was no exception. Following the trends of previous years, your company has introduced the following products: 1) X-Pert Dishwash Bar (2) Rose & Lemon Detergent Powder (3) Fruity Color Chap-stick. We hope that this move will surely help us generate more revenues and be a good source of revenue for your Company.

Every year KCCL makes a significant contribution to the National Exchequer in the form of Corporate Tax, Value Added Tax (VAT) and different other duties. During the financial year 2015-16, your company has contributed an amount of BDT 543.33 million compared to BDT 462.26 million in the last year. This contribution is equivalent to 18.13% of the company's Net Revenue.

Dear Shareholders, I would now like to take the opportunity over here to thank you for your never ending support and faith upon us. Your valued suggestions, advices and continuous supports are the driving forces behind the growth and development of this business. I would also like to sincerely appreciate all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies, regulatory authorities and everyone with whom the company interacted with in conducting its business. I wish and pray for the continued success of the company in the future.

Thank you,

Sd/-

Mohammad Obaidul Karim
Chairman

চেয়ারম্যান-এর বাণী

বিস্মিল্লাহির রাহমানির রাহিম

প্রিয় শেয়ারহোল্ডার ও সহকর্মীবৃন্দ
আসসালামু আলাইকুম,

২০১৫ সাল বাংলাদেশের জন্য বড় অর্জন কারণ বিশ্ব ব্যাংকের তথ্য অনুসারে এ বছর আমাদের দেশ নিম্ন আয়ের দেশ থেকে নিম্ন-মধ্যম আয়ের দেশে পরিণত হয়েছে। প্রিয় শেয়ারহোল্ডারবৃন্দ, আমাদের দেশ গৌরাবান্বিত এ অর্জনটি ৬ বছর আগেই প্রাপ্তির তালিকায় নিয়ে আসে যা ২০২১ সালে অর্জিত হবে বলে পূর্বনির্ধারিত ছিল যেটা আমাদের ব্যবসায়িক কর্মকাণ্ডকে অনুপ্রাণিত করে। এতে এটাই প্রমাণ করে, যদি আমরা কঠোর পরিশ্রম ও দৃঢ় লক্ষ্যে এগিয়ে যাই তবে অসম্ভব বলে কিছু নাই। এবং বিশ্ব অর্থনৈতিক মন্দার পরেও বাংলাদেশ বৃহৎ অর্থনৈতিক পরিমন্ডলে তাঁর অবস্থান ঠিক রাখতে সক্ষম হয়েছে।

কোহিনূর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেড-এর ২৯তম বার্ষিক সাধারণ সভায় আমি অত্যন্ত আনন্দের সাথে ঘোষণা করছি যে দেশের উল্লেখিত সাফল্য আমাদের ব্যবসায়েও প্রতিফলিত হয়েছে। আমি অত্যন্ত গর্বের সাথে বলতে পারি আপনাদের কোম্পানী গত বছরের তুলনায় এবছর দৃশ্যতঃ বেশ ভাল অবস্থানে আছে যা আমাদের সমস্ত পূর্বধারণাকে অতিক্রম করে আলোচ্য অর্থ বছরের প্রথম ৬ মাস অর্থাৎ জুলাই থেকে ডিসেম্বর ২০১৫ উল্লেখযোগ্য সাফল্য অর্জন করে। এমনকি শেষের ৬ মাস অর্থাৎ জানুয়ারী থেকে জুন ২০১৬ এর সাফল্যও উল্লেখ করার মত।

এখন আপনাদের সামনে অতি সংক্ষেপে আলোচ্য বছর অর্থাৎ ২০১৫-২০১৬ অর্থ বছরের আর্থিক প্রতিবেদন উপস্থাপন করছি। আমি আনন্দের সাথে জানাচ্ছি যে, আলোচ্য বছরে আপনাদের কোম্পানীর নীট রাজস্বের পরিমাণ ২৯৯.৬৩ কোটি টাকা যা গত বছর ছিল ২৬৫.৬৯ কোটি টাকা। গত বছরের তুলনায় প্রবৃদ্ধি অর্জিত হয়েছে ১২.৭৭%। আলোচ্য বছরে মোট মুনাফা অর্জিত হয়েছে ৫৩.৮০ কোটি টাকা, প্রবৃদ্ধি ১২.৬৩% এবং নীট মুনাফা হয়েছে ১১.৯৩ কোটি টাকা যা গত বছরের তুলনায় ৩০.৪৪% বেশী। নীট মুনাফার এ উল্লেখযোগ্য প্রবৃদ্ধির মূলে রয়েছে গত বছরের তুলনায় এবছরের বিক্রয়ের পরিমাণ বৃদ্ধি ও খরচ নিয়ন্ত্রণ।

আমি আগেই উল্লেখ করেছি যে আমাদের দেশ অর্থনৈতিকভাবে ভাল অবস্থানে আছে যে কারণে দেশের জনগনের ভোজ্য চাহিদা বৃদ্ধি পায়। অপরদিকে কোম্পানীর ব্যবস্থাপনার কঠোর পরিশ্রম ও নিবিড় তদারকির মাধ্যমে গত বছরের তুলনায় ব্যয় নিয়ন্ত্রণ করা সম্ভব হয়। ২০১৫-১৬ অর্থ বছরে শেয়ার প্রতি আয় দাঁড়ায় ১১.৭৫ টাকা যা গত বছরে ছিল ৯.০১ টাকা। আলোচ্য বছরে আপনাদের কোম্পানীর অসাধারণ সাফল্যের কথা বিবেচনা করে ২০১৫-১৬ অর্থ বছরের জন্য পরিচালনা পর্ষদ কোম্পানীর মুনাফা থেকে শেয়ার হোল্ডারদের মাঝে ১০% নগদ লভ্যাংশ ও ২০% বোনাস শেয়ার বিতরণের সুপারিশ করছে।

এটা বলা নিস্প্রয়োজন যে কোম্পানীর আর্থিক সফলতার জন্য ব্যবস্থাপনা কর্তৃপক্ষ তাঁর লক্ষ্য অর্জনে অত্যন্ত দৃঢ় প্রতিজ্ঞ। সংগে সংগে কোম্পানীর সমস্ত কর্ম-কর্তা ও কর্মচারীবৃন্দের নিরলস পরিশ্রম প্রসংশার দাবী রাখে। আমি শেয়ারহোল্ডারদের পক্ষ থেকে আমাদের সমস্ত কর্ম-কর্তা ও কর্মচারীদের ধন্যবাদ জানাচ্ছি।

আলোচ্য বছরে আপনাদের কোম্পানীর সাফল্য অত্যন্ত প্রশংসনীয়। কোম্পানীর সমস্ত অর্থনৈতিক সূচক গত বছরের তুলনায় বৃদ্ধি পেয়েছে। এ লক্ষ্য সামনে রেখে আগামী বছরেও আমরা আমাদের সাফল্যের ধারা অব্যাহত রাখার চেষ্টা করব যাতে বছরান্তে শেয়ারহোল্ডারদের সম্পদ বৃদ্ধির মাধ্যমে কোম্পানীর সুনাম বৃদ্ধি পায়। আমরা অত্যন্ত আশাবাদী আত্মা হু তা'য়ালার অশেষ রহমতে আগামী বছরেও আমরা আমাদের কাজিত লক্ষ্যে পৌঁছাতে পারব।

বিক্রয় প্রবৃদ্ধি অর্জন ও বাজার অংশ দখলের লক্ষ্যে কোহিনূর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেড প্রতি বছর নতুন পণ্য সংযোজনের চেষ্টা করে। আলোচ্য বছরেও এ ধারাবাহিকতায় আপনাদের কোম্পানী এক্সপার্ট ডিশওয়াশ বার, রোজ ও লেমন ডিটারজেন্ট পাউডার এবং ফ্লুটি কালার চাপস্টিক এ তিনটি পণ্য সংযোজন করেছে। আমরা আশা করছি এরূপ সংযোজন কোম্পানীর বিক্রয় বৃদ্ধি ও বিক্রয়ের ভাল উৎস হিসাবে বিবেচিত হবে।

প্রতি বছর কোহিনূর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেড কর, মূসক ও বিভিন্ন ধরণের শুল্ক প্রদানের মাধ্যমে সরকারী কোষাগারে জমা বৃদ্ধি করে আসছে। আলোচ্য বছরেও আপনাদের কোম্পানীর সরকারী কোষাগারে জমার পরিমাণ দাঁড়ায় ৫৪.৩৩ কোটি টাকা যা গত বছরে ছিল ৪৬.২৩ কোটি টাকা। ফলে এ খাতে কোম্পানীর অবদান হল নীট রাজস্বের ১৮.১৩%।

চেয়ারম্যান-এর বাণী

প্রিয় শেয়ারহোল্ডারবৃন্দ, আমাদের উপর আপনাদের বিশ্বাস ও আন্তরিকতার জন্য আমরা আপনাদের নিকট কৃতজ্ঞতা জ্ঞাপন করছি। আপনাদের মূল্যবান প্রস্তাবনা, উপদেশ এবং সর্বাঙ্গক সহযোগীতা আমাদের ব্যবসায়িক প্রবৃদ্ধি ও সফলতা আনয়নে সাহায্য করবে। সেই সংগে আমি কোম্পানীর সমস্ত কর্মকর্তা ও কর্মচারীদেরকে ধন্যবাদ জানাই যাদের অক্লান্ত পরিশ্রম, দক্ষতা ও অভিজ্ঞতা কোম্পানীর উন্নয়নে অবদান রাখছে।

অবশেষে সভার পরিচালকমন্ডলীর পক্ষ থেকে উপস্থিত সবাইকে আন্তরিক অভিনন্দন ও কৃতজ্ঞতা জানাচ্ছি। একই সঙ্গে আমাদের সকল গ্রাহক, ব্যাংক, আর্থিক প্রতিষ্ঠান, সরবরাহকারী, সরকারী বিভাগসমূহ ও নিয়ন্ত্রণকারী সংস্থাসহ আমাদের কর্মকাণ্ডের সাথে প্রত্যক্ষ ও পরোক্ষ ভাবে জড়িত সকলকে আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি। পরিশেষে আমি কোম্পানীর ভবিষ্যৎ উন্নতি কামনা করছি।

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

আল্লাহ্ হাফেজ।

স্বা /-

মোহাম্মদ ওবায়দুল করিম
চেয়ারম্যান

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report together with the Audited Accounts of the company for the year ended on 30th June, 2016 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 30th June, 2016:

Particulars	2015-16	2014-15	% increase
Net Sales Revenue (BDT)	2,996,245,717	2,656,900,567	12.77
Cost of Goods Sold (BDT)	(2,458,285,505)	(2,179,286,324)	12.80
Gross Profit (BDT)	537,960,212	477,614,243	12.63
Operating Profit (BDT)	191,249,506	152,649,508	25.29
Net Profit (BT) (BDT)	160,767,494	118,195,292	36.02
Net Profit (AT) (BDT)	119,298,302	91,457,443	30.44
Earnings per Share	11.75	9.01	30.41

The Company recorded 12.77% growth in net sales revenue during the financial year 2015-16 over previous year. Such significant revenue growth has derived mainly from the sale of powder (197% increase), hair oil (96% increase) and snow and cream (65% increase) products. The operating profit amounted to BDT 191.25 million, showing a strong increase (25.29%) with respect to 30th June, 2015 (BDT 152.65 million). In addition to that net profit after tax shows an amazing growth of 30.44% compared to previous year's figure of BDT 91.46 million. This result brings the performance levels of KCCL similar to those recorded during the financial year 2014-15.

