

ANNUAL REPORT | 2021-2022





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LETTER OF TRANSMITTAL

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

Sub: Annual Report for the year ended June 30, 2022

Dear Sir/Madam (s):

We are privileged to inform you that the Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited has taken the decision, in its Board Meeting held on **November 10, 2022**, to hold the 35th Annual General Meeting of the Company on **December 22, 2022**.

As per the notification of Bangladesh Securities and Exchange Commission, we are enclosing a copy of the Annual Report together with the Audited Financial Statements including Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended June 30, 2022 along with notes as well as the Directors' Report of the Company thereon for your record/necessary measures.

Yours sincerely

Sd/-

Mohd. Shamim Kabir
Company Secretary
Dated: November 30, 2022

Tibet

A Symphony of World-Class
Soap Cosmetics & Toiletries
from

BANGLADESH





Vision Mission & Values

Vision

Vision

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

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.

Mission

Values

Values

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



About the COMPANY

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

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





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

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

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





A brief look at the history of



KOHINOOR CHEMICAL

THE BEGINNING

1956

1959

1973

Kohinoor Shilpa Gosti (previous form of Kohinoor Chemical Company Bangladesh Limited) was founded by a Pakistani entrepreneur.

The company started production with Tibet Snow. Subsequently other renowned brands like Tibet Pomade, Tibet 570, Tibet Ball, Tibet Kodur Tel etc. were launched.

The company was licensed and registered in 1959.

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

1976

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

1988

– The company was named as Kohinoor Chemical Company (BD) Limited.

– The company was incorporated with the RJSC.

– The company was converted into public limited company.

– The company got listed in Dhaka Stock Exchange.

1993

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

1996

The company got listed in Chittagong Stock Exchange in 1996.





Company at a Glance

Company Name

Kohinoor Chemical Company (Bangladesh)
Limited

Year of Establishment

1956

Legal Status

Public Listed Company

Converted into Public Limited Company
1988**Initial Public Offering (IPO)**

1988

Listing Status

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

Line of Business

Manufacturing of Cosmetics, Toiletries and
Beauty products

Authorized Share Capital

BDT 500,000,000

Paid Up Share Capital

BDT 255,308,625

Number of Shareholders

8,453

Number of Employees

2,473

Registered Office and Factory

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

Corporate Office

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



Company at a Glance

Main Bankers

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

Insurers

Islami Commercial Insurance Company Limited
Federal Insurance Company Limited
Sonar Bangla Insurance Limited

Statutory Auditors

Malek Siddiqui Wali
Chartered Accountants
9-G, Motijheel C/A, 2nd Floor
Dhaka - 1000
Bangladesh

Governance Compliance Auditor

Podder & Associates
Professional Accountants & Business Advisor
8/1 (Old 333/1), Segun Bagicha (Third Floor)
Dhaka-1000



Corporate Directory

Board of Directors

Mr. Mohammad Obaidul Karim
Chairman

Mr. Md. Rezaul Karim
Managing Director

Mr. Md. Ebadul Karim
Director

Mrs. Arzuda Karim
Director

Mrs. Nurun Nahar
Director

Mrs. Shirin Akhter
Director

Prof. Dr. Anwar Hossain
Independent Director

Mr. Lt. Col. Kamal Ahmed, PSC (Retd.)
Independent Director

Company Secretary

Mr. Mohd. Shamim Kabir

Chief Financial Officer

Mr. Abu Bakar Siddique

Head of Internal Audit & Compliance

Mr. AKM Reaz Haider

Audit Committee

Prof. Dr. Anwar Hossain
Chairman

Mrs. Arzuda Karim
Member

Mr. Md. Ebadul Karim
Member

Nomination & Remuneration Committee

Prof. Dr. Anwar Hossain
Chairman

Mrs. Arzuda Karim
Member

Mr. Md. Ebadul Karim
Member

Management Committee

Mr. Md. Abul Khair
Director, Corporate Affairs

Mr. M. Ziaul Hafiz
Head of Sales and Marketing

Mr. Abu Bakar Siddique
Chief Financial Officer

Mr. Shah Md. Abdul Wadood
Head of Production





Profile of Directors

Mr. Mohammad Obaidul Karim is a distinguished self-achieved industrialist & businessman. Mr. Karim's business career started in the early 1980s with his first pharmaceutical company named Orion Laboratories Limited, which is now known as Orion Pharma Limited. Mr. Karim turned the company into one of the most successful businesses of the country. Later in 1992-1993, Mr. Karim acquired the then ailing "Kohinoor Chemical Company (Bangladesh) Limited" (KCCL) and within a short period of time took it to new heights.

He is the Founder of Orion Group and established the group into one of the largest conglomerates in Bangladesh with his futuristic attitude, determined will and a burning passion. He heads the Group through his rich experience in diversified sectors. He is an innovative, self-motivated and enterprising Bangladeshi business icon who has instrumented his success in the field of diversified business portfolios. All concerns of Orion Group were formed under his dynamic leadership and management power which have received various industrial recognitions.

Mr. Karim is one of the first entrepreneurs in the country to recognize the importance of Public Private Partnership (PPP). Under his leadership, Orion Group constructed and owns the 11.8 km long Mayor Mohammad Hanif Flyover, the longest flyover and the first ever successful PPP project of the nation. Also, Orion Group built City Centre, the tallest

commercial complex cum car parking in Motijheel, the financial hub of Bangladesh. Mr. Karim's success went further up when the Group became successfully involved in Private Sector Power generation of the country, when it signed the biggest contract with Bangladesh Power Development Board (BPDB) of 1 ultra supercritical Coal based power plants of 635 MW (net) under IPP (apart from 500 MW current generation under HFO), under the Ministry of Power of the Government of Bangladesh.

Mr. Karim is also the Chairman of Orion Pharma Limited, Orion Infusion Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Power Rupsha Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Knit Textiles Limited, Orion Footwear Limited, Orion Agro Products Limited, Orion Capital Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Consumer Products Limited and ORION Quaderia Textiles Limited. Mr. Karim is the Founder Chairman of Tejgaon Industrial Owners Association. He is also the former President of Dhaka Mohamedan Sporting Club Ltd., a century old legendary and most successful sporting club of the country.



Mr. Rezaul Karim
Managing Director

Mr. Rezaul Karim has been in business for almost 39 years. Besides involvement in Kohinoor Chemical Company (Bangladesh) Limited as its Managing Director, he established Group Reedisha and is associated with a number of business and philanthropic organizations in different management positions including Chairman of Board of Trustees of Southeast University, Bangla Tel Limited, Jibondhara Solutions Limited and BD Link Communication Limited; Vice Chairman of Islami Commercial Insurance Company Limited; Director of Midland Bank Limited, Chartered Life Insurance Company Limited; Proprietor of Reedisha Trading and Distribution Company.

He is also associated with various Business Communities like Secretary General of Bangladesh Cosmetics and Toiletries Manufacturers Association, Member of Bangladesh Textile Mills Association (BTMA), Member of Bangladesh Chamber of Industries (BCI), Dhaka Chamber of Commerce and Industry (DCCI), India-Bangladesh Chamber of Commerce and Industry (IBCCI), Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Baridhara Cosmopolitan Club Limited and Member of Advisory Board Center for Zakat Management (CZM). Mr. Rezaul Karim is also the adviser of Banani Society and Gulshan Joggers Society as well as the Member of Banani Club Limited.



Mr. Md. Ebadul Karim
Director

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



Mrs. Arzuda Karim
Director

Mrs. Arzuda Karim has been one of the successful women entrepreneurs in Bangladesh over the years. She is the wife of Mr. Mohammad Obaidul Karim, Chairman of the company. Mrs. Karim holds Master's degree in Social Science from University of Dhaka. Mrs. Karim has been associated with the company as well as with Orion Group since its inception. She has vast working experience of more than 40 (forty) years in diverse areas including production, commercial and administration. She leads several business units of Orion Group with her expertise in the areas of leadership, corporate management, organizational development, marketing and human resource management.

Mrs. Karim is the Chairman of Jafflong Tea Co. Limited and Intergral Energy Limited and also holds the Directorship of Orion Pharma Limited, Orion Infusion Limited, Digital Power & Associates Limited, Dutch Bangla Power & Associates Limited, Orion Power Meghnaghat Limited, Orion Power Dhaka Limited, Orion Power Unit-2 Dhaka Limited, Orion Power Sonargaon Limited, Orion Infrastructure Limited, Orion Infrastructure Development Company Limited, City Centre, Orion Gas Limited, Orion Oil & Shipping Limited, Orion Hospitals Limited, Orion Holdings Limited, Orion Footwear Limited, Orion Natural Care Limited, Orion Tea Company Limited, Orion Consumer Products Limited and ORION Quaderia Textiles Limited.

Mrs. Karim is one of those rare people who combine professionalism with warmth and humanity. Besides holding directorship in many companies, Mrs. Karim is actively involved in various religious and philanthropic activities in the fields of education, human resources and disaster relief. Mrs. Karim is also involved with the Orion Renal and General Hospital, which provides partly free medication to the underprivileged of the country.



Mrs. Nurun Nahar
Director

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

Mrs. Nurun Nahar is the Chairman of BEACON Pharmaceuticals Limited, BEACON Cephalosporin Limited, BEACON Nutraceuticals Limited, BEACON Development Limited, BEACON Power System Limited, BEACON Oncology Limited, MEK Auto Bricks Limited, MEK Industries Limited, MEK Pharmatech Limited. She is also the Vice Chairman of Mujibunnessa Medical College & Hospital Limited and the Director of BEACON Medicare Limited, BEACON Point Limited and BEACON Economic Zone Limited.



Mrs. Shirin Akhter
Director

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



Prof. Dr. Anwar Hossain
Independent Director

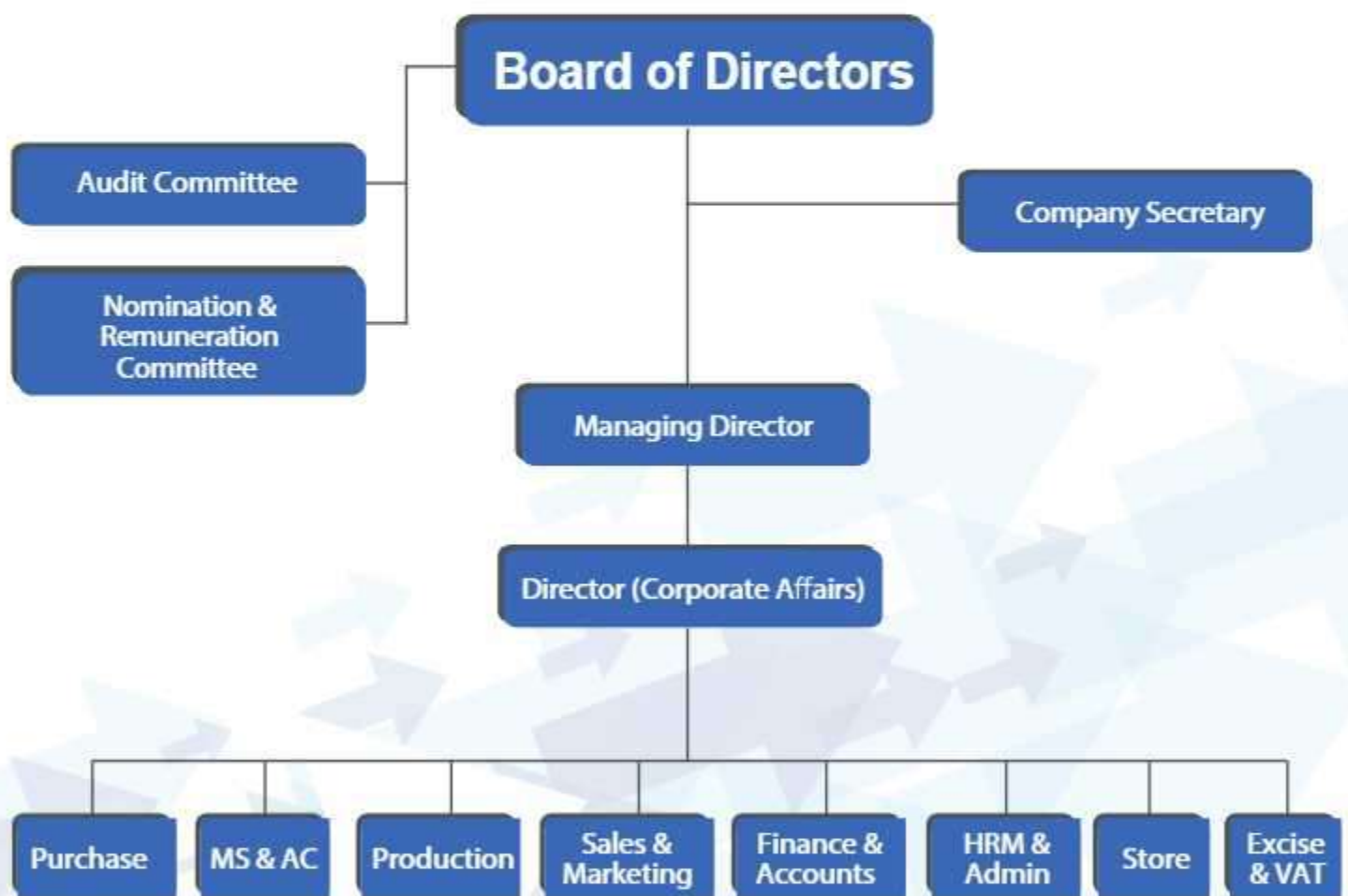
Prof. Dr. Anwar Hossain is the Vice Chancellor of Northern University Bangladesh. He was also the Vice Chancellor of Southeast University, Presidency University and American International University. He had significant contribution to the great liberation war in 1971. Prof. Dr. Anwar Hossain is a highly knowledgeable and qualified person. He holds Doctorate Degree in Economic Science from Belgrade University, MBA from Indiana University USA, MA and BA in Sociology from University of Dhaka. He involved with teaching profession in IBA, University of Dhaka and AIUB for long time. He has 50 years' experience in administrative and teaching profession. He served as very important personnel at Bangladesh Open University, Dhaka University, KATALYST, ACI, GTZ-German Development Agency, Petro-Bangla, PKSF, Roche Bangladesh Ltd. etc. He has many publications. The most mentionable among them are Bangladeshi Economic Fights Back, creating opportunities in emerging market, world economy and Bangladesh Respective and operation of Bangladesh Housing Management Industry. He has visited many countries in his glorious career life such as USA, U.K, Canada, China, India, Australia, France, Germany, Italy, Yugoslavia, Greece, Thailand, Maldives, Malaysia, Philippines and several other countries of the world and gathered vast knowledge of world economy, environment and social relationship.



Mr. Lt. Col. Kamal Ahmed, PSC (Retd.)
Independent Director

Lt. Col. Kamal Ahmed, PSC (Retd.) was a former Chief of Overseas Deployment Desk of Army Headquarters of Bangladesh, with 21 (twenty one) years' experience in Bangladesh Army. During this period, he spent the last year as the Chief of Overseas Deployment Desk. Mr. Kamal Ahmed took different military trainings from China, Pakistan and India. Then he spent 1 (one) year as the General Manager of Panna Textiles Mills Limited. He was also the Vice-Chairman of Milk Vita and CEO of GRH Bangladesh Ltd. Mr. Ahmed graduated with a Bachelor of Science degree from University of Chittagong, post graduated in Defense Weapon Systems from Poona University of India and also holds MBA degree from Purdue University of USA. He also acted as the Independent Director of Orion Pharma Limited and currently he does not hold any directorship of any other company.

Organogram of the company



Sales Promotional Scheme



Sandalina PRESENT'S Eshita & Nazakat's
Bridal Make Over' 2021



National Productivity and Quality Excellence Award' 2020



Fast Wash Detergent Powder Display Program



Successfully launched Tyfoon Fabric Care
500gm, 200gm & 40gm.

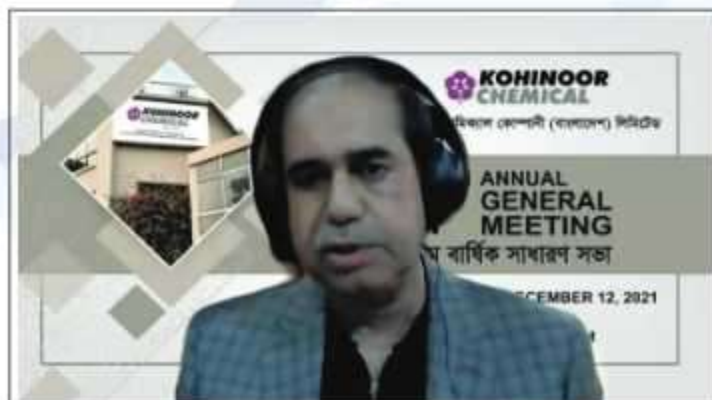
34th Annual General Meeting



34th Annual General Meeting (AGM) of Kohinoor Chemical Company (Bangladesh) Limited for the financial year 2020-21 was held virtually on December 12, 2021 due to pandemic situation of Covid-19.



The Hon'ble Chairman giving his speech at the 34th AGM



The Hon'ble Managing Director giving his speech at the 34th AGM

Group Products



Soap Section



Detergent Section



Winter Product



Summer Product



Household Product



Cosmetics Product

NOTICE OF THE 35th ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting (AGM) of Shareholders of **KOHINOOR CHEMICAL COMPANY (BD) LIMITED** will be held on Thursday, December 22, 2022 at 04.00 PM on a Digital Platform, to transact the following businesses:-

AGENDA

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with the Auditors' Report and Directors' Reports thereon.
2. To approve dividend for the year ended June 30, 2022.
3. To elect/re-elect Directors who will retire by rotation as per the relevant provisions of Articles of Association.
4. To appoint Statutory Auditors and to fix their remuneration for the financial year 2022-2023.
5. To appoint Corporate Governance Compliance Auditors and to fix their remuneration for the financial year 2022-2023.
6. To transact any other business with the permission of the Chair.

Date: **November 30, 2022**
Dhaka

By the Order of the Board

Sd/-

Mohd. Shamim Kabir, FCMA
Company Secretary

Note:

1. **"Record Date" shall be the December 01, 2022 (Thursday).**
Shareholders whose names appeared in the Depository/Members Register on the Record Date will be eligible to join the meeting and will qualify for Dividend.
2. A member entitled to join and vote at the Annual General Meeting may appoint a proxy to join and vote on his/her behalf. The proxy form, duly stamped (BDT. 20.00), must be sent to the Company's Corporate Office or through e-mail (orion.share@orion-group.net) not later than 48 hours before the time fixed for the meeting and in default, Form of Proxy will not be treated as valid.
3. Annual Report and Proxy Form along with the notice will be sent to all the members through post/courier/e-mail. The members may also collect the Annual Report or the Proxy Form from the webpage (kohinoor-bd.com) of the Company. AGM joining procedure will be notified later through e-mail.
4. Members are requested to update their BO ID contact information i.e. address, mobile no. and e-mail address through their concerned DP.

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

Growing business through our products

Product Range:

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

- **Number of Brands: 13**
- **Stock Keeping Units: 69**

Soap Section:

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

Cosmetics Section:

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

Detergent Section:

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

Household Items Section:

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

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|-----------------|---|--|--|
| Sandalina |  | Sandalwood has been used as a natural source of beautification. Sandalina Soap is appreciated at every home of this country and beyond. Sandalina's enormous popularity as Grade-1 (TFM 80%). Sandal Soap for all genders is attributed simply because of its basic ingredient, the Sandal Wood Oil, suitable for all kinds of skin. It makes your skin soft and supple. | Weight Size: 75 gm, 100 gm & 125 gm Color: Golden Ingredients: Sodium soap, Sandal wood oil, Preservative, Color, Perfume & Aqua. |
| Sandalina |  | The new variant of SANDALINA Soap, Sandal & Rose is enriched with world's purest sandal wood extracts and world famous garden fresh rose oil. | Weight Size: 75 gm, 100 gm & 150 gm Color: Pink Ingredients: Sodium soap, Sandalwood oil, Rose Extract, Sweet Almond oil, Glycerin, Titanium di-oxide, Anti Oxidant, CI-11680, 12085, 74160, Perfume & Aqua. |
| 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 brighteners for brightening and protecting clothes. | Weight Size: 125 gm Color: Off White Ingredients: Karnel Fat, Color, Fixativ, Caustic Soda, Palmfatty Acid, RBD Palm Stearine, Coconut Acid Oil, Mixed Perfume, Preservative, Aqua. |
| Tibet |  | Tibet Detergent Powder is prepared from effective extra power whitening and brightening agents to protect delicate skin and fabrics. Gentle refreshing touch of lemon & Rose fragrance keeps a miraculous satisfaction of mind all day long. | Weight Size: 200, 500, 1000 & 2000 gm Color: White Ingredients: Sodium LAS, Sodium Carbonate, Precipitate Calsite, SCMC, Zeolite, Leucophor. Color, Perfume. |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|---|---|
|  |  | Tibet Laundry Soap is a popular laundry soap for the upmarket. This soap prevents the erosion of thread. It also cleans the cloths effectively with beautiful two types of variant (Green and Blue). | Weight Size: 125 gm Color: Green & Blue Ingredients: Sodium Soap, Titanium Di-Oxide, Aqua, Preservative, Color. |
|  |  | 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. | Weight Size: 125 gm Color: Red Ingredients: Sodium Soap, Aqua, Preservative, Perfume, Color. |
|  |  | Tibet Pumpkin Hair Oil, a unique product, represents a heritage of more than 50 years in Bangladesh. Drago Botania Plus+ (7 Herbal Oil & Multivitamin) enriched Tibet Pumpkin Hair Oil is produced from pumpkin extract, nature's proven hair nourishing agent. | Weight Size: 50, 100 & 200 ml Color: Green Ingredients: Macadamia, Avocado, Jojoba, Wheat, Calendula, Camomile, Seaweed, Vitamin & Perfume. |
|  |  | Tibet Chandan Attar is a well renowned and premium quality product. It is specially made from sandal wood extracts. It is 100% alcohol free and Halal. The fragrance lingers all day long. People of all religion can use the Attar. | Weight Size: 3.5 ml. Color: Transparent Yellow Ingredients: Non-toxic perfume without Alcohol. |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|---|---|
|  |  | <p>Tibet Luxury Soap is a soap with world class fragrance. This Soap is a high quality bath soap made from 100% vegetable fat. There are two different variants with unique benefits-Pink (Natural Glow) and White (smooth Care).</p> | <p>Weight Size: 35, 50, 75 & 100 gm</p> <p>Color: Pink & White</p> <p>Ingredients: Sodium soap, Jojoba Oil Extract, Milk Cream, Camomile Extracts, Sweet Almond oil Extract, Aloe vera Extract, Olive Extract, Tetra sodium, EDTA, Perfume, Glycerin Titanium di-oxide.</p> |
|  |  | <p>Irgasan-enriched Tibet Prickly Heat Powder helps treat and prevent rashes and chafing. By absorbing excess perspiration it soothes heat irritation quite instantly.</p> | <p>Weight Size: 100 gm</p> <p>Color: White</p> <p>Ingredients: Purified Talc, Magnesium Carbonate, Zinc Oxide, Irgason, Boric Acid, Perfume.</p> |
|  |  | <p>Tibet Luxury Talcum Powder is a deodorant body powder made from the finest and pure imported talc blended with world famous fragrance from Switzerland, equipped with UV sun protection and other skin care ingredients that provides all over protection against body odor.</p> | <p>Weight Size: 50, 100 & 200 gm</p> <p>Color: White</p> <p>Ingredients: Purified Talc, Magnesium Carbonate, Zinc Oxide, Perfume.</p> |
|  |  | <p>KCCL launched Tibet Snow in 1956 as a skin care cream. It is one of the top leading brands in the skin care segment of Bangladesh as well as in KCCL product portfolio.</p> | <p>Weight Size: 50 gm (tube), 50 gm (Bottle)</p> <p>Color: White</p> <p>Ingredients: Stearic Acid, Cetyle Alcohol, Aqua, Perfume, Preservative.</p> |




OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|--|---|
|  |  | <p>A unique combination of well-known antiseptic and soothing cream that guards the facial skin against infections, generates profuse non-irritating foam and provides enough moisture that help smooth shaving.</p> | <p>Weight Size: 50 gm</p> <p>Color: White</p> <p>Ingredients: Potassium Stearate, Glycerin, Aqua, Perfume.</p> |
|  |  | <p>Tibet Pomade is a well accepted winter product. This ideal winter skin care product is made from the finest contents added by Rose Oil, pure petroleum jelly added with mineral oils and a refreshing fragrance. Its unique formula protects skin from dryness, penetrates through layers of skin to cure cracked lips, ankle and feet.</p> | <p>Weight Size: 50 ml</p> <p>Color: Light Orange</p> <p>Ingredients: White Petroleum Jelly, Paraffin wax, Liquid Paraffin, Color Perfume.</p> |
|  |  | <p>Beautina Intensive Moisturizing Body Lotion is enriched with the extract of Aloe Vera and Cocoa Butter. Aloe Vera helps to make the skin soft, tender and fresh. Whereas Cocoa Butter gently helps to keep body moisture all day long. The sweet fragrance of Beautina Intensive Moisturizing Body Lotion gives an amazing satisfaction to body and mind.</p> | <p>Weight Size: 100 & 200 ml</p> <p>Color: White</p> <p>Ingredients: Calcium Carbonate, Sodium Mono fluoro phosphate, Triclosan, SLS, Flavour.</p> |
|  |  | <p>Enriched with natural and herbal extract of Amla, Almond, Olive, Jojoba, Tee Tree and Coconut, BEAUTINA Hair Oil (Non-Sticky) ensures Complete Hair Therapy by giving five benefits to the hair. It controls hair fall, treats the scalp, controls dandruff, and makes hair light, soft, shiny & silky.</p> | <p>Weight Size: 100 & 200 ml</p> <p>Color: Golden</p> <p>Ingredients: Mineral oil, amla oil, almond oil, olive oil, jojoba oil, tea tree oil, coconut oil, silicone oil, vitamin-e & prezervativ.</p> |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|--|---|
|  |  | <p>Enriched with Neem & Aloe vera, which are well accepted solutions for pimple, oil control and deep cleansing. Antibacterial properties of Beautina face wash ensures healthy glowing skin by protecting from pimples, oiliness and dark skin.</p> | <p>Weight Size: 50 & 100 ml</p> <p>Color: Green</p> <p>Ingredients: Aqua, Sodium Laureth Sulfate, Sodium Acrylates copolymer, CAPB, Decyl Glucoside, Sodium Lauryl Glucose Carboxylate & Lauryl, Glucoside, D-Panthenol, Phenoxyethanol, Disodium EDTA, Citric Acid, Azadirachta Indica (Neem) Extract, Aloe Barbadensis (Aloe Vera) Extract, CI 47005, CI 42090 & Perfume.</p> |
|  |  | <p>Tibet Petroleum Jelly is a very popular winter tip for beauty conscious men and women. This unique Tibet Petroleum Jelly is made from the finest contents added by Vitamin-E, Jojoba Oil, Anti-Cracking Agent, rejuvenating fragrance and moisturizing fragrance.</p> | <p>Weight Size: 15 & 50 ml</p> <p>Color: White</p> <p>Ingredients: Vitamin-E, Jojoba Oil, White petroleum Jelly, Paraffin wax, Liquid Paraffin, Perfume.</p> |
|  |  | <p>An addition of Cocoa Butter, extra moisturizing and emollient agents with pure petroleum jelly and mineral oils make this product neat all day long for protection against cracking and chapping of the lips in the dry winter season. Available in two variant (Lemon and Strawberry) in the market.</p> | <p>Weight Size: 10 gm</p> <p>Color: White</p> <p>Ingredients: Purified white Petroleum Jelly, Cocoa Butter, Flavour.</p> |
|  |  | <p>Tibet Glycerin enriched with Emolin & Anti-Cracking Agent is a very popular winter solution for beauty conscious men and women. It's 100% pure and natural formulation prevents skin from dryness and improves complexion, resulting the skin to be soft and smooth.</p> | <p>Weight Size: 60 & 125 gm</p> <p>Color: White</p> <p>Ingredients: Purified Glycerin, Perfume.</p> |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|--|--|
|  |  | 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 throughout the Year. | Weight Size: 4.5 gm Color: White Ingredients: Jojoba Oil, Coco Butter, Vitamin C&E, Liquid Paraffin, Glycerin, Bees wax, anti Oxidant flavor. |
|  |  | Bactrol Hand Wash works as a defense against the spread of many diseases from the common cold to more serious diseases such as meningitis, bronchiolitis, influenza, hepatitis A, and most types of infectious diarrhea. | Weight Size: 200 ml (container) & 180 ml (pouch) Color: Pink Ingredients: SLES, TEA, Glycerin, Triclosan, Preservative, Color, Perfume Aqua. |
|  |  | A high quality antibacterial soap made from 100% vegetable fat which ensure 100% protection of your family health. It is equally effective against body odor, cuts, scratches and pimples. Bactrol Family Health Soap keeps your family healthy and protected. | Weight Size: 100 gm And 30 gm. Color: Red & Blue Ingredients: Sodium Soap, Glycerin, Olive Oil, Titanium di-oxide, Perfume, Ci-26100, Preservative, Aqua. |
|  |  | Fast Wash Detergent Powder is the premium grade white variant detergent powder of its kind. Its Brilliant White formula removes tough stains and keeps cloths shiny. Fine fragrance and eco-friendly Fast Wash Detergent Powder (Brilliant White) reduces the average time of cleaning and does not cause skin irritation. | Weight Size: 30gm, 200gm, 500gm, 1000 gm & 2000 gm Color: White Ingredients: Sodium LAS, Sodium Carbonate, CMC, Zeolite, Optical Brightener, Color, Perfume. |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|------------------------------|---|--|--|
| Tyfoon Fabric Care |  | TYFOON Fabric Care is offering premium grade Detergent Powder in Bangladesh with Instant Dirt Dissolvers (IDD) formula. It's enriched with 3D technology which provides Microfiber Cleaning agent, Removes multiple tough stains with germ by enzyme and Encapsulation technology that gives fresh fragrance in the clothes. | Weight Size: 40, 200 & 500 gm Ingredients: Active Detergent (Sodium LAS + SME), Soda Ash Light, Sodium Sulphate, Water Softener, Zeolite, S-CMC, SLS Needles, Optical Brightener, Alcohol Ethoxylate, Anti-Microbial Agent (Decylene Glycol and Phenoxyethanol), Fabric Softener, Color Speckles, Enzyme and Fragrance. |
| am. pm. Toothpaste |  | The new formula along with herbal ingredients of am.pm. (Herbal) tooth paste provides strong protection againsts Cavity and fights against germs, plaque & tooth decay. The herbal ingredients also keep the gum healthy and strengthen the enamel. | Weight Size: 45, 100 & 200 gm Color: White Ingredients: Calcium Carbonate, Sorbitol, Sodium Lauryl Sulfate, Cellulose Gum, Silica, Sodium Mono Fluro Phosphet, Antimicrobial Agent, Sodium saccharine, Eucalyptus Extract, Basil Extract, Clove & Anise Extract, Preservative, Flavor, Aqua. |
| Ice COOL |  | Ice Cool Prickly Heat Powder Gives you the relief from the itching heat rash and skin irritation from hot weather. Its advanced therapy to refresh and relax you body and mind from unbearable heat and stress. It also keeps you away from bacterial, fungal agents and body odor all day long. | Weight Size: 100 gm Color: White Ingredients: Purified Talc, Magnesium Carbonate, Zink Oxide, Boric Acid, Menthol, Perfume. |
| GENSTAR |  | Special beard softening formula gives you the coolest shave and leaves your face fresh for hours after shaving. It reduces friction to make the shave comfortable. Genstar Lather Shaving Cream improves the performance of your razor / blade. | Weight Size: 100 gm Color: White Ingredients: Potassium Stearate, Glycerin, Aqua, Perfume. |

OUR PRODUCTS

| Brand | Products | Brief | Specification |
|---|---|---|--|
|  |  | Xpert is a highly effective antibacterial Dishwash Bar, Liquid and Powder. It kills bacteria on contact and leaves crockery hygienically clean. Lemon fragrant Xpert Dishwash Bar, Liquid and Powder is a special blend of active ingredients that gives fastest cleaning action against grease, oils-fat, stains and other deposits without any scratch. | Weight Size: 200, 500 & 750 gm (Powder), 250ml (Pouch) 500 ml (Liquid), 300 gm & 75 gm (Bar) Color: Green & White. Ingredients: SLAS, SLES, Concentrate Lime juice, color, Di sodium EDTA, Aqua. |
|  |  | 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. | Weight Size: 350 ml (Pump & Refill Container) Color: Blue Ingredients: Butyle Glycol, STPP, SLES, Amonia Solution, IPA, Color. |
|  |  | Clean Master Liquid Toilet Cleaner is a highly effective toilet cleaner that is enriched with ultra power gel and special inorganic chemical. Clean Master Liquid Toilet Cleaner removes tough stains, kills germs and deodorizes toilet within a very short time. It has Anti Bacterial Agent which is 100% effective for killing germs. | Weight Size: 500 ml & 750 ml Color: Blue Ingredients: Aqua, Hydrochloric Acid, Color, Perfume, Acid Thikener. |
|  |  | Clean Master All Purpose Surface Cleaning Powder is very effective for cleaning floor, basin, sink and all types of tiles. It has Anti Bacterial Agent which is 100% effective for killing germs. | Weight Size: 200 & 400 gm Color: Blue Ingredients: Sodium SAS, Sodium Carbonate, Dolomite, Calcite, Anti bacterial agent, Color, Speckles, Perfume. |

Corporate Governance Statement 2021-22

Corporate governance is the system of rules, practices and processes by which a company is directed and controlled on behalf of shareholders and stakeholders. Kohinoor Chemical Company (Bangladesh) Limited has always strived to maintain the highest standards of corporate governance and business conduct so as to create and maintain sustainable shareholder's value, safeguard stakeholder's interest and maintain investor's trust and confidence. The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited is primarily responsible for applying and maintaining the company's corporate governance and the Board considers itself a trustee of all shareholders and acknowledges its responsibilities to the shareholders for creating and safeguarding their assets.

Composition of the Board

The Board comprises of eight members including two Independent Directors having diverse and professional expertise and experiences. Kohinoor Chemical Company (Bangladesh) Limited believes that its Board has the optimum level of knowledge, composure and technical understanding about the company's business. The composition of the Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited as of June 30, 2022, was as follows:

| Sl. | Name | Status | | |
|-----|-----------------------------------|---------------------------------------|----------|----------|
| | | Board of Directors | AC* | NRC** |
| 1 | Mr. Mohammad Obaidul Karim | Chairman, Non-Executive Director | - | - |
| 2 | Mr. Rezaul Karim | Managing Director, Executive Director | - | - |
| 3 | Mr. Ebadul Karim | Non-Executive Director | Member | Member |
| 4 | Mrs. Arzuda Karim | Non-Executive Director | Member | Member |
| 5 | Mrs. Nurun Nahar | Non-Executive Director | - | - |
| 6 | Mrs. Shirin Akhter | Non-Executive Director | - | - |
| 7 | Prof. Dr. Anwar Hossain | Independent Director | Chairman | Chairman |
| 8 | Lt. Col. Kamal Ahmed, PSC (Retd.) | Independent Director | - | - |

* Audit Committee

** Nomination & Remuneration Committee

The respective biographies of all members of the Board are set out on pages 12 to 16 of this Annual Report.

Independent Directors

The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited appointed Lt. Col. Kamal Ahmed, PSC (Retd.) and Prof. Dr. Anwar Hossain as Independent Directors of the company with the approval of the shareholders. Both the Independent Directors are highly knowledgeable and qualified persons.

Prof. Dr. Anwar Hossain is the Vice Chancellor of Northern University Bangladesh. He has 50 years' experience in administrative and teaching profession. On the other hand Lt. Col. Kamal Ahmed, PSC (Retd.) was a former Chief of Overseas Deployment Desk of Army Headquarters of Bangladesh, with 21 (twenty one) years' experience in Bangladesh Army.

They are free from any business or other relationships with the company that might materially affect the exercise of their independent judgment. The Board believes their experience and knowledge will enable them to provide both effective and constructive contribution to the company and both the Independent Directors fulfil the conditions specified in the revised Corporate Governance Code imposed by BSEC.

Principal Responsibilities of the Board

The Board of Kohinoor Chemical Company (Bangladesh) Limited establishes structures and processes to fulfil Board responsibilities that consider the interests of investors, regulators, management and employees among others. The Board directions are taken at its meetings held as per the company's Memorandum and Articles of associations, the Companies Act 1994 and guidelines and regulations imposed by various regulatory authorities. The major responsibilities of the Board are as follows:

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

Separation of work for the Chairman and the Chief Executive Officer (CEO)

In compliance with the corporate governance code imposed by BSEC, the positions of the Chairman and the Managing Director of the company are filled by different individuals and there are clear defined roles and responsibilities for the Chairman and Managing Director of Kohinoor Chemical Company (Bangladesh) Limited.

Mr. Mohammad Obaidul Karim was elected as the Chairman of the Board from among the Non-Executive Directors of the company. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes.

On the other hand Mr. Rezaul Karim, Managing Director of the company is accountable to the Board and its committees to run and manage the company in accordance with the prescribed policies, principles and strategies established by the Board as well as rules, regulations and guidelines from the regulatory authorities.

Both the Chairman and the Managing Director are collectively accountable for the leadership of the company and for exercising the highest standards of ethics, integrity and governance.

Roles and responsibilities of the Chairman include:

- Provides leadership to the Board and assesses whether the Board is functioning in accordance with the Memorandum and Articles of Association of the company and other applicable laws, rules and regulations;

- Fixes Board, committee and annual general shareholders meeting schedule including date, time and location of meetings and develops agendas in consultation with the CEO and the Company Secretary;
- Acts as Chair at meeting of Shareholders (AGM), meeting of Board of Directors and reviews and signs minutes of Board meeting;
- Promotes open discussion and constructive dialogue among the Directors inside or outside the Board meeting and between the Directors and the management team;
- Works with the CEO to ensure that Directors are properly informed and key issues are discussed by the Board in a timely manner, so that the Board has adequate support and all required information to make necessary decisions;
- Provides supports, independent advice and counsel to the CEO;
- Represents the company as its figurehead to the relevant stakeholders;
- Acts as a direct liaison between the Board and the management of the company, through the CEO; and
- Reviews the Board's sub-committees performance to make sure that they work effectively.

Roles and responsibilities of the Chief Executive Officer include:

- Formulates and successfully implements company policy;
- Develops strategic operating plans that reflect the longer-term objectives and priorities established by the Board and also directs strategy towards the profitable growth and operation of the company;
- Maintains the operational performance of the company and closely monitors the operating and financial results against plans and budgets;
- Represents the company to major stakeholders;
- Builds and maintains an effective management team;
- Assess the principal risks of the company and to ensure that these risks are being monitored and managed;
- Ensures effective internal controls and management information systems are in place;
- Ensures that the company maintains high standards of corporate citizenship and social responsibility wherever it does business; and
- Keeps the management and the Board informed about all material activities of the company and all material external factors affecting the company.

Company Secretary

The Company Secretary, Mr. Mohd. Shamim Kabir, FCMA is responsible for ensuring effective collection, compilation and timely flow of information to and from the Board. He assists and guides the Chairman and Board of Directors and acts as the Disclosure Officer of the company and monitors the compliance of the acts, rules, regulations, notifications, guidelines, orders/directives, etc. issued by BSEC or Stock Exchange(s) applicable to the conduct of the business activities of the company so as to protect the interests of the investors and other stakeholders. He does not hold the same Position in any other company at present.

The key responsibilities of the Company Secretary include:

- Responsible to advice on the corporate governance and other rules and regulations imposed by different regulatory authorities including RJSC, DSE, CSE, BSEC;
- Most notably, the responsibility for developing and implementing processes to promote and sustain good corporate governance has fallen largely within the remit of the Company Secretary;
- Facilitates the distribution of information to the concerned office or person in a timely manner like agenda items for Board meetings, investor communications and any other corporate announcement including Price Sensitive Information which may have significant material impact on the performance of the company;
- Maintains the necessary link and liaison with the internal organs like Board, Management, different divisions and department and also with the external agencies; and
- Performs company secretarial and legal matters- compliance with Companies Act and Memorandum & Articles of Association; arranging and holding the Board & committee meetings, annual general meeting, extra ordinary meeting as well as taking correct record of proceedings; maintaining statutory books.

Chief Financial Officer

The name of the Chief Financial Officer of the company is Mr. Abu Bakar Siddique, FCMA. The primary responsibilities of the CFO are planning, implementing, managing and running of all the finance activities of a company, including business planning, budgeting, forecasting, negotiating and maintaining investor relations. The CFO together with the MD reviews and certifies the financial statements of the company and place before the Board. Mr. Abu Bakar Siddique is also one of the key members of Management Committee of the company and does not hold the same Position in any other company at present.

Major duties and responsibilities of the Company CFO are as follows:

- Responsible for directing the financial functions of the company in accordance with the applicable rules and regulation;
- Works with management team on the strategic vision of the organization including cultivating and fostering strategic relationships and potential alliances;
- Responsible for oversight of financial internal controls and coordination of all financial audits;
- Collaborates with the CEO and other senior leaders on operational and strategic issues as they arise; provide strategic recommendations based on financial analysis and projections, and revenue/expense analysis;
- Oversees all financial transactions, including billing, finance, accounting and reporting; and prepares and communicates monthly, quarterly, half yearly and annual financial statements;
- Develops the budget or financial forecasting for upcoming year considering the longterm budgetary planning and cost management in alignment with the strategic plan;
- Develops and promotes a framework to drive financial acumen and accountability across the organization; and
- Reviews and certifies the financial statements together with the MD/CEO and submit the same to the Board of Directors of the company.

Head of Internal Audit and Compliance

Mr. AKM Reaz Haider, the Head of Internal Audit & Compliance is an extremely selfdriven and clearheaded person who strives to be a diligent professional through team work and relationships with the colleagues. He is responsible for performing the full audit cycle including determining internal audit scope and developing annual plans, risk management and control management over operations' effectiveness, financial reliability and compliance with all applicable directives and regulations. Mr. AKM Reaz Haider is one of the top executives of Kohinoor Chemical Company (Bangladesh) Limited and is not holding the same Position in any other company at present.

Major duties and responsibilities of the Company HIAC are as follows:

- Responsible for evaluating the adequacy of the system of internal controls and recommending improvements in controls;
- Assesses compliance with policies and procedures and sound business practices;
- Assesses compliance with the laws, rules, regulations, guidelines etc;
- Reviews operations/programs to ascertain whether results are consistent with established objectives and whether the operations/programs are being carried out as planned;
- Reviews and appraises the soundness, effectiveness, and proper application of accounting process and assess the adequacy and extent of programs designed to safeguard organization assets; and
- Issues reports to the Audit Committee regarding planning of adequate internal control and financial reporting.

The Directors' Report to Shareholders

The Directors' Report to Shareholders in compliance with the Corporate Governance Code imposed by Bangladesh Securities and Exchange Commission duly approved by the Board of Directors in its Board meeting held on 10.11.2022 is articulated on pages 59 to 66 of this Annual Report.

Meetings of the Board of Directors

As per the provision mentioned under Section 96 of the Companies Act-1994, a meeting of the Board of Directors shall be held at least once in every three months and at least four such meetings shall be held in every year. The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited accordingly met 5 (five) times during the financial year ended June 30, 2022.

The Board met for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. The Company Secretary finalized the agenda for meetings in consultation with the Chairman and the same is circulated to the Board members well in advance to ensure meaningful participation in the meetings.

During the financial year under review both the Independent Directors were present in all the meetings. The Company Secretary (CS), Chief Financial Officer (CFO) and the Head of Internal Audit and Compliance (HIAC) also attended in all the meetings. A record of the Directors' attendance at Board meetings during the financial year ended June 30, 2022 is set out on page 63.

Board of Directors' Committee

To assist the Board and for ensuring good governance in the company, the Board of Kohinoor Chemical Company (Bangladesh) Limited has established the following sub-committees:

- i) Audit Committee; and
- ii) Nomination and Remuneration Committee

The role of Board of Directors' committee is to review and appraise in the respective areas and then to advise and make recommendations to the Board.

Board's sub-committee: Audit Committee

The Audit Committee assists the Board in discharging its supervisory responsibilities with respect to internal control, financial reporting, risk management, auditing matters and monitoring compliance with applicable legal & regulatory requirements.

The Audit Committee is constituted according to the conditions of the Corporate Governance Code imposed by BSEC. The Committee comprised of 2 (two) Non-Executive Directors Mrs. Arzuda Karim and Mr. Ebadul Karim with a minimum requirement of 1 (one) Non-Executive Independent Director Prof. Dr. Anwar Hossain. Prof. Dr. Anwar Hossain was duly appointed by the Board as the Chairman of the committee.

All members of the Audit Committee are 'financially literate' as per regulatory requirement and are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Committee.

Board's sub-committee: Nomination and Remuneration Committee

As a sub-committee the Nomination and Remuneration Committee supports the Board in formulating the nomination criteria or policy for identifying and recommending the qualified candidates to become members of Board of Directors and key managerial personnel as well as sets policy for formal process of considering remuneration of the directors, key managerial personnel and other employees of the company.

The Nomination and Remuneration Committee consists of 2 (two) Non-Executive Directors Mrs. Arzuda Karim and Mr. Ebadul Karim and 1 (one) Non Independent Director Prof. Dr. Anwar Hossain. Prof. Dr. Anwar Hossain is the Chairman of the committee, duly appointed by the Board.

Management Committee

To achieve the strategic goals & mission of the Company, Kohinoor Chemical Company (Bangladesh) Limited constituted a Management Committee and this committee comprises of 4 (four) following members:

Mr. Abul Khair
(Director, Company Affairs)

Mr. Abu Bakar Siddique
(Chief Financial Officer)

Mr. Md. Ziaul Hafiz
(Head of Sales and Marketing)

Mr. Shah Mohd. Abdul Wadood
(Head of Production)

The committee is in full control of the company's affairs and is also accountable to the Board of Directors. It builds the confidence of the Board by ensuring that all the activities carried out by them are consistent with high ethical standards.

