

ANNUAL REPORT 2018-2019



কে এন্ড কিউ (বাংলাদেশ) লিঃ
KAY & QUE (BANGLADESH) LTD.



Letter of Transmittal

All Shareholders of Kay & Que (Bangladesh) Limited
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited
All other Stakeholders

Dear Sir(s),

ANNUAL REPORT FOR THE THE YEAR ENDED ON JUNE 30, 2019

We are pleased to enclose a copy of the Annual Report together with the Annual Audited Financial Statements including Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity for the year ended on June 30, 2019 along with notes thereon for your kind information and record.

Sincerely Yours,

Sweety Akhter ACS, LL.B, MBS, ITP

Company Secretary

Contents of the Annual Report 2018 - 2019

Overview		Attendance of Directors in Board Meetings	30
Letter of Transmittal	01	Photograph of 34th AGM	31
Contents of the Annual Report 2018 - 2019	02	Corporate Governance	33-36
Notice of the 35 th Annual General Meeting	03	Corporate Governance framework	
Corporate Information	04	Board Prectise	
Board of Directors	05	Responsibilities of Board	
Top Executives	06	The Management	
Vision, Mision & Challanges	07	Independent Directors	
State of Company Affairs	08	Chairperson & Managing Director	
Profile of the Board of Directors	09-15	Chief Financial Officer, Company Secretary and Head of Internal Audit	
Message from the Chairman	16	Board Committee	
Directors Report	17-24	Company Secretary	
Company performance		Auditors	
Objectives		Maintaining the website of the company	
Land		Reporting and Compliance of Corporate Governance	
Marketing Activates		Internal Control & Risk Management	37-38
Going Concern		Internal Control	
Cost of Goods sold and Profit Margin		Measures for Identifying, Assessing Risks	
Financial Performance		Risk Assessment	
Contribution to National Exchequer		Identification and Assessment of Risks	
Dividend		Risk Management	
Disclosure on Financial Statements		Report of the Audit Committee	39
Board composition		Report of Nomination & Remuneration Committee	40
Board of Directors Committee		Report of Corporate Social Responsibility Committee	41
Audit Committee		Report Compliance on the Corporate Governance Code	42
Remuneration & Nomination Committe		Reports and Financial Statements	49
Directors Rotation		Auditor's Report to Shareholders	
Appointment of new Director		Statement of Financial Position	
Information about Appointment / Re-appointment of Director		Statement of Profit or Loss and other Comprehensive Income	
System of Internal Control		Statement of Changes in Equity	
Auditors		Statement of Cash Flows	
Key Strengths		Disclosure of Notes	
Weaknesses		Attendance Slip & Proxy Form	73
Oppportunity and Threat of Environment			
Achievements			
Key Financial Results	25		
Sales performance			
Financial performance at a glance			
5 years performance at a glance	26		
Declaration by CEO and CFO	28		
Our Shareholding	29		
The Pattern of Shareholding			



Kay & Que (Bangladesh) Limited

Registered Office: "Anchor Tower" 108, Bir Uttam C. R. Dutta Road, Dhaka – 1205

Notice of the 35th Annual General Meeting

The notice is hereby given to all the valued shareholders of Kay & Que (Bangladesh) Limited that, the 35th Annual General Meeting (AGM) of the company will be held on Wednesday, 18th December, 2019 at Sundarban Hotel, 112, Bir Uttam C.R. Dutta Road, Dhaka-1205 at 10:30 am. The following businesses will be transacted in the meeting:

Ordinary Business:

1. Approval of the Annual Audited Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with the notes for the year ended 30th June, 2019.
2. Appointment, Rotation and Re-appointment of Directors of the company.
3. Appointment of the Statutory Auditor & Compliance Auditor for the year 2019-2020 and fixation of their remunerations.
4. To Approve the Dividend recommended by the Board

By order of the Board of Directors

Sd/-

Sweety Akhter ACS, LL.B, MBS, ITP
Company Secretary

Notes:

1. The Record Date was on Tuesday, 19th November, 2019. The shareholders, whose name appeared on the members register, will be eligible to attend the meeting and entitled for Dividend.
2. A member eligible to attend and vote at the AGM may appoint a proxy to attend and vote on his/her behalf. Proxy Form must be affixed by requisite revenue stamp and must be submitted to the Registered Office of the company not less than 72 hours before the time fixed for the Annual General Meeting.
3. Attendance to the AGM venue will be upon production of the attendance card attached with the Annual Report.
4. The Downloadable Version of Annual Report for the year ended 30.06.2019 and the attendance card will be available on the website of the company at www.kayandque.com.
5. As per the notification of Bangladesh Securities and Exchange Commission there will be no arrangement of gift or entertainment in the Annual General Meeting.

Corporate Information

Incorporation	: January 19, 1984
Commencement of Business	: January 19, 1984
Listing with Dhaka Stock Exchange Ltd	: September 09, 1996
Listing with Chittagong Stock Exchange Ltd.	: January 20, 1997

Board of Directors:

Mr. Abdul Awal Mintoo	: Chairman
Mrs. Nasreen Fatema Awal	: Director
Mr. Tabith Awal	: Managing Director
Mr. Tafsir M. Awal	: Director
Mr. Tajwar M. Awal	: Director
A.K.M. Rafiqul Islam FCA	: Independent Director
Brig. Gen. A.M.M. Wazed Thakur	: Independent Director
Mr. Tarek Nizamuddin Ahmed	: Nominated Director
Mr. M. Jalalul Azim	: Nominated Director
Mr. Md. Rezaul Karim	: Nominated Director

Audit Committee:

Mr.A.K.M. Rafiqul Islam FCA	: Chairman (Independent Director)
Mr.Tafsir M. Awal	: Member
Mr. Tarek Nizamuddin Ahmed	: Member

Remuneration & Nomination Committee:

Brig. Gen. A.M.M. Wazed Thakur	: Chairman
Mr. Tajwar M. Awal	: Member
Mr. M. Jalalul Azim	: Member

Corporate Social Responsibility Committee:

Mr.A.K.M. Rafiqul Islam FCA	: Chairman
Mr. Tabith Awal	: Member
Mr. Tafsir M. Awal	: Member

Company Secretary

Sweety Akhter ACS, LL.B, MBS, ITP

Auditors

: **Shiraz Khan Basak & CO.**
Chartered Accountants
R.K Tower (Level-10) 86, Bir Uttam C.R Datta Road
(312, Sonargaon Road),Hatirpool, Dhaka-1205

Compliance Auditors

: **M/s. Anisur Rahman & Co.**
Chartered Accountants
70/C, Purana Paltan Line, 3rd Floor
VIP Road, Dhaka-1000

Factory Address

: **Dhamrai, Dhaka-Aricha Highway,**
Phone : 9346187

Registered Address

: Anchor Tower, 108 Bir Uttam C.R
Dutta Road, Dhaka-1205

Phone

: 02-58610012-18,58610027, 58610115

Fax

: 880-2-9662734

E-mail

: info@multimodebd.com

Web

: www.kayandquebd.com



Board of Directors

Mr. Abdul Awal Mintoo
Chairman



Mr. Tabith Awal
Managing Director



Mrs. Nasreen Fatema Awal
Director



Mr. Tafsir M. Awal
Director



Mr. Tajwar M. Awal
Director



Mr. A.K.M. Rafiqul Islam, FCA
Independent Director



Mr. Md. Rezaul Karim
Nominated Director (Pragati Insurance Ltd.)



Mr. M.J. Azim
Nominated Director (Pragati Life Insurance Ltd.)



Brig. Gen (Retd) A.M.M. Wazed Thakur
Independent Director



Mr. Tarek Nizamuddin Ahmed
Nominated Director (ICB)

Top Executives



Mr. Iftekhar Uddin
Chief Financial Officer (CFO)



Sweety Akhter ACS
Company Secretary



Mr Md. Shamsur Rahman
Head of Internal Audit



Vision, Mission & Challenges

Our vision, supported by our well-defined mission, unites us to move forward with confidence, while meeting the diverse aspirations of our various stakeholder groups

Vision

- Adopt new challenges and take advantage of new opportunities.
- Continue a culture that is rich in diversity to meet the evolving expectations of our stakeholders

Mission

- Maximize values for both external and internal stakeholders through skills innovation experience and professionalism.
- Establish ethical corporate governance and integrated management structure
- Ensuring a sustainable business that meets stakeholders' expectations.

Challenges

- Meet the economic challenges as well as the technological changes of the upcoming days.



State of Company Affairs

The company was incorporated in January 19, 1984 with only one operational unit (Carbon Rod) since before coming under the existing management. In 1988 the entire factory was submerged under flooded water. From 1989 the company came under the supervision of the current management through the then Bangladesh Shilpa Rin Sangstha (BSRS).

Listing:

In 1996 the company floats 90,000 ordinary shares of Tk.100/- each to called funds from general shareholders and in the latter years it had declared stock dividends among the shareholders. Currently it's paid-up capital stands at 4,902,530 ordinary Shares of Taka 4,90,25,300.

Operations & performance of different units:

Unit-1: Carbon Rod

In the year 2012 the Unit-1 went under a long maintenance due to distortion of productivity of Unit-1. We had appointed Padma Techno-Consult & Survey Ltd., a heading consulting engineers & surveyors to understand the current status of the plant. The original supplier of Carbon Rod factory closed their factory. So our existing factory could not get spare parts from them and spare's are not available from other sources. Hence the quality of Carbon rod was deteriorating by day by day and loosing the matter, so the management compelled to close the Carbon rod unit.

Unit – 02: Coal Tar

The company opened coal tar unit as by product of unit-1 in 2002. But due to the drastical fall of demand in the market of Bangladesh the operation of coal tar also had been terminated.

Unit- 03: Pesticide

As there were no marketing networks and distribution Channels only packaging was not viable for operation of the pesticide unit of the company which results, the stoppage of the pesticide units.

Unit-4: CNG

In 2009 the CNG unit had been opened in the factory up to 2015, the CNG Unit was only operational Unit of the company. Like the previous years, Unit-4, the CNG filling and re-fueling station's operation has been carrying out successfully.

Amalgamation of Kay & Que with MultiSourcing Limited:

The Management since the units has gone for long term maintenance, continuously tried to introduce the new investments in the company. Meanwhile, the Company revaluated its asset by M/s. Mahfel Huque & Co. Chartered Account, a Valuation firm listed with Panel Valuer List of Bangladesh Securities and Exchange Commission (BSEC). Considering the Cut-off date on 31-12-2017, the company revalued the assets of the company which stood Tk.584,795,873.00 against the book value of Tk. 138,134,723.00 The Report was approved by the Board of Directors in its 155th Meeting of Board Of Directors.

Further to that, the Board of Directors in its 155th meeting decided to amalgamate MultiSourcing Limited with Kay & Que (Bangladesh) Ltd. This is important to mention here that, MultiSourcing Limited is an Information technology based company which basically provide services to the Mobile phone operators besides the company develop customize business solution Software called ERP (Enterprise Resource Planning) to different Stakeholders.



Profile of the Board of Directors

Mr. Abdul Awal Mintoo

Chairman



Mr. Abdul Awal Mintoo, one of the most diversified businessmen of the country was born in 1949. A lot of industries including Trade, Shipping, Bank & Insurance established under his expertise and acumen ship. He was elected as the president of FBCCI for two times. Mr. Abdul Awal Mintoo completed his Bachelor of Science in Transport Science and Master of Science in Transport Management from States University of New York, USA. He also received another post Graduation Degree in Agricultural Economics from University of London.

Mr. Abdul Awal Mintoo has over 42 years of Experience in the business field specially well experienced in the field of Agro farm. Currently he is enjoying the Office of President of Bangladesh Seed Association. Besides he also elected as the member of the Executive Committee of Asia Pacific Seed Association (APSA).

Nature of Expertise

Name of the Company for Directorship and Membership of the Board Committee:

Name of Company	Directorship / Membership in Board
Lal Teer Seed Limited	Chairman
North South Seed Limited	Chairman
Pragati Life Insurance Limited	Director
Pragati Insurance Limited	Director
Chens Crop Science Limited	Chairman
Lal Teer Livestock Limited	Director
Multimode Transport Consultants Limited	Director
Lal Teer Silk Limited	Managing Director

Mr. Tabith Awal

Managing Director



Mr. Tabith Awal is one of the diversified young entrepreneurs of the country who has been playing several vital roles as Directors of different companies. He completed his Master of Science major in Information System Development from the George Washington University, Washington DC, USA.

Mr. Tabith Awal is the Vice-President of Bangladesh Football Federation (BAFUFE) and Executive committee member of MCCI. He is also the Founder and President of NoFel Sporting Club. Besides, he was the Senior Vice-President of Bangladesh Seed Association (2017-2019).

Mr. Tabith Awal has more than 15 years of experience in different position in corporate management.

Nature of expertise:

Name of the Company for Directorship and Membership of the Board Committee:

Name of Company	Directorship / Membership in Board
MultiSourcing Ltd.	Chairman
Lal Teer Seed Ltd.	Director
North South Seed Ltd.	Director
Chens Crops Science (BD) Ltd.	Director
Lal Teer Livestock Ltd.	Vice-Chairman
Multimode Green Solutions Limited	Director
A & A Investment Ltd.	Director
Pragati Insurance Limited	Director
Lal Teer Silk Limited	Director



Mrs. Nasreen Fatema Awal

Director



Mrs. Nasreen Fatema Awal has proved herself as a dynamic business entrepreneur playing diversified leadership role in the corporate houses as well as various social and international organization. She is the Founder President, currently Executive member of WEAB (Woman Entrepreneurs Association of Bangladesh). Mrs. Nasreen Fatema Awal is also the Honorary Consul General of Mongolia in Bangladesh.

She has a good academic background and gathered vast experience in business. In 1976 she graduated (Pre University) from Herbert Lehman High School, Bronx, New York. Thereafter she further studied for two years in Manhattan Community College, New York. She also completed one year course on Computer and also obtained Certificate in Montessori System of Education from U.S.A.

Mrs. Nasreen Fatema Awal has over 24 years of Management and Entrepreneurial Experience in the corporate houses. She has good experience in the function of Business Administration and Social & Humanitarian affairs.