The improvement in the operating result generated by KCCL was mainly driven by two factors- one is better performance of each segment and the other is strict cost management. In line with the strategic objective of increasing the operating profitability of KCCL, the return on total asset is 6.98%, increasing from 5.52% at 30th June, 2015.

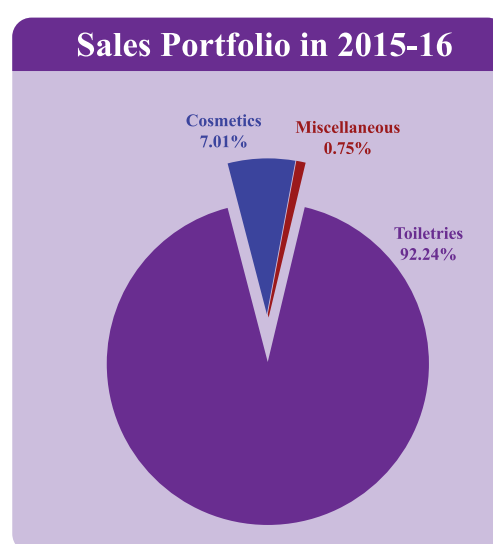
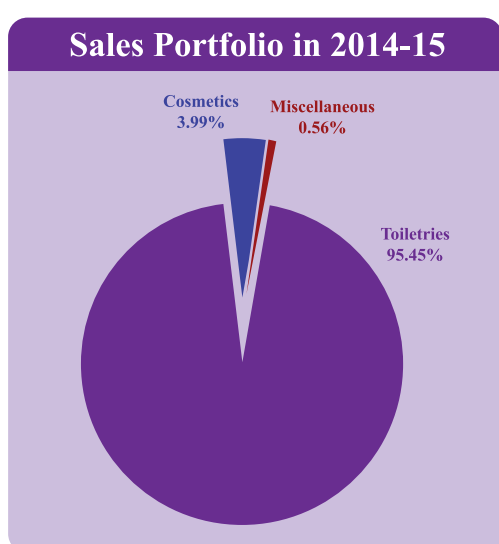
SEGMENT WISE OR PRODUCT WISE PERFORMANCE

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

a) Product Line wise Gross Sales:

Year	Toiletries Products	Cosmetics Products	Miscellaneous Products	Total Revenue
2015-16	3,202,687,614	243,385,985	26,134,495	3,472,208,094
2014-15	2,927,961,028	122,444,102	17,044,421	3,067,449,550



b) Local and Export Sales Breakup:

Year	Local	Export	Total Revenue
2015-16	3,471,336,408	871,686	3,472,208,094
2014-15	3,065,042,230	2,407,320	3,067,449,550

RISKS AND CONCERNS

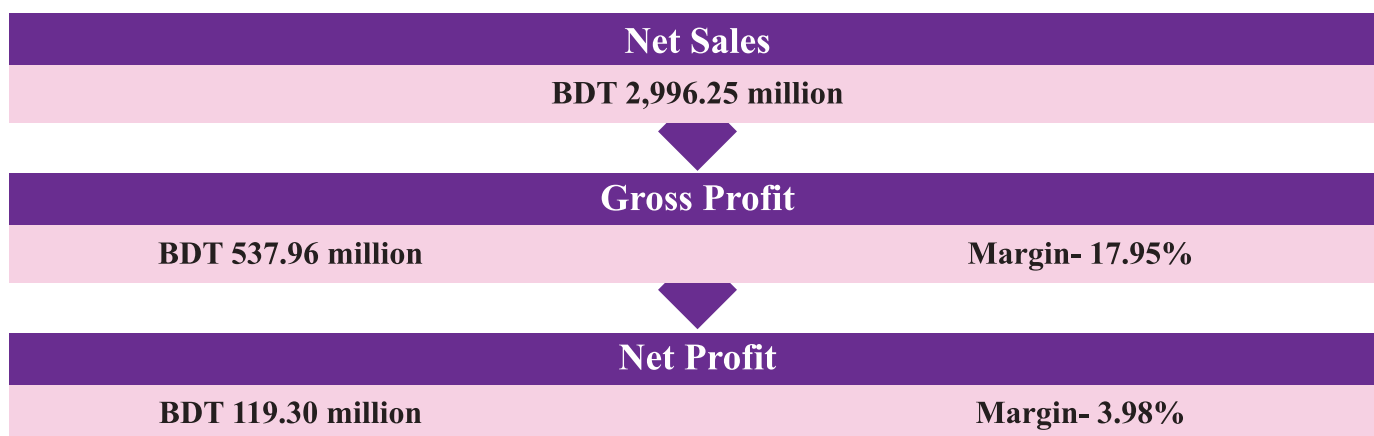
The Company's management is well aware of the fact that business is subject to variety of risks and uncertainties. The management is responsible to identify, communicate, and mitigate risks in order to minimize their potential impact on the business for which a special risk management framework has been established, where policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Industry Risks, Regulatory Risks, Market Risk, Operational Risk, Legal Risk, Interest Rate Risk, Exchange Rate Risk and potential changes in Global or National policies are some of the risks that KCCL takes into consideration.

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

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

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

COGS	Value in BDT		% of Total COGS	
	2015-16	2014-15	2015-16	2014-15
Direct Materials	2,211,719,494	2,004,751,435	89.97	91.99
Factory Overhead	229,527,855	197,674,686	9.34	9.07
Manufacturing Cost	2,441,247,349	2,202,426,121	99.31	101.06
WIP (Opening-Closing)	(349,583)	(11,043,407)	(0.01)	(0.51)
FG (Opening-Closing)	17,387,739	(12,096,390)	0.71	(0.56)
Cost of Goods Sold	2,458,285,505	2,179,286,324	100.00	100.00
Cost of Goods Sold % of Net Sales in 2015-16				82.06%
Cost of Goods Sold % of Net Sales in 2014-15				82.02%



CAPITAL EXPENDITURES

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

Additional Investment	<i>Amount in BDT</i>	
	2015-16	2014-15
Land & Land Development	18,552,000	-
Building	4,913,868	-
Plant and Machinery	8,859,329	22,620,201
Vehicles	13,217,585	4,554,776
Office Equipment	175,500	260,400
Other Assets	2,079,000	97,000
Total	47,797,282	27,532,377

PRODUCT DEVELOPMENT

KCCL introduces new products every year with the view to increase sales and its market capitalization. This year too was no exception. Following the trends of previous years, your company has introduced the following products: (1) X-Pert Dishwash Bar (2) Rose & Lemon Detergent Powder (3) Fruity Color Chap-stick.

EXTRA-ORDINARY GAIN OR LOSS

There is no extra-ordinary gain or loss in the financial statements prepared for the financial year 2015-16 under report.

RELATED PARTY TRANSACTION

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

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

Initial Public Offering (IPO) of Kohinoor Chemical Company (BD) 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 2015-16. Therefore, no explanation is necessary in this connection.

EXPLANATION ABOUT SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL STATEMENTS

No significant variations have occurred between the quarterly and annual financial statements of the Company during the year.

REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

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

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to conform the following:

- The Financial Statements of the Company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity.
- Books of Accounts have been maintained properly as required by the law.
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent.
- The financial statements were prepared in accordance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh.

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

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

SIGNIFICANT DEVIATION FROM THE OPERATING RESULTS OF LAST YEAR

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

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.

APPROPRIATIONS OF PROFIT

Considering the annual accounts of Kohinoor Chemical Company (BD) 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 (2015-16)	119,298,302	
Add: Profit brought forward from previous year	189,429,840	
Profit available for distribution		308,728,142
Less: Appropriation proposed:		
Cash Dividend @ 10%		(10,156,250)
Stock Dividend @ 20%		(20,312,500)
Transfer to retained earnings		<u>278,259,392</u>