Code of Conduct for Directors and Chief Executive Officer

All the Directors are required to abide by and conduct their fiduciary responsibilities towards the company as well as towards the shareholders in accordance with the code of conduct set for them as per the guidelines of corporate governance code of BSEC. The Chief Executive Officer also adheres to the code of conduct for the CEO while performing his duties with care, skill and diligence.

Please refer to the following URL for detailed Code of Conduct:
<https://drive.google.com/file/d/1wkxlwOyWCUP8cDwOaBoeTRXJAE3ukKV7/view>

Independence of Board of Directors

At Kohinoor Chemical Company (Bangladesh) Limited, the Board of Directors is independent of management and has no association that can interfere with their judgment or scope of work. The Nomination and Remuneration Committee (NRC) has been assigned to assist the Board to review the independence of the Directors as well as the sub-committee members. The Independent Director has submitted a signed and dated declaration to demonstrate his independence to the Board of Directors. The Board of Kohinoor Chemical Company (Bangladesh) Limited determines and declared at the end of the year that all of its members along with those of its sub-committees are independent.

Dealing of Securities

The Board of Directors of Kohinoor Chemical Company (Bangladesh) Limited, in their declared code of conduct, has forbidden any kind of insider trading. All Directors and management personnel are prohibited from dealing with own securities during closed periods. The Board ensures that members of the Board of Directors, the Board's subcommittees or the management and their family members were not involved in any insider trading.

Details on share dealing is described in the Code of Conduct for the Directors and the Chief Executive Officer under section Insider Trading and please refer to the following URL for detailed Code of Conduct:
<https://drive.google.com/file/d/1wkxlwOyWCUP8cDwOaBoeTRXJAE3ukKV7/view>

Succession Planning

Kohinoor Chemical Company (Bangladesh) Limited, the Board of Directors through its Nomination and Remuneration Committee is responsible for overseeing the succession planning. The management team is particularly assigned to assist the Board and the committee with senior leadership succession planning when necessary. The company always plans ahead the succession keeping factors such as skills and knowledge, diversity, professional background, expertise etc. into consideration.

External or Statutory Auditors

Regarding the appointment and reappointment of external or statutory auditors, Kohinoor Chemical Company (Bangladesh) Limited follows the Companies Act 1994, Securities and Exchange Rules 1987 and the notifications of BSEC. Complying with the rules, the audit committee recommended to the Board to appointment or reappointment the statutory auditors and the board recommends the same for the approval of shareholders at the next annual general meeting. Also the remuneration of the external auditors is fixed by the shareholders in the Annual General Meeting.

Company Website

To keep all the stakeholders informed about the company's key performance indicators as well as other relevant financial and non-financial data, Kohinoor Chemical Company(Bangladesh) Limited maintains an official website and the website address is www.kohinoor-bd.com. All shareholders have access to the annual report, share related information, PSI, Quarterly, Half-yearly and the annual financial statements of the company through the company's website.

Reporting and Compliance of Corporate Governance

In compliance with the notification no: SEC/CMRRD/2006-158/207/Admin/80 dated June 03, 2018 imposed by BSEC, a listed company requires to obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary), who shall be appointed by the shareholders of the company in the AGM. However, **Poddar & Associates**, Cost and Management Accountants has been appointed by the shareholders in the last AGM as the Compliance Auditors and their report regarding compliance of conditions of Corporate Governance Code of the BSEC has been published in "Annexure to the Directors' Report" in details. The Board has recommended to appoint **Poddar & Associates**, Cost and Management Accountants as the Corporate Governance Compliance Auditors for the financial year to be ended on June 30, 2023 subject to the approval of shareholders at the ensuing AGM.

Investor Relation

Kohinoor Chemical Company (Bangladesh) Limited always pays great importance to its investors community. The company always tries to keep informed the investors about the company's financial results, regulatory landscape, growth opportunities and strategic ambitions while objectively sharing the associated risk to bridge the gap between the company and investors.

Unclaimed/Unsettled Dividend 2000 to 2022

The unclaimed/unsettled cash dividend for the year from 2000 to 2022 has been deposited to the Capital Market Stabilization (CMS) Fund as instructed by the Bangladesh Securities and Exchange Commission.

Summary of unclaimed/unsettled cash dividend year wise:

| Deposited to CMS Fund: | Amount in Taka |
|--|-------------------|
| 2000-2001 | 48,375 |
| 2001-2002 | 139,350 |
| 2002-2003 | 249,000 |
| 2003-2004 | 173,250 |
| 2004-2005 | 194,225 |
| 2005-2006 | 208,260 |
| 2006-2007 | 224,496 |
| 2007-2008 | 370,170 |
| 2008-2009 | 250,155 |
| 2009-2010 | 280,260 |
| 2010-2011 | 198,454 |
| 2011-2012 | 176,400 |
| 2012-2013 | 297,976 |
| 2013-2014 | 174,288 |
| 2014-2015 | 255,964 |
| 2015-2016 | 223,453 |
| 2016-2017 | 148,032 |
| 2017-2018 | 310,011 |
| 2018-2019 | 571,982 |
| Total deposited to CMS fund | 4,494,101 |
| Dividend have returned: | |
| 2019-2020 | 1,901,473 |
| 2020-2021 | 5,495,803 |
| 2021-2022 | 4,739,146 |
| Unclaimed dividend | 12,136,422 |
| Total Dividend lying with the Company - | 16,630,523 |

Communication with Shareholders and Stakeholders

To ensure good corporate governance and build trustworthy relationship with all stakeholders including the owners of the company—the shareholders, Kohinoor Chemical Company (Bangladesh) Limited always keep informed the shareholders of all major developments that impact the business of the company. The company believes in promoting effective and transparent communication with all stakeholders, ensuring consistency and clarity of disclosure at all times.

Moreover, all information provided to BSEC and stock exchanges are also immediately made available to the shareholders and the market through newspapers and the website of the company.

Shareholders' Queries

Shareholders of Kohinoor Chemical Company (Bangladesh) Limited can communicate with the share department of the company directly or address their queries/complaint through phone, fax or email.

Share Department

Kohinoor Chemical Company (Bangladesh) Limited
153-154, Tejgaon Industrial Area
Dhaka – 1208
Phone: +88-02-8870146, +88-02-8870123 (Ex.-160)
Fax: +88-02-8870147
email: info@kccl-bd.com

Annual General Meeting

To report on the activities of the company to the shareholders, Kohinoor Chemical Company (Bangladesh) Limited holds Annual General Meeting at the end of every financial year as per law with adequate notice. Shareholders are welcome to attend the company's interactive and informative Annual General Meetings at which they have the opportunity to ask questions. The Chairman and other members of the Board answer the questions of the shareholders and note the views and suggestions of them offered at the AGM with utmost seriousness. Kohinoor Chemical Company (Bangladesh) Limited gives a lot of importance to the participation of shareholders in the AGM and also try to ensure their presence in these meetings to notify them about how their company is performing.

The company aims to earn the trust of the shareholders by regularly engaging with them and facilitating a mutual understanding of respective objectives, by ensuring effective communication not only prior to the Annual General Meeting (AGM) but throughout the course of the year.



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

Constitution and Assistance of the Audit Committee to the Board

The Audit Committee of Kohinoor Chemical Company (Bangladesh) Limited was formed as a subcommittee of Board as per the terms of reference approved by the Board in accordance with the notification of BSEC. The Audit Committee is delegated with the authority from the Board of Directors of the company to provide independent oversight of the company's financial reporting, effectiveness of the risk management and internal control system, related governance and compliance matters and the adequacy of the external and internal audits.

The composition of the Audit Committee as on June 30, 2022, is set out below:

| Sl. | Members | Status with the Committee | Status with the Board |
|-----|-------------------------|---------------------------|------------------------|
| 1 | Prof. Dr. Anwar Hossain | Chairman | Independent Director |
| 2 | Mrs. Arzuda Karim | Member | Non-Executive Director |
| 3 | Mr. Md. Ebadul Karim | Member | Non-Executive Director |

Members of the Audit committee are independent and appointed by the Board of Directors with approval of the Shareholders of the company. All the members satisfied the requirements to serve as members of an audit committee as provided in the Corporate Governance Code imposed by BSEC and have adequate knowledge and experience.

The committee is chaired by Prof. Dr. Anwar Hossain (an Independent, Non-Executive Director). The Board is confident that the leadership of Prof. Dr. Anwar Hossain as chairman of the Audit Committee is in the best interests of the company, based on his extensive knowledge of the specific areas of responsibilities of that committee. Prof. Dr. Anwar Hossain will attend the ensuing AGM to answer shareholder's questions on the committee's activities.

The Company Secretary, 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 arose no such situation during the year under review making the number of committee members lower than 3 (three) persons.

Meetings of the Audit Committee

The committee met five times during the financial year ended June 30, 2022 and attendance of the members at the meetings is noted below :

| Members | Status | Meeting Details | |
|-------------------------|----------|-----------------|----------|
| | | Held | Attended |
| Prof. Dr. Anwar Hossain | Chairman | 5 | 5 |
| Mrs. Arzuda Karim | Member | 5 | 5 |
| Mr. Md. Ebadul Karim | Member | 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 and compliance function and considering the major findings of the internal audit and compliance report;
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 over seeing their performance as well;
7. Holding meeting with external auditors for review of the annual financial statements before submission to the Board for approval;
8. Reviewing the management's discussion and analysis before disclosing in the annual report; and
9. Monitoring and overseeing the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit;

Activities of Audit Committee as on reporting date :

1. Reviewed the financial statements, on a quarterly basis, including the related party transactions of the Company as well as management's discussion and analysis.
2. Reviewed the financial reporting process and the application of accounting policies and principles, effectiveness of both the external audit process and the internal audit function as part of the continuous improvement of financial reporting and risk management across the company.
3. 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.
4. Monitored the hiring, determination of audit fees and performance of the external auditors as well as met with external auditors for review of the Quarterly and Annual Financial Statements before submitting to the Board.
5. Recommended Malek Siddiqui Wali, Chartered Accountants, to be appointed as the Statutory Auditors of the Company for the financial year to be ended on June 30, 2023.

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 has the authority 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 Audit Committee Report.

During the financial year ended on June 30, 2022, the Audit Committee met to discharge its duties and responsibilities accordingly and forwarded its report to the Board of Directors. Besides, there was no other issue arose in the financial year ended June 30, 2022, having significant material impact on Company's financial statements which needed to be disclosed to the Board or the Regulatory Authorities. This report is prepared based on the Financial Statements as on June 30, 2022 for the shareholders and other interested parties of the company.

On behalf of the committee

Sd/-

Prof. Dr. Anwar Hossain
Chairmann

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

Dear Shareholders,

It is a pleasure on the part of the Nomination and Remuneration Committee to introduce this report, which the Committee hopes to be a useful insight into the work of the Nomination and Remuneration Committee and the issues it considered during the year. The report takes into account of the Guidance on Nomination and Remuneration Committees by the Bangladesh Securities & Exchange Commission's (BSEC) Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969) under Condition No 6.

Constitution and Assistance of the Nomination and Remuneration Committee to the Board

The Nomination and Remuneration Committee of Kohinoor Chemical Company (Bangladesh) Limited was formed as a sub-committee of Board as per the terms of reference approved by the Board in accordance with the notification of BSEC. The task of the committee is to assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executives. The committee also support and assist the Board to formulate policy with regard to determining the remuneration criteria mainly for the Directors and top level executives.

The composition of the Nomination and Remuneration Committee as on June 30, 2022, is set out below:

| Sl. | Members | Status with the Committee | Status with the Board |
|-----|--------------------------|---------------------------|------------------------|
| 1 | Prof. Dr. Anwar Hossainf | Chairman | Independent Director |
| 2 | Mrs. Arzuda Karim | Member | Non-Executive Director |
| 3 | Mr. Md. Ebadul Karim | Member | Non-Executive Director |

Prof. Dr. Anwar Hossain, the Independent Director of the company acts as Chair of the Committee. The Board is confident enough that the leadership of Prof. Dr. Anwar Hossain as chairman of the NRC is in the best interests of the company, based on his extensive knowledge of the specific areas of responsibilities of that committee. Prof. Dr. Anwar Hossain will attend the ensuing AGM to answer shareholder's questions on the Committee's activities. As per regulatory guidelines, the Company Secretary acts as Secretary to the Committee.

Members of the Nomination and Remuneration committee are appointed by the Board of Directors with approval of the Shareholders of the company. Regarding the death, resignation, disqualification or removal of any members or any other reasons by any Committee members, there was no such situation arose during the year under review occurring vacancy in the committee.

The Nomination and Remuneration Committee, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code imposed by Bangladesh Securities and Exchange Commission (BSEC).

Meeting of the Nomination and Remuneration Committee

The committee met once during the financial year ended June 30, 2022 and attendance of the members at the meetings is noted below:

| Members | Status | Meeting Details | |
|-------------------------|----------|-----------------|----------|
| | | Held | Attended |
| Prof. Dr. Anwar Hossain | Chairman | 1 | 1 |
| Mrs. Arzuda Karim | Member | 1 | 1 |
| Mr. Md. Ebadul Karim | Member | 1 | 1 |

Scope of Work of Nomination and Remuneration Committee:

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

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; and long-term performance objectives appropriate to the working of the company and its goals;
2. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
3. Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
4. Formulating the criteria for evaluation of performance of independent directors and the Board;
5. Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
6. Developing, recommending and reviewing annually the company's human resources and training policies.

Nomination and remuneration policy

The committee formulated and recommended, to the Board for its approval, a nomination and remuneration policy as the guidelines to determine attributes and qualifications for appointment as well as appropriate pay package for the Board Members and top executives including the Key Managerial Personnel (KMP) and other senior executives of the company. Accordingly, the Board at its meeting held on November 1, 2021 has approved the same.

The remuneration and nomination policy consists of 3 (three) sections.

- The first section describes the matters to be dealt with, pursued and recommended to the Board by the committee;
- The second section is related to the determination of the criteria of nomination, appointment, performance evaluation and removal of Directors, KMP and Other Senior Executives; and
- The third section deals with the remuneration structure for Directors, KMP and Other Senior Executives.

The details of the Nomination and Remuneration Policy is also posted in our company's website: www.kohinoor-bd.com

Activities of NRC as on reporting Date :

1. Proposed the name of the Board members for retirement by rotation and re-election (being eligible) with regard to the appointment, retirement and re-appointment of Directors governed by the Articles of Association, the Companies Act 1994 and other related rules and regulations.
3. Evaluated the performance of the Board, its committees, individual members of the Board and the top level executives of the company.
4. Prepared a Nomination and Remuneration Committee report for publishing in the Annual Report 2021-22 of the company.

In conclusion, the Nomination and Remuneration Committee has fulfilled their duties as specified in the Corporate Governance Code imposed by BSEC, by employing their knowledge, ability with due care and independence as sufficient to provide the opinions and suggestions for the overall benefits of the Company.

On behalf of the committee

Sd/-

Prof. Dr. Anwar Hossain
Chairman



Business Ethics & Code of Conduct

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

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

Compliance with laws, rules & regulations

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

Accountable & responsible

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

Keeping and showing accurate data

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

Protection of data and assets

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

Business integrity and honesty

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

Respect people and uphold their interest

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

Best sales and marketing practices

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

Quality, Hygiene and Environment

An illustration at the top of the page features a green and white globe as the central element. Several green trees of varying heights are positioned around the globe, with some appearing to grow out of it. A wide, green, three-dimensional banner with a slight curve is draped across the middle of the globe. The background is a bright blue sky with a few white, fluffy clouds. The foreground consists of a green grassy field with small white and yellow flowers.

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

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

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

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



Nurturing our Human Resources

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

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

Human Resource policies help implement a consistent approach to management. KCCL has a fair and unbiased HR Policy. The company is committed for establishing equal employee opportunity for its valued employees. We strictly maintain an equal and diverse work place free from gender, age or race discrimination, hostility, and any kind of harassment with respect to religion, ethnicity, sexual orientation, or minority. There is a proper balance of discipline

and flexibility. The employees are encouraged to concentrate on the norms, values and customs of KCCL and they are always motivated due to the interesting and friendly working environment.

Our human resource management always works with the responsibility of adding value to our success and without ethical HR practice the success is not achievable in true sense. KCCL is always committed to provide a workplace where employees remain motivated and engaged because only engaged and motivated employees are capable of giving their full capability. Every year 5/6 workers are sponsored by the company to perform Holy Hajj at Saudi Arabia and iftar in the month of Ramadan is provided for free to all workers, staffs and officers of the company.

KCCL also provides donation for medical treatment, marriage ceremony and education of dependents of the employees. Other than these benefits, everyday a subsidized cafeteria is run for both breakfast and lunch to facilitate approximately 1500 workers and staffs. The company's recruitment process is a standard way to find out the right person for the right post. We usually receive CVs from time to time and we store them carefully in data box. Networking and referencing is another approach that we follow to get trustworthy people. After getting job applications or CVs, we screen and conduct interviews and finally select the candidate who best fits the job profile. KCCL has a comprehensive compensation policy that consists of guaranteed pay, variable pay and benefits. Festival bonuses are provided to all temporary and casual workers who are otherwise not eligible as they are under the labor contractors. Overall KCCL has a structured and profession HR Policy which helps the Company to attain its objectives and goals.

FINANCIALS & Reports



Financial Facts & Figures

Net Sales Revenue BDT 4,705.16 million ↑ 12.91%
2021-22

Net Profit BDT 316.76 million ↓ 35.37%
2021-22

NAV per Share BDT 58.49 ↓ 21.02%
2021-22

Earnings per Share BDT 12.41 ↓ 35.33%
2021-22

Dividend Declared 20% Stock & 20% cash
2021-22

Contribution to BDT 876.32 million ↑ 13.73%
National Exchequer 2021-22

Five Years' Performance

(Amount in BDT 000)

| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---|------------|------------|------------|------------|------------|
| OPERATIONAL RESULT | | | | | |
| Net Sales Revenue | 4,705,165 | 4,167,165 | 3,899,550 | 3,995,804 | 3,661,324 |
| Gross Profit | 912,019 | 802,974 | 727,626 | 720,298 | 658,143 |
| Operating Profit | 347,687 | 301,769 | 228,137 | 247,162 | 229,808 |
| Net Profit before Tax | 400,024 | 297,639 | 223,641 | 232,305 | 211,402 |
| Net Profit after Tax | 316,764 | 234,004 | 167,963 | 174,349 | 154,497 |
| FINANCIAL POSITION | | | | | |
| Shareholders' equity | 1,493,186 | 1,233,938 | 995,805 | 881,644 | 727,878 |
| Total Assets | 2,907,420 | 2,542,959 | 2,021,996 | 1,899,457 | 1,934,130 |
| Total Current Assets | 2,601,158 | 2,235,994 | 1,716,922 | 1,585,603 | 1,626,305 |
| Total Current Liabilities | 1,032,378 | 932,811 | 653,951 | 646,246 | 833,769 |
| FINANCIAL RATIOS | | | | | |
| Current Ratio (times) | 2.52 | 2.39 | 2.63 | 2.45 | 1.95 |
| Debt Equity Ratio (times) | 0.95 | 1.06 | 1.03 | 1.15 | 1.66 |
| Return on Total Assets (%) | 11.62 | 10.23 | 8.31 | 9.18 | 7.99 |
| Inventory Turnover (times) | 3.46 | 3.46 | 3.89 | 4.47 | 4.89 |
| Price Earnings Ratio –DSE (times) | 29.95 | 38.08 | 56.81 | 37.09 | 40.11 |
| ORDINARY SHARES INFORMATION | | | | | |
| Number of Shares Outstanding | 25,530,862 | 22,200,750 | 20,182,500 | 16,818,750 | 14,015,625 |
| Dividend (Cash) (%) | * 20 | 35 | 35 | 20 | 10.00 |
| Dividend (Stock) (%) | * 20 | 15 | 10 | 20 | 20.00 |
| Net Asset Value per Share (BDT) | 58.49 | ** 48.33 | 44.85 | 43.68 | 43.28 |
| Net Operating Cash Flow per Share (BDT) | 10.55 | ** 16.21 | 1.30 | 7.81 | (6.95) |
| Earnings per Share (BDT) | 12.41 | ** 9.17 | 7.57 | 8.64 | 9.19 |
| Number of Shareholders | 8,453 | 7,472 | 7,222 | 6,212 | 6,256 |
| OTHER DATA | | | | | |
| Number of Employees | 2,473 | 2,389 | 2,322 | 2,296 | 2,146 |

* Proposed

** Restated

Graphical Presentation

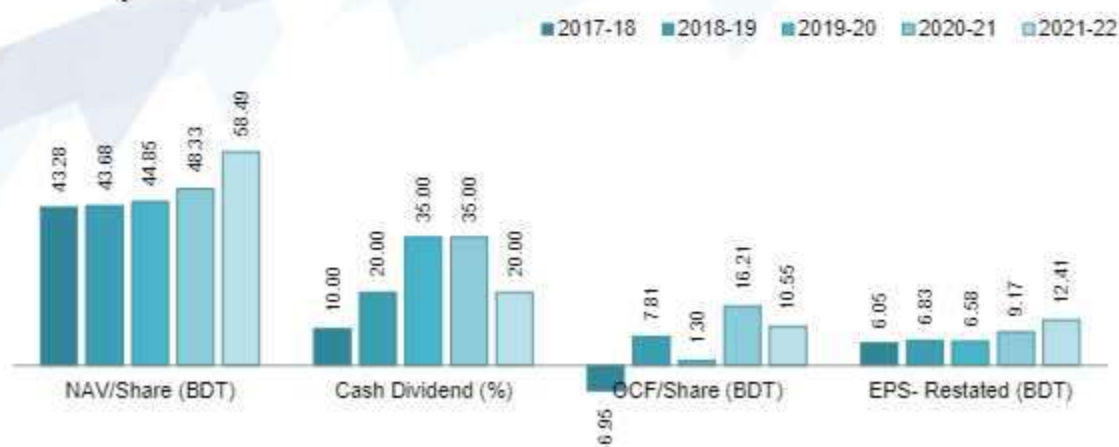
Operating Performance (BDT In Thousands)



Financial Position (BDT In Thousands)



Ordinary Share Information

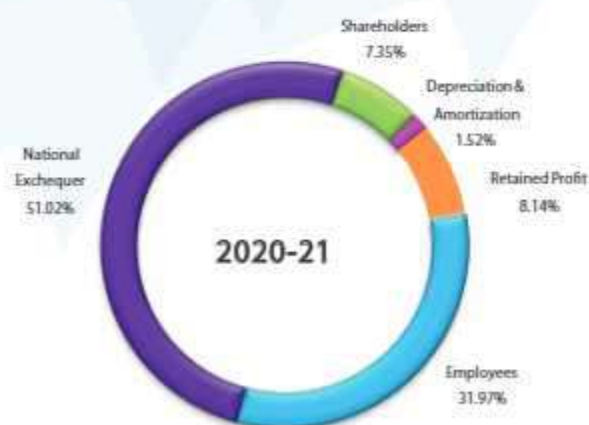
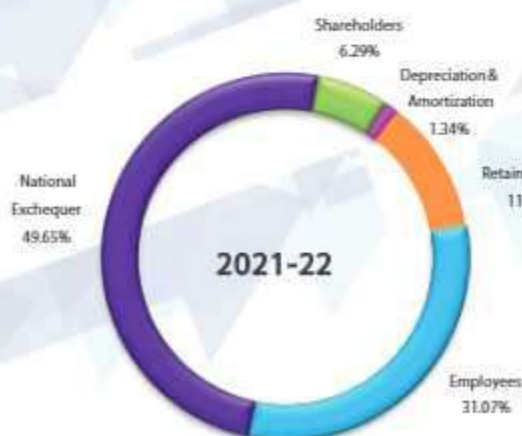


Value Added Statement

for the year ended June 30, 2022

BDT in thousand

| Particulars | 2021-22 | | 2020-21 | |
|---|------------------|---------------|------------------|---------------|
| | Amount | % | Amount | % |
| Value Added: | | | | |
| Gross Revenue | 5,470,856 | | 4,848,456 | |
| Less: Bought in Materials and Services | (3,780,190) | | (3,353,094) | |
| Add: Other income | 74,425 | | 14,928 | |
| Total value added | 1,765,091 | 100% | 1,510,290 | 100% |
| Distribution of added value: | | | | |
| To employees as salaries, wages and allowances | 548,364 | 31.07% | 482,803 | 31.97% |
| To National Exchequer | 876,319 | 49.65% | 770,515 | 51.02% |
| To shareholders as dividend | 111,004 | 6.29% | 111,004 | 7.35% |
| | 1,535,687 | 87.00% | 1,364,322 | 90.34% |
| Retained for reinvestment and future growth: | | | | |
| Depreciation and amortization | 23,644 | 1.34% | 22,967 | 1.52% |
| Retained profit | 205,760 | 11.66% | 123,001 | 8.14% |
| | 229,404 | 13.00% | 145,968 | 9.66% |
| Total value distributed | 1,765,091 | 100% | 1,510,290 | 100% |



Message from the Chairman

Dear Fellow Shareholders,

Assalamualaikum Wa Rahmatullah

On behalf of the Board of Directors, I hereby welcome you all to the 35th Annual General Meeting of Kohinoor Chemical Company (Bangladesh) Limited. It is an honor for me to present the Annual Report of KCCL for the year ended June 30, 2022. I thank you all for maintaining your trust and confidence in the Board and Management team of your company.