Nature of Expertise

Name of the Company for Directorship and Membership of the Board Committee:

Name of Company	Directorship / Membership in Board
M F Consumers Ltd.	Chairman
Multimode Green Solutions Limited	Chairman
Joongbo Multimode Chemicals Ltd.	Managing Director
Lal Teer Seed Ltd.	Director
North South Seed Ltd.	Director
Chens Crops Science (BD) Ltd.	Director
Lal Teer Livestock Ltd.	Director

Tafsir M. Awal

Director



Mr. Tafsir M. Awal is a dynamic business entrepreneur playing diversified leadership role in the corporate house. As recognition of his dynamism and entrepreneurship quality, Mr. Tafsir obtained Young Entrepreneur Awards-2016.

Mr. Tafsir completed Master of Science in Entrepreneurial Management from the European School of Business, London, UK after qualifying the Bachelor of Science in Telecommunications with emphasis on Industry & Management and Media & Society in USA.

Mr. Tafsir has over 11 years of Management and Entrepreneurial Experience in the corporate area. He has a good experience in the function of Human Resource Management and Administration.

Nature of Expertise

Name of the Company for Directorship and Membership of the Board Committee:

Name of Company	Directorship / Membership in Board
MultiSourcing Ltd.	Managing Director
Lal Teer Seed Ltd.	Director
North South Seed Ltd.	Director
Chens Crops Science (BD) Ltd.	Director
Lal Teer Livestock Ltd.	Director
Lal Teer Silk Limited	Director
MF Consumers Ltd	Managing Director



Mr. Tajwar M. Awal

Director



Mr. Tajwar M. Awal is a young entrepreneur in the country who has proven his potentialities in the FMCS, automobiles and hospitality industries. Mr. Tajwar M. Awal has received his Graduation in Business Administration and Post Graduation in Finance from Suffolk Industries, Massachusetts, USA. Beside his business activities, he has been involved with various social activities. Currently he is the Board Member of American International School Dhaka Alumni Association.

Nature of Expertise

Name of the Company for Directorship and Membership of the Board Committee:

Name of Company	Directorship / Membership in Board
Lal Teer Seed Ltd.	Director
North South Seed Ltd.	Director
Chens Crops Science (BD) Ltd.	Director
M F Consumers Ltd.	Director
Multimode Green Solutions Limited	Director
Lal Teer Livestock Ltd.	Director
Lal Teer Silk Limited	Director

Mr. Md. Rezaul Karim

Nominated Director

Pragati Insurance Ltd.



Mr. Md. Rezaul Karim, the Managing Director of Pragati Insurance Ltd. has been nominated as the Director of Kay & Que (Bangladesh) Limited. After retirement from the position of Managing Director of Sadharan Bima Corporation, Mr. Karim has joined in the Pragati Insurance Limited.

In 35 years long experience of his career, Mr. Karim had worked in different capacity of Insurance Sector. Besides that, Mr. Rezaul Karim was the Director of Central Depository Bangladesh Limited (CDBL).

Mr. Md. Jalalul Azim

Nominated Director
Pragati Life Insurance Ltd.



Mr. Md. Jalalul Azim Completed MBA from IBA, university of Dhaka. He also obtained B.SC. in Agricultural Engineering and secured 1st Class 1st position. Mr. Azim started his career in British American tobacco and worked in various capacities at home and abroad with Multinational Companies like ALICO and DSG in UK. He is a Fellow of “**Life management Institute, USA**”.

Mr. Azim is Life Member of IBA Alumni Association, member of institute of Engineers & Army Golf Club.

Ex BCS Railway Cadre Officer Mr. Azim’s insurance career begun in ALILCO in 1994 and he served as Agency Director –ALICO Bangladesh from 2002 to 2006. Later he migrated to United Kingdom. Prior to taking over the helm of Pragati Life Insurance Limited, he also served also Managing Director & CEO in Delta Life Insurance and Pragati General Insurance Limited.

Mr. Tarek Nizamuddin Ahmed

Nominated Director
Investment Corporation of Bangladesh (ICB)



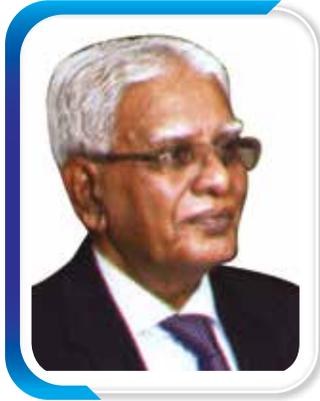
Mr. Tarek Nizam Uddin Ahmed, the Deputy General Manager of Investment Corporation of Bangladesh (ICB) has been assigned as nominated Director of Kay & Que (Bangladesh) Ltd. He joined ICB as a Senior Officer in the year 1987.

Mr. Ahmed has completed his Graduation and Post Graduation degrees in the Discipline of Management from the University of Chittagong.



Mr. A.K.M. Rafiqul Islam FCA

Independent Director



A.K.M. Rafiqul Islam FCA was re-appointed as an Independent Director of the Company by the shareholders in the 32nd AGM. Mr. Rafiqul Islam completed graduation under the University of Dhaka in 1957. He qualified as Chartered Accountant in 1965 from the Institute of Chartered Accountants of Pakistan. In 1981 he qualified Cost and Management Accountancy from UK.

Mr. Rafiqul Islam worked for different national and international organization during the tenure of his service life. He was the General Manager of Shadharan Bima from the year 1973 to 1986. He was the founder Managing Director of Pragati Insurance Limited. He was also the Director of Pragati Life Insurance Limited and Credit Rating Agency of Bangladesh (CRAB). He is former director of FBCCI and EC Member of Metropolitan Chamber of Commerce & Industries (MCCI).

Mr. Rafiqul Islam is having huge expertise in Accounts and Financial Management of the corporate houses. He has also expertise in Business Administration and crisis management.

Brig. Gen. (Retd.) A.M.M. Wazed Thakur

Independent Director



Brig. Gen. (Retd.) A.M.M. Wazed Thakur re-appointed as an Independent Director of the Company the 32nd AGM.

Mr. Thakur achieved diversified experience of more than 30 years of military service in leadership, human resource management, defense management, training management, security management and general administrative management. completed M Phil (Part-1) from Bangladesh University of Professionals (BUP) and graduated from College of Security Studies, USA.

During illustrious service, Brig. Gen. A.M.M. Wazed Thakur (Retd.) had the unique opportunities in managing strategic affairs which includes civil-military cooperation, managing media, disaster management, coordinating development activities of NGOs working in Northern Bangladesh to reduce their wastages and avoid duplication / overlapping of efforts and resources. Earlier Brig. Gen. Wazed held most prestigious appointments in military such as Brigade Commander, Commandant, Bangladesh Military Academy and Military Secretary to Prime Minister.

Message from the Chairman

All the valued Shareholders

On behalf of our Board of Directors, I would like to express my gratitude and greetings to all the respected stakeholders for being with us facing all the challenges and their continuous support & attention in achieving the growing performance of the company. I would also like to take the opportunity to thank you for providing me the opportunity to share and exchange our thoughts & views.

Despite various challenges faced by our company and in the light of the stable performance, the Board of Directors proposed 7.5% cash dividend per Ordinary Share to the 35th Annual General Meeting to be held on December 18, 2019

Optimism about 2019—2020:

We are optimistic that we will be able to continue a good return in the years ahead. We also expect that, we would be able to face the challenges to attain our objectives. On behalf of the Board of Directors I would like to convey my appreciation to our employees, associates, Bankers, shareholders, the Stock Exchanges, and other regulatory bodies of the Government for their continuous support extended by.



DIRECTORS' REPORT

Dear Valued Shareholders,

It is our immense pleasure and privilege to place herewith the Directors' Report and Auditor's Report including the Compliance Report and the Audited Financial Statements of Kay and Que (Bangladesh) Ltd. for the year ended 30th June, 2019.

This Report confirms compliance of Corporate Governance Code – 2019 relevant laws, regulations, directives, notification as guided and directed by BSEC and Companies Act, 1994 and industrial best practices being exercised in the presentation of the Companies financial accounts as well as on operation.

For understanding and information of shareholders, we have included present status as well as the ongoing restructuring activities and the future business plans of the company.

Company performance:

● Forming to ICT based company:

Kay & Que (Bangladesh) Limited witnessed comparatively a successful year in 2018-2019. The company made steady progress in spite of economic and regulatory challenges. The management of the company was trying to diversify the business of the company. The company is developing its personnel & equipment into ICT based. In the light of this planning the company continued its focus to turn the company into profitable and brought a result of court order on amalgamation of Kay & Que (Bangladesh) Limited with MultiSourcing Limited which is a ICT contented company.

The company had received the Certified Copy of order of Amalgamation of Kay & Que (Bangladesh) Limited with MultiSourcing Limited on May 06, 2019 from the Hon'ble High Court Division of Supreme Court of Bangladesh. After receiving the court order Bangladesh Securities & Exchange Commission filed a Civil Petition for Leave of Appeal before the Appellate Division of the Supreme Court against the judgment and order passed by the High Court Division.

This is to mention that the company received the Order of the admission of application of the Merger from Hon'ble High Court Division of Bangladesh Supreme Court on 19.08.2018. In the admission order, Hon'ble High Court ordered to hold the Meeting of Creditors and Extra-Ordinary General Meeting (EGM). Both the meetings were held on Wednesday, 17th October 2018 at Hotel Sundarban as per the said Order.

● Boulder & Stone business:

The Management planned to start boulder business importing from Bhutan and Crash them to chips for retailing in Bangladesh. In this respect obtaining loan of Tk.5 Cr. consists as follows:

Nature of the loan	Loan limit
Bai Muazzal (Commercial) Trading	10,000,000
Bai Muazzal (Trust Receipt)	18,000,000
LC sight (Revolving) (Non Funded)	22,000,000
Total	50,000,000

The Company started the importing of boulder & stone chips from Bhutan. The company also hired a lease land in Burimary land port to storage the boulder & stone chips. In this year the company sold Tk.2.79 Cr. The main buyers are local construction company & second party supplier.

● **Land lease to CG Foods (Bangladesh) Limited:**

Due to long stoppage of operation, most of the raw materials and machineries of the unit-1,2,3 became obsolete. In this circumstances, the shareholders raised a demand to sell out the machineries in its 31st Annual General Meeting held on 21 June, 2015 and urged to the Board of Directors to diversify the operation or to find out a feasible way to generate income from the said abandoned units and also demanded to dispose off the damaged materials of the company.

Considering all the circumstances, the company had agreed on the offer for lease out 114,680.00 Sft. land of Factory premises and 3,250 sft. space of office Building to CG Foods (Bangladesh) Ltd. for a period of 15 (fifteen) years as per below schedule and advance equivalent to one year's rent.

Tenure	Factory Premises (Per Sft. Rent In Tk.)	Office Building (Per Sft. Rent In Tk.)
First 3 (three) years	Tk. 8.00	Tk. 12.00
Second 3 (three) years	Tk. 9.20	Tk. 13.80
Third 3 (three) years	Tk. 10.40	Tk. 15.60
Fourth 3 (three) years	Tk. 11.60	Tk. 17.40
Final 3 (three) years	Tk. 12.80	Tk. 19.20

Under a mutual agriment has been dicided that CG Food will not take the office bulding as rent which was under lease agreement, because they have accomodate their office building in their own premises. As a result the rental income will be reduce to the extent of Tk. 39,000 Per month.

Objectives:

The Management is concerned about the current condition and they have been trying to make the Company sustainable with their whole hearted efforts. They tried hard to explore the way out to reduce the continuous loss of the Company. In connection with that the management of the company took the initiative to amalgamate Kay &Que (Bangladesh) Limited with MultiSourcing Limited and filed the application to the Honble High Court division of Supreme Court of Bangladesh.

Upon successful Completion of the amalgamation, Kay and Que (Bangladesh) Limited will receive an established business as its operational unit. On the other hand, the MultiSourcing Limited being a unit of Kay &Que (Bangladesh) Limited will be able to use the utilized resources to expand its business for Mobile Content Library and state of art cloud based date center in Bangladesh.

As a result the company will be a multi-diversified company with an ICT based unit. We believe, the combination of the expertise of the existing management and diversified IT personnel will take the industry to a new height.

In this respect an application was filed in the Hon'ble High Court Division of Supreme Court for Amalgamation of Kay & Que (Bangladesh) Limited with MultiSourcing Limited.



Land:

The total area of Land of Kay & Que (Bangladesh) Limited is 3.87 acre, out of which 1.61 acre is clear land, 1.83 acre is vested under Schedule KHA and 0.43 acre is under Schedule KA. The land under Schedule KHA has been released from the list and is now clear land. Mutation has been done and Land Tax has been paid for all clear land. Case has been filed for release of 0.43 acre of land which is under Judicial consideration. Out of the total Clear land a dispute has been received for 1.20 acre of land which will be resolved amicably.

Marketing Activities:

The CNG Station, rental income & new product boulder business are now three units of the company. In respect of boulder business the company is exploring to make a various biggest developer & construction company to sell out the boulder & stone chips. There is no significant marketing activity of the company. On the other hand, being adjacent to the highway and good pressure of gas, the CNG Station is preferred by the customers.

Going Concern:

The directors are of the opinion that there is no doubt about the ability to continue the company as a going concern. Accordingly Financial Statements have been prepared on a going concern basis.

Cost of Goods sold and Profit Margin:

The company was able to translate most of the revenue into profit and as a result revenue increased to BDT Tk.13.70 Cr. from Tk.12.47 Cr.

The cost of goods sold increased by 10.10% due to increase of volume.

Financial Performance:

The gross turnover for the year increased by 10.10 % to BDT 12,290,208 despite the higher tax expenditure the company was able to deliver a 9.80 % D. grow the on profit after tax.

Contribution to National Exchequer:

The company has been trying to ensure revenue growth.

In 2018-2019, the company contributed BDT 7,220,777 to Government exchequer as on 30th June, 2019. This is an increase of BDT 3,751,341 over last year working with National Board of Revenue (NBR).