BOARD MEETINGS HELD

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

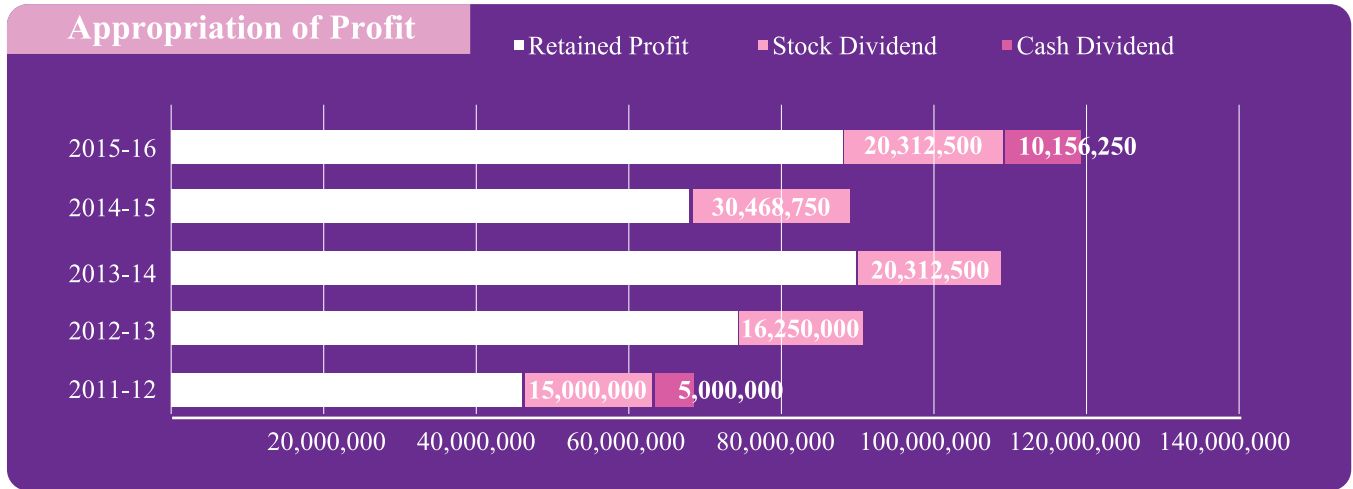
Name	Status	Meeting held	Meeting Attended
Mr. Mohammad Obaidul Karim	Chairman	7	7
Mr. Md. Rezaul Karim	Managing Director	7	7
Mr. Md. Ebadul Karim	Director	7	7
Mrs. Arzuda Karim	Director	7	7
Mrs. Nurun Nahar	Director	7	7
Mrs. Shirin Akhter	Director	7	7
Mr. Quazi Mamun-UI-Ashraf	Independent Director	7	7
Dr. M. Shamsher Ali	Independent Director	7	7
Mr. Abu Bakar Siddique	Chief Financial Officer	7	7
Mr. Md. Ferdous Jaman	Company Secretary	7	7

SHAREHOLDING STRUCTURE OF THE COMPANY

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

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 30,468,750 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. 30th November, 2016.

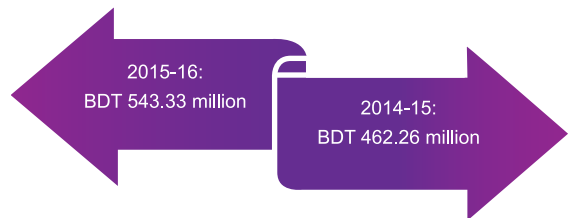


ENVIRONMENTAL CONSIDERATION

Kohinoor Chemical Company (BD) 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.

CONTRIBUTION TO NATIONAL ECONOMY

During the financial year 2015-16, your company has contributed an amount of BDT 543.33 million Corporate Tax, Value Added Tax (VAT) and different other duties; compared to BDT BDT 462.26 million in the last year. This contribution is equivalent to 18.13% of the company's Net Revenue.



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, Directors of the Company, retire by rotation from the Board, but being eligible, have offered themselves for re-election. Brief profiles of the Directors being proposed for re-appointment are given in Annexure-II.

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 30th June, 2016, will retire at the conclusion of the ensuing Annual General Meeting.

However, being eligible they have offered themselves for re-appointment as auditors of the Company for the next financial year. Based on their audit performance record, the Board recommends M/S Toha Khan Zaman & Co., Chartered Accountants to be reappointed as the Statutory Auditor of the Company for the financial year 2016-17 subject to the approval of Shareholders in the next AGM.

STATUS OF COMPLIANCE

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

ACKNOWLEDGEMENT

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

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

On behalf of the Board

Sd/-

Mohammad Obaidul Karim
Chairman

ANNEXURE TO THE DIRECTORS' REPORT

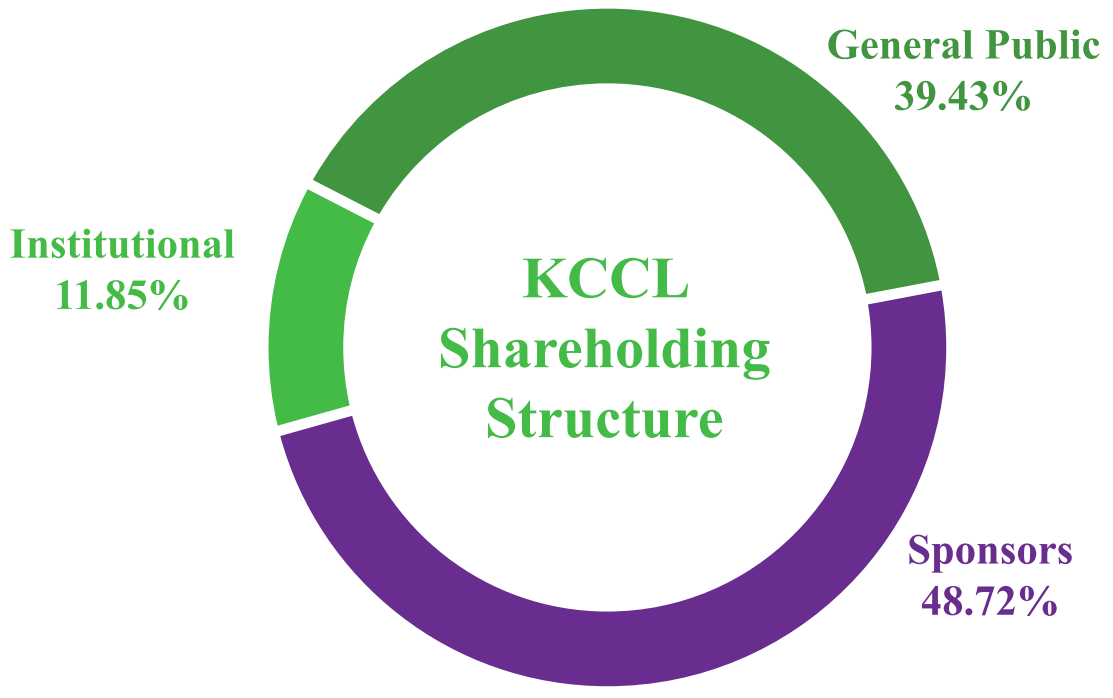
ANNEXURE –I

Category Wise Ownership of Company's Share

As on 30th June. 2016

Name of Shareholders	Status		Shareholding %
i. Parent/ Subsidiary/Associates and Other Related Parties:			-
ii. Directors:			
Mr. Mohammad Obaidul Karim	Chairman	2,178,515	21.45
Mr. Md. Rezaul Karim	Managing Director	366,796	3.61
Mr. Md. Ebadul Karim	Director	794,921	7.83
Mrs. Arzuda Karim	Director	592,108	5.83
Mrs. Nurun Nahar	Director	508,226	5.00
Mrs. Shirin Akhter	Director	508,062	5.00
Mr. Quazi Mamun-Ul Ashraf	Independent Director	-	-
Professor Dr. M. Shamsheer Ali	Independent Director	-	-
iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children:			
Mr. Md. Rezaul Karim	Chief Executive Officer	366,796	3.61
Mr. Abu Bakar Siddique	Chief Financial Officer	-	-
Mr. Md. Ferdous Jaman	Company Secretary	-	-
Mr. Mohd. Shamim Kabir	Chief Internal Auditor	-	-
iv. Executives:			
Mr. Md. Abul Khair	Director (Company Affairs)	-	-
M. Ziaul Hafiz	Head of Sales & Marketing	-	-
Mr. Shah Md. Abdul Wadood	Head of Production	-	-
Mr. A.S.M. Zaman	Head of Distribution	-	-
Mr. Md. Aslam Hossain Baig	Head of HR & Admin	-	-
v. Shareholders Holding 10% or More Voting Interest in the Company:			
Mohammad Obaidul Karim	Chairman	2,178,515	21.45

Type of Shareholders	No. of Shares	Shareholding %
Sponsors /Directors	4,948,628	48.72
Institutional	1,203,315	11.85
General Public	4,004,307	39.43
Total	10,156,250	100.00



ANNEXURE –II

Brief Profile of the Directors Seeking Re-appointment

MRS. SHIRIN AKHTER

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

MRS. NURUN NAHAR

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

ANNEXURE –III

Compliance of Notification No.SEC/CMRRCD/2006-158/134/Admin/44
dated 7th August, 2012

1. Board of Directors:

1.1 Board Size:

In compliance with the requirements by the regulations of BSEC, KCCL's Board of Directors comprises 8 (eight) members including 2 (one) Independent Directors as on 30th June, 2016.

1.2 Independent Director:

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

1.3 Qualification of Independent Director (ID):

- (i) The appointed ID's are highly knowledgeable and qualified persons. Both of them are able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.
- (ii) Independent Director, Professor Dr. M. Shamsher Ali, has been teaching at the University level for about 30 years and Quazi Mamun-Ul Ashraf was the Manager and Vice President of Jamuna Bank Limited and now the life member of many associations including Bangladesh Institute of Bankers.
- (iii) No relaxation of the qualification of ID is required.

1.4 Chairman of the Board and Chief Executive Officer:

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

1.5 The Director's Report to Shareholders:

All the requirements have been fulfilled properly.

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

2.1 Appointment:

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

Chief Financial Officer	: Mr. Abu Bakar Siddique
Head of Internal audit	: Mr. Mohd. Shamim Kabir
Company Secretary	: Mr. Md. Ferdous Jaman

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

The CFO and the CS attend the meeting regularly.

3. Audit Committee:

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

3.1 Constitution of the Audit Committee:

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

3.2 Chairman of the Audit Committee:

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

3.3 Role of Audit Committee:

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

3.4 Reporting of the Audit Committee:

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

3.5 Reporting to the Shareholders and General Investors:

The Audit Committee Report has been disclosed in the Annexure IV of the Annual Report of the Company.

4. External Statutory Auditors:

The Board has recommended the Statutory Auditor of KCCL and appointed by the shareholders at the AGM following the BSEC guidelines strictly. The audit committee monitored and ensured that the statutory auditors were not involved in the services as per the provisions of the Corporate Governance Guideline imposed by BSEC.

5. Subsidiary Company:

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

6. Duties of CEO & CFO:

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

7. Reporting and Compliance of Corporate Governance:

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

ANNEXURE –IV

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/CMRRCD/2006-158/134/Admin/44 dated 07th August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 3.