My fellow shareholders, without further ado let me take you all over the financial particulars of your company now. During the reporting financial year, KCCL attained a Net Revenue of BDT 4,705.16 million, Gross Profit of BDT 912.02 million and the Net Profit of BDT 316.76 million. The Earnings per Share (EPS) for this year is BDT 12.41 and taking into account the financial performance of the company this year, your Board has recommended 20% Cash and 20% Stock Dividend.

Your Company makes a significant contribution to the National Exchequer in the form of Corporate Tax, Value Added Tax (VAT) and different other duties every year. This year your company has contributed an amount of BDT 876.32 million. This contribution is equivalent to 18.62% of the company's Net Revenue.

I would now like to take the opportunity over here to thank all our valued stakeholders including business partners, customers, bankers, suppliers, government agencies, regulatory authorities and everyone with whom the company interacted with in conducting its business. I am grateful to the Management and all our employees as they have been very determined and focused towards their goals in such tough times. Finally, I thank all of you for your valued suggestions, advices and continuous supports.

I wish and pray for the success of the company in the future.

Thank you,

Sd/-

Mohammad Obaidul Karim
Chairman

চেয়ারম্যান - এর বাণী

বিস্মিল্লাহির রহমানির রাহিম

প্রিয় শেয়ারহোল্ডার ও সহকর্মীবৃন্দ

আসসালামু আলাইকুম,

কোহিনুর কেমিক্যাল কোম্পানী (বাংলাদেশ) লিমিটেড এর পরিচালক মণ্ডলীর পক্ষ থেকে আমি আজকের ৩৫তম বার্ষিক সাধারণ সভায় আপনাদের স্বাগত জানাচ্ছি। আপনাদের সামনে ৩০শে জুন ২০২২ সালের সমাপ্ত বছরের বার্ষিক প্রতিবেদন উপস্থাপনের সুযোগ পেয়ে নিজেকে ধন্য মনে করছি। সাথে সাথে কোম্পানী পরিচালনা পরিষদ এবং ব্যবস্থাপনা কর্তৃপক্ষের উপর আপনাদের পূর্ণাঙ্গ আস্থা ও বিশ্বাস রাখায় জন্য ধন্যবাদ জানাচ্ছি।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, আমি সরাসরি আর্থিক প্রতিবেদনের আলোচনায় যেতে চাই। আলোচ্য বছরে আপনাদের কোম্পানীর নীট রাজস্বের পরিমাণ ৪৭০.৫২ কোটি টাকা, মোট মুনাফা ৯১.২০ কোটি টাকা এবং নীট মুনাফা হয়েছে ৩১.৬৮ কোটি টাকা। ফলে শেয়ার প্রতি আয় হয়েছে ১২.৪১ টাকা। পরিচালনা পরিষদ আলোচ্য বছরের মুনাফা থেকে ২০% নগদ ও ২০% বোনাস শেয়ার বিতরণের সিদ্ধান্ত নিয়েছে।

আপনাদের কোম্পানী প্রতি বছরের ন্যায় এ বছরেও কর, মুসক ও বিভিন্ন ধরনের শুল্ক খাতে গুরুত্বপূর্ণ অবদান রেখেছে। ২০২১-২০২২ অর্থ বছরে আপনাদের কোম্পানীর সরকারী কোষাগারে জমার পরিমাণ দাঁড়ায় ৮৭.৬৩ কোটি টাকা। ফলে এখাতে কোম্পানীর অবদান হল নীট রাজস্বের ১৮.৬২%।

আমাদের উপর আপনাদের বিশ্বাস ও সহযোগীতার জন্য আমি আপনাদের ধন্যবাদ জানাই। সেই সঙ্গে আমি ধন্যবাদ জানাতে চাই আমাদের সকল গ্রাহক, সরবরাহকারী, ব্যাংক, আর্থিক প্রতিষ্ঠান, সরকারী বিভাগ ও নিয়ন্ত্রনকারী সংস্থাসহ আমাদের কর্মকান্ডের সাথে প্রত্যক্ষ ও পরোক্ষভাবে জড়িত সকলকে।

আমি কোম্পানীর ব্যবস্থাপনা, সকল কর্ম-কর্তা ও কর্মচারী বৃন্দের প্রতি কৃতজ্ঞতা জ্ঞাপন করছি যারা দেশের এই নাজুক পরিস্থিতির মধ্যেও দৃঢ় মনোবল নিয়ে কাজ করার জন্য কোম্পানীর লক্ষ্য অর্জন সম্ভব হয়েছে। পরিশেষে আপনাদের মূল্যবান পরামর্শ উপদেশ ও সর্বাত্মক সহযোগীতার জন্য ধন্যবাদ জানাচ্ছি।

আমি কোম্পানীর ভবিষ্যত উত্তরোত্তর উন্নতি কামনা করছি।

স্বা/-

মোহাম্মদ ওবায়দুল করিম

চেয়ারম্যান

Management Discussion & Analysis

Dear Fellow Shareholders,

Assalamualaikum

On behalf of the management of the company, I would like to welcome you all to the 35th Annual General Meeting of KCCL. It is an honor for me to present to all of you about the performance of our Company during the financial year 2021-2022.

Economic scenario of the world and the country

Let us start with a few words regarding the global economic condition in which our business is operating. According to the OECD Interim Economic Outlook, prior to the war, the world economy was on track for a strong, albeit uneven, recovery from COVID-19. The conflict in Ukraine and the supply-chain disruptions exacerbated by shutdowns in China due to the zero-COVID policy are dealing a serious blow to the recovery. Global GDP growth is now projected to slow sharply this year, to around 3%, and remain at a similar pace in 2023. This is well below the pace of recovery projected last December. Countries worldwide are being hit by higher commodity prices, which add to inflationary pressures and curb real incomes and spending, further dampening the recovery.

As per the World Economic Situation and Prospects (WESP) report of United Nations, The global economic recovery is facing significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressures. After expanding by 5.5 per cent in 2021, the global output is projected to grow by only 4.0 per cent in 2022 and 3.5 per cent in 2023, according to the United Nations World Economic Situation and Prospects (WESP) 2022.

GDP growth picked up to 7.2% in FY 2022, which ends in June. This was partly due to faster growth in manufacturing activity. Moreover, the services sector saw a broad-based acceleration, with subsectors such as retail, transport and hospitality improving as the domestic impact of the pandemic subsided. On the downside, the agricultural sector lost momentum. In early June, the Central Bank moved from a managed float to a free float regime for the taka, with the currency promptly depreciating by around 7%. While the move will support export competitiveness and safeguard reserves, it will also spur inflation. Also in June, the government presented an expansionary FY 2023 budget, which proposes a double-digit rise in nominal spending with an emphasis on boosting social and infrastructure spending corporate tax cuts and a fiscal deficit target of 5.5% of GDP.

Industry sector of Bangladesh economy has been gradually and consistently expanding over the few years. Bangladesh Bureau of Statistics (BBS) estimates, the contribution of the broad industry sector to GDP stood at 36.01 percent in FY 2020-21 which increased to 37.07 percent in FY 2021-22. Among the fifteen sectors of GDP, the broad industry sector includes five sectors namely mining and quarrying, manufacturing, electricity gas, steam and air condition, water supply and construction. The contribution of the manufacturing sector is the highest in GDP. In FY 2021-22 the contribution of manufacturing sector to GDP was 23.36 percent which increased to 24.45 percent in FY 2021-22.

Guiding Principles

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

Company Performance

Dear shareholders, below is a comparative analysis of the financial performance and financial position of our company over the last five years:

BDT in thousand

| | 2021-22 | 2020- 21 | 2019- 20 | 2018- 19 | 2017- 18 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
| OPERATIONAL RESULT | | | | | |
| Net Sales Revenue | 4,705,165 | 4,167,165 | 3,899,550 | 3,995,804 | 3,661,324 |
| Gross Profit | 912,019 | 802,974 | 727,626 | 720,298 | 658,143 |
| Operating Profit | 347,687 | 301,769 | 228,137 | 247,162 | 229,808 |
| Net Profit before Tax | 400,024 | 297,639 | 223,641 | 232,305 | 211,402 |
| Net Profit after Tax | 316,764 | 234,004 | 167,963 | 174,349 | 154,497 |
| FINANCIAL POSITION | | | | | |
| Shareholders' equity | 1,493,186 | 1,233,938 | 995,805 | 881,644 | 727,878 |
| Total Assets | 2,907,420 | 2,542,959 | 2,021,996 | 1,899,457 | 1,934,130 |
| Total Current Assets | 2,601,158 | 2,235,994 | 1,716,922 | 1,585,603 | 1,626,305 |
| Total Current Liabilities | 1,032,378 | 932,812 | 653,951 | 646,246 | 833,769 |
| FINANCIAL RATIOS | | | | | |
| Current Ratio (times) | 2.52 | 2.39 | 2.63 | 2.45 | 1.95 |
| Debt Equity Ratio (times) | 0.95 | 1.06 | 1.03 | 1.15 | 1.66 |
| Return on Total Assets (%) | 11.62 | 10.23 | 8.31 | 9.18 | 7.99 |
| Inventory Turnover (times) | 3.46 | 3.46 | 3.89 | 4.47 | 4.89 |

Now let us take a look at the peer industry scenario and have a comparison with them in regards to our performance. If we look at the industry, we will find that there are many competitors but also see that the productlines of many of the listed companies do not match with those of ours. Only two of the listed Company's productlines match with us and so we can go for comparisons with those two companies; namely Marico Limited and Keya Cosmetics Limited. However, Keya Cosmetics did not publish its financial statements in 2018-19 & 2020-21 so we made comparison with Marico only. Below is the five year's trend of ratios with our peer companies:

| Year | 2020-21 | | 2019-20 | | | 2018-19 | | 2017-18 | | | 2016-17 | | |
|----------------------------|---------|--------|---------|--------|------|---------|--------|---------|--------|-------|---------|--------|-------|
| Ratio | KCCL | Marico | KCCL | Marico | Keya | KCCL | Marico | KCCL | Marico | Keya | KCCL | Marico | Keya |
| Current Ratio (times) | 2.39 | 1.03 | 2.63 | 1.21 | 1.46 | 2.45 | 1.25 | 1.95 | 1.32 | 2.92 | 1.86 | 1.42 | 3.53 |
| Return on Total Assets (%) | 10.23 | 57.56 | 8.31 | 52.84 | 5.71 | 9.18 | 44.21 | 7.99 | 36.77 | 3.79 | 9.59 | 38.38 | 6.30 |
| Net Assets Value per Share | 55.58 | 51.95 | 49.34 | 44.05 | 0.25 | 43.68 | 41.34 | 43.28 | 47.38 | 14.02 | 39.53 | 50.16 | 15.37 |
| Earnings per Share (BDT) | 10.54 | 98.69 | 8.32 | 84.01 | 0.24 | 8.64 | 64.23 | 9.19 | 52.15 | 1.21 | 10.47 | 45.72 | 2.01 |

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

Future Plan

The Company always formulates strategies keeping in mind about providing the best quality to give utmost satisfaction to the customers. In this regard, we have already been able to successfully establish ourselves as one of the top companies in the local market. I would like to end my speech here by expressing sincere thanks to the management team and all employees for their efforts and performance to improve our Company. And I should also like to thank all of you for your continued confidence in us. I am closing my report with the expectation of your continued support and trust in us.

Thank you,

Sd/-

Rezaul Karim

Managing Director

Directors' Report

for the year ended June 30, 2022

Dear Shareholders,

The Directors have pleasure in submitting hereunder their report, prepared under section 184 of the Companies Act, 1994, together with the Audited Financial Statements of the company for the year ended June 30, 2022 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. KCCL is the market leader among all the local companies and has been successfully competing with one multinational brand, Unilever Bangladesh Ltd. Since most of the people of Bangladesh live in rural area and the majority of them belong to lower income class, KCCL aims at serving these lower income customers relentlessly keeping the nation's economic condition in mind through door to door marketing network.

HIGHLIGHTS ON FINANCIAL RESULTS

The Board of Directors takes pleasure in reporting the summary of the Financial Results of the company for the year ended June 30, 2022:

| Amount in BDT | | | |
|--------------------|---------------|---------------|--------|
| Particulars | 2021-22 | 2020-21 | % |
| Net Sales Revenue | 4,705,164,873 | 4,167,164,821 | 12.91% |
| Cost of Goods Sold | 3,793,145,401 | 3,364,190,911 | 12.75% |
| Gross Profit | 912,019,472 | 802,973,910 | 13.58% |
| Operating Profit | 347,686,992 | 301,768,817 | 15.22% |
| Net Profit (BT) | 400,024,312 | 297,639,223 | 34.40% |
| Net Profit (AT) | 316,764,356 | 234,004,338 | 35.37% |
| Earnings per Share | 12.41 | * 9.17 | 35.33% |

*Restated

The Company recorded 12.91% increase in net sales revenue during the financial year 2021-22 over previous year. The operating profit amounted to BDT 347.69 million showing a increase of 15.22% with respect to June 30, 2021. In addition, net profit after tax amounted to BDT 316.76 million showing a increase of 35.37% compared to previous year.

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 Kohinoor Chemical Company (Bangladesh) Limited 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; and

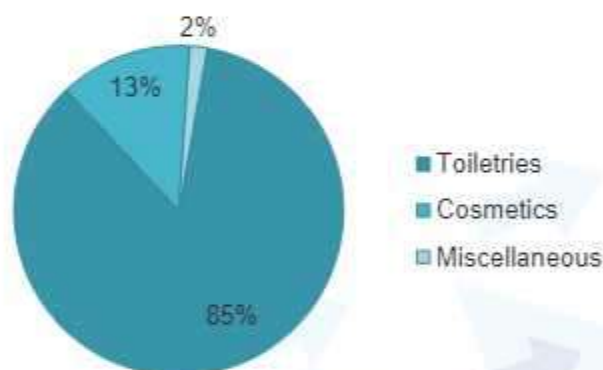
All other products are included under miscellaneous products.

Product Line wise Gross Sales:

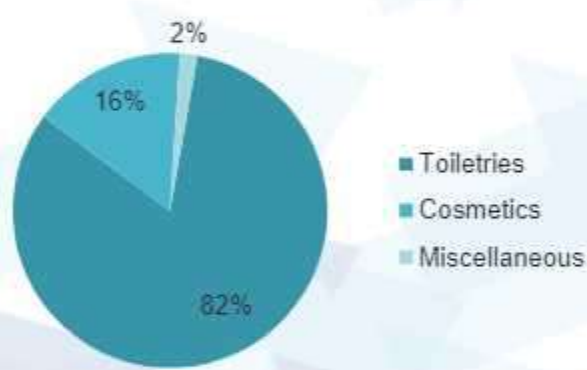
Amount in BDT

| Year | Toiletries Products | Cosmetics Products | Miscellaneous Products | Total Revenue |
|---------|---------------------|--------------------|------------------------|---------------|
| 2021-22 | 4,663,309,346 | 714,066,743 | 93,479,868 | 5,470,855,957 |
| 2020-21 | 3,996,949,881 | 765,096,220 | 86,410,253 | 4,848,456,354 |

Sales Portfolio in 2021-22



Sales Portfolio in 2020-21



RISKS AND CONCERNS

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

Industry risks, regulatory risks, market risk, operational risk, legal risk, interest rate risk, exchange rate risk, potential changes in global or national policies, threats arising from the negative impacts on environment are some of the risks that Kohinoor Chemical Company (Bangladesh) Limited takes into consideration.

Kohinoor Chemical Company (Bangladesh) Limited has well defined it's 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 it was 75% in previous year. Cost of goods sold is 81% of net sales in reporting year and it was 81% in previous year..

Amount in BDT

| COGS | Value in BDT | | % of Total COGS | |
|---------------------------|----------------------|----------------------|-----------------|---------------|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Direct Materials | 3,461,843,722 | 3,110,676,495 | 91.27 | 92.46 |
| Factory Overhead | 354,970,076 | 342,907,064 | 9.36 | 10.19 |
| Manufacturing Cost | 3,816,813,798 | 3,453,583,559 | 100.62 | 102.65 |
| WIP (Opening-Closing) | (13,061,613) | (10,911,904) | (0.34) | (0.32) |
| FG (Opening-Closing) | (10,606,784) | (78,480,744) | (0.28) | (2.33) |
| Cost of Goods Sold | 3,793,145,401 | 3,364,190,911 | 100.00 | 100.00 |

| Net Sales | |
|----------------------|----------------|
| BDT 4,705.16 million | |
| ↓ | |
| Gross Profit | |
| BDT 912.02 million | Margin- 19.38% |
| ↓ | |
| Net Profit | |
| BDT 316.76 million | Margin- 6.73% |

CAPITAL EXPENDITURES

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

Amount in BDT

| Additional Investment | 2021-22 | 2020-21 |
|-----------------------|-------------------|-------------------|
| Plant and Machinery | 8,023,249 | 12,371,255 |
| Vehicles | 3,625,804 | 7,870,000 |
| Office Equipment | 2,026,333 | - |
| Other Assets | 479,600 | 3,023,500 |
| Total | 14,154,986 | 23,264,755 |

KEY OPERATING AND FINANCIAL DATA OF PRECEDING FIVE YEARS

A summarized statement stating the key operating and financial data of preceding 5 (five) years have been disclosed in this annual report. Various financial information in terms of Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial position, ordinary share related information and different financial ratios for preceding 5 (five) years are included in this statement. Key operating and financial data of the company of preceding 5 (five) years have been disclosed on page 51.

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

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

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

As stated above, Kohinoor Chemical Company (Bangladesh) Limited 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 2021-22. Therefore, no explanation is necessary in regards to this.

UNCLAIMED DIVIDEND

The separate account for unclaimed dividend is in process. The accounts will be separated shortly.

BANGLADESH WORKERS WELFARE FOUNDATION:

Bangladesh Workers Welfare Foundation is yet to transfer to the respective accounts of Ministry of Labor and Employment.

REMUNERATION TO DIRECTORS INCLUDING INDEPENDENT DIRECTORS

The Directors including the Independent Directors of Kohinoor Chemical Company (Bangladesh) Limited did not receive any remuneration or other facilities or perquisites during the reporting financial year.

CORPORATE AND FINANCIAL REPORTING

The Directors are pleased to conform to the following:

- The Financial Statements of the company present true and fair view of its state of affairs, the result of its operation, cash flows and changes of equity;
- Books of Accounts have been maintained properly as required by the law;
- Appropriate accounting policies have been consistently applied in formulating the financial statements and accounting estimates were reasonable and prudent;
- The financial statements were prepared in accordance with International Accounting Standards (IAS) / International Financial Reporting Standards (IFRS), as applicable in Bangladesh;
- Internal Control System is sound in design and implemented and monitored effectively;
- Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- No Bonus share or stock dividend has been or shall be declared as interim dividend; and Compliance report on IAS/IFRS is presented in Annexure E on page 79.

APPROPRIATIONS OF PROFIT

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

| | | |
|--|---------------------|----------------------|
| Net profit for the Year (2021-22) | 316,764,356 | |
| Prior year adjustment | (36,694) | |
| Add: Profit brought forward from previous year | <u>808,159,138</u> | |
| Profit available for distribution | | 1,124,886,800 |
| Less: Appropriation proposed: | | |
| Cash Dividend @ 20% | (51,061,725) | |
| Stock Dividend @ 20% | <u>(51,061,725)</u> | <u>(102,123,450)</u> |
| Transfer to retained earnings | | 1,022,763,350 |

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 analyses qualify the company as a going concern and consequently the financial statements are also prepared on the basis of going concern assumption.

CONTRIBUTION TO NATIONAL ECONOMY

During the financial year 2021-22, your company has contributed an amount of BDT 876.32 million Corporate Tax, Value Added Tax (VAT) and different other duties; compared to BDT 770.51 million in the last year. This contribution is equivalent to 18.62 % of the company's Net Revenue.

BOARD MEETINGS HELD

The number of Board Meetings and attendance of the Directors, CFO, CS and HIAC during the financial year 2021-22 were as follows:

| Name | Status | Meeting held | Meeting Attended |
|---------------------------------------|---------------------------------------|--------------|------------------|
| Mr. Mohammad Obaidul Karim | Chairman | 5 | 5 |
| Mr. Md. Rezaul Karim | Managing Director | 5 | 5 |
| Mr. Md. Ebadul Karim | Director | 5 | 5 |
| Mrs. Arzuda Karim | Director | 5 | 5 |
| Mrs. Nurun Nahar | Director | 5 | 5 |
| Mrs. Shirin Akhter | Director | 5 | 5 |
| Prof. Dr. Anwar Hossain | Independent Director | 5 | 2 |
| Mr. Lt. Col. Kamal Ahmed, PSC (Retd.) | Independent Director | 5 | 5 |
| Mr. Mohd. Shamim Kabir, FCMA | Company Secretary | 5 | 5 |
| Mr. Abu Bakar Siddique, FCMA | Chief Financial Officer | 5 | 5 |
| Mr. AKM Reaz Haider | Head of Internal Audit and Compliance | 5 | 5 |

DECLARATION OF DIVIDEND

With the Directors' recommendation for a cash dividend of BDT 2 (20%) per share and stock dividend of 20% per share for the year under review, the Company will have a payout of BDT 102,123,450 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. December 01, 2022.