Dividend

The Board of Directors has recommended 7.5 % Cash Dividend for the year 2018-2019 subject to the approval of shareholder's in the 35th Annual General Meeting

Disclosure on Financial Statements:

- i) The Financial Statements including Statements of Affairs, Profit or Loss Account, Statement of Cash Flows and Changes in Equity have been prepared on a prudent & reasonable basis to reveal a true and fair view of the company.
- ii) Proper books of accounts have been maintained
- iii) Appropriate accounting policies have been applied on prudent and reasonable judgments in preparing the Financial Statements.

iv) The Financial Statements of Kay &Que Bangladesh Limited for the year ended on June 30, 2019 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.

Board composition:

The Board of Directors of the Company is comprised of 10 directors headed by Mr. Abdul Awal Mintoo as Chairman - one of the successful businessmen in the country. He is assisted by Mr. Tabith Awal, the shareholding & Managing Director of the Company including 02 Independent Directors, 3 Non-executive Nominee Directors and 3 non executive shareholding Directors.

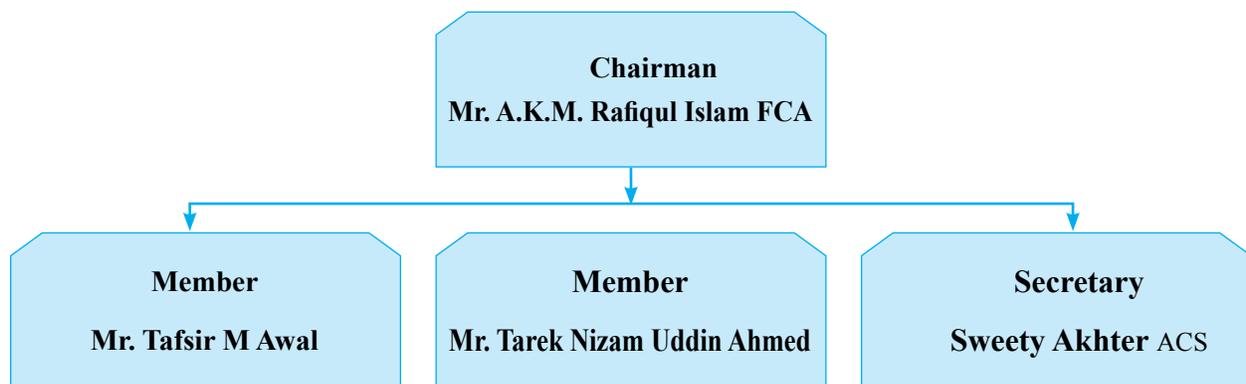
Board of Directors Committee

To ensure sound governance the Board of Directors of the company established the following three sub-committee:

- i) Audit Committee
- ii) Remuneration & Nomination Committee
- iii) Corporate Social Responsibility Committee

Audit Committee:

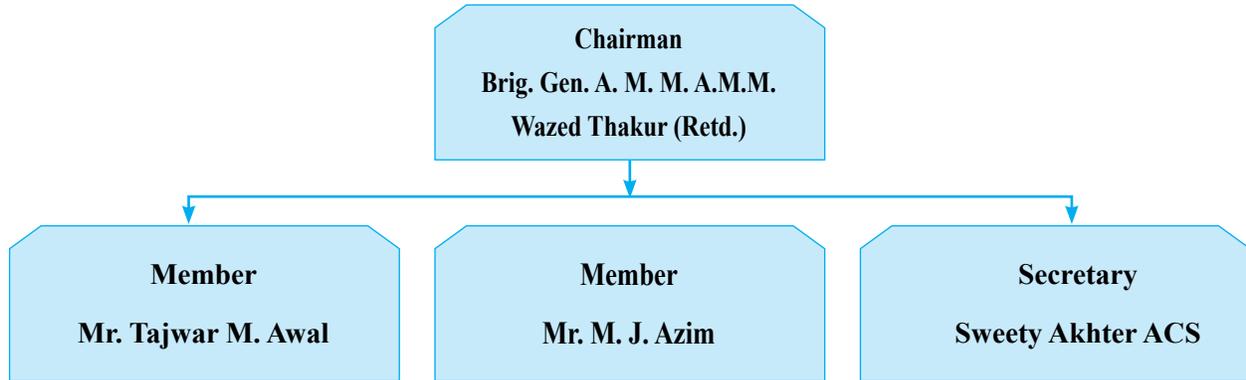
Ensuring the Corporate Governance Code 2018, directed by Bangladesh Securities and Exchange Commission of Bangladesh; the Board Composed an Audit Committee which is comprised of the following person:



The committee met 5 times in the financial year.

Remuneration & Nomination Committee:

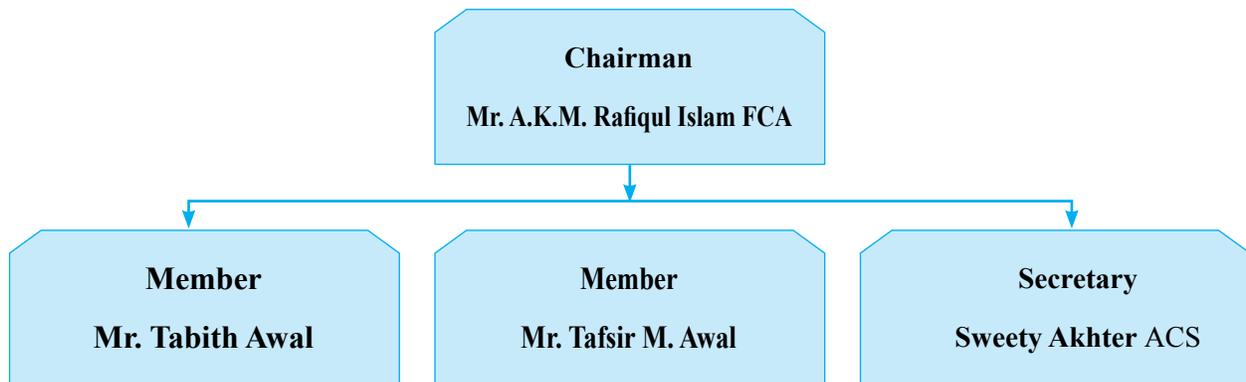
As per Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission the Board is comprised of with 3 Directors. The constituents of the committee are following:



The Nomination & Remuneration committee arranged one meeting in the year.

Corporate Social responsibility committee:

The Board constituted with Corporate Social responsibility (CSR) Committee as a sub- committee of the Board. The committee comprised of with following 3 members:



Directors Rotation

As per clause 134 of the Articles of Associations of the Company and also complying with the Provision of The Companies Act-1994, one third (1/3) of the Directors are to retire by rotation in this Annual General Meeting. Accordingly Pragati Insurance Ltd, Pragati Life Insurance Ltd. and Investment Corporation Of Bangladesh Ltd. are proposed to be retired in the 35th Annual General meeting. As per Article 135 of the Articles of Association of the Company, being eligible for re-election, they have offered their candidature to be re-elected.

Appointment of new Director.

Upon the recommendation of the Nomination and remuneration Committee, the Board accepted the proposal of appointment of Security Management Company Limited (SMCL) in the Board to fulfill the required 30% joint holding and accepted the letter of nomination of Mr. A. K. M. Rafiqul Islam FCA on behalf of (SMCL) subject to the approval of the shareholders in the upcoming AGM.

Information about Appointment of Independent Director

The tenure of 02 Independent Directors, Mr. A. K. M. Rafiqul Islam FCA and Brig. Gen. A. M. M. Wazed Thakur (Retd.) will be completed for the 2nd term and new Independent Directors have to be appointed in the next Annual General Meeting. Upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommended the name of Mr. A.K.D. Deen Mohammad Khan and Mr. Molla Mohammad Amzad Hossain to be appointed as Independent Director.

Profiles of the recommended Independent Directors are following:

Mr A.K.D. Deen Mohammad Khan

Independent Director



Mr. A. K. D. Deen Mohammad Khan completed his graduation and post-graduation from Dhaka University. He also obtained his LL.B. from the same university. Later on, he started his career from Inland Water Transport Authority in 1960. He worked in Port of Chalna Authority, Khulna from 1974 to 1981. General Manager of Bangladesh Shipping Corporation Dhaka from 1981-1985.

During his diversified working experiences he is noted for his leadership role. He is the Independent Director of Dulamia Cotton Spinning Mills Limited for a period of 6 years which will be completed on their next AGM.

He is a Chartered Member of Chartered Institute of logistic and transport. Besides, he also Member of Bangladesh Bar Council, Member, Bangladesh Supreme Court Bar Association, Life Member of Bangla Academy, permanent member of Dhaka Club.

Mr. Mollah M Amzad Hossain

Independent Director



Mr. Mollah M Amzad Hossain is the founding Executive Director of the Forum for Energy Reporters Bangladesh. He is the former Chairman of the organization. He is one of the members of a National Committee of the government of Bangladesh formed to recommend policy decision on coal exploration.

Mr. Hossain has been working in Bangladesh's media sector since 1982. With his long 31 years of experiences, he has been publishing and editing the country's lone energy sector magazine – Energy & Power - since 2003.



As he moved to the capital Dhaka from Rajshahi, he joined the Daily Azad, the oldest vernacular daily of the country, in 1988. In 1992, he joined the Daily Banglabazar Patrika and worked as the Chief Reporter.

He covered energy, trade and business, environment, politics and aviation sectors during his reporting career and covered several international and regional events in the fields of energy and, trade and business.

During his colourful career, he involved himself with the Association of Development Agencies in Bangladesh (ADAB), an umbrella platform for more than 12 hundreds of development organizations, as Media Relations Consultant.

He also worked for the daily Amader Shomoy as Deputy Editor and the daily Amader Orthoniti as acting Editor.

The Energy & Power has been the Media Partner of the German GIZ Since 2006 for promotion of Renewable Energy, Energy Policy, Energy Efficiency and Conservation. The paper is also working as Media Partner of UNDP Bangladesh and Petrobangla.

System of Internal Control:

The internal control structure of Kay & Que (Bangladesh) Limited consists of the policies and procedures established to provide reasonable assurance fulfilling the following objects:

- i) Implementing its policies complying with the applicable laws regulations of the country.
- ii) Ensuring effective and efficient operations.
- iii) Providing correct and reliable information through maintaining proper accounts.
- iv) A robust internal audit and review system.

Auditors

Statutory Auditors

M/s. Shiraz Khan Basak and Company, Chartered Accountants has expressed their written interest to become Statutory Auditors of the Company for the Financial Year 2019 - 2020. The Board of Directors in its 161st meeting has recommended the appointment of the mentioned Audit Firm with a remuneration of Tk.100,000/- subject to the approval of the shareholders in 35th Annual General Meeting.

Compliance Auditors

The existing Compliance Auditor M/s. Anisur Rahman & Co., Chartered Accountants has expressed their interest to be re-appointed as the Compliance Auditor for the next period. The Board of Directors in its 161st meeting has recommended the appointment of the mentioned Audit Firm subject to the approval of the shareholders in 35th Annual General Meeting.

Key Strengths

- The main key strengths of our company are our experienced management and dynamic workforce whom we can utilize for any situation. They are well expert and experienced and capable to dedicate for betterments of the company whenever required.

● Besides we have very suitable location with the facilities of high pressure gas connection, electricity supply, generator service and water supply that can be a support to us for any new project based on our good infrastructure.

Weaknesses

● To be converted into ICT based Company we are not fulfilled with the adequate technologies and we believe that we shall be able to cope up with the weakness before getting the amalgamation order from the Appellate Division.

Opportunity and Threat of Environment

Our Professional Management can make any project successful, which we always consider as our big opportunity. The management is continuously seeking a convenient project to implement alone or with co-operation with foreign enterprises. The expertise which is developed in years of experience is very much competent for the Company to implement feasible project within a short period of time.

Achievements:

Kay & Que (Bangladesh) Ltd. is not only an ISO certified Company, but it also became a member of Sub-Committee of UN Global Compact. It received Gold Medal for Export of Carbon Rod Products in 2003-2004.

The company also has taken diversified initiatives to become a Socially Responsible Manufacturing Organization.

Sd/-

Abdul Awal Mintoo

Chairman

Sd/-

Tabith Awal

Managing Director



Key Financial Results

Sales performance:

The year-wise statement of CNG sales:			
Year	Sales Qty. in Cubic Meter	Sales amount (Tk) in '000	Sales Growth (%)
2013	2,809.38	84,281	-
2014	3,635.78	101,827	21%
2015 -2016	5,042.67	165,399	62%
2016-2017	1,840.09	67,440	-59%
2017-2018	3,118.08	124,723	85%
2018-2019	2,726.43	109,057	-13%

Considering the existing Gas, Electricity and other Utility facilities, the management had been seeking for opportunities to generate income, which would also help to eliminate the accumulated losses and also to generate profit for the company.

Apart from the existing restructuring process of Amalgamation of MultiSourcing Limited and the Boulder/Stone business projects the management is keen to establish new projects. Meanwhile, the management initiated the feasibility studies of several project and prospective financial sources.