Constitution and Assistance of the Audit Committee to the Board:

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

During the financial year under review, the Audit Committee consisted of the following members:

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

Secretary: Mr. Md. Ferdous Jaman

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

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

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

The Audit Committee met five (5) times during the financial year 2015-16 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	5/5
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:

1. 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.
2. Monitoring and reviewing the integrity of the financial reporting process ensuring compliance to the accounting policies and principles, internal control risk management process.
3. Ensuring the adequacy of internal audit function and considering the major findings of the internal investigations and management response and where necessary, ensuring the appropriate actions are taken.
4. 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.
5. Reviewing statement of significant related party transactions submitted by management.
6. Recommending to the Board the appointment, re-appointment or removal of external auditors and overseeing their performance as well.
7. Ensuring the non-engagement of external auditors in any material non-audit work including appraisal or valuation service or fairness opinions, financial information systems design and implementation, book-keeping, broker-dealer services, actuarial services and internal audit services.

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 2015-16, 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 2015-16 having significant material impact on Company's financial statements which needed to be disclosed to the Board or the Regulatory Authorities. It presented hereunder its report for the shareholders and other interested parties prepared for the financial year ended 30th June, 2016.

Report from the Audit Committee

Dated: 30th October, 2016

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 30th June, 2016.

Dear Sirs:

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

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

The committee ensures that the external auditors were not engaged in any material non-audit work of the Company. Also the Committee is of the view that the financial reporting process, the application of accounting policies and principles, the internal control and audit functions and the risk management procedures are adequate to present a true and fair view of the activities and financial status of the Company.

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

M/S Toha Khan Zaman & Co., Chartered Accountants were the External Auditors of Kohinoor Chemical Company (BD) Limited for last year. However, they expressed their willingness to carry on the office as the Statutory Auditors of the Company for the next financial year. Being eligible and as appeared most appropriate and proficient to perform the external audit, the Audit Committee will recommend M/S Toha Khan Zaman & Co., Chartered Accountants, to be re-appointed as the Statutory Auditors of the Company for the upcoming financial year.

On behalf of the Committee

Sd/-

Quazi Mamun-UI Ashraf
Chairman
Audit Committee

ANNEXURE –V

Report of the CEO and CFO to the Board

Date: 30th October, 2016

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

Subject: Certification of CEO and CFO to the Board

Dear Sirs:

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

We, the undersigned CEO & Managing Director and the Chief Financial Officer (CFO), do hereby certify to the Board of the Company that we have reviewed the financial statements of Kohinoor Chemical Company (BD) Limited for the year ended 30th June, 2016 and to the best of our knowledge and belief:

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

Yours sincerely

Sd/-
Md. Rezaul Karim
Managing Director & CEO

Sd/-
Abu Bakar Siddique
Chief Financial Officer

ANNEXURE –VI

COMPLIANCE REPORT ON BAS and BFRS

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

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

ANNEXURE –VII

CERTIFICATION ON COMPLIANCE OF

Corporate Governance



PODDER & ASSOCIATES

Cost and Management Accountants

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

Compliance Certificate

On

CORPORATE GOVERNANCE

To the Shareholders of

Kohinoor Chemical Company (BD) Limited

"Podder & Associates", being one of the firm of "Professional Accountants" in Bangladesh, takes the gratification to study and opine in attainment of Compliance on Corporate Governance by **Kohinoor Chemical Company (BD) Limited** for the period ended 30th June 2016. This study is completed in accordance with the guideline set by **Bangladesh Securities and Exchange Commission (BSEC)** through the notification SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August, 2012.

Accomplishment of compliance on corporate governance is the conscientiousness of the management of the Company. Our study is imperfect to the measures and execution of such as per guideline set by BSEC. It is neither an audit nor expression of opinion on the financial affairs of the Company.

As per our study and observation on the best of information & explanations provided, **Kohinoor Chemical Company (BD) Limited** has complied with the conditions of Corporate Governance set by Bangladesh Securities And Exchange Commission.

On the above note, we would also like to state that such compliance is neither an assurance as to the future capability of the Company nor the efficiency or effectiveness by which management has conducted the affairs of the Company.

For Podder & Associates

Jayanta Kumer Podder
Cost and Management Accountant

Date: 10 NOV 2016

Place: Dhaka, Bangladesh

HINOOR CHEMICAL COMPANY (BANGLADESH) LTD.
Status of Compliance with the Corporate Governance Guideline (CGC)
For the year ended 30th June 2016

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

(Report under Condition No. 7.00)

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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
1.5	Directors Report to the Shareholders			
(i)	Industry outlook and possible future developments in the industry.	√		The Director's report complies with the guideline.
(ii)	Segment-wise or product-wise performance.	√		
(iii)	Risks and concerns.	√		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not Applicable
(vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		
(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not Applicable
(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not Applicable
(ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not Applicable
(x)	Remuneration to directors including independent directors.	√		
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
(xii)	Proper books of account of the issuer company have been maintained.	√		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		
(xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standard (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
(xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considerer to be a going concern, the fact along with reasons thereof should be disclosed.	√		
(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.			Not Applicable
(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
(xix)	if the issuer company has not declared dividend(cash or stock) for the year, the reasons thereof shall be given.			Company Declared Dividend
(xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	√		
(xxi)	The Pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:	√		
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	√		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		No share held except Directors & CEO (as per notification)
(xxi) c)	Executives;			Not Applicable
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).			Mr. Mohammad Obaidul Karim holds 21.45% share of KCCL.

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

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

Condition No.	Title	Complied	Not Complied	Remarks (IF ANY)
6.0	Duties of Chief Executive Officer (CEO) and Chief Financial Officer(CFO)			
The CEO and CFO shall certify to the Board that:-				
(i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	√		
a)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		CEO and CFO certified to the Board during finalization of Financial Statement which is stated in the "Directors declaration as to Financial statements in the Directors' Report"
b)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	√		In practice
(ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent illegal or violation of the company's code of conduct.	√		In practice
7.0	Reporting and Compliance of Corporate Governance			
(i)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	√		Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2016.
(ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	√		

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

Report on the Financial Statements:

We have audited the accompanying Financial Statements of **Kohinoor Chemical Company (Bangladesh) Ltd.**, which comprises the Statement of Financial Position as at 30th June 2016, and the Statements of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and explanatory information through Notes – 1.00 to Notes – 32.00.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the 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 30th June 2016, and its financial performance for the year then ended in accordance with the Bangladesh Financial Reporting Standards (BFRS) and complies with the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that:

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

**Dated, Dhaka
08th November, 2016**

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

**STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE, 2016**

(Figures in BDT)

PARTICULARS	NOTE	AS AT 30-06-2016	AS AT 30-06-2015
ASSETS:	4.00	322,959,095	298,322,570
I. Non-Current Assets:	5.00	9,525,866	11,907,332
Property, Plant and Equipment		<u>332,484,961</u>	<u>310,229,902</u>
Goodwill			
Total Non-Current Assets:	6.00	147,546,916	147,551,754
II. Current Assets:	7.00	767,238,337	731,105,851
Investment in Marketable Security	8.00	7,308,265	8,239,430
Inventories	9.00	346,425,721	300,373,494
Accounts Receivable	10.00	26,728,944	24,599,302
Advances, Deposits & Pre-payments	11.00	3,655,021	5,824,876
Short Term Investment (FDR)	12.00	76,824,199	128,543,724
Inter Project Current Account		<u>1,375,727,403</u>	<u>1,346,238,431</u>
Cash and Cash Equivalents		<u>1,708,212,364</u>	<u>1,656,468,333</u>
Total Current Assets:			
Total Assets (A)=(I+II):			
SHAREHOLDERS' EQUITY & LIABILITIES:			
III. Shareholders' Equity:	13.00	101,562,500	101,562,500
Share Capital	14.00	7,143,605	7,143,605
Revaluation Reserve	15.00	308,728,142	219,898,591
Retained Earnings		<u>417,434,247</u>	<u>328,604,696</u>
Total Shareholders' Equity:			
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	264,979,129	337,223,833
Accounts Payables	18.00	465,169,940	426,676,747
Accrued Expenses	19.00	174,602,274	177,837,941
Dividend Payable	20.00	12,744,898	11,079,694
Provision for Gratuity	21.00	17,241,893	18,752,304
Deferred Tax Liability	22.00	29,950,199	30,203,335
Total Current Liabilities:		<u>964,688,333</u>	<u>1,001,773,854</u>
Total Shareholders' Equity & Liabilities (B)=(III+IV+ V):		<u>1,708,212,364</u>	<u>1,656,468,333</u>
Contingent Liability	23.00	268,101,570	268,101,570
Net Asset Value (NAV)/Total No. of Shares:		41.10	32.35
Per Value (Tk.)		10	10

1.00 Annexed notes form part of the accounts.

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
08th November, 2016

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 30th JUNE, 2016

PARTICULARS	NOTE	2015-2016	2014-2015
Turnover (Net of VAT)	24.00	2,996,245,717	2,656,900,567
Less: Cost of Goods Sold	25.00	2,458,285,505	2,179,286,324
Gross Profit:		537,960,212	477,614,243
Less: Operating Expenses:			
General & Administrative Expenses	26.00	46,771,873	37,748,714
Marketing, Selling & Distribution Expenses	27.00	299,938,833	287,216,021
Total Operating Expenses:		346,710,706	324,964,735
Operating Profit:		191,249,506	152,649,508
Less: Financial Expenses	28.00	25,081,141	38,207,325
Less: Amortization of Goodwill	5.00	2,381,466	0
Net Profit after Financial Expenses		163,786,899	114,442,183
Income from Other Sources	29.00	5,018,970	9,662,874
Net Profit before Contribution to WPPF		168,805,869	124,105,057
Less: Contribution to WPPF and Welfare Fund	30.00	8,038,375	5,909,765
Net Profit before Tax:		160,767,494	118,195,292
Less: Provision for Income Tax @ 25%	31.00	41,722,328	29,874,361
Deferred Tax Income/(Expense)	32.00	253,136	3,136,512
Net profit after tax for the year		119,298,302	91,457,443
Total Comprehensive Income for the year		119,298,302	91,457,443
No. of Shares		10,156,250	10,156,250
Earnings per Share (EPS):		11.75	9.01