SHAREHOLDING POSITION

None of the Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance) and the Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance hold any shares of the company other than the Directors. The pattern of shareholding disclosed on Annual Report 2021-22 in Annexure-D of the Directors' Report.

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 & Mrs. Shirin Akhter, Director of the company will retire by rotation and as being eligible, the Board has recommended to re-elect and re-appoint them as the Directors of the Company, subject to approval of the shareholders in the upcoming Annual General Meeting.

DIVIDEND POLICY

At the end of yearly operation, the highest benefit i.e dividend given to the shareholders by the management of the company after retaining a portion of earnings so that the company can maintain the ability to extend facilities to the shareholders in future also.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Detailed analysis of the company's position and operations have been presented in a Management's Discussion and Analysis signed by Mr. Rezaul Karim, Managing Director and Chief Executive Officer of the company. The statement depicts a brief discussion of changes in the financial statements, among others, focusing on:

- accounting policies and estimation for preparation of financial statements;
- changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;
- comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;
- compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
- briefly explain the financial and economic scenario of the country and the globe;
- risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
- future plan or projection or forecast for company's operation, performance and financial position.

A Management's Discussion and Analysis signed by Managing Director or MD has been presented on page 56 to 58.

DECLARATION OR CERTIFICATION BY THE CEO AND CFO TO THE BOARD

As per the corporate governance code prescribed by BSEC, it is the responsibility of both CEO and CFO to certify to the Board on the preparation of financial statements as per the applicable IAS and IFRS after and the presentation of true and fair view of company affairs.

Declaration or certification on the financial statements by the CEO and the CFO to the Board is disclosed on page 67 to 68.

APPOINTMENT OF STATUTORY AUDITORS

The Directors hereby report that as per Companies Act 1994 and the Articles of Association of the Company, Malek Siddiqui Wali, Chartered Accountants, who were appointed as auditors of the company in the last Annual General Meeting of the Company has carried out the audit for the year ended June 30, 2022.

Considering the necessary expertise, the Board has recommended Malek Siddiqui Wali, Chartered Accountants, to be appointed as the Statutory Auditors of Kohinoor Chemical Company (BD) Ltd. for the year 2022-2023 and to continue till the next AGM, subject to the approval of the shareholders in the upcoming AGM.

APPOINTMENT OF COMPLIANCE AUDITORS

In compliance with the notification no: SEC/CMRRD/2006-158/207/Admin/80 dated June 03, 2018 imposed by BSEC, a listed company requires to obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary), who shall be appointed by the shareholders of the company in the AGM.

Poddar & Associates, Cost and Management Accountants has been appointed by the shareholders in the last AGM as the Compliance Auditors of the company. In light with the said notification, related securities laws and necessary observation regarding efficiency, transparency of job and experience, the Board of Directors has recommended to re-appoint Poddar & Associates, Cost and Management Accountants as the Corporate Governance Compliance Auditors of the company for the next financial year to be ended on June 30, 2023 subject to the approval of shareholders at the ensuing AGM.

STATUS OF COMPLIANCE

Kohinoor Chemical Company (BD) Limited has been committed to abide high standards of Corporate Governance. We have the pleasure to confirm herewith that the Company has complied with all the necessary guidelines under the Bangladesh Securities and Exchange Commission's Notification No. SEC/CMRRCD/2006- 158/207/Admin/80 dated June 03, 2018 and Notification No. issued under section 2CC of the Securities and Exchange Ordinance 1969. The certificate from the Compliance Auditors of Kohinoor Chemical Company (Bangladesh) Limited on the conditions of Corporate Governance Code imposed by BSEC is disclosed on Annual Report 2021-22 in Annexure-B of the Directors' Report and the Checklist on Compliance of the Corporate Governance Code has disclosed in Annexure-C.

Annual General Meeting

In light of COVID-19 situation in Bangladesh, the 35th Annual General Meeting of Kohinoor Chemical Company (Bangladesh) Limited will be held virtually on a digital platform on Thursday, December 22, 2022, at 4:00 pm at the Company premises, considering the health and safety of all the shareholders, staff and other participants.

Annual Report

The appropriate number of copies of the Annual Report for the financial year 2021-22 will be submitted to the shareholders of the company, Bangladesh Securities Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange at least fourteen days before the ensuing Annual General Meeting.

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 LIST:

- A. Declaration or Certification by the CEO and the CFO to the Board
- B. Certificate from Poddar & Associates, Chartered Accountants regarding compliance of conditions of the Corporate Governance Code
- C. Checklist on Compliance of the Corporate Governance Code
- D. Pattern of Shareholding
- E. Compliance Report on IAS and IFRS

[As per condition No. 1(5)(xxvi)]

Kohinoor Chemical Company (BD) Limited **Declaration by Managing Director and CFO**

Date: November 10, 2022

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

Subject: Declaration on Financial Statements for the year ended on June 30, 2022

Dear Sirs,

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

1. The Financial Statements of Kohinoor Chemical Company (BD) Limited for the year ended June 30, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended June 30, 2022 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

- (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-

Md. Rezaul Karim
Managing Director

Sd/-

Abu Bakar Siddique, FCMA
Chief Financial Officer (CFO)

**Annexure-B****[Certificate as per condition No. 1(5)(xxvii)]****Report to the Shareholders of Kohinoor Chemical Co. (Bangladesh) Limited
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Kohinoor Chemical Co. (Bangladesh) Ltd.** for the year ended on June 30, 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated: 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

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

For Podder & Associates

Jayanta Kumer Podder
Cost & Management Accountants

Place: Dhaka
Dated: November 13, 2022

Kohinoor Chemical Co.(Bangladesh) Ltd.
Status of Compliance with the Corporate Governance Guideline (CGG)
For the year ended June 30, 2022

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/80: dated 03 June, 2018 issued under section 20C of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 5.00)

| Condition No. | Title | Compliance status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 1 | Board of Directors.- | | | |
| 1(1) | Size of the Board of Directors | | | |
| | The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty). | ✓ | — | The KCCL's Board is comprised of 08 Directors including the Managing Director. |
| 1(2) | Independent Directors | | | |
| 1(2)(a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s). | ✓ | — | 02 out of 08 directors are appointed as Independent Director |
| 1(2)(b)(i) | Who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company; | ✓ | — | The Independent Directors have declared their compliances |
| 1(2)(b)(ii) | Who is not a sponsor of the company and is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; | ✓ | — | — |
| 1(2)(b)(iii) | Who has not been an executive of the company in immediately preceding 2(two) financial years; | ✓ | — | — |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | — | — |
| 1(2)(b)(v) | Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director, or officer of any stock exchange; | ✓ | — | — |
| 1(2)(b)(vi) | Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | ✓ | — | — |
| 1(2)(b)(vii) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | ✓ | — | — |
| 1(2)(b)(viii) | Who is not an independent director in more than 5 (five) listed companies; | ✓ | — | — |
| 1(2)(b)(ix) | Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NFI); | ✓ | — | — |
| 1(2)(b)(x) | Who has not been convicted for a criminal offence involving moral turpitude. | ✓ | — | — |
| 1(2)(c) | The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM). | ✓ | — | Prof. Dr. Anwar Hossain was appointed as Independent Director by the Shareholders in the 34th AGM held on December 12, 2021 |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90(ninety) days. | ✓ | — | No vacancy occurred during the reporting period. |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only. | ✓ | — | — |
| 1(3) | Qualification of Independent Director.- | | | |
| 1(3)(a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to business; | ✓ | — | — |
| 1(3)(b)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid -up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | — | — | N/A |

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

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|---|---|---|---|
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | — | — |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | ✓ | — | — |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | ✓ | — | — |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | ✓ | — | — |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | ✓ | — | — |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | ✓ | — | No such matter to explain |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | ✓ | — | — |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | — | — | The Board of Directors has recommended 20% Cash and 20% Stock Dividend for the year ended on June 30, 2022. |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | — | — | N/A |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | ✓ | — | — |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:- | | — | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | | — | N/A |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance their spouses and minor children (name-wise details); | ✓ | — | — |
| 1(5)(xxiii)(c) | Executives; and | ✓ | — | — |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | — | — | Mr. Mohammad Obaidul Karim, Chairman of KCCL holds 19.07% share of the company |
| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- | | | |
| 1(5)(xxiv)(a) | a brief resume of the director | ✓ | — | — |
| 1(5)(xxiv)(b) | nature of his/her expertise in specific functional areas; | ✓ | — | — |
| 1(5)(xxiv)(c) | names of companies in which the person also holds the directorship and the membership of committees of the Board; | ✓ | — | — |
| 1(5)(xxv) | A management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | accounting policies and estimation for preparation of financial statements; | ✓ | — | — |
| 1(5)(xxv)(b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | — | — | N/A |
| 1(5)(xxv)(c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | — | — |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | — | — |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | ✓ | — | — |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | ✓ | — | — |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | ✓ | — | — |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|---|---|
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A and | ✓ | - | - |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this code as required under condition No. 9 shall be disclosed as per Annexure B and Annexure-C. | ✓ | - | - |
| 1(6) | Meetings of the Board of Directors | | | |
| | The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | - | - |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | ✓ | - | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | ✓ | - | |
| 2 | Governance of Board of Directors of Subsidiary Company:- KCCL does not have any Subsidiary Company | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | - | - | N/A |
| 2(b) | At least 1 (one) independent director of the Board of the holding company shall be a director on the Board of the subsidiary company; | - | - | N/A |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | - | - | N/A |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | - | - | N/A |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | - | - | N/A |
| 3. | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO) Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):- | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | - | - |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | - | Different people hold the positions of MD, CFO, CS and HIAC |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | - | |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | - | - |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | ✓ | - | - |
| 3(2) | Requirement to attend Board of Director's Meetings | | | |
| | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board. Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | ✓ | - | - |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|---|--|
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer(CFO) | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | | — | |
| 3(3)(a)(i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | — | In Practice |
| 3(3)(a)(ii) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | ✓ | — | In Practice |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its member; | ✓ | — | In Practice |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | — | Disclosed in the Annual Report |
| 4. | Board of Director's Committee.- For ensuring good governance in the company, the Board shall have at least following sub-committees: | | | |
| 4(i) | Audit Committee; and | ✓ | — | |
| 4(ii) | Nomination and Remuneration Committee | ✓ | — | |
| 5. | Audit Committee.- | | | |
| 5(1) | Responsibility to the Board of Directors. | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | — | |
| 5(1)(b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business; | ✓ | — | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | — | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | — | Audit Committee (AC) is comprised of 3 (Three) members including one Independent Director |
| 5(2)(b) | The Board shall appoint members of the audit committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1(one) independent director; | ✓ | — | All AC members are non-executive Directors including one Independent Director. The Independent Director is the Chairman of the Audit Committee |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | — | |
| 5(2)(d) | When the term of service of any Committee members expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | ✓ | — | |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee. | ✓ | — | |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | — | |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent director; | ✓ | — | |
| 5(3)(b) | In the absence of the Chairperson of the audit committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No.5(4)(b) and the reason of absence of the regular chairperson shall be duly recorded in the minutes. | ✓ | — | |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | ✓ | — | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|---|---|---|------------------------------------|
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year. Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | ✓ | — | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | — | |
| 5(5) | Role of Audit Committee shall:- | | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | — | — |
| 5(5)(b) | monitor choice of accounting policies and principles; | ✓ | — | |
| 5(5)(c) | monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | — | |
| 5(5)(d) | oversee hiring and performance of external auditors. | ✓ | — | |
| 5(5)(e) | hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | — | |
| 5(5)(f) | review along with the management, the annual financial statements before submission to the board for approval; | ✓ | — | |
| 5(5)(g) | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | ✓ | — | |
| 5(5)(h) | review the adequacy of internal audit function; | ✓ | — | |
| 5(5)(i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | — | |
| 5(5)(j) | review statement of all related party transactions submitted by the management; | ✓ | — | |
| 5(5)(k) | review Management Letters or Letter of Internal Control weakness issued by statutory auditors. | ✓ | — | |
| 5(5)(l) | oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | ✓ | — | |
| 5(5)(m) | oversee whether the proceeds raised through Initial public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purpose stated in relevant offer document or prospectus approved by the Commission; | ✓ | — | |
| 5(6) | Reporting of the Audit Committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board. | ✓ | — | |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Board on the following findings, if any:- | — | — | |
| 5(6)(a)(ii)(a) | report on conflicts of interests; | — | — | No such Incidence arose |
| 5(6)(a)(ii)(b) | suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | — | — | No such Incidence arose |
| 5(6)(a)(ii)(c) | suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | — | — | No such Incidence arose |
| 5(6)(a)(ii)(d) | any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | — | — | No such Incidence arose |
| 5(6)(b) | Reporting to the Authorities:- | | | |
| | If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | — | — | No such reportable incidence arose |
| 5(7) | Reporting to the Shareholders and General Investors | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | — | — | No such reportable incidence arose |
| 6. | Nomination and remuneration Committee(NRC):- | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | ✓ | — | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|---|---|
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | ✓ | – | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | ✓ | – | |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | ✓ | – | NRC is comprised of Three members including one Independent Director |
| 6(2)(b) | All member of the Committee shall be non-executive directors; | ✓ | – | All NRC members are non-executive Directors including one Independent Director. The Independent Director is the Chairman of the NRC Committee |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | – | The NRC members are duly appointed by the Board. |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | ✓ | – | |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | – | – | No such case arose |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | – | – | No such occurrence during the year |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | – | In Practice |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | ✓ | – | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | – | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | – | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | ✓ | – | |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; | ✓ | – | |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | ✓ | – | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | – | – | No such case arose after formation of NRC |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h); | ✓ | – | |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | – | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | – | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | ✓ | – | |
| 6(5)(b)(i) | formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following; | ✓ | – | |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | ✓ | – | |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | ✓ | – | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|---|--|
| 6(5)(b)(i)(c) | remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | ✓ | — | |
| 6(5)(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | ✓ | — | |
| 6(5)(b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | ✓ | — | |
| 6(5)(b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | ✓ | — | |
| 6(5)(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | ✓ | — | |
| 6(5)(b)(vi) | developing, recommending and reviewing annually the company's human resources and training policies; | ✓ | — | |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | ✓ | — | |
| 7. | External or Statutory Auditors | | | |
| 7(1) | The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely :— | | | |
| 7(1) (i) | appraisal or valuation services or fairness opinions; | ✓ | — | |
| 7 (1) (ii) | financial information system design and implementation; | ✓ | — | |
| 7 (1) (iii) | book-keeping or other services related to the accounting records or financial statements; | ✓ | — | |
| 7 (1) (iv) | broker –dealer services; | ✓ | — | |
| 7 (1) (v) | actuarial services; | ✓ | — | |
| 7 (1) (vi) | internal audit services or special audit services; | ✓ | — | |
| 7 (1) (vii) | any services that the Audit Committee determines. | ✓ | — | |
| 7 (1) (viii) | Audit or certification services on compliance of corporate governance as required under condition No.9(1); | ✓ | — | |
| 7 (1) (ix) | any other service that creates conflict of interest | ✓ | — | |
| 7(2) | No Partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; | ✓ | — | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' meeting (Annual General meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | ✓ | — | |
| 8. | Maintaining a website by the Company.- | | | |
| 8(1) | The Company shall have an official website linked with the website of the stock exchange. | ✓ | — | |
| 8(2) | The company shall keep the website functional from the date of listing. | ✓ | — | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the regulations of the concerned stock exchange(s) | ✓ | — | |
| 9. | Reporting and Compliance of Corporate Governance.- | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | ✓ | — | Required certification has been obtained from "PODDER & ASSOCIATES" Cost & Management Accountants for the year ended 30th June 2022. |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the annual general meeting. | ✓ | — | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure C attached, in the directors' report whether the company has complied with these conditions or not. | ✓ | — | |

The Pattern of Shareholding

as on June 30, 2022

| Categories | Name | Status | No. of Shares held | % of holding |
|--|---------------------------------------|---------------------------------------|--------------------|--------------|
| (a) Parent or Subsidiary or Associated Companies and other related parties | - | | | |
| (b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children | Mr. Mohammad Obaidul Karim | Chairman | 4,869,166 | 19.07 |
| | Mr. Md. Rezaul Karim | Managing Director | 1,392,198 | 5.46 |
| | Mr. Md. Ebadul Karim | Director | 1,998,275 | 7.83 |
| | Mrs. Arzuda Karim | Director | 2,095,641 | 8.21 |
| | Mrs. Nurun Nahar | Director | 1,277,579 | 5.00 |
| | Mrs. Shirin Akhter | Director | 1,277,169 | 5.00 |
| | Mr. Quazi Mamunul Ashraf | Independent Director | Nil | Nil |
| | Mr. Lt. Col. Kamal Ahmed, PSC (Retd.) | Independent Director | Nil | Nil |
| | Mr. Md. Rezaul Karim | Chief Executive Officer | 1,392,198 | 5.46 |
| | Mr. Abu Bakar Siddique | Chief Financial Officer | Nil | Nil |
| | Mr. Mohd. Shamim Kabir | Company Secretary | Nil | Nil |
| | Mr. AKM Reaz Haider | Head of Internal Audit and Compliance | Nil | Nil |
| | | | | |
| (c) Executives | Mr. Md. Abul Khair | Director (Company Affairs) | Nil | Nil |
| | Mr. Ziaul Hafiz | Head of Sales & Marketing | Nil | Nil |
| | Mr. Shah Md. Abdul Wadood | Head of Production | Nil | Nil |
| | Mr. A.S.M. Zaman | Head of Distribution | Nil | Nil |
| | Mr. Md. Aslam Hossain Baig | Head of HR & Admin | Nil | Nil |
| (d) Shareholders holding ten percent (10%) or more voting interest in the company | Mr. Mohammad Obaidul Karim | Chairman | 4,869,166 | 19.07 |

The Composition of Shareholding

as on June 30, 2022

| Type of Shareholders | No. of Shares held | % of Shareholding |
|----------------------|--------------------|-------------------|
| Sponsors | 12,910,028 | 50.57 |
| Institution | 3,460,091 | 13.55 |
| General Public | 9,160,744 | 35.88 |
| Total | 25,530,863 | 100.00 |

Compliance Report on IAS and IFRS

| IAS No. | IAS Title | Remarks |
|----------|---|---------|
| 01 | Presentation of Financial Statements | Applied |
| 02 | Inventories | Applied |
| 07 | Statement of Cash Flows | Applied |
| 08 | Accounting Policies, Changes in Accounting Estimates and Errors | Applied |
| 10 | Events after the reporting period | Applied |
| 12 | Income Taxes | Applied |
| 16 | Property, Plant and Equipment | 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 | Applied |
| 33 | Earnings per share | Applied |
| 34 | Interim Financial Reporting | Applied |
| 36 | Impairment of Assets | Applied |
| 37 | Provisions, Contingent Liabilities and Contingent Assets | Applied |
| 38 | Intangible Assets | Applied |
| 39 | Financial Instruments: Recognition and Measurement | N/A |
| 40 | Investment Property | N/A |
| 41 | Agriculture | N/A |
| IFRS No. | IFRS Title | Remarks |
| 01 | First-time Adoption of International Financial Reporting Standards | N/A |
| 02 | Share-based Payment | N/A |
| 03 | Business Combinations | N/A |
| 04 | Insurance Contracts | N/A |
| 05 | Non-current Assets Held for Sale and Discontinued Operations | N/A |
| 06 | Exploration for and Evaluation of Mineral Resources | N/A |
| 07 | Financial Instruments: Disclosures | Applied |
| 08 | Operating Segments | Applied |
| 09 | Financial Instruments | Applied |
| 10 | Consolidated Financial Statements | N/A |
| 11 | Joint arrangements | N/A |
| 12 | Disclosure of Interests in Other Entities | N/A |
| 13 | Fair Value Measurement | N/A |
| 15 | Revenue from Contracts with Customers | Applied |
| 16 | Leases | Applied |

Kohinoor Chemical Company (Bangladesh) Limited

Auditors' Report and Financial Statements As at and for the year ended 30 June 2022



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.

Extension Office : Property Heights, 1st Floor

12, R.K. Mission Road, Dhaka-1000.

PHONE : 9513471, 9569867

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Web: www.msw-bd.com



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস
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Independent Auditors' Report (Draft)

To the Shareholders of Kohinoor Chemical Company (Bangladesh) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Kohinoor Chemical Company (Bangladesh) Limited** which comprise the statement of financial position as at June 30, 2022, the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, and other applicable law and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter:

1. We draw attention to Note number 25 to the financial statement balance Tk. 12,136,422, were not kept in separate bank account as per directive of BSEC no. BESC/CMRRCD/2021-386/03 dated: January 2021.
2. With reference to the note number 23.2 (Bangladesh workers welfare foundation) of the financial statement balance Tk. 8,611,079, management should transfer the balance to the Bangladesh workers welfare foundation according to the Bangladesh Labour act 2006. But the balance have not been transferred to the fund.