Financial Performance at a glance:

The Company's financial performance as compared to the previous years is given below:

Summary of Financial Results

Figure in '000
Figure in '000

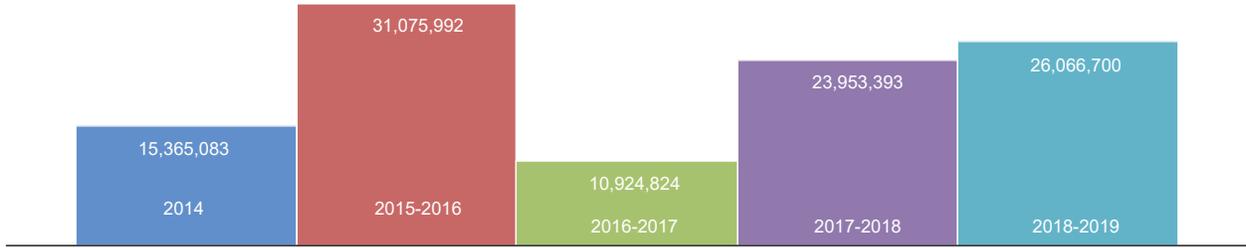
Particulars	2014	01.01.2015 to 30.06.2016	01.07.2016 to 30.06.17	2017-2018	2018-2019
Net Saes	104,390	165,399	67,440	124,723	137,013
Gross Profit	15,365	31,076	10,924	23,953	26,066
Operating Profit	(2,591)	992	709	6,219	(3,888)
Net Profit (Before Tax)	(2,925)	592	675	5,923	5,800
Contribution to National Exchequer	96	Nil	Nil	3,751	

KAY & QUE (BANGLADESH) LIMITED

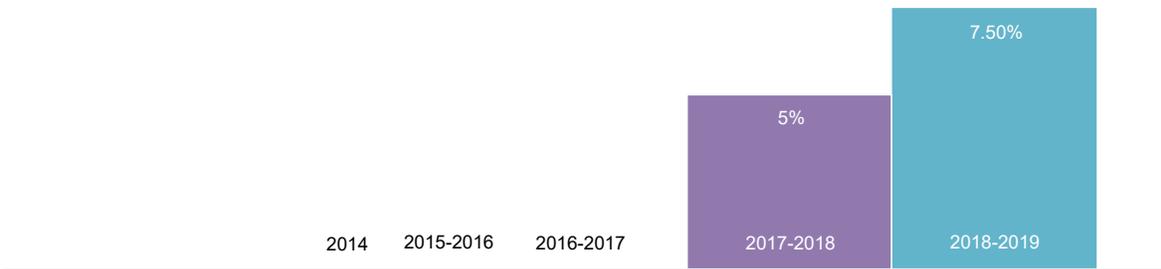
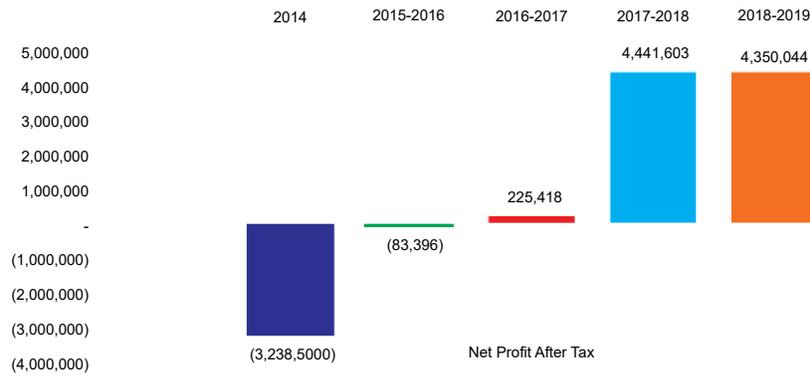
5 Years Performance at a Glance

Tk. 000

Sl No.	Particulars	2014	2015-2016	2016-2017	2017-2018	2018-2019
1	Financial Performance					
	Net Sales	104,389,770	165,399,083	67,440,608	124,723,040	137,013,248
	Gross Profit	15,365,083	31,075,992	10,924,824	23,953,393	26,066,700
	Net Profit Before Tax	(2,925,331)	591,914	675,907	5,922,555	5,800,058
	Net Profit After Tax	(3,238,500)	(83,396)	225,418	4,441,603	4,350,044
2	Share Capital and Reserve					
	Paid up Capital	49,025,300	49,025,300	49,025,300	49,025,300	49,025,300
	Reserve and Surplus	(41,445,705)	(105,363,160)	(105,137,742)	(120,383,547)	(118,284,768)
3	Assets					
	Fixed Assets	70,523,389	53,343,889	50,389,274	494,776,102	495,408,553
	Other Assets	122,268,770	61,748,172	77,696,064	108,359,131	106,466,855
4	Others					
	Book Value Per Share	10.00	10.00	10.00	10.00	10.00
	Dividend	-	-	-	5% Cash	7.5% Cash
	Earning Per Share	(0.66)	(0.02)	0.50	0.91	0.89



GROSS PROFIT (TK. 000)



DIVIDEND



Kay and Que (Bangladesh) Limited

Declaration by CEO and CFO [As required by BSEC]

October 24, 2019

The Board of Directors

Kay and Que (Bangladesh) Limited
Anchor Tower
108, Bir Uttam C. R. Dutta Road
Dhaka-1205.

Subject: Declaration on Financial Statements for the year ended on June 30, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/2006 -158/207/Admin/80 Dated: 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Kay & Que Bangladesh Limited for the year ended on June 30, 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (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 on June 30, 2019 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/-

Tabith Awal
Managing Director

Sd/-

Iftekhar Uddin
Chief Financial Officer



Our shareholding

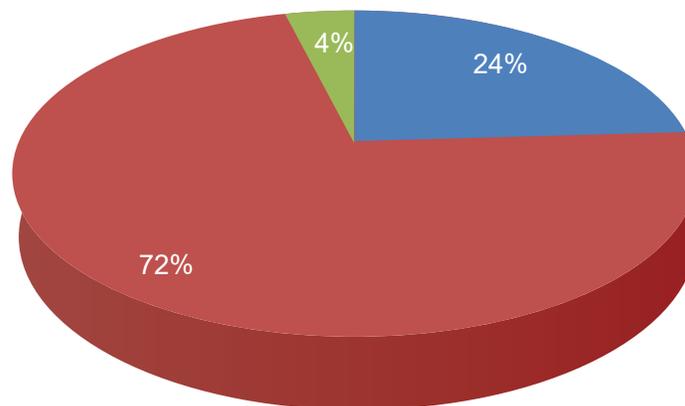
The Pattern of Shareholding:

Names of the shareholders along with their position of shares are listed below:

Name of the Shareholder	No. of Shares held	% of holding
i) Parent / Subsidiary/ Associate Companies:	Nil	Nil
ii) Directors	11,79,470	24.06%
iii) iii) Executive	Nil	Nil
iv) iv) CEO, CS, CFO, Head of Internal Audit and their spouses & minor children	Nil	Nil
v) v) General Public	35,34,760	72.10%
vi) vi) Shareholders holding ten percent (10%) or more voting Interest	Nil	Nil
vii) Others	18,8,300	3.84%
Total	49,02,530	100%

% of Shares Held

■ Directors ■ General Public ■ Others



Attendance of Directors in Board Meetings:

During the Year 2018-2019, 05 (Five) Board Meetings were held. The attendance record of the Directors in the meeting is as follows-

Name of Directors	Meeting Attended
Mr. Abdul Awal Minto	5
Mrs. Nasreen Fatema Awal	3
Mr. Tabith M. Awal	5
Mr. Tafsir M. Awal	2
Mr. Tajwar M. Awal	3
Mr. A.K.M. Rafiqul Islam FCA	5
Brig. Gen. A.M.M. Wazed Thakur (Retd.)	5
Mr. Tareq Nizamuddin Ahmed (Nominee of ICB)	5
Mr. M. Jalalul Azim (Nominee of Pragati Life Insurance Limited)	4
Mr. Md. Rezaul Karim (Nominee of Pragati Insurance Limited)	4

The Directors who could not attend the meetings were granted leave of absence.





Photograph 34th AGM, 2017-2018







Corporate Governance

Kay & Que (Bangladesh) Limited is committed ensuring the highest standards of corporate governance at all times. Transparency accountability is the values and philosophy of the company. This report depicts the company's corporate governance the process and structure which is embedded with setting the company's vision providing leadership, supervising the management and reporting the shareholders under the purview of the laws & rules and regulations prevailing in the country.

Corporate Governance Framework

The management is always aware to ensure a continued commitment for getting the essence of sound corporate governance. Corporate Governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following:

- Notification on Corporate Governance of Bangladesh Securities and Exchange Commission (BSEC)
- The Companies Act 1994 and other applicable regulations of Bangladesh
- Dhaka and Chittagong Stock Exchanges Listing Regulations
- Laws of the land
- Standards of Business Conduct, Policies and Guidelines of the Company
- Statement of Risk Management and Internal Control of the Company
- Statement of Delegated Authorities of the Company and
- Local and global best practices.

The Company had always been fully adherent with the above mentioned corporate governance principles and best practices. This Statement on Corporate Governance, together with the Statement on Risk Management and Internal Control, sets out the manner how the Company has applied the governance principles and best practices. The Board reviews the standards of business conduct from time to time for applying the highest standards of governance, embracing best corporate practices.

The corporate governance framework of Kay & Que (Bangladesh) is directed towards achieving the Company's business objectives in a responsible manner. Therefore, in order to comply with the laws, rules, regulations, corporate governance codes, articles of association, policies and procedures, the Company constantly exercises good Board practices, effective control processes, transparent disclosures, well-defined shareholders' rights and Board commitments. The manners of adherence to these principles and practices are outlined as follows:

Board practices

Ensuring the Corporate governance Code, 2018 of Bangladesh securities & Exchange Commission the company has comprised his Board of Directors by 10 Directors including 2 Independent Directors.

Responsibilities of the Board

The Board establishes structures and processes to fulfill Board responsibilities that consider the interests of investors, regulators, management and employees among others. The major responsibilities of the Board are as follows:

- Formulating the long term strategy of the company and setting the Set Goals and Direction.
- Oversee Management and appointment of top management
- Evaluate Strategy and Review Management Performance
- Review Management Succession Planning
- Monitor and Manage Potential Conflicts of Interest
- Ensure the Integrity of Financial Information
- Monitor the Effectiveness of Board Governance Practices
- Ensure compliance to laws and regulations
- Ensure adherence to Company Polices and Guidelines
- Reviewing Risk Assessment and Ensure integrity of Company's Financial Reporting
- Pursuant to the companies laid down policies and guidelines the Board is also tasked to decide on the following business transactions and activities:
 - Acquisition, disposal or closure of a business
 - Establishment of new business
 - Proposal of borrowing
 - Any corporate restructuring not covered b y any of the above paragraph

The Management

The management is comprised of high level of individual expert from different fields. They plays a significant role providing the necessary leadership to enable achievement of business objectives complying the corporate governance code under corporate governance framework, ensures the sound internal control as well as report to the board about the implementation on different business plans & strategy led by the Managing Director.

The management team comprises of the following members:

Managing Director

Chief Financial Officer

Director-Human Resources

Executive Director-Operation

Advisor-Land

Head-Internal Audit & Compliance

Company Secretary

As a part of accountability the management of the company reports to the board on various day to day business operations, duties & responsibilities.

Independent Directors

As per Corporate Governance Code of Bangladesh Securities and Exchange Commission (3 June 2018, the Company appointed 02 nos. of Independent Directors which is more than 1/5th of total number of Directors in the Board. The Independent Directors are-

- i) A.K.M. Rafiqul Islam, FCA, FCMA.
- ii) Brig. Gen. (Retd.) AMM Wazed Thakur



The professional resumes of the Independent Directors have incorporated in the Directors Report.

As the tenure of the Independent Directors will be completed in the 35th AGM. the Board has recommended the names of a 2 (two) new Independent Directors profile of those have been incorporated in the Directors Reports.

Chairperson & Managing Director

Ensuring the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated June 03 2018, the company appointed separate Chairman and Managing Director in the Board. Mr. Abdul Awal Mintoo as the Chairman as well as Mr. Tabith Awal as the Managing Director of the company.

Chief Financial Officer, Company Secretary and Head of Internal Audit

Complying with the Corporate Governance Code of Bangladesh Securities and Exchange Commission the board appointed Mr. Iftekhar Uddin as Chief Financial Officer (CFO); Ms. Sweety Akhter ACS as Company Secretary and Mr. Shamsur Rahman as Head of Internal Audit & Compliance.

Board committee

The Board of Directors formed sub-committee in compliance with Corporate Governance Code 2018. Currently there are 3 committees in the Board namely the Audit Committee, the Nomination & Remuneration Committee and Corporate Social Responsibility Committee details of which are following:

i) Audit committee

As per the condition of the Corporate Governance Code Audit Committee is comprised of 3 members with an Independent Director. The board appointed one of the Independent Director as the Chairman of the committee. During the period the committee attended 5 (five) meetings.

ii) Nomination & Remuneration Committee

The Board constituted the Nomination & Remuneration Committee headed by an Independent Director. During the period the committee arranged 3 meetings where the Company Secretary performed as the Secretary of the sub-committee.

iii) Corporate Social responsibility Committee

The company is quite aware of the social responsibility and contributed for the implementation of the initiatives taken by the management. In connection with that a CSR committee has been formed by th Directors and Independent Directors of the company.

Company Secretary

As per the Corporate Governance Code, 2018 issued by BSEC, the board has appointed a company Secretary in order to maintain the necessary link and liaison with the internal organs as well as external agencies. Being a compliance officer the company secretary drives corporate compliance ensuring the effective functioning of the Board.

The brief roles of the company Secretary are following:

- Maintain a linkage between the Board, Management, shareholders and other shareholders on matter of corporate interest in a transparent way.
- Compliance of the acts, rules regulation, notifications, guidelines, orders /directives etc as issued by of Bangladesh Securities & Exchange Commission (BSEC), Listing Regulation of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE).
- organizing Board Meeting, Committee Meeting, AGM and EGM; publication & distribution of the Annual report under supervision as well as publication of PSI of publicly listed companies as per rules & regulations
- Communicating with the stakeholders, provide efficient service to the shareholders through responding to their queries and requests.

Auditors

On the basis of the report of the Audit committee, the Board has recommended Ms Siraj Khan Basak as Statutory Auditor for the period of 2019-2020 upon the approval of the shareholders in the AGM.

The Board also recommended M/s. Anisur Rahman & Co. as a Compliance Auditor for a period of 2019- 2020.

Maintaining the website of the company

Kay & Que (Bangladesh) Limited has been maintaining the website www.kayandque.com. All the informations of the company are available in this website.

Reporting and Compliance of Corporate Governance

The Company has obtained a certificate from a Practicing Chartered Account, Anisur Rahman & Co. who has considered the Company's relevant statutory compliance. A copy of the said certificate has been included in this Annual Report.

Sd/-
Chairman

Sd/-
Managing Director



Internal Control & Risk Management

Internal Control

Internal control is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies.

The internal control system at Kay & Que (Bangladesh) Ltd. is based on annual operational planning, ongoing management accounting and control, as well as regular board meeting and reporting to the Regulatory bodies. Annual Planning defines budget on the basis of Micro economic analysis, its assessment of market conditions and cost targets. From this, specific targets are derived for individual operating units and setting targets.