1.00 Annexed notes form part of the accounts.

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
08th November, 2016**

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30th JUNE, 2016**

(Figure in BDT)

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total Equity
Year 2015-2016:				
Balance as at 01 July 2015	101,562,500	7,143,605	219,898,591	328,604,696
Add: Net Profit after Tax	0	0	119,298,302	119,298,302
Less: Dividend for the year 2014-2015	0	0	(30,468,751)	(30,468,751)
Balance at the end of the year	<u>101,562,500</u>	<u>7,143,605</u>	<u>308,728,142</u>	<u>417,434,247</u>
Year 2014-2015:				
Balance as at 01 July 2014	81,250,000	7,143,605	148,753,647	237,147,252
Add: Capitalized 25% Stock Dividend	20,312,500	0	0	20,312,500
Add: Net Profit transferred from Income Statement	0	0	91,457,444	91,457,444
Less: Dividend for the year 2013-2014	0	0	(20,312,500)	(20,312,500)
Balance at the end of the year	<u>101,562,500</u>	<u>7,143,605</u>	<u>219,898,591</u>	<u>328,604,696</u>

1.00 Annexed notes form part of the accounts.

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

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

Sd/-

Director

Sd/-

Company Secretary

**Dated, Dhaka
08th November 2016**

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30th JUNE, 2016**

(Figures in BDT)

PARTICULARS	NOTE	2015-2016	2014-2015
A. OPERATING ACTIVITIES:			
Collection against Sales		2,997,087,622	2,666,563,442
Payment to Creditors		(2,318,985,841)	(2,404,713,035)
Payment for AIT, VAT & SD		(553,675,976)	(51,708,285)
Net Cash Flow from Operating Activities Taka:		<u>124,425,805</u>	<u>210,142,122</u>
B. INVESTING ACTIVITIES:			
Acquisition of Property, Plant & Equipment		(47,797,282)	(27,532,377)
Investment in Fixed Deposit		(2,129,642)	(2,397,547)
Investment in Marketable Security		(3,078,141)	(80,989,764)
Sales Proceeds of Marketable Security		2,402	13,990,941
Receipt from sale of Property, Plant & Equipment		839,500	152,500
Net Cash Flow from Investing Activities Taka:		<u>(52,163,163)</u>	<u>(96,776,247)</u>
C. FINANCING ACTIVITIES:			
Payment of Loan		(72,244,704)	(42,514,020)
Bank Interest & Others Paid		(25,081,140)	(38,207,325)
Dividend Paid		(25,145,912)	(276,882)
Gratuity Payment		(1,510,411)	(603,827)
Net Cash Flow from Financing Activities Taka:		<u>(123,982,167)</u>	<u>(81,602,054)</u>
D. Net Cash Inflow/(Outflow) (A+B+C)		<u>(51,719,525)</u>	<u>31,763,821</u>
E. Opening Cash and Bank Balances:		<u>128,543,724</u>	<u>96,779,903</u>
F. Closing Cash and Bank Balances:		<u>76,824,199</u>	<u>128,543,724</u>
Net Operating Cash Flow per Share		12.25	20.69

1.00 Annexed notes form part of the accounts.

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

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

Sd/-

Director

Sd/-

Company Secretary

**Dated, Dhaka
08th November 2016**

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

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE, 2016

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 5th May, 1988. It was transformed into a Public Limited Company under Companies Act, 1913 and was named as **Kohinoor Chemical Company (Bangladesh) Limited** from 5th 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 20th July, 1991. Subsequently, the ownership of the said 51% of the shares was transferred from BCIC to the Sponsor Director on 03-08-1993. The shares of the Company are publicly traded in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

1.02 Address of the Registered and Corporate Office:

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

1.03 Nature of Business Activities:

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

1.04 Production Unit:

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

2.00 SIGNIFICANT ACCOUNTING POLICIES:

2.01 Basis of Preparation and Presentation of the Financial Statements:

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

2.02 Accounting Convention and Assumption:

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

2.03 Principle Accounting Policies:

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

2.04 Application of accounting Standards:

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

BAS 1 Presentation of Financial Statements
 BAS 2 Inventories
 BAS 7 Cash Flow Statements
 BAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
 BAS 10 Events after the Balance Sheet Date
 BAS 12 Income Tax
 BAS 16 Properties, Plant and Equipment
 BAS 18 Revenue
 BAS 19 Employee Benefits
 BAS 21 The Effects of Changes of Foreign Exchange Rates
 BAS 23 Borrowing Costs
 BAS 24 Related Parties Disclosure
 BAS 33 Earning Per Share
 BAS 36 Impairment of Assets

2.05 Valuation of Inventories:

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

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

Cost comprises of the value of materials and directly attributable labor cost, depreciation and production overheads. Physical verification of inventories has been carried out annually on the last day of the financial year of business as on 30th June 2016 and valuation has been done on the basis as stated above.

2.06 Cash Flow Statements:

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

2.07 Accounting Policies, Changes in Accounting Estimates and Errors:

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

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

2.08 Events after the Balance Sheet Date

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

2.09 Income Tax:

The company makes provision for income tax as per the requirements of the Income Tax Ordinance 1984. The applicable tax rate for the Company is 25% or 0.60 percent of Gross Receipt as per provision of Section 82C(4) of The Income Tax Ordinance 1984, whichever is higher. Provision for Deferred Tax as per the requirement by BAS 12 has been made in the financial statements. Income tax return of the company for the assessment year 2015-2016 has been duly filed but not yet assessed.

2.10 Property, Plant and Equipment:

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

2.11 Leases:

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

2.12 Revenue Recognition:

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

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

2.13 Employee Benefits (BAS 19):

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

2.14 The Effects of Changes of Foreign Exchange Rates:

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

2.15 Borrowing Costs:

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

2.16 Related Parties Disclosure:

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

2.17 Earnings per Shares:

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

2.18 Impairment of Assets:

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

2.19 Depreciation on Fixed Assets:

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

The depreciation /amortization rate(s) are as follows:

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

2.20 Provision:

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

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

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

2.21 Intangible Assets:

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

2.22 Cash and Cash Equivalents:

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

2.23 Trade and Other Payable:

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

2.24 Repairs and Maintenance Charges:

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

2.25 Advertisement Expenses:

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

2.26 Insurance Coverage:

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

2.27 Revaluation Reserve:

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

2.28 Investment in Marketable Security:

Investment in Marketable Security have been classified as "Available for Sale" and shown at cost value of Tk. 147,542,985. But as per BAS 39 financial assets should be shown at fair value.

2.29 Payable to Government (interest):

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

2.30 BCIC Current Account:

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

2.31 Contingent Liability:

Contingent Liability Tk. 268,101,570 represents interest claimed on BCIC/Government Debentures issued to 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:

2.33 Payroll:

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

Particulars	Total Person FY 2015-2016	Salary Above Tk. 5,000	Salary Bellow Tk.5,000	Total Person FY 2014-2015
Officers	383	383	0	380
Staff	1,027	1027	0	1,046
Workers	564	557	7	554
Total:	1,974	1967	7	1,980

3.00 COMPLIANCE AND OTHERS:**3.01 Compliance with Local Laws:**

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

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

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

3.03 Reporting Currency and Level of Precision:

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

3.04 Comparative Information:

Comparative information has been disclosed in respect of the year 2014-2015 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 01th July 2015 to 30th June 2016 followed consistently.

3.06 Approval of Financial Statement:

The financial statements have been approved by the Board of Directors as on 08th November, 2016.

4.00 PROPERTY, PLANT & EQUIPMENT: Tk. 322,959,095

4.01 The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance 01-07-2015	715,599,727	688,433,850
Add: Addition during the year	47,797,282	27,532,377
Less: Adjustment during the year	<u>1,308,500</u>	<u>366,500</u>
Depreciable Value (A):	<u>762,088,509</u>	<u>715,599,727</u>
Opening Accumulated Depreciation 01-07-2015	417,277,159	394,925,896
Add: Addition during the year	23,040,387	22,686,764
Less: Adjustment during the year	<u>1,188,132</u>	<u>335,501</u>
Accumulated Depreciation (B):	<u>439,129,414</u>	<u>417,277,159</u>
Written down value (A-B):	<u>322,959,095</u>	<u>298,322,568</u>

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. 47,797,282.

5.00 GOODWILL: Tk. 9,525,866

5.01 The above balance has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	11,907,332	11,907,332
Less: Amortization during the year	<u>2,381,466</u>	<u>0</u>
Closing Balance Taka:	<u>9,525,866</u>	<u>11,907,332</u>

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. The Board of Directors vide their resolution 02 in the meeting held on 28th July 2016 has decided to amortize amount within 5 years.

6.00 INVESTMENT IN MARKETABLE SECURITY: Tk. 147,546,916

6.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Investment in Marketable Security	6.02	147,542,985	144,466,903
BO Account at SJBIL		3,931	3,084,851
Total Taka:		<u>147,546,916</u>	<u>147,551,754</u>

6.02 Investment in Marketable Security: Tk. 147,542,985

Breakup of the above amount is given below:

Particulars	Number of Shares	Cost Value	
		30-06-2016	30-06-2015
Beacon Pharma (Placement Share)	650,000	6,190,476	6,190,476
National Bank Ltd.	798,600	24,137,280	24,137,280
Al Arafah Bank Ltd.	1,203,453	26,429,383	26,429,383
Eastern Bank Ltd.	155,250	6,720,000	6,720,000
Square Pharma	367,219	84,065,846	80,989,764
Total Taka:		147,542,985	144,466,903

6.03 The above amounts have been classified as "Available for Sale" and shown at cost value of Tk.147,542,985. But as per BAS 39 financial assets should be shown at fair value. Realized Capital Gain from sale of shares during the year for an amount of Tk. 342 has been recognized as Income from Other Sources, while unrealized gain/(loss) is not recognized in the Financial Statement.