Key Audit Matters

| Risk | Our response |
|---|---|
| Revenue recognition <p>At the year ended, the company's reported total revenue of Tk. 4,705,164,873.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. The revenue may overstated for the early recognition of revenue to achieve the desire result.</p> | |
| <p>Please see the note 27 in the financial statements.</p> | |
| Valuation of inventory <p>The balance of inventory of the Company at the year-end was Tk. 1,190,511,271 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> | |
| | <p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; and • Challenging the completeness of inventory provisions through assessing actual and |

| Risk | Our response |
|--|---|
| | forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete. |
| Please see the note 7 in the financial statements. | |

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ❑ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❑ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ❑ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- ❑ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❑ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ❑ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statement of profit and loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Malek Siddiqui Wali
Chartered Accountants

Dated, Dhaka
10 November 2022
Data Verification Code (DVC) No:

Md. Waliullah, FCA
Enrolment No: 0247

Kohinoor Chemical Company (Bangladesh) Limited

Statement of Financial Position

As at 30 June 2022

| | Note | Amount in Taka | |
|---|------|----------------------|----------------------|
| | | 30 June 2022 | 30 June 2021 |
| ASSETS | | | |
| Non-current assets | | 306,261,478 | 306,965,161 |
| Property, plant and equipment | 5 | 297,895,722 | 304,737,290 |
| Right of use asset (Lease Rent) | 6 | 8,365,756 | 2,227,871 |
| Current Assets | | 2,601,158,163 | 2,235,994,123 |
| Inventories | 7 | 1,190,511,271 | 1,002,898,067 |
| Trade and other receivables | 8 | 10,536,823 | 6,666,809 |
| Advances, deposits and prepayments | 9 | 408,726,904 | 494,212,536 |
| Fixed deposit with banks | 10 | 47,646,350 | 45,243,386 |
| Investment in marketable securities | 11 | 717,324,924 | 342,678,399 |
| Cash and cash equivalents | 12 | 226,411,891 | 344,294,926 |
| TOTAL ASSETS | | 2,907,419,641 | 2,542,959,284 |
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | 1,493,185,638 | 1,233,937,716 |
| Share capital | 13 | 255,308,625 | 222,007,500 |
| Reserves | 14 | 7,143,605 | 7,143,605 |
| Revaluation reserve for marketable securities | 15 | 105,846,608 | 85,623,723 |
| Retained earnings | 16 | 1,124,886,800 | 919,162,888 |
| Non-current liabilities | | 381,855,520 | 376,210,067 |
| Provision for gratuity | 17 | 12,431,258 | 13,594,787 |
| Loan fund | 18 | 326,089,784 | 326,089,784 |
| Deferred tax liability | 19 | 36,900,563 | 35,306,945 |
| Lease liabilities for rent | 20 | 6,433,915 | 1,218,551 |
| Current liabilities | | 1,032,378,483 | 932,811,501 |
| Short term loan | 21 | 947,579 | 104 |
| Current portion of lease liabilities | 20 | 2,431,688 | 1,233,575 |
| Trade and other payables | 22 | 407,648,978 | 466,289,982 |
| Employee benefits | 23 | 33,366,305 | 25,261,288 |
| Accrued liabilities | 24 | 575,847,511 | 414,097,360 |
| Unclaimed dividend | 25 | 12,136,422 | 25,929,192 |
| TOTAL EQUITY AND LIABILITIES | | 2,907,419,641 | 2,542,959,284 |
| Contingent liabilities | 26 | 268,101,570 | 268,101,570 |
| Net Asset Value (NAV) Per Share (Restated) | 35 | 58.49 | 48.33 |

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 10 November 2022 and were signed on its behalf by:

Managing Director

Director

Company Secretary

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

Dated, Dhaka;
10 November 2022

Malek Siddiqui Wali
Chartered Accountants

DVC No:

Md. Waliullah, FCA
Enrolment No: 0247

Kohinoor Chemical Company (Bangladesh) Limited
Statement of profit or loss and other comprehensive income
For year ended on 30 June 2022

| | Note | Amount in BDT. | |
|--|------|--------------------------------|--------------------------------|
| | | 1 July 2021 to 30 June 2022 | 1 July 2020 to 30 June 2021 |
| Revenue from net sales | 27 | 4,705,164,873 | 4,167,164,821 |
| Cost of goods sold | 28 | (3,793,145,401) | (3,364,190,911) |
| Gross profit | | 912,019,472 | 802,973,910 |
| Operating expenses | | (564,332,480) | (501,205,093) |
| General & administrative expenses | 29 | (71,538,556) | (71,438,205) |
| Selling & distribution expenses | 30 | (492,793,924) | (429,766,888) |
| Profit from operation | | 347,686,992 | 301,768,817 |
| Financial expenses | 31 | (2,086,344) | (4,175,940) |
| Other income | 32 | 74,424,880 | 14,928,307 |
| Net Profit before W.P.P.F. & Income Tax | | 420,025,528 | 312,521,184 |
| Workers' profit participation fund | | (20,001,216) | (14,881,961) |
| Net profit before income tax | | 400,024,312 | 297,639,223 |
| Income tax expense | 33 | (83,259,956) | (63,634,885) |
| Income tax provision | | (83,913,325) | (66,958,551) |
| Deferred tax income/(Expenses) | | 653,369 | 3,323,666 |
| Net profit after income tax | | 316,764,356 | 234,004,338 |
| Other comprehensive income | | | |
| Unrealized Gain/(loss) on quoted shares | | 22,469,872 | 83,074,731 |
| Total comprehensive income for the year | | 339,234,228 | 317,079,069 |
| Earning Per Share (EPS) (Restated) | 34 | 12.41 | 9.17 |

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 10 November 2022 and were signed on its behalf by:

Managing Director

Director

Company Secretary

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

Dated, Dhaka;
10 November 2022

Malek Siddiqui Wali
Chartered Accountants

DVC No:

Md. Waliullah, FCA
Enrolment No: 0247

Kohinoor Chemical Company (Bangladesh) Limited

Statement of Changes in Equity

For year ended on 30 June 2022

| Particulars | Amount in Taka | | | | |
|---|--------------------|---|----------------------|------------------|----------------------|
| | Share capital | Revaluation reserve for marketable securities | Retained earnings | Reserves | Total |
| Balance at 30 June 2020 | 201,825,000 | 10,856,465 | 775,979,800 | 7,143,605 | 995,804,870 |
| Net Profit after Tax during the year | - | - | 234,004,338 | - | 234,004,338 |
| 35% Cash dividend for the year 2019-2020 | - | - | (70,638,750) | - | (70,638,750) |
| 10% Stock dividend for the year 2019-2020 | 20,182,500 | - | (20,182,500) | - | - |
| Unrealized gain on quoted shares | - | 83,074,731 | - | - | 83,074,731 |
| Adjustment of deferred tax | - | (8,307,473) | - | - | (8,307,473) |
| Balance at 30 June 2021 | 222,007,500 | 85,623,723 | 919,162,888 | 7,143,605 | 1,233,937,716 |
| Net Profit after Tax during the year | - | - | 316,764,356 | - | 316,764,356 |
| 35% Cash dividend for the year 2020-2021 | - | - | (77,702,625) | - | (77,702,625) |
| 15% Stock dividend for the year 2020-2021 | 33,301,125 | - | (33,301,125) | - | - |
| Unrealized gain on quoted shares | - | 22,469,872 | - | - | 22,469,872 |
| Prior year adjustment | - | - | (36,694) | - | (36,694) |
| Adjustment of deferred tax | - | (2,246,987) | - | - | (2,246,987) |
| Balance at 30 June 2022 | 255,308,625 | 105,846,608 | 1,124,886,800 | 7,143,605 | 1,493,185,638 |

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 10 November 2022 and were signed on its behalf by:

Managing Director

Director

Company Secretary

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

Dated, Dhaka;
10 November 2022

Malek Siddiqui Walli
Chartered Accountants

Md. Wallullah, FCA
Enrolment No: 0247

DVC No:

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED

Statement of Cash Flows
For year ended on 30 June 2022

| Particulars | Amount in Taka | |
|--|--------------------------------|--------------------------------|
| | 1 July 2021 to 30 June 2022 | 1 July 2020 to 30 June 2021 |
| A. Cash Flow from Operating Activities : | | |
| Cash Received from Customers and others | 4,702,382,402 | 4,861,184,161 |
| Cash paid to Suppliers | (4,414,962,535) | (3,730,782,066) |
| Cash Generated from Operation | 287,419,867 | 1,130,402,095 |
| Payment for AIT, VAT & SD | (110,627,505) | (716,645,090) |
| AIT Refund | 92,502,560 | - |
| Net Cash Provided by Operating Activities | 269,294,923 | 413,757,005 |
| B. Cash Flow from Investing Activities : | | |
| Acquisition of Property, Plant & Equipment | (14,154,986) | (23,264,755) |
| Investment in Fixed deposit | (2,402,964) | (3,389,415) |
| Investment in Marketable Security | (352,176,653) | (99,999,653) |
| Dividend | 16,055,254 | 5,663,484 |
| Interest Income | 7,471,532 | - |
| Gain/(Loss) on Sale of Marketable Securities | 50,178,622 | - |
| Proceeds from sale of Fixed Assets | 485,500 | - |
| Net Cash Used in Investing Activities | (294,543,694) | (120,990,339) |
| C. Cash Flow from Financing Activities : | | |
| Payment or receipt of short term loan | 947,475 | (145,625) |
| Bank Interest & Others Paid | (2,086,344) | (4,175,940) |
| Fraction share sales | 1,674,836 | - |
| Dividend Paid | (93,170,231) | (64,181,950) |
| Payment Lease Liability | - | (2,577,327) |
| Net Cash Used in Financing Activities | (92,634,264) | (71,080,842) |
| Net Increase/ (Decrease) in Cash & Cash Equivalents (A+B+C) | (117,883,035) | 221,685,823 |
| Cash & Cash Equivalents at the beginning of the year | 344,294,926 | 122,609,102 |
| Cash & Cash Equivalent at the end of the year | 226,411,891 | 344,294,926 |
| Number of Shares used to compute OCFPS | 25,530,862 | 25,530,862 |
| Operating Cash Flow per Share | 10.55 | 16.21 |

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the Board of directors on 10 November 2022 and were signed on its behalf by:

Managing Director

Director

Company Secretary

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

Dated, Dhaka;
10 November 2022

Malek Siddiqui Wali
Chartered Accountants

DVC No:

Md. Waliullah, FCA
Enrolment No: 0247

Kohinoor Chemical Company (Bangladesh) Limited

Notes to the Financial Statements

For the year ended 30 June 2022

1. Legal form of the enterprise

Kohinoor Chemical Company Limited (KCCL) was a fully government owned industry under the direct control of Bangladesh Chemical Industries Corporation (BCIC) up to May 05 1988. It was transformed into a Public Limited Company under Companies Act, 1913 and was named as Kohinoor Chemical Company (Bangladesh) Limited from May 05, 1988. During transformation, its Paid-Up-Capital was determined at Tk. 50,000,000. The Government of the Peoples' Republic of Bangladesh has vested 51% of the share of the company to Bangladesh Chemical Industries Corporation. Out of the remaining 49% shares, 34% of the shares were sold to the public and the balance 15% shares was reserved for sale among the officers, staff and workers. Since these shares remained unsold, those were held in the account of the Government. Later, those 15% shares were handed over to the officers, staff and workers of KCCL on July 20, 1991. Subsequently, the ownership of the said 51% of the shares was transferred from BCIC to the Sponsor Director on 03 August, 1993. The shares of the Company are publicly traded in Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd.

Address of registered office of the company and factory of the company

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

Nature of business

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

2. Basis of preparation

2.1 Corporate financial statements and reporting

This comprises Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, notes and explanatory materials covering accounting policies.

This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchange Rules, 1987, International Financial Reporting Standards (IFRS).

The Board of Directors are responsible for preparing and presenting the financial statements including adequate disclosures, who approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the International Financial Reporting Standards (IFRS) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at date of the reporting year. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

2.2 Fundamental accounting concepts/ assumptions

The financial statements have been prepared based on Going concern, Consistency concept, Accrual concept and such other convention as required by IAS-1 for fair presentation of financial statements.

2.3 Going concern

The company has adequate resources to continue its operation for the foreseeable future. For this reasons, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business.

2.4 Corporate accounting standards practiced

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

| | |
|--------|---|
| IAS 1 | Presentation of Financial Statements |
| IAS 2 | Inventories |
| IAS 7 | Statement of Cash Flows |
| IAS 8 | Accounting Policies, Changes in Accounting Estimates and Errors |
| IAS 10 | Events After the Reporting Period |
| IAS 12 | Income Taxes |
| IAS 16 | Property, Plant And Equipment |
| IAS 19 | Employee Benefits |
| IAS 21 | The Effects of Changes in Foreign Exchange Rates |
| IAS 23 | Borrowing Costs |
| IAS 24 | Related Party Disclosures |
| IAS 32 | Financial Instruments: Presentation |
| IAS 33 | Earnings Per Share |
| IAS 34 | Interim Financial Reporting |
| IAS 36 | Impairment of Assets |
| IAS 37 | Provisions, Contingent Liabilities and Contingent Assets |
| IAS 38 | Intangible Assets |

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

| | |
|---------|---------------------------------------|
| IFRS 7 | Financial Instruments: Disclosures |
| IFRS 8 | Operating Segments |
| IFRS 9 | Financial Instruments |
| IFRS 15 | Revenue from Contracts with Customers |
| IFRS 16 | Leases |

2.5 Reporting year

The financial statements covers the period from 1st July 2021 to 30th June 2022 and comparative information 1st July 2020 to 30th June 2021 respectively.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the year in which the estimate is revised and in any future years affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

2.7 Provisions, contingent liabilities and contingent assets

In accordance with the guidelines as prescribed by IAS-37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- when the company has an obligation (legal or constructive) as a result of past events;
- when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- reliable estimates can be made of the amount of the obligation.

If these conditions are not met, no provision shall be recognized

Contingent liabilities and contingents assets are present or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon the occurrence or non occurrence of one or more uncertain future events which are not within the control of the company or which amount of the obligations cannot be measured with sufficient reliability in accordance with IAS-37.

There is no case filed against the company which is not disclosed which would have been material impact on the financial position of the company. There is no other Contingent Liabilities as on 30 June 2022 except as mentioned in the note 26.

2.8 Segmental reporting

No segmental reporting is applicable for the company as required by IFRS 08: Segment Reporting as the company operates in a single industry segment and within a single geographical segment.

2.9 Events after the reporting year

Events after the reporting year are those events, favorable and unfavorable, that occur between the end of the reporting year and the date when the financial statements are authorized for issue. Two types of events can be identified (a) those that provide evidence of conditions that existed at the end of the reporting year (adjusting events after the reporting year); and (b) those that are indicative of conditions that arose after the reporting year (non-adjusting events after the reporting year) are disclosed in the notes 39.9

2.10 Net profit before tax

Net profit before tax for the year were not materially affected by:

- (a) Transactions of a nature not usually undertaken by the company;
- (b) Circumstances of an exceptional or non-recurring nature;
- (c) Changes of credits relating to prior years; and
- (d) Changes in accounting policies.

2.11 Functional and presentational (Reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

Foreign currency translation

Foreign currency transactions are booked in the functional currency of the company at the exchange rate ruling on the date of transaction. Foreign currency monetary assets and liabilities are retranslated into the functional currency at rates of exchange BDT: 85 at the balance sheet date. Exchange differences are included in the income statement.

2.12 Comparative information and rearrangement thereof

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements. Previous year figure has been re-arranged whenever considered necessary to ensure comparability with the current years presentation as per IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors"

3 Summary of significant accounting policies

The specific accounting policies selected and applied by the company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in prior years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

3.1 Recognition of tangible fixed assets

These are capitalized at cost of acquisition or valuation and subsequently stated at cost less accumulated depreciation. The cost of acquisition comprises of purchase price, including import duties and non-refundable Taxes and any directly attributable cost of bringing the assets to its working condition for its intended use. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the income statement which is determined with reference to the net book value of assets and the net sales proceeds.

3.2 Depreciation of tangible fixed assets

Depreciation on all fixed assets except land and land development is computed using the reducing balance method so as to write off the assets over their expected useful life when the related assets are available for use as per managements intention. No depreciation is charged after the date of de-recognition/ disposal of an asset.

After considering the useful life of assets as per IAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

| Category of fixed assets | Rate of depreciation (%) |
|---------------------------|--------------------------|
| Land and land development | 0% |
| Building | 2.5%-10% |
| Plant and machinery | 10% |
| Vehicles | 20%-25% |
| Furniture and fixture | 10% |
| Office equipment | 10%-25% |
| Other assets | 20% |

3.3 Impairment of fixed assets

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the year and for this reason, no provision has been made for impairment of assets.

3.4 Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and amortised cost.

The Company classifies non-derivative financial liabilities into the other financial liabilities category.

(i) Non-derivative financial assets and financial liabilities – recognition and derecognition

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial assets – measurement

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments are recognised in other comprehensive income (OCI) and accumulated in the fair value reserve. When these assets are derecognised, the gain or loss accumulated in reserve directly transfer to retained earning.

Amortised cost

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

(iii) Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Impairment of financial instruments

Financial assets

The company considers evidence of impairment for financial assets at both a specific asset and collective asset level at each reporting date. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor will enter bankruptcy, etc. accordingly, 100% provision is made over the amount outstanding.

Non-financial assets

The carrying amounts of the company's non-financial assets (tangible and intangible) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any).

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Leases

The company identifying a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

The right of use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar.

Depreciation have charged on right to use assets on stright line basis over the lease period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate

3.6 Revenue recognition

Revenue arising from the sale of goods should be recognised when all of the following criteria have been satisfied:

- a) the significant risks and rewards of ownership transferred to the buyer.
- b) KCCL retains no control and managerial involvement over the goods sold.
- c) the amount of revenue can be measured reliably.
- d) it is probable that the economic benefits associated with the transaction will flow to the seller.
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as available-for-sale, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss.

3.7 Accrued expenses and other payables

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average cost method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

3.9 Cash and cash equivalents

Cash in hand and cash at banks have been considered as Cash and Cash Equivalents for the preparation of these financial statements, which were held and available for use by company without any restriction and there was insignificant risk of changes in value of the same.

3.10 Cash flow statement

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

During the year ended 30 June 2022, no borrowing costs have been capitalised.

3.12 Related parties disclosures

the company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in International Accounting Standard 24: 'Related party disclosures'. The disclosure relating parties have been shown in note -38.2.

3.13 Income-tax expense

Income tax expense recognised at the applicable rate for the company in accordance with IAS 12: Income Taxes, it comprises current and deferred tax. Current tax expense for a year is based on the taxable and deductible amounts that will be shown on the tax return for the current year.

In calculating deferred tax, the amount of the asset or liability is determined on a net basis, using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

3.14 Earnings per share

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

3.14.1 Basic earnings

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

3.14.2 Diluted earnings per share

For the purpose of calculating diluted earnings per shares, the company adjust profit or loss attributable to each ordinary equity holders, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. As the company has no dilutive potential ordinary shares during the reporting year, diluted earnings per share has not been calculated.

3.14.3 Weighted average number of ordinary shares outstanding during the year

The basis of computation of number of shares is in line with the provisions of IAS-33 : Earnings Per Share. Therefore, the total number of shares outstanding at the end of the year multiplied by a time weighting factor which is the number of days the specific shares were outstanding as a proportion of total number of days in the year.

4 Risk exposure

4.1 Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/ investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains low debt/ equity ratio, and accordingly, adverse impact of interest rate fluctuation is insignificant.

4.2 Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad unfavorable volatility or currency fluctuation may affect the profitability of the Company.

Management perception

The products of the company are sold in BDT and import payment are made within short period. Therefore, volatility of exchange rate will have no impact on profitability of the Company.

4.3 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunity in manufacturing and marketing of cosmetic and toiletries sector in Bangladesh. Furthermore there is untapped international market.

4.4 Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management perception

Management is fully aware of the market risk, and act accordingly. Market for products in Bangladesh is growing at an exponential rate. Moreover the company has a strong marketing and brand management to increase the customer base and customer loyalty.

4.5 Operational risks

Non-availabilities of materials/ equipment/ services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that allocation of its resources properly can reduce this risk factor to greater extent.

4.6 Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/ fund to make the expected payment within due date.

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED
36, SHAHEED TAJUDDIN AHMED SHARAN I
TEJGAON, DHAKA 1208.

FIXED ASSETS SCHEDULE

৬. স্থায়ী সম্পদ, যার মধ্যে রয়েছে:

| | TANGIBLE ASSETS | R. F. No | COST | | | DEPRECIATION | | | | | Written Down Value 30.06.2022 | |
|---|-------------------------|----------|-------------------------------|--------------------------|----------------------------|------------------------------|---------------------------|--------------------------------|-------------------------|----------------------------|----------------------------------|--|
| | | | Opening Balance 01.07.2021 | Addition During the year | Adjustment During the Year | Total Asset on 30.06.2022 | Deprecia- tion Rate | Opening Balance, 01.07.2021 | Charged During the year | Adjustment During the Year | | Accumulated Depreciation 30.06.2022 |
| 1 | LAND & LAND DEVELOPMENT | | 112,649,713 | - | - | 112,649,713 | - | - | - | - | - | 112,649,713 |
| 2 | BUILDING | | 83,456,870 | - | - | 83,456,870 | 2.5%-10% | 62,325,804 | 1,140,600 | - | 63,466,404 | 19,990,376 |
| 3 | PLANT & MACHINERY | | 535,231,791 | 8,023,249 | - | 543,255,039 | 0.10 | 392,695,413 | 14,428,489 | - | 407,123,902 | 136,131,137 |
| 4 | VEHICLES | | 77,519,190 | 3,625,804 | 881,756 | 80,263,233 | 20%-25% | 56,125,250 | 4,596,691 | 844,399 | 59,867,542 | 20,395,696 |
| 5 | FURNITURE & FIXTURES | | 5,969,855 | - | - | 5,969,855 | 0.10 | 5,696,014 | 30,384 | - | 5,726,398 | 273,458 |
| 6 | OFFICE EQUIPMENT | | 11,196,796 | 2,026,333 | - | 13,223,130 | 10%-25% | 10,297,465 | 184,360 | - | 10,481,805 | 2,743,324 |
| 7 | OTHER ASSETS | | 15,374,690 | 479,600 | - | 15,854,190 | 0.20 | 9,553,569 | 588,593 | - | 10,142,162 | 5,712,018 |
| | TOTAL | | 841,430,795 | 14,154,966 | 881,756 | 854,704,025 | | 536,693,505 | 20,969,196 | 844,398.61 | 556,808,302.64 | 297,895,722 |
| | Total 30 June 2021 | | 818,166,040 | 23,254,755 | - | 841,430,795 | | 516,448,786 | 20,244,719 | | 536,693,505.00 | 304,737,290 |

DISTRIBUTION OF DEPRECIATION:

| | | |
|------------------|-------------------|----------------|
| FACTORY OVERHEAD | 16,976,949 | 81.00% |
| ADMIN. OVERHEAD | 2,305,512 | 11.00% |
| SELLING OVERHEAD | 1,676,736 | 8.00% |
| TOTAL | 20,959,196 | 100.00% |

| Amount in Taka | |
|----------------|--------------|
| 30 June 2022 | 30 June 2021 |

6 Right of use asset (Lease Rent)

Right of use asset (warehouse building)

| | | |
|---|-------------|-----------|
| Openign balance | 6,842,496 | 5,942,021 |
| Addition during the year | 8,822,379 | 1,506,092 |
| Adjustment | (5,336,404) | (805,617) |
| Closing balance | 10,328,471 | 6,842,496 |
| Accumulated depreciation against lease rent | | |
| Openign balance | 4,614,625 | 2,584,651 |
| Addition during the year | 2,684,494 | 2,635,591 |
| Adjustment | (5,336,404) | (805,617) |
| Closing balance | 1,962,715 | 4,614,625 |
| Net of Right to use Asset | 8,365,756 | 2,227,871 |

Non-financial disclosure

| Location | Name of land load | Lease contact period | Expiry date | Monthly rent |
|------------|---------------------|----------------------|--------------------|--------------|
| Barisal | Tamanna Khan | 60 Month | April 30, 2026 | 32,000 |
| Khulna | Shahidul Islam | 36 Month | December 31, 2024 | 48,000 |
| Sylhet | Jahanara Begum | 60 Month | September 30, 2026 | 45,000 |
| Bogura | Monjurul Komor | 60 Month | September 30, 2026 | 50,000 |
| Chattogram | Rowsonara Ara Begum | 36 Month | December 31, 2024 | 92,400 |

7 Inventories

| | | | |
|--|-----|---------------|---------------|
| Raw Materials, Chemicals & Packing Materials | 7.1 | 881,674,216 | 722,598,903 |
| Spares, Accessories & Stores | 7.2 | 102,933,824 | 98,064,330 |
| Work in Process | 7.3 | 61,815,885 | 48,754,272 |
| Finished Goods | 7.4 | 144,087,346 | 133,480,562 |
| Total | | 1,190,511,271 | 1,002,898,067 |

(i) The inventory counting was taken place at this period end in the presence of company management and auditors.