The indicators used for this purpose are determined and presented uniformly in the Kay & Que (Bangladesh) Ltd. Reports on financial status and selected sales volumes, and production overviews are prepared accordingly. Reports on results of operations and working capital are prepared also in order to monitor cash flow as a key management indicator for the Company. Detailed reports on the assets positions are submitted at the end of each Quarter. At the management meetings, the Management committee discusses business developments, including target achievement, along with the outlook for the relevant year and any measures that need to be taken.

Measures for Identifying, Assessing Risks

In order to identify and assess risks, individual business transactions at Kay & Que (Bangladesh) Ltd. are analyzed using the criteria of potential risk and probability of occurrence. Suitable control measures are then established on the basis of these analyses. Furthermore, organizational measures (e.g. separation of functions in sensitive areas) and ongoing target/actual comparisons are performed for key accounting figures. The established control and risk management systems are not able to guarantee accurate and complete accounting with absolute certainty.

Risk Assessment

Kay & Que (Bangladesh) Ltd. is aware of the opportunities and risks for its business activity. The measures described above play a significant role in allowing Kay & Que (Bangladesh) Ltd. to make use of the opportunities to further develop the Company without losing sight of the risks. Our control and risk management system, standardized across the Company, ensures that any major risks that could negatively affect our business performance are identified at an early stage.

Identification and Assessment of Risks

The process of identifying risks is performed regularly on a decentralized basis by the management in Kay & Que (Bangladesh) Ltd. General macro-economic data as well as other industry-specific factors and risk information sources serve as auxiliary parameters for the Identification process.

Appropriate thresholds for reporting relevant risks have been established for Kay & Que, taking into account the specific circumstances. On the basis of our Company's risk model and according to the defined risk categories, the risks are assessed. The risk statement also includes risks that do not have a direct impact on the financial situation, but that can have an effect on non-monetary factors such as reputation or strategy. In the case of risks that cannot be directly calculated, the potential extent of damage is assessed on the basis of Qualitative criteria such as low risk or risks constituting a threat to the Company's existence.

Risk Management

Kay & Que (Bangladesh) Limited's risk policy is based on the business strategy, which focuses on safeguarding the Company's existence and sustainably increasing its value. Entrepreneurial activity is always forward looking and therefore subject to certain risks, indentifying risks, understanding them, and reducing them systematically are the responsibility of the Management Committee & the Board and a key task for all managers individually. Kay & Que is subject to various risks that are not fundamentally avoided, but instead accepted, provided they are consistent with the legal and ethical principles of entrepreneurial activity and are well balanced by the opportunities they present.

The Management Committee of Kay & Que is obliged to set up and supervise an internal control and risk management system. The Board also has overall responsibility for establishing risk assessment systems. The Audit Committee also reviews the effectiveness of the risk management system on a regular basis. The company has imposed transparent regulations to govern competences and responsibilities for risk management that are based on its structure.

A code of conduct, guidelines, and principles apply across the Company for the implementation of systematic and effective risk management. The standardized internal control and risk management system at Kay & Que (Bangladesh) Ltd. is based on financial resources, operational planning, and the risk management strategy established by the Managing Board of the Company, It comprises several components that are carefully coordinated and systematically incorporated into the structure and workflow organization.

The essential elements of the risk management system are:

- Documentation of the general conditions for a methodical, efficient risk management in a Company guideline. In addition to this Risk Management Policy, the Code of Business Conduct is concerned with the code of conduct and compliance standards to be observed.
- Managers are responsible for corporate risk at operational level
- Direct information, reporting and open communication of Quantified risks between the Management committee and company managing Board;
- Standardized and regular reporting to Board.



Report of the Audit Committee

The Audit Committee of Kay and Que (Bangladesh) Limited is a sub-committee of the Board of Directors appointed by the Board of the Company. The Audit Committee comprises of the following Directors –

- | | |
|--------------------------------|-----------------------------------|
| 1. A.K.M. Rafiqul Islam FCA | - Chairman (Independent Director) |
| 2. Tafsir M Awal | - Member |
| 3. Mr. Tarek Nizam Uddin Ahmed | - Member |

The Committee operates according to the terms of Reference approved by the Board and in compliance with condition 5 (6) of Bangladesh Securities and Exchange Commission's Notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. The Committee is accountable for all the Audit activities and report to the Board of Directors of the Company. The Key role of the committee is to monitor, review and examine the financial statements, corporate governance practices, internal control system and risk management activities of operation. Activities of the Audit Committee Meeting:

- i) Reviewed the reliability and consistency of the Financial Statements of the Company to ensure that the Internal Control and Compliance procedure are adequate to present a true and fair view of the Company's state of the affairs for the year 2018-2019.
- ii) Reviewed the Draft Annual Financial Statements of Accounts for the year 2018-2019 which was audited by the External Auditors. Ensured that proper disclosure required under Accounting Standard as adopted in Bangladesh have been made and also complied with the Companies Act 1994 and various rules and regulations applicable to the Company.
- iii) Reviewed the Un-audited Quarterly and Annual Financial Statements of the Accounts for its proper presentation to the Share Holders and the Regulatory Authorities.
- iv) Reviewed the various reports of the Internal Auditors and their recommendations to take appropriate actions to the management where needed.
- v) Reviewed the appointment of the External Auditors.

Acknowledgement

The Audit Committee Members expressed their sincere gratitude to the members of the Board and the Management of the Company and also to the Auditors for their support to carry out its duties and responsibilities effectively.

Sd/-

Chairman

A.K.M Rafiqul Islam FCA

Report of Nomination & Remuneration Committee

The nomination & remuneration committee of Kay & Que (Bangladesh) Limited has been constituted with 3 members who are non executive Directors. The members of the committee appointed by the Board of Directors.

The committee operates according to the terms and conditions approved by the board and in compliance with the Corporate Governance Code, dated June 03, 2018. The committee is accountable for all the Nomination & Remuneration activities especially for the top level management and report to the Board of Directors.

The activities of the NRC during the year were as follows:

- i) Considered the terms of reference of NRC, as approved by the Board
- ii) Formulated a policy relating to the remuneration of the Directors, top level executives and all employees of the Company
- iii) Recommended the name of the Director to be included in the bound to ensure the joint holding 30%- by the Sponsors and Directors in the Board.
- iv) Recommending the name of the Independent Directors for the next term which shall be approved in the 35th AGM.
- v) Formulated the criteria for determining qualifications, positive attributes and independence of the Director
- vi) Formulated the criteria for evaluation of performance of Independent Directors and the Board Members
- vii) Identified criteria for selection, transfer or replacement and promotion at different levels of the Company
- viii) Adopted a code of conduct for the Chairman, Directors and Top level executives of the Company.

Sd/-

Brig. Gen. (Retd.) A.M. M. Wazed Thakur
Chairman



Report of Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR) of Kay & Que (Bangladesh) Limited constituted with 3 members heading Mr. A. K. M. Rafiqul Islam FCA as Chairman who is also an Independent Director of the company.

The objective of the committee is ensuring the implementation the social initiatives of the management.

Performance of the CSR Committee during the period are following:

As a part of the social responsibility the company donated Taka 10,00,000/- (Ten Lac) only to religious and educational institutions and charitable organizations.

The contributions of the CSR Committee are following:

- i) Taka 3,00,000/- (Three Lacs) to Anujani Jame Masjid and pathager, Chatak, Sunamjonj.
- ii) Taka 2,50,000/- (Two Lac Fifty Thousand) to Baitul Aman Jame Jasjid, Demra, Dhaka, A/c. No. 404513100000005, Shahjalal Islami Bank, Sharulia, Demra, Dhaka.
- iii) Taka 2,50,000/- (Two Lac Fifty Thousand) to Chalua Bazar Jame Masjid, Kalirbazar, Fulchari, Gaibandha, Bank Account No. 09591021014241, Janata Bank, Kalirbazar Branch (Code No.0959), Fulchari, Gaibandha
- iv) Taka 1,00,000/- (One Lac) to Baitul Jannah Masjid, Bazitpur, Kishoregonj.
- v) Taka 1,00,000/- (One Lac) to Bangladesh Protibandhi Foundation (BPF),6 Borobag, Mirpur-2, Dhaka.

Sd/-

A.K.M. Rafiqul Islam FCA
Chairman

70/C, PURANA PALTAN LINE, 3RD FLOOR
VIP ROAD, DHAKA-1000, BANGLADESH
PHONE: OFF.: 8318179, RES.: 9884705
MOBILE: 01819252656
E-mail: anisurfca@yahoo.com

আনিছুর রহমান এন্ড কোং
ANISUR RAHMAN & CO.
CHARTERED ACCOUNTANTS

**Report to the Shareholders of Kay & Que (Bangladesh) Limited on
Compliance on the Corporate Governance Code**

[As required under the Code of Corporate Governance of BSEC]

We have examined the compliance status to the Corporate Governance Code by Kay & Que (Bangladesh) Limited for the year ended on 30th June, 2019. This Code relates to the notification No. BSEC/CMRRCD/2006 -158/207/Admin/80 dated June 03, 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 a 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 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 the 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.

Dhaka, 20th October, 2019



A handwritten signature in black ink, appearing to be "Anisur Rahman & Co.".

Anisur Rahman & Co.
Chartered Accountants



Status of compliance as required under condition No.9 imposed by Bangladesh Securities and Exchange Commission are attached herewith

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(1)	The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors	✓		
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	✓		
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 shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company	✓		
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 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 executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm	✓		
1(2)(b)(viii)	who shall not be 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 to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	Independent Director(s) shall be appointed by BOD approved by the shareholders in the Annual General Meeting (AGM)	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	✓		
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)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial Laws, regulatory and corporate laws and can make meaningful contribution to business	✓		
1(3)(b)(i)	Independent Director 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.	✓		
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 nor 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.	✓		
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.	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or commerce or Business Studies or Law.	✓		Not Applicable
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(c)	The Independent Director shall have at least 10 (Ten) years of experience 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.	✓		Not Applicable
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	✓		
1(5)(i)	Industrial outlook and possible future developments	✓		The Directors Reports contains
1(5)(ii)	Segment and Product wise performance	✓		Do
1(5)(iii)	Internal External Risk Factors threat to Sustainability and negative impact	✓		Do
1(5)(iv)	Discussion on COGS, GP Margin and Net Profit Margin	✓		Do
1(5)(v)	Discussion on continuity of any Extra-ordinary activities and their implication	✓		
1(5)(vi)	Related Party Disclosure with statements showing amount and nature of related party and nature of transactions	✓		
1(5)(vii)	Statement for utilization of Proceeds raised through IPO, Right Issue or / any other instrument	✓		
1(5)(viii)	Explanation if Financial results deteriorate after the IPO, RPO, Right Share, Direct Listing	✓		Not Applicable
1(5)(ix)	Explanation for significant variances between the Quarterly unaudited Financial Statements and the Annual Financial Statements	✓		Mentioned
1(5)(x)	Statement of Remuneration of Directors in Independent Director	✓		
1(5)(xi)	Statement for fair presentation of Financial Statement	✓		
1(5)(xii)	Statement of Maintenance of Proper Books of Accounts	✓		
1(5)(xiii)	Statement regarding appropriate accounting policy	✓		
1(5)(xiv)	Statement regarding IAS and IFRS Compliance	✓		
1(5)(xv)	statement regarding sound design of Internal Control	✓		
1(5)(xvi)	Statement for minority interest protection	✓		
1(5)(xvii)	Statement of being a going concern	✓		
1(5)(xviii)	Explanation for significant deviations from last years operating results highlighting the reason	✓		
1(5)(xix)	Summarized Five Years Operating and Financial Data	✓		
1(5)(xx)	Explanation on mentioning reason of NO Dividend (Cash or Stock)			Board has recommended 7.5 % Cash Dividend
1(5)(xxi)	Board Statement to the effect that no Bonus or stock dividend declared			Board has recommended no Cash Dividend
1(5)(xxii)	Total Number of Board Meeting	✓		
1(5)(xxiii) (a)	Parents or Subsidiary or Associated Companies and other related parties			No Subsidiary Companies
1(5)(xxiii) (b)	Directors, CEO, Company Secretary, CFO, HIAC	✓		Stated in the Report