7.00 INVENTORIES: Tk. 767,238,337

7.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Raw Materials, Chemicals & Packing Materials	7.02	568,884,643	517,870,434
Work in Process	7.03	42,863,294	42,513,711
Finished Goods	7.04	53,436,148	70,823,887
Stores in Transit	7.05	23,646,021	23,227,960
Spares, Accessories & Stores	7.06	78,408,231	76,669,859
Total Taka:		767,238,337	731,105,851

7.02 Raw Materials, Chemicals & Packing Materials: Tk. 568,884,643

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Raw Materials:		
Soap	340,252,107	192,853,545
Cosmetic	88,653,639	130,209,685
Chemicals (Aromatic):		
Aromatic Chemical	74,350,064	70,377,088
Packing Materials:		
Soap	17,604,850	35,131,008
Cosmetic	35,513,688	79,035,122
Plant Stock:		
Aromatic Chemicals	12,510,295	10,263,985
Total Taka:	568,884,643	517,870,433

7.03 Work in Process: Tk. 42,863,294

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Raw Material of Soap	39,136,979	37,131,302
Raw Material of Detergent Powder	1,820,068	1,601,314
Raw Material of Cosmetic	1,906,247	3,781,095
Total Taka:	42,863,294	42,513,711

7.04 Finished Goods: Tk. 53,436,148

Breakup of the above amount is given below:

Particulars	30-06-2016		30-06-2015	
	Quantity	Amount	Quantity	Amount
Washing Soap	528,864	5,086,621	536,518	5,155,173
Toilet Soap	1,571,057	23,847,945	2,394,879	30,842,776
Tooth Paste	67,832	1,566,126	58,792	1,357,139
Powder	118,072	2,428,998	132,467	5,176,649
Shaving Cream	56,266	1,450,388	74,650	1,854,690
Snow/Cream	412,479	5,452,016	737,665	10,846,990
Hair Oil	27,772	1,229,996	37,342	1,619,689
Miscellaneous Cosmetics	92,284	2,015,498	169,268	3,654,388
Detergent Powder	635,822	9,869,041	602,489	7,970,016
Glycerin C.P.	13,492	315,537	16,926	431,302
Coconut Oil	6,546	173,982	40,106	1,915,075
Total Taka:		53,436,148		70,823,887

7.05 Stores in Transit: Tk. 23,646,021

Store-in-Transit represents raw material purchased from abroad but not received till 30th June, 2016. 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. 78,408,231

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Spare & Accessories	68,622,969	63,691,343
Consumable Stores	9,785,262	12,978,516
Total Taka:	78,408,231	76,669,859

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

8.00 ACCOUNTS RECEIVABLE: Tk. 7,308,265

8.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Trade Receivable	8.02	272,385	441,024
Other Receivable	8.03	7,035,880	7,798,406
Total Taka:		7,308,265	8,239,430

8.02 Trade Receivable: Tk. 272,385

a. Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Ahmedia Enterprise	10,312	10,312
Mostafa Traders	13,845	7,665
Beacon Pharma	0	19,770
Modina Traders	49,453	0
Others	198,775	403,278
Total Taka:	272,385	441,025

b. Aging of the above balance is given below:

Particulars	30-06-2016	30-06-2015
Below 180 days	272,385	441,025
Above 180 days	0	0
	272,385	441,025

Particulars	30-06-2016	30-06-2015
Accounts Receivable considered good in respect of which the company is fully secured	272,385	441,025
Accounts Receivable due by common management	0	0
Total Taka:	272,385	441,025

1. The above amount is receivable from distributors against sales.
2. The above receivables are considered good and covered by security deposits received 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. 7,035,880

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

Particulars	30-06-2016	30-06-2015
Sirco Soap & Chemicals	5,257,064	5,257,064
Accrued Interest on Fixed deposit	1,400,383	1,676,443
Others	378,433	864,899
Total Taka:	7,035,880	7,798,406

9.00 ADVANCE, DEPOSIT & PREPAYMENTS: Tk. 346,425,721

9.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Advance, Deposits & Prepayments	9.02	17,949,007	19,734,567
Advance against Tax	9.03	282,469,536	244,973,526
Advance against VAT	9.04	46,007,178	35,665,401
Total Taka:		346,425,721	300,373,494

9.02 Advances to Suppliers and Creditors: 17,949,007

Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
Advance:		
Advance against Salaries (Officer)	637,552	491,052
Advance against Salaries (Staff)	69,700	66,000
Advance against Wages (Workers)	416,041	366,041
Advance against Expenses	794,375	1,070,083
Advance against Supplies/ Purchase	9,032,251	9,768,441
Advance against advertisement:		
Bangladesh Television	0	2,703,960
Others	0	50,000
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	4,525,981	2,613,883
Security against Bank Guarantee	937,364	1,069,364
Shipping Guarantee Margin	177,001	177,001
Total Taka:	17,949,007	19,734,567

9.03 Advance against Tax: Tk. 282,469,536

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	244,973,526	237,684,136
Add: Addition during the year	67,370,371	51,708,285
	312,343,897	289,392,421
Less: AIT Adjustment during the year	29,874,361	44,418,895
Closing Balance Taka:	282,469,536	244,973,526

9.04 Advance against VAT: Tk. 46,007,178

Details of the amount are given below:

Particulars	30-06-2016	30-06-2015
VAT on Import	40,511,348	35,608,795
VAT on Local Purchase	5,495,830	56,606
Total Taka:	46,007,178	35,665,401

10.00 SHORT TERM INVESTMENT (FDR): Tk. 26,728,944

10.01 Breakup of the above amount is given below:

Particulars	FDR No.	30-06-2016	30-06-2015
The National Bank Ltd.	No. 0103341/22132	19,240,953	17,652,250
The National Bank Ltd.	No. 0103209/20846	2,573,686	2,375,893
The National Bank Ltd.	No. 0103244/21191	1,841,393	1,699,878
Shahjalal Bank Ltd.	No. 1038/53300001650	3,022,912	2,821,281
Agrani Bank Ltd.	No. 0249744/24103	50,000	50,000
Total Taka:		26,728,944	24,599,302

10.02 Details are shown in Annexure A/2.

11.00 INTER PROJECT CURRENT ACCOUNT: Tk. 3,655,021

11.01 Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Inter Project Current Account	3,655,021	5,824,876
Total Taka:	3,655,021	5,824,876

11.02 Related Party disclosure required as per IAS 24: 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 transaction and their total value has been shown in the below table in accordance with BAS-24 "Related party disclosures":

Name of the party	Relationship	Nature of transaction	Opening Balance	Addition for the year	Adjustment for the year	Closing Balance
Orion Infusion Ltd.	Sister-Concern	Invoice	5,824,876	507,520	2,677,375	3,655,021

12.00 CASH AND CASH EQUIVALENTS: Tk. 76,824,199

12.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Cash in Hand (Including All Depots)	12.02	2,537,019	9,302,669
Cash at Bank	12.03	32,547,054	51,653,290
Cash in Transit	12.04	41,740,126	67,587,765
Total Taka:		76,824,199	128,543,724

12.02 Cash in Hand: Tk. 2,537,019

a. Breakup of the above amount is given below:

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

b. The management through balance confirmation certificate has confirmed the above balance as on 30th June 2016. Our audit team physically verified the cash balance as on 30th June, 2016 and has found the exact amount in hand.

12.03 Cash at Bank: Tk. 32,547,054

Breakup of the above amount is given below:

Particulars	Account No.	30-06-2016	30-06-2015	Remarks
Agrani Bank Ltd., Tejgaon Branch	STD-692988 (313)	290,317	280,886	Agreed
Agrani Bank Ltd., Ramna Branch	STD-104332 (336)	404,803	391,017	Agreed
Agrani Bank Ltd., Ramna Branch	STD-104270 (397)	665,022	641,341	Agreed
Agrani Bank Ltd., Ramna Branch	CD-105365 (92015)	42,273	43,573	Agreed
National Bank Ltd., Kawranbazar Branch	SND-339	945,179	1,068,478	Agreed
Shahjalal Islami Bank Ltd., Dhaka	MSND-0061	20,690,220	37,031,230	Reconciled
Shahjalal Islami Bank Ltd., Dividend	MSND-151	300,666	333,751	Agreed
Shahjalal Islami Bank Ltd., Dividend A/C	MSND-410	6,557,992	4,826,233	Agreed
Islami Bank Bangladesh Ltd.	CD-80203	142,176	10,499	Agreed
BRAC Bank Ltd., Gulshan Br. Dhaka	Saving-769159001	2,209,373	5,087,426	Agreed
IFIC Bank Ltd., Kawran Bazar	CD-173761001	500	1,650	Agreed
Islami Bank Bangladesh Ltd.	MSND-6209	180,413	1,807,835	Agreed
Al-Arafah Islami Bank Ltd.	MSND-4901	2,155	3,225	Agreed
Southeast Bank Ltd., Gulshan Br.	CD-17178	0	8,663	Agreed
Shahjalal Islami Bank Ltd., Fraction BO A/C	SND-2652	8,455	106,342	Agreed
Jamuna Bank Ltd., Lalmatia Br.	SND-326	0	1,240	Agreed
Modhumati Bank Ltd., Motijheel Br.	SND-025	107,398	9,903	Agreed
UCBL, Tejgaon Br.	SND-170	112	0	Agreed
Total Taka:		32,547,054	51,653,290	

12.04 Cash in Transit: Tk. 41,740,126

Breakup of the above amount is given below:

Name of Office	30-06-2016	30-06-2015
Central Depot	6,967,045	25,534,665
Chittagong Depot	3,330,103	3,220,896
Khulna Depot	15,903,735	15,026,388
Bogra Depot	7,603,321	11,981,114
Barisal Depot	7,015,608	7,756,266
Sylhet Depot	920,314	4,068,436
Total Taka:	41,740,126	67,587,765

13.00 SHARE CAPITAL: Tk. 101,562,500**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. 101,562,500

- a. The above amount represents the value of 10,156,250 shares of Tk.10 each fully paid up.
- b. The movement of issued shares during the year 2015-2016 is as follows:

Particulars	Number of Shares	Amounts
Shares as on 30 th June 2016	1,01,56,250	101,562,500
Total:	10,156,250	101,562,500

c. Composition of Shareholding:

Category of Shareholder	30-06-2016			30-06-2015		
	No. of Share	No. of Shareholders	% of Total Shares	No. of Share	No. of Shareholders	% of Total Shares
Sponsors/Directors	4,948,628	6	48.72%	4,948,628	6	48.72%
Investment Corporation of Bangladesh (ICB)	1,203,315	1	11.85%	1,162,890	1	11.45%
General Public	4,004,307	6,467	39.43%	4,044,730	6,467	39.83%
Total:	10,156,250	6,474	100%	10,156,248	6,474	100%