(ii) Inventories are valued at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any other cost anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses, if any, are recognized as expenses.

7.1 Raw materials, chemicals and packing materials

| | | | |
|--|----|-------------|-------------|
| Raw Materials, Chemicals and Packing Materials | a) | 872,941,174 | 711,291,188 |
| Plant Stock | b) | 8,733,042 | 11,307,715 |
| | | 881,674,216 | 722,598,903 |

a) Raw materials, chemicals and packing materials

Raw Materials :

| | | |
|----------|-------------|-------------|
| Soap | 622,759,151 | 521,901,478 |
| Cosmetic | 51,906,626 | 39,783,285 |

Chemicals (Aromatic) :

| | | |
|-------------------|-------------|------------|
| Aromatic Chemical | 156,161,556 | 99,247,312 |
|-------------------|-------------|------------|

Packing Materials :

| | | |
|----------|-------------|-------------|
| Soap | 9,196,928 | 16,405,970 |
| Cosmetic | 32,916,913 | 33,953,141 |
| | 872,941,174 | 711,291,188 |

b) Plant Stock

| | | |
|--------------------|-----------|------------|
| Aromatic Chemicals | 8,733,042 | 11,307,715 |
| | 8,733,042 | 11,307,715 |

Plant stock are the balance of uninvited materials to process, which are issued from stock & store to work-in-process. Plant stocks are valued at average cost of material.

7.2 Spare, accessories & stores

| | | |
|---------------------|-------------|------------|
| Spare & Accessories | 89,139,575 | 83,266,555 |
| Consumable Stores | 13,794,249 | 14,797,774 |
| | 102,933,824 | 98,064,330 |

| | | Amount in Taka | |
|--|-----|--------------------|--------------------|
| | | 30 June 2022 | 30 June 2021 |
| 7.3 Work-in-process | | | |
| Raw Material of Soap | | 53,334,429 | 40,618,885 |
| Raw Material of Detergent Powder | | 4,267,277 | 4,511,455 |
| Raw Material of Cosmetic | | 4,214,179 | 3,623,932 |
| | | 61,815,885 | 48,754,272 |
| 7.4 Finished goods | | | |
| Washing Soap | | 38,976,474 | 25,520,153 |
| Toilet Soap | | 41,654,781 | 57,131,774 |
| Tooth Paste | | 728,169 | 1,018,744 |
| Powder | | 8,470,927 | 4,791,433 |
| Shaving Cream | | 1,067,737 | 891,639 |
| Snow/Cream | | 16,233,101 | 7,994,452 |
| Hair Oil | | 4,122,800 | 2,285,665 |
| Miscellaneous Cosmetics | | 2,817,835 | 2,909,040 |
| Detergent Powder | | 29,595,898 | 30,672,027 |
| Glycerin C.P. | | 163,973 | 9,984 |
| Coconut Oil | | 255,651 | 255,651 |
| | | 144,087,346 | 133,480,562 |
| 8 Trade and other receivables | | | |
| Trade Receivable | 8.1 | 8,387,251 | 4,490,802 |
| Accounts Receivable | 8.2 | 2,149,572 | 2,176,007 |
| Total | | 10,536,823 | 6,666,809 |
| 8.1 Trade receivable | | | |
| Ahmedia Enterprise | | 10,312 | 10,312 |
| Beacon Pharma | | 3,054,375 | 470,218 |
| Orion Pharma Ltd. | | 1,449,948 | 1,413,731 |
| Orion Infusion Ltd. | | 1,890,121 | 1,203,744 |
| Shawapno | | 1,140,537 | 687,332 |
| Others | | 841,958 | 705,465 |
| | | 8,387,251 | 4,490,802 |
| 8.2 Accounts receivable | | | |
| Accrued Interest on Fixed deposit | | 2,127,752 | 2,173,908 |
| Others | | 21,820 | 2,099 |
| | | 2,149,572 | 2,176,007 |
| A/C Receivable occurred in the ordinary course of business by selling of company's product. As per assessment of directors, the above receivable is considered as good & realizable within due course of business. | | | |
| Aging of the Receivables: | | | |
| Invoiced at 90 days: | | 7,181,923 | - |
| Invoiced at 120 days : | | 2,876,827 | - |
| Invoiced at 121 - 180 days : | | 478,073 | - |
| Invoiced at 181 - 360 days : | | - | - |
| Invoiced at above 360 days: | | - | - |
| | | 10,536,823 | - |
| 9 Advance, deposits & prepayments | | | |
| Advance to employees and others | 9.1 | 26,717,814 | 36,854,851 |
| Advance against Tax | 9.2 | 307,822,798 | 356,656,404 |
| Advance against VAT | 9.3 | 49,422,598 | 74,904,089 |
| Store-in-transit | 9.4 | 24,763,698 | 25,797,212 |
| Total | | 408,726,904 | 494,212,536 |
| 9.1 Advance to employees and others | | | |
| Advance | | | |
| Advance against salaries (Officer) | | 294,882 | 353,886 |
| Advance against salaries (Staff) | | 204,661 | 282,418 |
| Advance against wages (Workers) | | 249,482 | 295,268 |
| Advance against expenses | | 1,898,145 | 14,717,991 |
| Advance against supplies/ Purchase | | 11,591,793 | 10,300,889 |
| Advance against advertisement | | 175,000 | 175,000 |
| | | 14,481,963 | 26,125,432 |

| | | Amount in Taka | |
|---|------|--------------------|--------------------|
| | | 30 June 2022 | 30 June 2021 |
| Deposit | | | |
| Security against telephone | | 26,500 | 26,500 |
| Security against electricity | | 5,450 | 5,450 |
| Security against gas | | 4,076,192 | 1,326,792 |
| Other deposits | | 4,376,237 | 4,376,237 |
| Security against bank guarantee | | 937,364 | 937,364 |
| Advance against Motorcycle | | 2,635,108 | 3,880,076 |
| Shipping guarantee margin | | 177,001 | 177,001 |
| | | 12,235,851 | 10,729,419 |
| | | 26,717,814 | 36,854,851 |
| 9.2 Advance tax | | | |
| Opening Balance | | 356,656,404 | 323,644,427 |
| Add: During the year | | 110,627,505 | 89,223,246 |
| | | 467,283,909 | 412,867,674 |
| Less: AIT Adjustment | | (159,461,111) | (56,211,270) |
| | | 307,822,798 | 356,656,404 |
| 9.3 Advance VAT | | | |
| VAT on import | | 23,478,244 | 55,003,614 |
| Deposit against VAT | | 2,000,857 | 40,357 |
| Advance Tax (AT) | | 6,797,660 | 12,300,081 |
| SD | | 700,272 | 97,152 |
| VAT on Local Purchase | | 16,445,583 | 7,462,865 |
| | | 49,422,596 | 74,904,069 |
| 9.4 Store-in-Transit | | | |
| Store-in-Transit | | 24,763,696 | 25,797,212 |
| | | 24,763,696 | 25,797,212 |
| Store-in-Transit represents raw material purchased from abroad but not received till June 30, 2022. Store-in-Transit has been valued at actual cost incurred on the date of closure of the books of accounts. | | | |
| 10 Fixed deposit with banks | | | |
| Details are shown on Annexure A | | 47,646,350 | 45,243,386 |
| 11 Investment in marketable securities | | | |
| B/O A/C at SJIBL | | 39,134,018 | 690,756 |
| Increase value of Marketable Securities | | 117,607,342 | 95,137,470 |
| Investment in marketable securities (cost price) | 11.1 | 560,583,563 | 246,850,173 |
| | | 717,324,924 | 342,678,399 |
| 11.1 Investment in marketable securities (cost price) | | | |
| 10,53,292 placement share @ Tk. 115.60- in Beacon Pharma | | 121,756,294 | 6,190,476 |
| 71,281 shares in NBL @ Tk. 16.12 | | - | 24,137,260 |
| 5,88,668 shares in Alarafah Bank @ Tk. 20.51 | | - | 26,424,663 |
| 2,15,000 shares in EBL @ Tk. 32.03 | | - | 6,720,000 |
| 71,940 shares in Squirepharma @ Tk. 194.29 | | 13,977,555 | 84,065,846 |
| 20,00,000 shares in Dhaka Bank @ Tk. 13.92 | | 27,843,804 | 31,006,542 |
| 21,00,000 shares in Mercantile Bank @ Tk. 14.55 | | 30,555,532 | 16,880,451 |
| 22,88,000 shares in NCCBL @ Tk. 14.73 | | 33,701,656 | 24,170,969 |
| 1,44,883 shares in City Bank @ Tk. 23.62 | | 3,422,361 | 5,873,581 |
| 4,24,330 shares in LOVELLO @ Tk. 37.95 | | 16,105,268 | - |
| 11,40,430 shares in REGENTEX @ Tk. 13.49 | | 15,385,101 | - |
| 4,55,946 shares in Uttara Bank @ Tk. 21.11 | | 9,625,732 | - |
| 10,05,132 shares in SPCL @ Tk. 94.34 | | 94,822,418 | - |
| 4,50,000 shares in Orionpharma @ Tk. 97.88 | | 44,048,084 | - |
| 5,95,000 shares in Beximco @ Tk. 145.70 | | 86,690,026 | - |
| 5,84,078 shares in Adntel @ Tk. 57.61 | | 33,648,008 | - |
| 1,50,000 shares in AAMRATECH @ Tk. 39.66 | | 5,948,793 | - |
| 2,00,000 shares in NAHEEACP @ Tk. 70.77 | | 14,154,536 | - |
| 3,50,000 shares in VFSTDOL @ Tk. 25.42 | | 8,898,396 | 21,380,345 |
| | | 560,583,563 | 246,850,173 |
| 12 Cash and cash equivalents | | | |
| Cash in Hand | | 8,428,267 | 3,844,939 |
| Cash at Bank | 12.1 | 173,420,760 | 293,882,782 |
| Cash in Transit | | 44,562,864 | 46,567,205 |
| Total | | 226,411,891 | 344,294,926 |
| a) Cash balance was physically counted at this period ended and Bank balances were reconciled and found in order and Cash in Transit has been realised after the year end. | | | |

| Amount in Taka | |
|----------------|--------------|
| 30 June 2022 | 30 June 2021 |

12.1 Cash at Bank

| | | | |
|---|----------------|--------------------|--------------------|
| Agrani Bank, Tejgaon Branch | STD-882988 (31 | 5,023,734 | 4,782,580 |
| Agrani Bank, Ramna Branch | CD-105365 (920 | 1,200,163 | 952,490 |
| National Bank Ltd. Karwan Bazar Branch | SND-339 | 5,455,514 | 1,899,395 |
| Shahjalal Islami Bank, Principal Branch | MSND-0061 | 121,290,403 | 158,757,191 |
| Shahjalal Islami Bank | MSND-410 | 10,791,233 | 19,978,513 |
| BRAC Bank, Gulshan Branch | Saving-7691590 | 4,952,587 | 3,856,795 |
| Islami Bank Bangladesh Ltd. Kawran bazar Branch | MSND-6209 | 1,600,650 | 2,000,267 |
| Standard Bank Gulshan-2 | CD-10314 | 780 | 780 |
| Shahjalal Islami Bank | SND-2652 | 5,243,845 | 3,516,375 |
| UCBL, Tejgaon Branch | SND-170 | 9,218,604 | 97,197,733 |
| Shahjalal Islami Bank | SND-2748 | 8,068,324 | 807,619 |
| National Bank Ltd. Karwan Bazar Branch | SOD-2572 | 1,797 | 27,320 |
| UCBL, Tejgaon Branch | OD | 612 | 546 |
| NRB Bank, Islami banking Br., Gulshan | SDN-A/c-2802 | 2,467,292 | |
| State Bank of India | | 105,223 | 105,157 |
| | | 173,420,760 | 293,882,782 |

13 Share capital

| | | | |
|---|--|-------------|-------------|
| Authorized capital | | | |
| 50,000,000 Ordinary shares of Tk. 10 each | | 500,000,000 | 500,000,000 |
| Issued, Subscribed and Paid-up Capital | | | |
| 25,530,862 Ordinary shares of Tk. 10 each | | 255,308,625 | 222,007,500 |

The break-down of the shareholders' fund is as follows:

| | | | |
|--------------------------------------|------|--------------------|--------------------|
| Issued, Subscribed & Paid-up Capital | 13.1 | 222,007,500 | 201,825,000 |
| Stock dividend | | 33,301,125 | 20,182,500 |
| Total | | 255,308,625 | 222,007,500 |

13.1 i) The description of shareholders as on June 30, 2022 is as follows

The above balance has been received from the following :

| Name of directors | % of Shares | | Number of Share | |
|----------------------------|---------------|---------------|-------------------|-------------------|
| | 30-06-2022 | 30-06-2021 | 30-06-2022 | 30-06-2021 |
| Mr. Mohammad Obaidul Karim | 19.07% | 19.07% | 4,869,168 | 4,234,058 |
| Mr. Rezaul Karim | 5.45% | 5.45% | 1,392,198 | 1,210,607 |
| Mr. Md. Ebadul Karim | 7.83% | 7.83% | 1,998,275 | 1,737,631 |
| Mrs. Arzuda Karim | 8.21% | 8.21% | 2,095,641 | 1,822,297 |
| Mrs. Nurun Nahar | 5.00% | 5.00% | 1,277,579 | 1,110,939 |
| Mrs. Shirin Akhter | 5.00% | 5.00% | 1,277,169 | 1,110,582 |
| | 50.57% | 50.57% | 12,910,028 | 11,226,114 |
| Others | | | | |
| Foreign investors | - | - | - | - |
| Institutions | 13.55% | 14.98% | 3,460,091 | 3,325,311 |
| General shareholders | 35.88% | 34.46% | 9,160,744 | 7,649,325 |
| | 49.43% | 49.43% | 12,620,835 | 10,974,636 |
| | 100% | 100% | 25,530,863 | 22,200,750 |

Range with shareholding position:

| Range of holdings In number of shares | No. of shareholders | | Number of share | |
|--|---------------------|--------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| 1 to 499 | 7,321 | 6,676 | 1,449,924 | 1,301,732 |
| 500 to 5,000 | 1,035 | 727 | 1,345,627 | 1,011,838 |
| 5,001 to 10,000 | 53 | 30 | 370,320 | 204,539 |
| 10,001 to 20,000 | 15 | 11 | 222,916 | 171,220 |
| 20,001 to Above | 29 | 28 | 22,142,076 | 19,511,421 |
| Total | 8,453 | 7,472 | 25,530,863 | 22,200,750 |

| Amount in Taka | |
|----------------|--------------|
| 30 June 2022 | 30 June 2021 |

Detailed Break-up of paid up capital :

Bangladesh Securities and Exchanges Commission notification no BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018; 5(2) (a)

| Financial Year | Status | % of Bonus Share | Addition of Share | Paid up Share | Paid up Capital Amount |
|----------------|-------------|------------------|-------------------|---------------|------------------------|
| Opening | | - | - | 5,000,000 | 50,000,000 |
| 2011-2012 | Bonus Issue | 30 | 1,500,000 | 6,500,000 | 65,000,000 |
| 2012-2013 | Bonus Issue | 25 | 1,625,000 | 8,125,000 | 81,250,000 |
| 2013-2014 | Bonus Issue | 25 | 2,031,250 | 10,156,250 | 101,562,500 |
| 2015-2016 | Bonus Issue | 20 | 2,031,250 | 12,187,500 | 121,875,000 |
| 2016-2017 | Bonus Issue | 15 | 1,828,125 | 14,015,625 | 140,156,250 |
| 2017-2018 | Bonus Issue | 20 | 2,803,125 | 16,818,750 | 168,187,500 |
| 2018-2019 | Bonus Issue | 20 | 3,363,750 | 20,182,500 | 201,825,000 |
| 2019-2020 | Bonus Issue | 10 | 2,018,250 | 22,200,750 | 222,007,500 |
| 2020-2021 | Bonus Issue | 15 | 3,330,113 | 25,530,883 | 255,308,620 |

14 Revaluation reserve

| | | |
|---------------------|------------------|------------------|
| Revaluation reserve | 7,143,605 | 7,143,605 |
| | <u>7,143,605</u> | <u>7,143,605</u> |

The company was revalued during the period of BCIC management and the above balance is being carried forward in the balance sheet from that period.

15 Revaluation reserve for marketable securities

| | | |
|--------------------------------------|--------------------|-------------------|
| Opening balance | 85,623,723 | 10,856,466 |
| Adjustment of unrealized gain/(loss) | 22,469,872 | 83,074,731 |
| Adjustment of deferred tax | (2,246,987) | (8,307,473) |
| | <u>105,846,608</u> | <u>85,623,723</u> |

16 Retained earning

| | | |
|-----------------------------|----------------------|--------------------|
| Opening balance | 919,162,888 | 775,979,800 |
| Net profit during the year | 316,764,356 | 234,004,338 |
| Cash Dividend for the year | (77,702,625) | (70,638,750) |
| Stock Dividend for the year | (33,301,125) | (20,182,500) |
| Prior year adjustment | (36,694) | - |
| | <u>1,124,886,800</u> | <u>919,162,888</u> |

17 Provision for gratuity

| | | |
|-------------------------------------|-------------------|-------------------|
| Opening balance | 13,594,787 | 14,842,197 |
| Add: Provision made during the year | - | - |
| | <u>13,594,787</u> | <u>14,842,197</u> |
| Less: Paid during the year | 1,183,529 | 1,247,410 |
| Closing balance | <u>12,431,258</u> | <u>13,594,787</u> |

18 Loan fund

| | | | |
|-----------------------------|------|--------------------|--------------------|
| Debenture | 18.1 | 287,500,000 | 287,500,000 |
| Payable to Govt. (interest) | 18.2 | 38,589,784 | 38,589,784 |
| Total | | <u>326,089,784</u> | <u>326,089,784</u> |

18.1 Debenture

| | Interest rate | | |
|------------------------|---------------|--------------------|--------------------|
| a) Govt. of Bangladesh | 13.50% | 103,500,000 | 103,500,000 |
| b) BCIC | 13.50% | 184,000,000 | 184,000,000 |
| | | <u>287,500,000</u> | <u>287,500,000</u> |

18.2 Interest payable to govt.

| | | |
|------------------|-------------------|-------------------|
| Interest payable | 38,589,784 | 38,589,784 |
| | <u>38,589,784</u> | <u>38,589,784</u> |

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 1991-92.

19 Deferred tax liabilities

| | | | |
|--|------|-------------------|-------------------|
| Opening balance | | 35,306,945 | 30,323,138 |
| Deferred tax (income)/ expense during the year | 19.1 | (653,369) | (3,323,666) |
| Deferred tax on revaluation of marketable securities | | 2,246,987 | 8,307,473 |
| | | <u>36,900,563</u> | <u>35,306,945</u> |

| | | | | Amount in Taka | |
|--|----------|------------------|----------|--|--------------|
| | | | | 30 June 2022 | 30 June 2021 |
| 19.1 Deferred tax (income)/ expense during the year | | | | | |
| Carrying value of PPE as Accounting base | | | | 185,246,009 | 192,087,577 |
| Tax base PPE | | | | (73,513,435) | (77,451,142) |
| Temporary Difference | | | | 111,732,574 | 114,636,435 |
| Deferred Tax Liability @ 22.50% | | | | 25,139,829 | 25,793,198 |
| Deferred tax (income)/ expense during the year | | | | (653,369) | (3,323,666) |
| 20 Lease liabilities for rent | | | | | |
| Lease liabilities | | | | | |
| Opening balance | | | | 2,452,126 | 3,523,361 |
| Addition during the year | | | | 8,822,379 | 1,506,092 |
| Less: Adjusted | | | | 2,408,902 | 2,577,327 |
| Net Liabilities | | | | 8,865,603 | 2,452,126 |
| Less: current portion of lease liabilities | | | | 2,431,688 | 1,233,575 |
| | | | | 6,433,915 | 1,218,551 |
| 21 Short term loan | | | | | |
| Agrani Bank, Ramna Branch | CC, HYPO | | | 947,579 | - |
| Standard Bank Ltd., Gulshan Branch | CC, HYPO | | | - | - |
| UCBL, Tejgoan Branch | OD | | | - | - |
| National Bank, Karwan Bazar Branch | SOD | | | - | 104 |
| Total | | | | 947,579 | 104 |
| Particulars | | Rate of Interest | Tenor | Repayment Term | |
| Agrani Bank limited | | 9.00% | 1 Year | a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 7.98 acre land with factory building | |
| United Commercial Bank | | 10.00% | 1 Year | a. Hypothecation of the capital machineries and stock in trade, b. Personal guarantee of all the directors c. Post dated cheques d. Registered mortgage supported by registered IGPA favouring the bank against all bank facilities on 7.98 acre land with factory building | |
| National Bank Limited, Karwan Bazar Br. | | 11.00% | 9 months | 1. Personal Security of directors, 2. Lien of FDR. | |
| 22 Trade and other payables | | | | | |
| Creditors for Goods Supply | 22.1 | | | 251,449,035 | 342,542,985 |
| Creditors for Other Finance | 22.2 | | | 19,255,993 | 5,132,858 |
| Accrued Expenses | 22.3 | | | 94,014,930 | 76,530,763 |
| Advance against Sales | 22.4 | | | 2,566,371 | 1,713,463 |
| BOIC Current Account | 22.5 | | | 15,990,426 | 15,990,426 |
| Creditors for Security Deposits | | | | 24,372,223 | 24,379,487 |
| Total | | | | 407,648,978 | 466,289,982 |
| 22.1 Creditors for goods supply | | | | | |
| J M S Glass Industries | | | | 5,096,094 | 8,994,822 |
| Polycon Ltd. | | | | 999,655 | 959,905 |
| Plasticon | | | | 5,745,597 | 6,090,952 |
| The Merchants Ltd. | | | | 5,155,676 | 7,701,921 |
| Hi-Tec Printing & Packaging Ltd. | | | | 7,234,543 | 7,295,192 |
| Dana Engineering Int. | | | | 260,933 | 281,201 |
| Golden Trading Co. | | | | 1,286,678 | 1,286,678 |
| Unicorn Ind. Ltd. | | | | 3,461,600 | 8,196,348 |
| Elite Printing & Packaging Ltd. | | | | 4,316,129 | 4,676,547 |
| Padma Lamitube Ltd. | | | | 4,884,725 | 3,854,720 |
| Sunimex Corporation | | | | 987,849 | 947,499 |
| Union Chemicals | | | | 448,074 | 360,306 |
| Kalyar Replica Ltd. | | | | 4,997,232 | 4,981,745 |
| Karim Salt Crushing & R. Ind. | | | | 198,235 | 43,010 |
| NRG Printing & Packaging | | | | 2,008,944 | 1,584,250 |
| Others | | | | 204,574,763 | 285,440,722 |
| Creditors for Goods Supply (Spot Purchase) | | | | (207,692) | (154,830) |
| | | | | 251,449,035 | 342,542,985 |