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding 10 % or more voting rights			No Shareholders have 10% Voting Right
1(5)(xxiv)(a)	Brief Resume of Directors	✓		
1(5)(xxiv)(b)	Nature of Expertise of Directors	✓		
1(5)(xxiv)(c)	Name of the Companies in Which the person also holds the Directorship	✓		
1(5)(xxv)(a)	Accounting Policies and Estimation for preparation	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, mentioning the effect on financial performance	✓		
1(5)(xxv)(c)	Comparative analysis of Financial Performance or results and Position	✓		
1(5)(xxv)(d)	Comparision of financial performance with the peer industries	✓		
1(5)(xxv)(e)	Financial and Economic Sceanario of the Country and the Globe	✓		
1(5)(xxv)(f)	Risk and Concerns issues related to the Financial Statement	✓		
1(5)(xxv)(g)	Future Plan or Projection or forecast for company's Operation	✓		
1(5)(xxvi)	Declaration as per Condition No -3 (3) as per Annexure-A	✓		
1(5)(xxvii)	Declaration as per Condition No -9 as per Annexure-B and Annexure-C	✓		
1(6)	Minutes of the Meeting of the Board of Directors	✓		
1(7)(a)	Code of Conduct as per the recommendation of Nomination and Remuneration Committee	✓		
1(7)(b)	Code of Conduct as Determind by the NRC Posted on the Website			Under Process
2(a)	Provision of Composition of the Board of Subsidiary Company			Not Applicable
2(b)	At least one Independent Director must be director of the subsidiary Company			Not Applicable
2(c)	Minutes of Subsidiary Company be place to the meeting of Holding Company			Not Applicable
2(d)	Minutes of Holding Company shall state the review of affairs of Subsidiary Company			Not Applicable
2(e)	Audit Committee of Holding Company Shall review the Financial statements of Subsidiary Company			Not Applicable
3(1)(a)	Appointment of Managing Director/ Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance	✓		
3(1)(b)	Separate individuals of MD/CEO, Company Secretary, CFO and HIAC	✓		
3(1)(c)	MD/CEO, CS, CFO and HIAC shall not hold any executive position in any other listed company.	✓		
3(1)(d)	Rexpective roles, responsibilities and duties of CFO, HIAC and CS.	✓		
3(1)(e)	Board approval to remove MD or CEO, CS, CFO and HIAC.	✓		No such occurrence in the year
3(2)	Attendance of MD/CEO, CS, CFO, HIAC in the Board Meeting.	✓		Stated in the Report
3(3)(a)(i)	Statement do not contain any materially untrue statement or omit any materia fact or contain any misleading statement.	✓		
3(3)(a)(ii)	Statements together presents true and fair view of company affirs.	✓		
3(3)(b)	MD/ CEO and CFO certiyft about no fraudulent, illegal or violation of code of conduct.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3(3)(c)	Disclosure of certification of MD or CEO and CFO in the Annual Report.	✓		
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5(1)(a)	Audit Committee as a sub-committee of the Board.	✓		
5(1)(b)	Audit Committee shall assist the Board to ensure the true and fair view of Financial Statements.	✓		
5(1)(c)	Audit Committee Shall be responsible to the Board	✓		
5(2)(a)	Audit Committee shall be composed of at least 3 Members	✓		
5(2)(b)	Audit Committee Composition with Non Executive Director among them one is Independent Director	✓		
5(2)(c)	All Members of Audit Committee Shall be Financially Literate	✓		
5(2)(d)	In Case of Vacancy in audit Committee, fulfillment within one month	✓		
5(2)(e)	Company Secretary shall act as Secretary of the Committee	✓		
5(2)(f)	The Quorum of the Audit Committee Meeting shall not constitute without one Independent Director	✓		
5(3)(a)	Independent Director, the Chairman of the Audit Committee	✓		
5(3)(b)	Absence of the Chairperson, shall recorded in the minutes of the meeeting	✓		
5(3)(c)	Audit Committee Chairman Must be Presented in the AGM	✓		
5(4)(a)	At Least 4 Meeting of Audit Committee in a Financial Year	✓		5 meeting held
5(4)(b)	Quorum of the The Audit Committee shall be formed in presence of at lesat two members	✓		
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	✓		
5(5)(d)	Oversee hiring and performance of External Auditors	✓		
5(5)(e)	Holding meeting with the external or statutory auditors for review of the annual financial statements	✓		
5(5)(f)	review along with the management, the annual financial statement befroe submission to the Board for Approval	✓		
5(5)(g)	review the Quarterly and half yearly financial statement before submission	✓		
5(5)(h)	review the adequacy of internal audit function	✓		
5(5)(i)	review the management's discussion and analysis before disclosing	✓		
5(5)(j)	Review statement of related party transaction	✓		
5(5)(k)	Review Management Letter or Letter of Internal Control weakness issued by statutory auditors	✓		Not Applicable
5(5)(l)	oversee the determination of audit fees and evaluate the performance of external auditors	✓		
5(5)(m)	Oversee utilization of the Proceeds raised through IPO RPO or Right Issue	✓		Not Applicable
5(6)(a)(i)	Report of Audit Committee to the Board	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(a)	Report on Conflict of Interest	✓		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified by internal audit	✓		
5(6)(a)(ii)(c)	Suspected infringement of Laws, regulatory Compliances	✓		
5(6)(a)(ii)(d)	Other matter which Audit Committee deems necessary to Disclose to the Board	✓		
5(6)(b)	Reporting to the Authorities	✓		
5(7)	Reporting to the Shareholders and General Investors	✓		No such occurrence in the year
6(1)(a)	The company shall have a Nomination and Remuneration Committee(NRC) as a sub-committee of the Board.	✓		-Do-
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria	✓		
6(1)(c)	The terms of reference of the NRC is clearly set forth in writing.	✓		
6(2)(a)	The committee shall comprise of at least three members including an independent Director.	✓		
6(2)(b)	All the members shall be non-executive Directors.	✓		
6(2)(c)	Members shall be nominated and appointed by the Board.	✓		
6(2)(d)	The Board have authority to remove and appoint any member of the committee.	✓		
6(2)(e)	Fullfillment of vacancy of Board or committee within 180 days	✓		
6(2)(f)	Appointment of External or Non Voter experts to Committee	✓		No such occurrence in the year
6(2)(g)	The company Secretary shall act as he secretary of the committee.	✓		
6(2)(h)	At least one Independent Director must be attend in the meeting.	✓		
6(2)(i)	No Member of the NRC Shall Receive, either directly or indirectly, any remuneration for any advisory or consultancy	✓		
6(3)(a)	The Board selected one person as Chairperson of the NRC Committee among the independent Directors	✓		
6(3)(b)	Committee Members shall select one Person as Chairperson in absence of the Chairper of the NRC Committee	✓		No such occurrence in the year
6(3)(c)	Chairperson will attend the AGM to answer the shareholders questions	✓		To attend in the upcoming AGM
6(4)(a)	One NRC meeting in a Financial Year	✓		3 Metting held
6(4)(b)	The Chairperson of the NRC may Convene any emergency meeting upon request of a Member	✓		No such occurrence in the year
6(4)(c)	Quorum of NRC Meeting in presence of Two Members or Two Third Members	✓		
6(4)(d)	The Proceeding of NRC meeting shall be recorded duly in the minutes	✓		
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and the shareholders	✓		
6(5)(b)(i)(a)	Formulating the Criteria for determining qulification, attributes of Independent Director	✓		Already in practice
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance Benchmars	✓		
6(5)(b)(i)(c)	Remuneration to Directors and Top level executives	✓		
6(5)(b)(ii)	Diversifing the Board in terms of Age, Gender, Experience, Ethnicity educational background and nationality	✓		
6(5)(b)(iii)	Identifying the person who are qualified to become Directors and who can be appointed in top level executive position	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5)(b)(iv)	Criteria for evaluation of performance of independent Directors and the Board	✓		
6(5)(b)(v)	Needs for employees at different level and determind their selection, transfer or replacement and Promotion criteria	✓		In Practice
6(5)(b)(vi)	Human Resources and Taining Policy	✓		In Practice
6(5)(c)	Disclosure of Nomination and remuneration policy	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions	✓		
7(1)(ii)	Financial information system designed and implimentation	✓		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statement	✓		
7(1)(iv)	Brocker- Dealer Services	✓		
7(1)(v)	Acturial Services	✓		
7(1)(vi)	Internal Audit Service or Special Audit service	✓		
7(1)(vii)	Any services that the Audit Committee Determines	✓		
7(1)(viii)	Audit or certification services on compliance of CG	✓		
7(1)(ix)	other services that creates conflict of interest	✓		
7(2)	Shareholding relation with the statutory/ external auditors or their family members	✓		
7(3)	Representative of External auditors remain present in the AGM or EGM	✓		
8(1)	The official website linked with the website of stock exchange	✓		
8(2)	Website functional from the date of Listing			The Company Listed Since 1996, when internet were not available
8(3)	Company Have made available all the detail disclosure on the website	✓		
9(1)	Corporate Governance Certificate obtained from Practicing Professional Chartered Accountant / Chartered Secretary disclosed in the Annual Report	✓		
9(2)	The Professional who provided the Compliance Certificate of Corporate Governance Code Appoint In AGM By the Shareholders?	✓		
9(3)	The Directors of the company stated in accordance with the "Annex-C " in the directors report or Not	✓		Annexed in the report



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road). Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-638228, 01711-520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

**Independent Auditor's Report
To the Shareholders of
KAY & QUE (BANGLADESH) LIMITED
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of KAY & QUE (BANGLADESH Limited (the "Company"), which comprise the Statement of Financial Position as at June 30, 2019, and 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Company has recognized Deferred Tax Income/Expense in a lump sum basis in the financial statements which is a non-compliance with the paragraph 15 & 24 of IAS -12 'Income Taxes'. Proper calculation was not made as per IAS. As a result, investors are not informed about the actual position and performance of the company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
<p>Revenue recognition</p> <p>At year end the Company reported total revenue of BDT 137,013,248.</p> <p>Sales made during the year are material and consider to be complex judgmental There is a risk of revenue being misstated as a result of faulty estimation.</p> <p>There is a risk that revenue may be overstated due to fraud through manipulation by the pressure local management may feel to achieve performance targets.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Segregation of duties in invoice creation and modification;</p> <p>Timing of revenue recognition</p> <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <p>Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to</p>





SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
 86, Bir Uttam C.R. Datta Road
 (312, Sonargaon Road). Dhaka-1205
 Tel : 88-02-9635139, 88-02-9673597
 Mobile : 01552-638228, 01711-520770
 01922-117370, 01757-941837
 E-mail : shirazkhanbasak@yahoo.com

	<p>determine whether revenue was recognized in the correct period;</p> <p>Collecting all VAT Return to assess & calculation of total Local sales;</p> <p>Finally assess the appropriateness and presentation of disclosures against relevant accounting standards.</p>
See note no. 20.00 to the financial statements	

Legal and regulatory matters	
<p>We focused on this area because the company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the company's best estimate for existing legal matters that have a probable and estimable impact on the company's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the company's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. We enquired of the company's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the company's provisions and contingent liabilities disclosure</p>

Reporting to other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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

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



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road). Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-638228, 01711-520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

Auditor's 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor's 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.



R. K. T.



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-638228, 01711-520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

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 statements of profit or 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/Company's business.

Dated, Dhaka
27 October, 2019



Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants



KAY & QUE (BANGLADESH) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2019

ASSETS	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Non-Current Assets		506,750,667	506,118,216
Property, Plant & Equipment	3.00	495,408,553	494,776,102
Investment	4.00	11,342,114	11,342,114
Current Assets		95,124,741	97,017,017
Inventories	5.00	4,832,003	12,872,252
Accounts and Others Receivable	6.00	29,535,296	32,006,419
Advance, Deposit & Prepayments	7.00	56,238,074	48,534,434
LC In Transit	8.00	802,508	-
Cash & Cash Equivalents	9.00	3,716,860	3,603,912
TOTAL ASSETS		601,875,408	603,135,233
EQUITY AND LIABILITIES			
Shareholders Equity		377,201,682	375,302,903
Share Capital	10.00	49,025,300	49,025,300
Revaluation Reserve		446,661,150	446,661,150
Retained Earnings	11.00	(118,484,768)	(120,383,547)
Current Liabilities		224,473,725	227,832,329
Accounts & Others Payable	12.00	16,168,484	10,837,677
Short Term Loan	13.00	16,978,543	19,139,699
Provision for expenses	14.00	5,832,836	12,129,380
Deferred Tax		160,000	160,000
Dividend Payable	15.00	8,769,274	8,608,206
Provision for Income Tax	16.00	20,458,609	19,008,594
Workers Profit participation Fund	17.00	3,767,049	3,477,046
Associates/Others loan	18.00	152,338,930	154,471,727
TOTAL EQUITY AND LIABILITIES		601,675,408	603,135,233
Net Assets Value Per Share	28.00	76.94	76.55

The annexed notes 1 to 31 form an integral part of the financial statements.


CFO


Company Secretary


Director


Managing Director


Chairman





Date : Dhaka, October 27, 2019

An associate firm of D. N. Gupta Associates

Shiraz Khan Basak & Co.
Chartered Accountants

KAY & QUE (BANGLADESH) LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Notes	Amount in Taka	
		30-Jun-19	30-Jun-18
Sales Revenue	19.00	137,013,248	124,723,040
Less: Cost of Goods Sold	20.00	110,946,548	100,769,647
Gross Profit		26,066,700	23,953,393
Less: Operating Expenses:			
Repair /Maintenance	21.00	6,537,399	6,234,286
Depreciation	3.01	2,163,049	2,775,014
Administrative Expense	22.00	20,263,916	21,682,752
Selling & Marketing Expense	23.00	991,238	666,005
Total Operating Expense		29,955,602	31,358,056
Operating Profit / (Loss)		(3,888,902)	(7,404,663)
Non Operating Income/ (Expense):			
Dividend Income	24.00	1,436,188	1,447,082
Rental Income	25.00	11,026,947	13,003,239
Financial Expenses	26.00	(2,484,172)	(826,975)
Total Non- Operating Income:		9,978,963	13,623,346
Profit / (Loss) before WPPF		6,090,061	6,218,683
Less: Workers Profit Participation Fund		290,003	296,128
Profit / (Loss) after WPPF		5,800,058	5,922,555
Less: Income Tax Provision		1,450,015	1,480,639
Profit / (Loss) after Tax		4,350,044	4,441,603
Earning Per Share	29.00	0.89	0.91

The annexed notes 1 to 31 form an integral part of the financial statements.


CFO


Company Secretary


Director


Managing Director


Chairman




Shiraz Khan Basak & Co.
Chartered Accountants

Date : Dhaka, October 27, 2019

An associate firm of D. N. Gupat Associates



KAY & QUE (BANGLADESH) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 st July, 2018	49,025,300	446,661,150	(120,383,547)	375,302,903
Net Profit/(Loss) After Tax Provision	-	-	4,350,044	4,350,044
Less: Dividend during the Year			(2,451,265)	(2,451,265)
Prior year adjustment	-	-	200,000	200,000
Balance as on 30th June, 2019	49,025,300	446,661,150	(118,284,769)	377,401,681

Particulars	Share Capital	Revaluation Reserve	Retained Earnings	Total
Balance as on 1 st July, 2017	49,025,300		(105,137,742)	(56,112,442)
Net Profit/(Loss) After Tax Provision	-	-	4,441,603	4,441,603
Revaluation Reserve	-	446,661,150		446,661,150
Prior year adjustment	-		(19,687,408)	(19,687,408)
Balance as on June 30, 2018	49,025,300	446,661,150	(120,383,547)	375,302,903

CFO

Company Secretary

Director

Managing Director

Chairman

Shiraz Khan Basak & Co.
Chartered Accountants

Date : Dhaka, October 27, 2019

An associate firm of D. N. Gupat Associates

KAY & QUE (BANGLADESH) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019

Particulars	Amount in Taka	
	30-Jun-19	30-Jun-18
CASH FLOW FROM OPERATING ACTIVITIES:		
Collection from turnover & others	128,643,718	130,183,240
Payment or cost and expenses	(122,305,253)	(131,560,610)
Income Tax paid & Deduction at Sources	(626,699)	(3,978,541)
Rent Received	5,870,500	-
Drawing from working capital loan	-	11,530,000
Net Cash Flow from operating Activities (A)	11,582,267	6,174,089
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets	(2,764,600)	(2,882,300)
Advance for fixed assets	-	(1,100,000)
Dividend Receipt	1,436,188	1,447,082
Advance for Work & Others	(3,261,804)	(821,071)
Inter Company/unit loans received	20,672,796	7,525,619
Inter Company/unit loans Paid	(13,161,310)	(7,931,137)
Security Deposit	-	599,473
Net Cash Flow from investing Activities (B)	2,921,270	(3,162,334)
CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid	(2,290,197)	-
Loan Repayment	(12,100,392)	(2,000,703)
Net Cash Flow from financing Activities (C)	(14,390,589)	(2,000,703)
Net Cash in Flow/(Outflow) for the year (A+B+C)	112,947	1,011,052
Cash and Bank Balance at Opening	3,603,912	2,592,860
Cash and Bank Balances at Closing	3,716,860	3,603,912
Net Operating Cash Flow per Share (Note- 30)	2.36	1.26


CFO


Company Secretary


Director


Managing Director


Chairman




Shiraz Khan Basak & Co.
Chartered Accountants

Date : Dhaka, October 27, 2019

An associate firm of D. N. Gupat Associates



KAY & QUE (BANGLADESH) LIMITED

NOTES ON ACCOUNTS & OTHER RELEVANT INFORMATION FOR THE YEAR ENDED JUNE 30, 2019

1.00 COMPANY AND ITS ACTIVITIES:

1.01 Corporate History of the Entity:

Kay & Que (Bangladesh) Limited was incorporated in Bangladesh on January 19, 1984 as a Public Limited Company under Companies Act, 1913. The Company started its commercial production in November 1989. Its Shares are listed with both the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. since 1996.