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

Sl. No.	Particulars	Numbers of Shares 30-06-2016	Numbers of Shares 30-06-2015
01.	Mr. Mohammad Obaidul Karim	2,178,515	2,178,515
02.	Mr. Rezaul Karim	366,796	366,796
03.	Mr. Md. Ebadul Karim	794,921	794,921
04.	Mrs. Arzuda Karim	592,108	592,108
05.	Mrs. Nurun Nahar	508,226	508,226
06.	Mrs. Shirin Akhter	508,062	508,062
	Total:	4,948,628	4,948,628

e. General Public position of holding shares as on 30th June, 2016 is as follows:

Range of Holdings	No. of Shareholders	No. of Shares	% of Holding 2016	% of Holding 2015
Less than 501 Shares	6,038	730,034	7.19%	7.32%
501 to 5,000 Shares	397	476,068	4.69%	4.86%
5,001 to 10,000 Shares	7	51,966	0.51%	0.51%
10,001 to 20,000 Shares	4	45,763	0.45%	0.57%
20,001 to 30,000 Shares	4	86,007	0.85%	0.42%
30,001 to 40,000 Shares	2	73,814	0.73%	0.38%
40,001 to 50,000 Shares	0	0	0.00%	0.00%
50,001 to 100,000 Shares	4	284,325	2.80%	4.28%
1,00,001 to 10,00,000 Shares	10	6,229,758	61.34%	60.21%
Over 10,00,000 Shares	1	2,178,515	21.45%	21.45%
Total:	6,467	10,156,250	100%	100%

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. 308,728,142

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	219,898,591	148,753,647
Add: Profit during the year	<u>119,298,302</u>	<u>91,457,444</u>
	339,196,893	240,211,091
Less: Dividend for the year	30,468,751	20,312,500
Closing Balance Taka:	308,728,142	219,898,591

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

16.01 Breakup of the above amount is given below:

Particulars	Notes	30-06-2016	30-06-2015
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	30-06-2016	30-06-2015
Govt. of Bangladesh	13.50%	103,500,000	103,500,000
BCIC	13.50%	184,000,000	184,000,000
Total Taka:		287,500,000	287,500,000

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

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

17.00 SHORT TERM LOAN: Tk. 264,979,129

17.01 Breakup of the above amount is given below:

Particulars	Notes	30-06-2016	30-06-2015
Agrani Bank Ltd., Ramna Br. A/C No. 833887 (21)	17.02	1,014,969	2,285,673
Standard Bank Ltd., Gulshan Branch A/C No. 471	17.03	743,598	28,592,900
Shahjalal Islami Bank Ltd., Bai Muajjal	17.04	121,016,666	246,989,714
Southeast Bank Ltd., - Gulshan Br., A/C No. 252		0	891,283
Jamuna Bank Ltd., Lalmatia Br., A/C No. SOD-00798		0	46,321,987
United Commercial Bank Ltd., A/C No.0068	17.05	128,532,728	0
National Bank Ltd., Kawran Bazar Br., A/C No. OD FO - 671186	17.06	13,671,168	12,142,276
Total Taka:		264,979,129	337,223,833

17.02 CC (Hypo) - Agrani Bank Limited: Tk. 1,014,969**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 400,000,000
Interest rate : 14 %-15%

17.03 CC (Hypo) - Standard Bank Limited: Tk. 743,598**Short term loan:**

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

17.04 Bai Muajjal - Shahjalal Islami Bank Limited: Tk. 121,016,666**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 1,260,000,000
Interest rate : 10% - 12 %.

17.05 OD/CC - United Commercial Bank Limited: Tk. 128,532,728**Short term loan:**

Purpose : Working capital.
Sanction Limit : Tk. 780,000,000
Interest rate : 10 %-11%

17.06 OD FO - National Bank Limited: Tk. 13,671,168**Continuous Loan:**

Purpose : Working capital.
Sanction Limit : Tk. 14,000,000
Interest rate : 10.5%- 12.5 %.

18.00 ACCOUNTS PAYABLE: Tk. 465,169,940

18.01 Breakup of the above amount is given below:

Particulars	Note	30-06-2016	30-06-2015
Creditors for Goods Supply	18.02	370,493,584	347,675,887
Creditors for Other Finance	18.03	10,166,566	7,967,160
Creditors for Expenses	18.04	47,276,385	33,599,851
Advance against Sales	18.05	878,483	473,759
BCIC Current Account	18.06	15,990,426	15,990,426
Creditors for Security Deposits		20,364,496	20,969,664
Total Taka:		465,169,940	426,676,747

18.02 Creditors for Goods Supply: Tk. 370,493,584

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
J M S Glass Industries	7,723,641	9,675,956
Polycon Ltd.	6,814,618	6,083,065
S.S. Packaging Industries Ltd.	9,191,788	13,097,513
Dias Metallic Industries	0	452,119
Plasticon	16,746,500	22,208,491
The Merchants Ltd.	18,106,388	19,599,015
Bay Fishing Corporation Ltd	11,344,726	15,251,949
Maritime Entrepreneurs (Pvt.) Ltd.	7,945,869	8,447,745
Hi-Tec Printing & Packaging Ltd.	10,348,598	11,565,859
Dana Engineering Int.	425,525	291,365
Golden Trading Co.	35,871,247	42,362,187
Unicorn Ind. Ltd	3,799,025	4,375,465
Elite Printing & Packaging Ltd.	4,499,962	4,499,962
Padma Lamitube Ltd.	2,204,121	1,736,256
Sunimex Corporation	16,249,586	16,876,586
Union Chemicals	1,020,111	965,111
Polycord Ltd.	613,098	4,271,184
Crescent Chemicals Ltd	664,095	2,390,295
Kalyar Replica Ltd	11,311,039	12,708,381
Karim Salt Crushing & R. Ind.	3,224,275	167,400
Piticon Industries	1,495,790	1,352,090
NRG Printing & Packaging	12,460,549	14,671,435
Mim International	6,812,122	9,768,424
Zon Ron Ltd.	15,359,524	18,471,877
Laboni Chemical	14,390,576	16,317,001
Others	151,618,309	89,382,923
Creditors for Goods Supply (Spot Purchase)	252,502	686,233
Total Taka:	370,493,584	347,675,887

18.03 Creditors for Other Finance: Tk. 10,166,566

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Factory Union Fee	2,894	2,904
Salary Tax Deduction from Employees	159,981	167,600
Workers' Profit Participation Fund	8,544,006	5,833,631
Deduction of Tax at Source	1,133,509	1,351,472
Provision for Revenue Stamp	48,310	48,370
Employees Contribution to P.F.	0	368,925
Others	277,866	194,258
Total Taka:	10,166,566	7,967,160

18.04 Accrued Expenses: Tk. 47,276,385

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Provision for Gas	3,761,822	2,683,725
Provision for Electric Bill	962,261	562,840
Audit Fee	60,000	60,000
Provision for Employers Contribution to P.F.	0	368,925
Provision for Legal & Professional Fees	50,000	50,000
Provision for C&F bill	719,974	0
Income Tax Provision	41,722,328	29,874,361
Total Taka:	47,276,385	33,599,851

18.05 Advance against Sales: Tk. 878,483

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Osman Gift House	0	3,709
Begum Ali Agency	0	2,859
Rokeya Enterprise	134,095	0
Howlader Store	103,612	0
Others	640,776	467,191
Total Taka:	878,483	473,759

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

The above amount represents accumulated balance of BCIC current account as on 30th June, 2016 and the amount is subject to confirmation.

19.00 ACCRUED EXPENSES: Tk. 174,602,274

Breakup of the above amount is given below:

Particulars	30-06-2016	30-06-2015
Liabilities for Payment against Import	174,602,274	177,837,941
Total Taka:	174,602,274	177,837,941

20.00 DIVIDEND PAYABLE: Tk. 12,744,898

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	11,079,694	10,677,498
Add: 30% Cash Dividend for the year	26,811,116	679,078
	37,890,810	11,356,576
Less: Dividend paid during the year	25,145,912	276,882
Closing Balance Taka:	12,744,898	11,079,694

21.00 PROVISION FOR GRATUITY: Tk. 17,241,893

21.01 The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Opening Balance	18,752,304	19,356,131
Add: Addition during the year	0	0
	18,752,304	19,356,131
Less: Paid during the year	1,510,411	603,827
Closing Balance Taka:	17,241,893	18,752,304

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.17,241,893 as actual liability as on 30th June 2016. During the year under audit, no provision has been made.

22.00 DEFERRED TAX LIABILITY: Tk. 29,950,199

The above amount has been arrived at as under:

Particulars	30-06-2016	30-06-2015
Carrying value of Fixed Assets as Accounting base	210,309,380	204,224,857
Less: Carrying value of Fixed Assets as Tax base	90,508,582	83,411,517
Temporary Difference:	119,800,798	120,813,340
Deferred Tax Liability @ 25.00%	29,950,199	30,203,335

23.00 CONTINGENT LIABILITY: Tk. 268,101,570

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

24.00 TURNOVER (Net of VAT): Tk. 2,996,245,717

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Local Sales:		
Washing Soap	628,183,794	524,283,207
Toilet Soap	1,595,323,670	1,681,425,331
Snow & Cream	85,726,589	52,006,447
Tooth Paste	11,930,728	11,254,213
Powder	101,588,714	34,317,017
Hair Oil	51,814,052	26,461,574
Shaving Cream	19,801,977	13,893,434
Coconut Oil	4,256,630	9,659,062
Detergent Powder	946,575,759	694,697,523
Misc.	26,134,495	17,044,421
Sub-Total:	3,471,336,408	3,065,042,229
Export Sales:		
Washing Soap	871,686	2,407,320
Sub-Total:	871,686	2,407,320
Gross Sales:	3,472,208,094	3,067,449,549
Less: VAT & SD	475,962,377	410,548,982
Total Taka:	2,996,245,717	2,656,900,567