| | | Amount in Taka | |
|---|------|--------------------|--------------------|
| | | 30 June 2022 | 30 June 2021 |
| 22.2 Creditors for other finance | | | |
| Factory Union Fee | | 6,364 | 11,614 |
| Salary Tax Deduction from Employees | | 277,220 | 262,768 |
| Deduction of Tax at Source | | 16,251,058 | 1,564,887 |
| Provision for Revenue Stamp | | 53,260 | 52,420 |
| Employees Contribution to P.F. | | - | 454,257 |
| VAT deduction at Source | | 2,565,928 | 2,698,119 |
| Provision for AIT on Depot rent at source | | 13,370 | - |
| Others | | 88,793 | 88,793 |
| | | 19,255,993 | 5,132,858 |
| 22.3 Accrued expenses | | | |
| Provision for Gas | | 6,070,200 | 5,809,008 |
| Provision for Electric Bill | | 1,262,114 | 2,113,969 |
| Provision for Employers Contribution to P.F. | | - | 454,257 |
| Provision for C & F bill | | 2,144,290 | 1,194,978 |
| Audit Fees | | 625,000 | - |
| Provision for Income Tax | | 83,913,325 | 66,958,551 |
| | | 94,014,930 | 76,530,763 |
| 22.4 Advance against sales | | | |
| Rokeya Enterprise | | 103,561 | 168,238 |
| Narayan Store | | 50,488 | 50,544 |
| P.P. Enterprise | | 51,839 | 50,270 |
| Howlader Store | | 922 | 50,723 |
| Raju Enterprise | | 844 | 1,111 |
| Kamal Brothers | | 2,461 | 209,192 |
| Others | | 2,356,456 | 1,183,388 |
| | | 2,566,371 | 1,713,463 |
| 22.5 BCIC current account | | 15,990,426 | 15,990,426 |
| The above amount represents accumulated balance of BCIC current account as on June' 30, 2022 and the amount is subject to confirmation. | | | |
| 23 Employee benefits | | | |
| Employee welfare fund | 23.1 | 8,611,079 | 6,610,957 |
| Bangladesh workers welfare foundation | 23.2 | 8,611,079 | 6,610,957 |
| Workers profit participation fund | 23.3 | 16,144,147 | 12,039,374 |
| | | 33,366,305 | 25,261,288 |
| 23.1 Employee welfare fund | | | |
| Opening balance | | 6,610,957 | 5,122,761 |
| Addition during the year | | 2,000,122 | 1,488,196 |
| Transfer from WPPF (Previous year) | | - | - |
| | | 8,611,079 | 6,610,957 |
| 23.2 Bangladesh workers welfare foundation | | | |
| Opening balance | | 6,610,957 | 5,122,761 |
| Addition during the year | | 2,000,122 | 1,488,196 |
| Transfer from WPPF (Previous year) | | - | - |
| | | 8,611,079 | 6,610,957 |
| 23.3 Workers profit participation fund | | | |
| Opening balance | | 12,039,374 | 9,050,405 |
| Addition during the year | | 16,000,973 | 11,905,569 |
| Deposit of undistributed WPPF | | 5,400 | - |
| Payment during the year | | (11,901,600) | (8,916,600) |
| | | 16,144,147 | 12,039,374 |
| 24 Accrued liabilities | | | |
| Liabilities for payment against Import | | 575,847,511 | 414,097,360 |
| | | 575,847,511 | 414,097,360 |

| | | Amount in Taka | |
|---|---------|--------------------|--------------------|
| | | 30 June 2022 | 30 June 2021 |
| 25 Unclaimed dividend | | | |
| Opening Balance | | 25,929,192 | 19,472,392 |
| Add: Cash dividend & Fraction dividend for the year: | 2021-22 | 77,702,625 | 70,638,750 |
| Fraction dividend | | 1,674,836 | 2,367,390 |
| | | 105,306,653 | 92,478,532 |
| Less: Paid in the financial year: | 2020-21 | 93,170,231 | 66,549,340 |
| Total | | <u>12,136,422</u> | <u>25,929,192</u> |
| Transfer of unclaimed or undistributed or unsettled cash dividend and non-refunded public subscription money against IPO of Kohinoor Chemical Company (Bangladesh) Limited to the Capital Market Stabilization Fund (CMSF). As per the BSEC's Directive No. BSEC/CMRRCD/2021-388/03 dated 14 January 2021, the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Fund) Rules, 2021 and the BSEC's Letter No. SEC/SRMIC/165-2020/part-1/182 dated 19 July 2021, we have transferred the unclaimed or undistributed or unsettled cash dividend up to 2019, total amounting to Tk 4,494,101 only through Pay Order No. 5934600 of United Commercial Bank Ltd., dated 31.03.2022 Tk 4,494,101 to the Capital Market Stabilization Fund SND A/C No. 0010311521301, Community Bank Bangladesh Ltd., Gulshan Corporate Branch. | | | |
| Unclaimed dividend | | | |
| Year 2019 | | 1,901,473 | - |
| Year 2020 | | 5,495,803 | - |
| Year 2021 | | 4,739,146 | - |
| | | <u>12,136,422</u> | <u>-</u> |
| 26 Contingent liabilities | | <u>268,101,570</u> | <u>268,101,570</u> |
| The above amount includes interest on BCIC/Govt. Debentures interest of Tk.268,101,570 on which the Court of law has issued an injunction to stop payment. | | | |

| | | Amount in BDT | |
|-------------|---|---------------------------------|---------------------------------|
| | | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
| 27 | Net sales revenue | | |
| | Washing Soap | 906,686,392 | 929,160,543 |
| | Toilet Soap | 1,126,836,214 | 1,053,123,196 |
| | Snow & Cream | 329,168,317 | 349,547,829 |
| | Tooth Paste | 10,559,038 | 9,537,510 |
| | Powder | 282,946,863 | 297,348,710 |
| | Hair Oil | 101,951,563 | 118,199,682 |
| | Shaving Cream | 8,089,516 | 8,474,393 |
| | Detergent Powder | 2,611,138,186 | 1,996,654,239 |
| | Misc. | 93,479,868 | 86,410,253 |
| | Gross Sales | <u>5,470,855,957</u> | <u>4,848,456,354</u> |
| | Less : VAT & SD | <u>765,691,084</u> | <u>681,291,533</u> |
| | Net Sales | <u>4,705,164,873</u> | <u>4,167,164,821</u> |
| 28 | Cost of goods sold | | |
| | Raw Materials consumed | 28.1 3,004,945,504 | 2,698,974,081 |
| | Packing Materials consumed | 28.2 456,898,218 | 411,702,414 |
| | Factory overhead | 28.3 354,970,076 | 342,907,064 |
| | Total Manufacturing Cost | <u>3,816,813,798</u> | <u>3,453,583,559</u> |
| | Add: Opening work in process | <u>48,754,272</u> | <u>37,842,368</u> |
| | Total Cost of Goods in Process | <u>3,865,568,070</u> | <u>3,491,425,927</u> |
| | Less : Closing Work in Process | <u>61,815,885</u> | <u>48,754,272</u> |
| | Cost of Goods Manufactured | <u>3,803,752,185</u> | <u>3,442,671,655</u> |
| | Add : Opening Finished Goods | <u>133,480,562</u> | <u>54,999,818</u> |
| | Goods available for sale | <u>3,937,232,747</u> | <u>3,497,671,473</u> |
| | Less : Closing Finished Goods | <u>144,087,346</u> | <u>133,480,562</u> |
| | Cost of Goods Sold | <u>3,793,145,401</u> | <u>3,364,190,911</u> |
| 28.1 | Raw materials consumed | | |
| | Opening raw materials | 660,932,076 | 658,117,381 |
| | Add: Purchase during the year | <u>3,174,840,757</u> | <u>2,701,788,776</u> |
| | Raw materials available for consumption | <u>3,835,772,833</u> | <u>3,359,906,157</u> |
| | Less: Closing raw materials | <u>830,827,329</u> | <u>660,932,076</u> |
| | | <u>3,004,945,504</u> | <u>2,698,974,081</u> |
| 28.2 | Packing materials consumed | | |
| | Opening Packing materials | 50,359,112 | 39,642,066 |
| | Add: Purchase during the year | <u>448,652,947</u> | <u>422,419,461</u> |
| | Packing materials available for consumption | <u>499,012,059</u> | <u>422,632,436</u> |
| | Less: Closing packing materials | <u>42,113,841</u> | <u>50,359,112</u> |
| | | <u>456,898,218</u> | <u>411,702,414</u> |
| 28.3 | Factory overhead | | |
| | Salaries & Allowances | 165,855,324 | 150,697,094 |
| | Gas & Fuel for Generator | 75,606,881 | 56,318,206 |
| | Electricity | 15,412,234 | 17,584,500 |
| | Oil & Lubricants | 1,525,076 | 1,851,176 |
| | Spares & Accessories | 42,457,274 | 56,238,655 |
| | Store Consumed | 24,720,516 | 31,400,170 |
| | Repair & Maintenance | 626,721 | 1,247,269 |
| | Other Overhead | 917,402 | 820,148 |
| | WASA | 7,571,532 | 7,638,723 |
| | Depreciation | 16,976,949 | 16,398,222 |
| | Conveyance | 821,022 | 745,328 |
| | Printing | 173,040 | 165,095 |
| | Office Stationery | 500,650 | 449,979 |
| | Medical Expenses | 897,552 | 503,478 |
| | Repair & Maintenance (Factory Building) | 907,904 | 849,020 |
| | | <u>354,970,076</u> | <u>342,907,064</u> |

| | | Amount in BDT | |
|-----------|--|---------------------------------|---------------------------------|
| | | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
| 29 | General & administrative expenses | | |
| | Salaries & Allowances | 52,590,582 | 51,039,211 |
| | Entertainment | 443,108 | 370,215 |
| | Insurance Premium | 1,895,174 | 2,340,906 |
| | Legal & Professional Fees | 507,750 | 1,603,764 |
| | Printing | 369,378 | 335,758 |
| | Office Stationery | 445,208 | 404,743 |
| | Newspaper & Magazine | 15,142 | 15,100 |
| | Postage, Telegram, Telephone, Telex | 107,387 | 154,492 |
| | Renewals, Rates & Taxes | 2,906,751 | 5,503,448 |
| | Conveyance | 1,363,820 | 1,259,569 |
| | Vehicle Running Expenses (Fuel) | 2,273,667 | 2,195,810 |
| | Repair & Maintenance (Vehicles) | 1,208,733 | 1,167,692 |
| | Audit fee | 970,000 | 345,000 |
| | Depreciation | 2,305,512 | 2,226,919 |
| | Drinking Water | 397,238 | 112,613 |
| | IT & Software Maintenance | 2,334,261 | 1,530,000 |
| | Repair & Maintenance -Gen | 760,846 | 592,664 |
| | Land Revenue | 644,001 | 240,300 |
| | Total | 71,538,556 | 71,438,205 |
| 30 | Selling & distribution expense | | |
| | Salaries & Allowances | 309,916,518 | 266,185,070 |
| | Entertainment | 866,896 | 781,963 |
| | Carriage Outward | 26,718,586 | 24,289,537 |
| | Publicity & Advertisement | 138,317,447 | 102,371,291 |
| | Printing | 303,364 | 268,040 |
| | Office Stationery | 348,252 | 327,731 |
| | Conveyance | 1,038,584 | 807,213 |
| | Electricity | 119,832 | 134,452 |
| | Telephone | 31,755 | 52,287 |
| | Postage & Telegram | 60,448 | 50,810 |
| | Salees promotion expenses | - | 20,363,249 |
| | Rates and tax | 449,183 | 319,634 |
| | Insurance Premium | 207,579 | 549,089 |
| | DD Commission | 1,345,023 | 1,381,721 |
| | Newspaper & Magazine | 14,450 | 14,320 |
| | Repair & Maintenance (Vehicles) | 2,337,048 | 2,164,460 |
| | Vehicle Running Expenses (Fuel) | 5,525,135 | 4,784,595 |
| | Loading & Unloading | 435,357 | 362,634 |
| | Depreciation | 1,676,736 | 1,619,578 |
| | Depreciation for Lease Rent | 2,684,494 | 2,722,591 |
| | Drinking water | 397,237 | 216,624 |
| | Total | 492,793,924 | 429,766,888 |
| 31 | Financial expenses | | |
| | Interest on Bank Loan | 519,850 | 2,809,567 |
| | Bank Charges & Commission | 882,996 | 1,107,700 |
| | Finance Cost against Lease Rent | 683,498 | 258,673 |
| | Total | 2,086,344 | 4,175,940 |
| 32 | Other income | | |
| | Interest | 7,462,070 | 6,260,886 |
| | Gain/(Loss) on Sale of Fixed Assets | 448,143 | - |
| | Gain/(Loss) on Sale of Marketable Securities | 50,178,622 | - |
| | Others | 280,791 | 3,003,937 |
| | Dividend Income | 16,055,254 | 5,663,484 |
| | Total | 74,424,880 | 14,928,307 |
| 33 | Income tax expense | | |
| | Current tax expense | 33.1 83,913,325 | 66,958,551 |
| | Deferred tax (income)/expense | (653,369) | (3,323,666) |
| | Total | 83,259,956 | 63,634,885 |

| | | Amount in BDT | |
|------|---|---------------------------------|---------------------------------|
| | | 01 July 2021 to 30 June 2022 | 01 July 2020 to 30 June 2021 |
| 33.1 | Current tax expense | | |
| | Profit before tax | 400,024,312 | 297,639,223 |
| | Add: accounting depreciation | 20,959,196 | 20,244,719 |
| | Less: Tax depreciation | 17,210,937 | 18,413,697 |
| | Less: Gratuity paid | 1,163,529 | 1,247,410 |
| | Taxable income | <u>402,609,042</u> | <u>298,222,835</u> |
| | Taxable income excluding dividend | 75,684,412 | 65,825,854 |
| | Dividend income on Marketable Securities | 5,017,862 | |
| | Dividend income BDT. 16055254.35 @ 20% | 3,211,051 | 1,132,697 |
| | Income tax payable | <u>83,913,325</u> | <u>66,958,551</u> |
| 34 | Earning per share (Restated) | | |
| | Net profit after tax | 316,764,356 | 234,004,338 |
| | No of shares outstanding | 25,530,863 | 25,530,863 |
| | EPS for the period | <u>12.41</u> | <u>9.17</u> |
| | Due to increase in sales revenue during the year EPS has increased by 3.26 per share. | | |
| 35 | Net asset value per share (Restated) | | |
| | Total asset | 2,907,419,641 | 2,542,959,284 |
| | Total liabilities | <u>1,414,234,003</u> | <u>1,309,021,568</u> |
| | Net assets | <u>1,493,185,638</u> | <u>1,233,937,716</u> |
| | No of shares outstanding | 25,530,863 | 25,530,863 |
| | Net asset value per share | <u>58.49</u> | <u>48.33</u> |
| | Due to the increase in net profit during the year, NAV has increased | | |
| 36 | Net operating cash flow per share (Restated) | | |
| | Net Cash outflow by Operating Activities | 269,294,923 | 413,803,161 |
| | No of shares outstanding | <u>25,530,863</u> | <u>25,530,863</u> |
| | | <u>10.55</u> | <u>16.21</u> |
| | Due to the increase in payment to suppliers during the year and few reclassification between operating activities and investing activities, net operating cash flow per share has increased | | |
| 37 | Reconciliation of operating cash flows with profit before tax | | |
| | Profit before tax | 400,024,312 | 297,639,223 |
| | Depreciation | 20,959,196 | 20,244,719 |
| | Financial expenses | 2,086,344 | - |
| | Other income | (74,424,880) | - |
| | VAT and SD receipt from customers | | |
| | Depreciation for lease rent | 2,684,494 | 2,635,591 |
| | Operating Income | <u>351,329,466</u> | <u>320,519,533</u> |
| | VAT and SD receipt from customers | - | 681,291,533 |
| | (Increase)/Decrease in accounts and other receivables | (3,916,170) | 3,412,292 |
| | (Increase)/Decrease in inventories | (187,613,204) | (112,135,248) |
| | (Increase)/Decrease in advance deposit and prepayment | 36,652,027 | (23,568,041) |
| | Increase/(Decrease) in trade and other payable | (75,595,778) | 59,728,245 |
| | Increase/(Decrease) in accrual liabilities | 161,750,151 | 197,923,375 |
| | Increase/(Decrease) in employee benefits | 8,105,017 | 5,965,361 |
| | Increase/(Decrease) in provision for Gratuity | (1,163,529) | (1,247,410) |
| | Items for separate consideration | | |
| | Gain form disposal of PPE | | - |
| | Dividend income | - | (5,663,484) |
| | Finance cost | - | 4,175,940 |
| | Refundable AIT Received from NBR | 92,502,560 | - |
| | Tax paid | <u>(110,627,505)</u> | <u>(716,645,090)</u> |
| | | <u>(79,906,431)</u> | <u>93,237,472</u> |
| | Adjustment | | |
| | Other income | 280,791 | - |
| | Rent | <u>(2,408,902)</u> | <u>-</u> |
| | | <u>(2,128,111)</u> | <u>-</u> |
| | Net Cash Provided by Operating Activities | <u>269,294,924</u> | <u>413,757,005</u> |

38 Other information

38.1 Contingent liabilities and commitments

Contingent liabilities

The company confirms that there are no case filed against the company which is not disclosed which would have been a material impact on the financial position of the company except BDT 268,101,570 Contingent Liabilities as on 30 June 2022.

Capital expenditure commitment

There is no Capital expenditure commitment for machineries and raw material at 30 June 2022.

38.2 Related party transactions

The company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-24 "Related Party Disclosures". Total transactions of the significant related party as of 30 June 2022 are as follows:

| Name of Company | Relationship | Nature of Transaction | Opening Balance | Addition | Adjustment | Closing Balance |
|----------------------|------------------------------|-----------------------|-----------------|------------|------------|-----------------|
| Orion Pharma Ltd. | Common Director/ Shareholder | Sales of product | 1,413,731 | 1,026,756 | 990,538 | 1,449,948 |
| Orion Infusion Ltd. | Common Director/ Shareholder | Sales of product | 1,203,744 | 1,295,655 | 609,278 | 1,890,121 |
| Bacon Pharmaceutical | Common Director/ Shareholder | Sales of product | 470,218 | 8,274,434 | 5,690,277 | 3,054,375 |
| Total | | | 3,087,693 | 10,596,844 | 7,290,093 | 6,394,444 |

* All related party transaction have complied with the BSEC notifications (Notification No. BSEC/CMRRCD/2009-193/Admin/103 dated February 5, 2020) during the financial year.

39.3 Transaction with key management personals

| No. | Particulars | 30 June 2022 | 30 June 2021 |
|-----|---|--------------|--------------|
| (a) | Managerial remuneration paid or payable during the year to the directors, including managing directors. | - | - |
| (b) | Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable. | - | - |
| (c) | Other allowances and commission including guarantee commission | - | - |
| (d) | Pensions etc. | - | - |
| | (i) Pensions | - | - |
| | (ii) Gratuities | - | - |
| | (iii) Payments from a provident funds, in excess of own subscription and interest thereon | - | - |
| (e) | Share Based payments | - | - |

39.4 KEY MANAGEMENT PERSONNEL COMPENSATION:

a) Short-term employee benefits: Company provide the following short-

| Particulars | Jul'21 to June 22 | | Jul'20 to June 21 | |
|------------------------|-------------------|------------|-------------------|------------|
| | Directors | Executives | Directors | Executives |
| Remuneration/ Salary | - | 3,142,064 | - | 3,072,614 |
| (i) Basic | - | 2,029,200 | - | 2,029,200 |
| (ii) House Rent | - | 757,666 | - | 699,516 |
| (iii) Conveyance | - | 54,000 | - | 42,000 |
| (iv) Medical Allowance | - | 131,698 | - | 132,798 |
| (v) Bonus | - | 169,100 | - | 169,100 |
| Number of Person: | 8 | 7 | 8 | 7 |

b) Post-employment benefits: Company provide contributory Provident

c) Other long-term benefits: Company provide Gratuity Benefit to the

d) Share-based payment: Company does not provide any share-based.

39.5 Statutory audit fees

Statutory audit fees for the year 2021 - 2022 is BDT 625,000 Other than the statutory audit no other services was received from the statutory auditor.

39.6 Capacity utilization

| Year | Capacity in KG Per Year | Utilization in KG average Per year | % |
|-----------|-------------------------|------------------------------------|--------|
| 2020-2021 | 50,000,000 | 32,611,708 | 65.22% |
| 2021-2022 | 50,000,000 | 34,948,854 | 69.90% |

39.7 Employee details

At the end of the year, there were 2,473 employees in the company at a remuneration of BDT 3,000 per month and above.

39.8 Rounding off

Amounts appearing in these financial statements have been rounded off to the nearest BDT and, wherever considered necessary.

39.9 Event after reporting period

The Board of Director of the Company had approved the financial statements as on November 10, 2022 and recommended 20% cash and 20% stock dividend for the year ended 30 June 2022.

Except the fact stated above, there is no material events after the reporting date that are not adjusting events came to management attention which may be needful for the stakeholders.

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LIMITED

Schedule of FDR
for the year ended 30 June 2022

Annexure A

| Sl. No. | FDR Number | Name of the Bank | Branch | Date of Issue | Date of Maturity | Opening Balance | Interest Rate | Addition during the year | Accrued for the year | FDR 2021-2022 |
|--------------|------------------|------------------------|--------------|---------------|------------------|-------------------|---------------|--------------------------|----------------------|-------------------|
| 01 | 0103341/22132 | The National Bank Ltd. | Kawran Bazar | 14-Aug-05 | 14-Aug-21 | 27,096,591 | 6.50% | 1,448,710 | 1,623,514 | 28,545,301 |
| 02 | 0103209/20846 | The National Bank Ltd. | Kawran Bazar | 11-Dec-05 | 11-Dec-21 | 3,599,500 | 6.00% | 192,812 | 123,250 | 3,792,312 |
| 03 | 0103244/21191 | The National Bank Ltd. | Kawran Bazar | 4-Feb-06 | 4-Feb-22 | 2,547,321 | 6.50% | 134,535 | 72,634 | 2,681,856 |
| 04 | 1038/53300001650 | Shahjalal Bank Ltd. | Main Branch | 5-Aug-03 | 5-Aug-21 | 4,002,973 | 3.25% | 195,147 | 125,069 | 4,198,120 |
| 06 | 400154000000094 | Shahjalal Bank Ltd. | Main Branch | 1-Jan-20 | 4-Feb-22 | 7,947,000 | 5.25% | 431,760 | 183,285 | 8,378,760 |
| 05 | 0249744/24103 | Agrani Bank Ltd. | Teigaon | 11-Sep-05 | 11-Sep-21 | 50,000 | - | - | - | 50,000 |
| Total | | | | | | 45,243,386 | | 2,402,963 | 2,127,752 | 47,646,350 |

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 35th Annual General Meeting of the company to be held on Thursday, the December 22, 2022 at 04:00 pm through digital platform and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2022 signed by the said in presence of _____

Revenue
Stamp
Tk. 20.00

(Signature of the Proxy)

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

Signature Verified

Authorised Signatory

KOHINOOR CHEMICAL COMPANY (BANGLADESH) LTD.

Shareholders' Attendancen Slip

I/We hereby record my attendance at the 35th Annual General Meeting of the Company to be held on Thursday, the December 22, 2022 at 04:00 pm through digital platform.

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.