The registered office of the company is situated at Anchor Tower, 1/1(B), Sonargaon Road, Dhaka, Bangladesh and the Factory is situated at Dhamrai, Manikgonj on Dhaka Aricha Highway.

1.02 Nature of Business:

The Kay & Que (BANGLADESH) Ltd. is now operating one C.N.G Unit. The company has started boulder business from July 2018. Besides that the Company has entered into Land Lease & Rental agreement with CG Foods (BANGLADESH) Ltd. for his vacant land and office.

2.00 SIGNIFICANT ACCOUNTING POLICIES & OTHER MATERIAL INFORMATION:

2.01 Accounting Convention and Basis of presentation:

The Financial Statements have been prepared under the historical cost convention following the International Accounting Standards (IAS's) as adopted in Bangladesh and where relevant in accordance with presentation requirements of the Companies Act, 1994.

2.02 Use of Estimation:

Preparation of financial statements in conformity with International Accounting Standards requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets & liabilities, if any, at the date of the financial statements & revenues and expenses during the year reported. Actual result may differ from those estimates. Estimates are used in accounting for certain items such as depreciation, outstanding claims, taxes, reserves etc.

2.03 Components of Financial Statements:

The Financial Statements comprises of;

- i) Statement of Financial Position as at June 30, 2019
- ii) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2019
- iii) Statement of Changes in Equity for the year ended June 30, 2019
- iv) Statement of Cash Flows for the year ended June 30, 2019; and
- v) Notes, Comprising Significant Accounting Policies and other Explanatory information to the Accounts.

2.04 Statement on Compliance with IAS, Statutes & Rules:

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

The Company has applied the applicable IASs and IFRSs adopted by ICAB while preparing the financial statements. Details are given below.

Name of the International Accounting Standards (IASs)	IAS No.	Status
Presentation of financial Statement.	1	Applied
Inventories	2	Applied
Statement Cash Flows	7	Applied
Accounting Policies changes in accounting Estimates & Errors.	8	Applied
Events after the Reporting period.	10	Applied
Construction contracts	11	N/A
Income Taxes	12	Applied
Segment Reporting	14	Applied
Property, Plant & Equipment	16	Applied
Leases	17	N/A
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A

The effects of changes in Foreign exchange rates.	21	Applied
Borrowing cost	23	N/A
Related party disclosures	24	Applied
Accounting for Investments	25	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and separate Financial Statements.	27	N/A
Investment in associates	28	N/A
Interests in Joint Ventures.	31	N/A
Financial Instrument: Presentation	32	N/A
Earnings per share.	33	Applied
Interim Financial Reporting	34	N/A
Impairment of Assets	36	N/A
Provision contingent liabilities and contingent Assets.	37	Applied
Intangible Assets	38	Applied
Financial Instrument: Recognition and Measurement	39	N/A
Investment Property	40	N/A
Agriculture	41	N/A
International Financial Reporting Standards (IFRSs)	IFRS No.	Status
First-time Adoption of International Financial Reporting Standards	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	N/A
Insurance Contracts	4	N/A
Noncurrent Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instrument: Disclosure	7	N/A
Operating Segments	8	N/A
Consolidated Financial Statements	10	N/A
Joint Arrangements	11	N/A
Disclosures of Interest in Other Entries	12	N/A
Fair Value Measurements	13	N/A

Note: N/A= Not Applied

2.05 Related Party Transaction:

The company entered into transactions with the related parties in normal course of business that fall within the definition of related party as per International Accounting Standards (IAS 24). The details of related party transactions are shown in Note: 27.00

2.06 Reporting Currency:

The Financial Statements are presented in Bangladesh Currency (Taka), which has been rounded off to the nearest Taka. Figures in brackets indicate deductions.

2.07 Geographic Segment information:

The company has no office outside Bangladesh. Hence Geographic segment information is not relevant.



3.00 Property Plant & Equipment of UNIT- I:

The details break-up is made up as follows:

PARTICULARS	COST			DEPRECIATION					Written down value as on 30-06-2018	
	Balance as on 30-06-2018	Addition during the year	Revaluation during the year	Balance as on 30-06-2019	Rate	Balance as on 30-06-2018	Adjustment	Charges during the year		Balance as on 30-06-2019
Land & Land Development										
i) Land	461,400,000			461,400,000		-	-	-	461,400,000	461,400,000
ii) Flood Embankment & Road	962,271	-	-	962,271		-	-	-	962,271	962,271
Sub-Total	462,362,271	-	-	462,362,271		-	-	-	462,362,271	462,362,271
Building & Other Construction										
Office Building	3,084,195	-	-	3,084,195	5%	2,026,904	-	-	2,026,904	1,057,291
Factory Building	1,883,374	-	-	1,883,374	5%	1,883,374	-	-	1,883,374	-
Substation & Generator	1,156,428	-	-	1,156,428	5%	940,884	-	-	940,884	215,544
Boundary, Main Gate & Godown	1,199,229	-	-	1,199,229	10%	948,860	-	-	948,860	250,369
Sub-Total	7,323,226	-	-	7,323,226		5,800,022	-	-	5,800,022	1,523,204
Plant & Machinery										
Electric Equipment	1,673,524	-	-	1,673,524	10%	1,223,569	-	-	1,223,569	449,955
Local Machinery	4,104,881	-	-	4,104,881	10%	3,544,027	-	-	3,544,027	560,854
Sub-Total	5,778,405	-	-	5,778,405		4,767,596	-	-	4,767,596	1,010,809
Total	475,463,902	-	-	475,463,902		10,567,618	-	-	10,567,618	464,896,284

5.1) As per directive of the Securities Exchange Commission (SEC) the management has adopted the basis of depreciating the Padma Techno Consult & Survey Ltd. the expected useful life has been estimated to be 30 years and 16 years for office building, Factory Building and machinery respectively. The management, however decided to write off the said book values over 20 years for both Office building & Factory building and over 10 years for machinery.



(Signature)

3.01 Property Plant & Equipment of CNG PROJECT:
The details break-up is made up as follows:

PARTICULARS	COST			DEPRECIATION					Written down value as on 30-06-2018	
	Balance as on 30-06-2018	Addition during the year	Balance as on 30-06-2019	Rate	Balance as on 30-06-2018	Adjustment	Charge during the year	Balance as on 30-06-2019		Written down value as on 30-06-2019
Land & Land Development										
i) Land	-	-	-	-	-	-	-	-	-	-
ii) Land dev. & Approach Road	8,256,176	-	8,256,176	-	-	-	-	8,256,176	8,256,176	
Sub-Total	8,256,176	-	8,256,176					8,256,176	8,256,176	
Building & Other Construction										
Building	3,904,549	-	3,904,549	5%	1,442,090	-	123,123	1,565,213	2,339,336	2,462,459
Other Construction	458,275	-	458,275	5%	169,258	-	14,451	183,709	274,566	289,017
Sub-Total	4,362,824	-	4,362,824		1,611,348	-	137,574	1,748,922	2,613,902	2,751,476
Plant & Machinery:										
Imported machinery	49,363,569	2,750,000	52,113,569	10%	33,030,032	-	1,770,854	34,800,886	17,312,683	16,333,537
Local Equipment	3,037,371	-	3,037,371	10%	1,043,454	-	199,392	1,242,846	1,794,525	1,993,917
Electric Installation	438,381	-	438,381	10%	292,022	-	14,636	306,658	131,723	146,359
Gas Line installation	803,706	-	803,706	10%	535,379	-	26,833	562,212	241,494	268,327
Sub-Total	53,643,027	2,750,000	56,393,027		34,900,887	-	2,011,714	36,912,602	19,480,425	18,742,140
Sundry Assets	287,794	45,500	333,294	10%	157,768	-	13,761	171,529	161,765	130,026
Sub-Total	287,794	45,500	333,294		157,768	-	13,761	171,529	161,765	130,026
Total	66,549,821	2,795,500	69,345,321	-	36,670,003	-	2,163,049	38,833,052	30,512,269	29,879,818
Grand Total	542,013,723	2,795,500	544,809,223		47,237,621		2,163,049	49,400,670	495,408,553	494,776,102



R. Khan



Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
4.00	Investment:		
	The amount is made up as follows:		
	Opening Balance	11,342,114	5,960,505
	Add: Revaluation during the year	-	5,381,609
	Closing Balance	11,342,114	11,342,114
	The details break-up is made up as follows:		
	Name of Company	Notes	
	Central Depository (BD) Ltd.	4.1	10,656,381
	Pragati Insurance Ltd.		108,173
	Southeast Bank Ltd.		216,336
	Investment in Shares (IPO-GP)		14,000
	Pragati Life Insurance Ltd.		347,224
	Total:		11,342,114
4.01	This represents the amount invested in ordinary shares of CDBL.		
5.00	Inventories:		
	The details break-up is made up as follows:		
	Stores & Spares	5.01	2,645,431
	Stock of Boulder stone	5.02	2,186,572
	Total:		4,832,003
5.01	Stores & Spares:		
	The details break-up is made up as follows:		
	Opening Balance		2,645,131
	Add: Purchase during the year		8,012,250
			10,657,381
	Less: Consumption during the year		8,011,950
	Total:		2,645,431
5.02	Stock of Stone chips:		
	The details break-up is made up as follows:		
	Opening Balance		10,227,121
	Add: Purchase during the year		13,240,808
			23,467,929
	Less: Sales during the year		21,281,357
	Closing Balance		10,227,121



Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
6.00	Accounts and others Receivable		
	The details break-up is made up as follows:		
	Chens Crop Science BD Limited	-	9,937,283
	CG Foods (Bd) Ltd.	29,535,296	22,069,136
	Total:	29,535,296	32,006,419
	Receivables break-up is made up as follows:		
	Chens Crop Science BD Limited		
	Opening Balance	9,937,283	
	Add: Sales during the year	-	
	Less: Received during the year	9,937,283	
	Closing Balance	-	
	CG Food		
	Opening Balance	22,069,136	
	Add: Sales during the year	13,336,660	
	Less: Received during the year	5,870,500	
	Closing Balance	29,535,296	
7.00	Advance, Deposit & Prepayments		
	The details break-up is made up as follows:		
	i) Advance		
	Advance Income Tax	11,674,643	11,047,944
	Tax deduction at sources	6,317,716	6,317,716
	Advance against Rent	780,000	900,000
	Advance against Salary	32,982	-
	Advance against Legal fee	158,000	150,000
	Advance against Haq Tower Renov	685,466	
	Advance against Boulder site	3,976,610	-
	Advance against Project Development Expense	3,955,955	3,955,955
	Sub Total (A)	27,581,372	22,371,615
	Advance Income Tax year wise break-up is made up as follows:		
	Assesment Year		
	2008-09	160,000	
	2011- 12	3,443,438	
	2012-13	2,411,823	
	2013-14	426,280	
	2014-15	770,247	
	2015-16	1,398,743	
	2016.17 (1st part)	828,251	
	2016.17 (2nd part)	259,757	
	Tax deduction at source	1,976,104	
	Total	11,674,643	
	ii) Advance against Land :		
	Advance agt. Land (Habibur Rahman)	10,310,000	10,310,000
	Advance against Boundary wall	7,940,000	7,800,000
	Advance against Land & Others Development	2,353,883	-
	Sub Total (B)	20,603,883	18,110,000



Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
iii)	Deposit :		
	Deposit against VAT	4,667,559	4,667,559
	Security deposit	3,385,260	3,385,260
	Sub Total (C)	8,052,819	8,052,819
	Grand Total (A+B+C)	56,238,074	48,534,434
8.00	LC In Transit		
	The details break-up is made up as follows:		
	LC # 121819010087	480,685	-
	LC # 121819010088	321,823	-
	Total	802,508	-
9.00	Cash & Cash Equivalents		
	The details break-up is made up as follows:		
	Cash in Hand:		
	Head Office	49,775	144,204
	Factory	3,027,470	1,963,403
	Sub Total (A)	3,077,245	2,107,607
	Cash at Bank:		
	SIBL (Dhamrai)-0036	155,325	1,300,607
	SIBL (Panthapath)-16810	125,171	42,677
	SIBL (Panthapath)- 223	212,536	-
	NBL - STD A/C 322	90,210	88,559
	Islami Bank (Bangladesh) Ltd.-578	7,702	8,887
	Bank Asia Ltd.-619	30,936	32,085
	Bank Asia Ltd.-817	17,735	21,277
	One Bank Ltd.	-	2,213
	Sub Total (B)	639,615	1,496,305
	Total (A+B)	3,716,860	3,603,912

9.01 Cash in hand has been certified by the management.

9.02 Cash at Bank balances are in agreement with the respective bank statements.



Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
10.00	Share Capital		
	Authorized Share Capital		
	100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
	Issued Subscribed & Paid-up Capital		
	4,902,530 Ordinary Shares of Tk. 10 each fully paid	49,025,300	49,025,300

As on Jun 30, 2019 shareholding position of the Company was as follows:-

	Number of Shares	Face Value	% of Total Holding
Sponsors/promoters & Directors	1,179,470	11,794,700	25.42
General public & Others Institutions	3,723,060	37,230,600	74.58
	4,902,530	49,025,300	100.00

Classification of shareholders by holding:

Range of Share holdings	No. of holding	No. of Shares	% of Total holding
001 to 500 shares	1,921	300,811	6.14%
501 to 5000 shares	750	1,130,231	23.05%
5001 to 10000 shares	77	564,421	11.51%
10001 to 20000 shares	30	414,693	8.46%
20001 to 30000 shares	10	243,773	4.97%
30001 to 40000 shares	5	176,086	3.59%
40001 to 50000 shares	7	321,726	6.56%
50001 to 100000 shares	5	406,719	8.30%
100001 to 1000000 shares	9	1,344,070	27.42%
Above 1000000 shares	0	0	0%
Total:	2,814	4,902,530	100%

11.00 Retained Earnings:

The details break-up is made up as follows:

Opening Balance	(120,383,547)	(105,137,742)
Less : Prior Year Adjustment	200,000	(19,687,408)
	(120,383,547)	(124,825,150)
Add: Current Year Profit	4,350,044	4,441,603
Less: Current Year Dividend	(2,451,265)	-
Total:	(118,484,768)	(120,383,547)

12.00 Accounts & others Payable

The details break-up is made up as follows:

Trust Truck Engineering	-	200,000
Titas Gas Transmission Co.	16,168,484	10,637,677
Total:	16,168,484	10,837,677

Note: Balance on Trust Truck Engineering is written off.