25.00 COST OF GOODS SOLD: Tk. 2,458,285,505

25.01 Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Materials Consumed (Note-25.02)	2,211,719,494	2,004,751,435
Factory Overhead (Note-25.03)	229,527,855	197,674,686
Total Manufacturing Cost	2,441,247,349	2,202,426,121
Add: Opening Work-in-Process	42,513,711	31,470,304
Total Work-in-Process	2,483,761,060	2,233,896,425
Less: Closing Work-in-Process (Note-25.04)	42,863,294	42,513,711
Cost of Production	2,440,897,766	2,191,382,714
Add: Opening Finished Goods	70,823,887	58,727,497
Finished Goods available for Sale	2,511,721,653	2,250,110,211
Less: Closing Finished Goods (Note-25.05)	53,436,148	70,823,887
Cost of Goods Sold Taka:	2,458,285,505	2,179,286,324

25.02 Materials Consumed: Tk. 2,211,719,494

Breakup of the above amount is given below:

Particulars	2015-2016
Opening Inventory (Raw & Packing Material)	507,606,449
Add: Purchase for the year	2,260,487,429
Materials available for use	2,768,093,878
Less: Closing Raw & Packing Material (Note-25.02.01)	556,374,384
Total Taka:	2,211,719,494

25.03 Factory Overhead: Tk. 229,527,855

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Factory Overhead (Variable):		
Gas & Fuel for Generator	36,052,422	28,158,754
Electricity	9,551,351	7,210,202
Oil & Lubricants	2,686,879	2,402,401
Spares & Accessories	34,423,416	31,751,112
Store Consumed	21,777,368	19,960,023
Repair & Maintenance	882,072	804,428
Other Overhead	524,198	460,770
Factory Overhead (Fixed):		
Direct Factory Wages & Allowances	67,132,580	54,736,927
Factory Salaries & Allowances	29,225,518	25,761,230
Electricity, Gas & WASA	5,017,850	5,167,208
Repair & Maintenance	71,734	65,492
Depreciation	18,662,713	18,480,360
Other Factory Overhead (Note- 25.03.01)	3,519,754	2,715,779
Total Taka:	229,527,855	197,674,686

25.03.01 Other Fixed Factory Overhead: Tk. 3,519,754

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Repair & Maintenance (Factory Building)	1,912,404	1,501,296
Conveyance	795,825	697,676
Printing	118,787	101,664
Office Stationery	355,550	275,770
Medical Expenses	337,188	139,372
Total Taka:	3,519,754	2,715,778

25.04 Closing Working– In- Process: Tk. 42,863,294

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Raw & Packing Materials	42,863,294	42,513,711
Total Taka:	42,863,294	42,513,711

25.05 Closing Finished Goods: Tk. 53,436,148

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Finished Goods	53,436,148	70,823,887
Total Taka:	53,436,148	70,823,887

25.02.01 Closing Raw & Packing Material: Tk. 556,374,348

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Closing Raw & Packing Material	556,374,348	507,606,449
Total Taka:	556,374,348	507,606,449

26.00 GENERAL & ADMINISTRATIVE EXPENSES: Tk. 46,771,873

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Salaries & Allowances:		
Staff	13,318,956	11,120,823
Officers	20,363,635	17,006,855
Entertainment	231,000	112,500
Insurance Premium	1,357,650	1,247,378
Legal & Professional Fees	180,000	65,000
Printing	256,214	241,677
Office Stationery	287,551	263,507
News Papers & Magazine	105,310	83,523
Postage, Telegram, Telephone, Telex	246,929	228,981
Renewals, Rates & Taxes	1,261,548	811,853
Conveyance	1,118,988	982,146
Vehicle Running Expenses (Fuel)	2,262,408	1,338,933
Repair & Maintenance (Vehicles)	1,499,440	1,326,378
Audit Fee	60,000	60,000
A.G.M Expenses	360,000	300,000
Depreciation	2,534,443	2,467,596
Drinking Water	97,720	91,563
IT & Software Maintenance	1,230,081	0
Total Taka:	46,771,873	37,748,713

27.00 MARKETING, SELLING & DISTRIBUTION EXPENSES: Tk. 299,938,833

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Salaries & Allowances:		
Officers	64,421,936	53,876,234
Staff	100,030,896	84,413,941
Entertainment	691,035	536,805
Carriage Outward	17,306,293	15,038,600
Publicity & Advertisement	98,158,382	118,882,810
Printing	264,203	235,568
Office Stationery	219,533	141,873
Conveyance	885,737	713,743
Electricity	120,213	102,400
Telephone	108,536	131,972
Postage & Telegram	169,998	133,308
Training & Dev. Expenses	1,535,805	0
Rates & Taxes	551,557	398,627
Rent	2,154,000	2,070,000
Insurance Premium	598,341	534,031
DD Commission	1,589,825	1,716,959
Newspaper & Magazine	17,990	16,480
Repair & Maintenance (Vehicles)	2,426,979	2,300,588
Vehicle Running Expenses (Fuel)	4,521,201	3,826,582
Market Research Expenses	1,865,207	0
Loading & Unloading	355,365	315,133
Drinking Water	102,570	91,562
Depreciation	1,843,231	1,738,805
Total Taka:	299,938,833	287,216,021

28.00 FINANCIAL EXPENSES: Tk. 25,081,141

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Interest on Bank Loan	23,721,805	37,363,548
Bank Charges & Commission	1,359,336	843,777
Total Taka:	25,081,141	38,207,325

29.00 INCOME FROM OTHER SOURCES: Tk. 5,018,970

Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Interest	2,383,145	2,811,809
Gain/(Loss) on Sale of Fixed Assets	719,131	171,501
Gain/(Loss) on Sale of Marketable Security	342	5,179,882
Dividend Income of Marketable Security	1,916,352	1,499,684
Total Taka:	5,018,970	9,662,876

30.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND (WPPF) AND WELFARE FUND: Tk. 8,038,375

30.01 Breakup of the above amount is given below:

Particulars	2015-2016	2014-2015
Contribution to WPPF and Welfare Fund	8,038,375	5,909,765
Total Taka:	8,038,375	5,909,765

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	2015-2016
Contribution to Participatory Fund	80%	6,430,700
Contribution to Welfare Fund	10%	803,837
Contribution to Workers Welfare Foundation Fund	10%	803,838
Total Taka:		8,038,375

31.00 PROVISION FOR INCOME TAX: Tk. 41,722,328

Breakup of the above amount is given below:

Particulars	Tax Rate	Income from 2015-2016	Income Tax 2015-2016
Net Profit Before WPPF & Tax excluding income from Marketable Securities	25%	166,889,175	41,722,294
Dividend Income (Net of Tax)		1,916,352	0
Gain on Sale of Marketable Securities	10%	342	34
Total Taka:		168,805,869	41,722,328

32.00 DEFERRED TAX INCOME/ (EXPENSE): Tk. 253,136

The above amount has been arrived at as under:

Particulars	2015-2016	2014-2015
Opening Balance	30,203,335	33,339,847
Less: Closing Balance during the year (Note-22.00)	29,950,199	30,203,335
Total:	253,136	3,136,512

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.
FIXED ASSETS SCHEDULE
AS AT 30th JUNE 2016

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
01	Land & Land Develop.	94,097,713	18,552,000	0	112,649,713	0	0	0	0	112,649,713	
02	Building	78,543,001	4,913,868	0	83,456,869	53,976,224	2.5%-10%	1,398,562	0	55,374,786	28,082,083
03	Plant & Machinery	458,813,309	8,859,329	0	467,672,638	301,651,343	10%	15,852,390	0	317,503,733	150,168,905
04	Vehicles	59,332,028	13,217,585	1,308,500	71,241,113	39,263,543	20%-25%	5,416,214	1,188,132	43,491,625	27,749,488
05	Furniture & Fixtures	6,061,428	0	0	6,061,428	5,486,104	10%	57,532	0	5,543,636	517,792
06	Office Equipment	10,203,012	175,500	0	10,378,512	8,906,283	10%-25%	260,133	0	9,166,414	1,212,098
07	Other Assets	8,549,236	2,079,000	0	10,628,236	7,993,662	20%	55,557	0	8,049,219	2,579,017
	Total Taka:	715,599,727	47,797,282	1,308,500	762,088,509	417,277,159		23,040,387	1,188,132	439,129,414	322,959,095
	Pr. Year's Taka:	688,433,850	27,532,377	366,500	715,599,727	394,925,896		22,686,764	335,501	417,277,159	298,322,568

Particulars	Proportion	Amount
Factory Overhead	81%	18,662,713
Administrative Overhead	11%	2,534,443
Selling, Marketing & Distribution Expenses	8%	1,843,231
Total:	100%	23,040,387

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

**FIXED DEPOSIT SCHEDULE
AS AT 30th JUNE 2016**

SL. No.	Name of Bank	FDR No.	Date of Issue	Date of Maturity	Interest Rate	Opening Balance	Interest Income		Closing Balance
							Addition during the year	Accrued during the year	
01.	The National Bank Ltd., Kawran Bazar Br.	0103341/22132	14-08-2005	14-08-2016	8.5%	17,652,250	1,588,703	1,094,329	19,240,953
02.	The National Bank Ltd. Kawran Bazar Br.	0103209/20846	11-12-2005	11-12-2016	7.75%	2,375,893	197,793	92,985	2,573,686
03.	The National Bank Ltd., Kawran Bazar Br.	0103244/21191	04-02-2006	04-02-2016	6.5%	1,699,878	141,515	48,774	1,841,393
04.	Shahjalal Bank Ltd., Main Branch	1038/53300001650	05-08-2003	05-08-2016	8.00%	2,821,281	201,632	164,295	3,022,912
05.	Agrani Bank Ltd., Tejgaon Branch	0249744/24103	11-09-2005	11-09-2016		50,000	0	0	50,000
Total Taka:						24,599,302	2,129,643	1,400,383	26,728,944

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 29th Annual General Meeting of the company to be held on Tuesday, the 20th December, 2016 at 10:00 am at Officers' Club, 26, Baily Road, Dhaka at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2016 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 29th Annual General Meeting of the Company to be held on Tuesday, the 20th December, 2016 at 10:00 a.m at Officers' Club, 26, Baily Road, Dhaka.

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

Signature of the Proxy

Signature of the Shareholder(s)

N.B.

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

2. Please present this slip at the reception Desk.