13.00 Bank Loan:

The details break-up is made up as follows:

Biam Com	11,106,785	10,073,020
LTR	5,871,758	9,066,679
Total:	16,978,543	19,139,699

Short Term Loan

The details break-up is made up as follows:

Nature of Loan	Term Loan
Bank Name	Social Islami Bank Limited
Account No.	0151330016810
LC (Sight)	220.00 lac
LTR	180.00 lac
Baim (com)	100.00 lac
Limit	500.00 lac
Purpose of the facility	Importation of boulder stone from Bhutan
Rate of Interest	13% p. a.
Balance as on 30-06-2019	Tk. 16,978,543

Notes
No.

14.00

Particulars

Amount in Taka

30-Jun-19 30-Jun-18

Provision for expenses

The details break-up is made up as follows:

Pragati Insurance Ltd.	1,191,668	620,478
Rural Electrification Board/DPBS	313,251	313,251
Provision for Gratuity	-	293,686
Provision for P.Fund	1,778,054	1,974,665
A Wahab & Co./Shiraz Khan Basak & Co.	86,250	76,250
Bangladesh Association of Publicly Listed Co.	15,000	30,000
Provision for Salary & Wages	784,000	957,112
Provision for Directors Remuneration	124,000	216,900
Chittagong Stock Exchange Ltd.	155,000	725,000
Dhaka Stock Exchange Ltd.	50,000	190,500
Dividend Distribution Tax	277,500	277,500
Global Energy	30,900	-
NAVANA	127,990	184,000
Bangla Cat	-	1,412
Field Rent Payable	240,000	-
Office rent payable	258,039	199,364
9th floor rent & other service charges	203,040	493,618
Bonanza Travels	48,440	48,440
Amin Associates	32,801	32,801
CDBL	111,903	111,903
Share over subscription Money	5,000	5,000
Stone sales advance	-	5,377,500
Total:	5,832,836	12,129,380



15.00 Dividend Payable:

The details break-up is made up as follows:

Opening Balance	8,608,206	8,608,206
Add: Dividend for the Year 2018-19 (Gross)	2,451,265	-
Less: Paid during the year	(2,290,197)	-
Closing Balance	8,769,274	8,608,206

16.00 Provision for Income Taxn:

The details break-up is made up as follows:

Balance relating to 2007 (Assessment year 2008-09)	1,427,661	1,427,661
Balance relating to 2012 (Assessment year 2013-14)	4,484,745	4,484,745
Balance relating to 2013 (Assessment year 2014-15)	2,310,740	2,310,740
Balance relating to 2014 (Assessment year 2015-16)	3,460,165	3,460,165
Balance relating to 2015 (Assessment year 2016-17 part)	2,702,716	2,702,716
Balance relating to 2015 (Assessment year 2016-17 part)	2,333,214	2,333,214
Balance relating to 2016 (Assessment year 2016-17)	358,225	358,225
Balance relating to 2017 (Assessment year 2017-18)	450,490	450,490
Balance relating to 2018 (Assessment year 2018-19)	1,480,639	1,480,639
Balance relating to 2019 (Assessment year 2019-20)	1,450,015	-
Total:	20,458,609	19,008,594

17.00 Workers Profit participation Fund:

The details break-up is made up as follows:

Opening Balance	3,477,046	3,180,918
Add: Provision During the year	290,003	296,128
	3,767,049	3,477,046
Less: Paid during the year	-	-
Closing Balance	3,767,049	3,477,046





Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
18.00	Others/Associates Loan:		
	The details break-up is made up as follows:		
a)	Associates Loan:		
	This is made up as under:		
	Dulamia Cotton Spinning Mills Ltd.	4,458,267	4,455,914
	A&A Investment Ltd.	8,733,140	13,189,543
	NFM Ltd.	26,256,106	26,256,106
	Multimode Ltd.	(3,358,433)	(4,423,138)
	North South Seeds Ltd.	21,558,775	21,558,775
	Lal Teer Beej Co Ltd	400,000	400,000
	Lal Teer Seed Ltd.	51,301,006	46,732,006
	Joongbo Multimode Chemical Ltd.	264,854	264,854
	Proton Service centre ltd.	8,548,899	9,364,799
	MTCL (Auto)	-	3,951,294
	Lal Teer Devlopement Ltd.	(968,800)	(856,800)
	Lal Teer Live Stock	7,395,000	7,395,000
	Aryans Fashion	(386,750)	(386,750)
	Chens Crop Science BD Limited	(800,545)	(500,000)
	Adinject Inc	(3,130,083)	(234,583)
	Sub total (A):	120,271,436	127,167,020
	Chens Crop Science BD Limited details break-up is made up as follows:		
	Opening Balance	(500,000)	
	Add: Loan during the year	9,937,283	
	Less: Adjustment during the year	9,636,738	
	Closing Balance	(800,545)	
b)	Directors Loan:		
	Mr AAM	6,000,000	707,000
	Mr. Tabith M Awal	17,869,494	17,869,494
	Mr. Tafsir M Awal	8,198,000	8,728,213
	Sub total (B):	32,067,494	27,304,707
	Total (A + B)	152,338,930	154,471,727

Rahim

Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
19.00	Sales:		
	The details break-up is made up as follows:		
	CNG	109,057,320	124,723,040
	Boulder	27,955,928	-
	Grand Total:	137,013,248	124,723,040
20.00	Cost of Goods Sold- CNG		
	The details break-up is made up as follows:		
	Consumption	88,432,999	100,769,647
	Add: Opening FG	-	-
	Less: Closing FG	-	-
	Sub-Total	88,432,999	100,769,647
20.1	Cost of Goods Sold- Boulder		
	The details break-up is made up as follows:		
	Consumption	22,513,549	-
	Add: Opening stock of finished good		
	Less: Closing stock of finished good	-	-
	Sub-Total	22,513,549	-
	Grand Total	110,946,548	100,769,647
21.00	Repair & Maintenance:		
	The details break-up is made up as follows:		
	Gas Bill (Generator)	1,970,422	2,202,554
	Service Charge /repair/ spare parts (Machinery)	3,266,959	3,443,413
	Fuel & Lubricant	1,300,018	588,319
	Total:	6,537,399	6,234,286



22.00 Other Administrative Expenses:

The details break-up is made up as follows:

Electricity Bill	388,778	465,169
Gas Bill (Generator)	1,970,423	2,202,554
Salaries, Allowance & Wages	7,932,808	8,205,086
Director Remuneration	744,000	744,000
Bonus	585,125	549,183
Gas generator spare & store/Factory	95,350	1,345,602
Generator rent for rental	268,000	-
Insurance Premium	640,969	687,774
Indirect Materials	105,639	53,245
Overtime & Holiday bill	320,431	390,817
Legal & Professional Fees	603,834	106,500
Printing & Stationery	172,408	162,190
Postage & Telephone	68,160	22,820
Travelling & conveyance	349,160	321,024
Director Tour/Travelling	365,360	316,668
Entertainment/ Lunch Subsidy	284,872	310,668
Office rent	2,492,648	1,773,024
Staff Welfare	9,270	36,204
Vehicle Maintenance	129,464	-
Audit Fee	96,250	86,250
Board Meeting Expense	276,737	231,371
AGM & EGM Expenses	334,632	19,490
Corporate Expenses	392,213	1,379,674
Licence & Registration	186,720	364,300
Membership fee	53,350	101,700
Annual listing fee	50,000	683,000
Transport Allowance	42,500	-
Municipal Tax	-	-
Annual report printing	97,000	127,788
Recrutting Expenses	55,000	-
Publishing Expense	106,527	-
Depository connecting fee (CDBL)	-	111,903
9th floor rent	-	223,344
9th floor security bill	-	200,483
9th floor electricity bill	-	132,757
9th floor Gen. & other	-	31,769
Repair & Maint. (Office)	46,288	184,529
Subscription/CSR	1,000,000	107,636
Labour bill	-	4,230
Total:	20,263,916	21,682,752



Notes No.	Particulars	Amount in Taka	
		30-Jun-19	30-Jun-18
23.00	Selling & Marketing Expenses:		
	The details break-up is made up as follows:		
	Selling Expense	991,238	666,005
	Total:	991,238	666,005
24.00	Dividend Income:		
	Pragoti Insurance Ltd	8,233	2,566
	Central Depository Bangladesh Limited	1,427,955	1,427,955
	Southeast Bank	-	16,562
	Total	1,436,188	1,447,082
25.00	Rental & Other Income:		
	Rental Income	10,091,840	12,916,980
	Insurance compensation	935,107	86,259
	Total	11,026,947	13,003,239
26.00	Financial Expense		
	The details break-up is made up as follows:		
	Bank Charge	79,129	19,574
	BG Commission	224,807	277,102
	Bank Interest	2,180,236	530,299
	Total:	2,484,172	826,975

27.00 Related Party Transaction:

Name of related Party	Opening Balance	Received	Payment	Closing Balance
Dulamia Cotton Spinning Mills Ltd.	4,455,914	2,353		4,458,267
A&A Investment Ltd.	13,189,543		4,456,403	8,733,140
NFM Ltd.	26,256,106			26,256,106
Multimode Ltd.	(4,423,138)	1,064,705		(3,358,433)
North South Seeds Ltd.	21,558,775			21,558,775
Lal Teer Beej Co Ltd	400,000			400,000
Lal Teer Seed Ltd.	46,732,006	9,569,000	5,000,000	51,301,006
Lal Teer Live Stock	7,395,000			7,395,000
Lal Teer Development Ltd.	(856,800)		112,000	(968,800)
Aryans Fashion	(386,750)			(386,750)
Joongbo Multimode Chemical Ltd.	264,854			264,854
Proton Service centre ltd.	9,364,799		815,900	8,548,899
Multisourcing Ltd	-	400,000	400,000	-
MTCL (Auto)	3,951,294		3,951,294	-
Chens Crop Science BD Limited	(500,000)	9,636,738	9,937,283	(800,545)
Adinject Inc.	(234,583)		2,895,500	(3,130,083)
Sub total	127,167,020	20,672,796	27,568,380	120,271,436
Directors Loan :				
Mr AAM	707,000	5,293,000		6,000,000
Mr. Tabith M Awal	17,869,494			17,869,494
Mr. Tafsir M Awal	8,728,213		530,213	8,198,000
Sub total	27,304,707	27,304,707	27,304,707	32,067,494
Total	154,471,727	47,977,503	54,873,087	152,338,930



Notes no.	Particulars		
28.00	Net Assets Value Per Share:		
	Share Holder Equity		377,100,759
	Weighted average number of ordinary shares		4,902,530
			<u>76.92</u>
29.00	Earning per share (EPS) :		
	Earnings per share (EPS) is calculated in accordance with “International Accounting Standard 33. Earnings Per Share”, which has been shown on the face of “Statement of Profit or Loss and other comprehensive income”.		
	Basic earnings per share has been calculated dividing the Net Profit for the year attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the year.		
		No. of weighted average share	
	Number of shares outstanding as on Jun 30, 2019		4,902,530
		Total:	<u>4,902,530</u>
	Net Profit/(Loss) after Tax		4,350,044
	Weighted average number of ordinary shares		4,902,530
	Face value per share		10
	Earning per share		<u>0.89</u>
30.00	Net Operating Cash Flow per Share:		
	Net Cash Flow from operating Activities		11,582,267
	Weighted average number of ordinary shares		4,902,530
			<u>2.36</u>
31.00	Payment of remuneration and perquisites to Directors and Officers		
	The aggregate amount paid/ provided during the year in respect of Director and Officers of the Company as defined in Securities and Exchange Rules, 1987 under the following heads are disclosed below:		
		Directors	Officers
	Managing Directors remuneration	744,000	-
	Managerial		
	Remuneration	-	545,105
	Company’s Contribution to Provident Fund	-	40,883
	Bonus	-	90,975
	Perquisites:		
	House rent	-	81,766
	Conveyance	-	69,664
	Allowances	-	-
	Total:	<u>744,000</u>	<u>828,393</u>
	Managing Director’s Salary is for the whole year. The company spent Tk. 9,181,290 for its employees during the year.		
31.01	Attendances fee for Board Meeting was paid to the Directors @ Tk. 5,000 per meeting.		
31.02	During the year all of the employees have been drawn above Tk. 36,000 as salary for the whole year.		







Anchor Tower

108, Bir Uttam C. R. Datta Road, Dhaka-1205, Bangladesh
Tel : 58610012-8, Fax : +88 02 9662734, e-mail : info@multimodebd.com