

**Independent Auditor's Report
and
Audited Financial Statements
of
Marico Bangladesh Limited
As at and for the year ended 31 March 2022**

**Independent Auditor's Report
To the Shareholders of Marico Bangladesh Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 31 March 2022, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Company as at 31 March 2022, and of 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 Auditor's 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 requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 March 2022. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

➤ Revenue recognition

Referring to the Note 18 and Note 40.15 to the financial statements, Revenue of BDT 13,032 million is recognized in the statement of profit or loss of Marico Bangladesh Limited. This material item is subject to considerable inherent risk due to the risk of being overstated at the end of the reporting period on account of variation in the timing of transfer of control by the management in order to meet expectations of the shareholders and also to achieve performance targets. Accordingly, there could be potential misstatements that revenue made during the period end are not recognised in the correct reporting period.

How our audit addressed the key audit matter:

In light of the fact that the high degree of complexity and high volume of transactions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Our audit approach included testing of the controls and substantive audit procedures.

- ▶ Assessed key controls related to the reporting of revenue; starting from the contract approval to the recognition of sales and subsequent balance of the customer and cash receipt.
- ▶ Assessed the invoicing and measurement systems up to entries in the general ledger.
- ▶ Analysed and tested customer contracts, invoices and receipts on a sample basis.
- ▶ Tested the sales transactions at the year-end on a sample basis by reviewing the relevant supporting documents to ensure the completeness of revenue recognition in the current and subsequent accounting period.
- ▶ Performed substantive year end cut-off testing by selecting samples of revenue transactions recorded at and after year end, and verified the underlying supporting documents.
- ▶ Scrutinised sales returns and reversals, which were recorded in the general ledger subsequent to year end to identify any significant unusual items.

Furthermore, we assessed the accounting effects of new business and price models. We read and analysed the disclosures made in the financial statements.

➤ Uncertain Tax Position:

Referring to Note 26 & Note 29 of the financial statements, the Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. Judgement is required in assessing the level of provisions and disclosure of contingent liabilities, required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.

This was a key audit matter because of the amounts involved and because of the estimation of the likely impact and the final outcome of these matters.

The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.

How our audit addressed the key audit matter:

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- ▶ Obtained a listing of all ongoing tax litigations
- ▶ Discussing with the management regarding tax matters, tax jurisdictions and tax communications;
- ▶ Evaluated management's judgment regarding the expected resolution of matters
- ▶ Sought and obtained confirmations from external legal counsel of the company
- ▶ Analysis of responses in letters independently obtained from the tax consultant and external counsels of the Company on various matters
- ▶ Obtained and read the disclosures made in the accompanying financial statements

Other matters

The financial statements of Marico Bangladesh Limited for the year ended as at 31 March 2021, were audited by another auditor who expressed an unmodified opinion on the statement on 02 May 2021.

Other information included in the Company's 2022 Annual Report

Other information consists of the information included in the Company's 2022 Annual Report other than the financial statements and our auditor's report thereon. Management is responsible for the other information. The Company's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations 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.

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 scepticism 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 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.

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:

- i) 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 do verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books;
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Akhtar Sanjida Kasem, FCA, FCMA, CFE

Partner

Enrolment Number: 643

DVC: 2204280643AS256935

Place: Dhaka


Date: 27 April 2022

Marico Bangladesh Limited
Statement of financial position
As at 31 March 2022

	Notes	31 March 2022 BDT	31 March 2021 BDT
Assets			
Property, plant and equipment	5.A	981,096,486	771,868,265
Intangible assets	6	51,883	226,084
Right-of-use asset	7	292,715,995	164,593,633
Deferred tax asset	26.B	13,850,105	19,167,902
Advances, deposits and prepayments	8	73,743,809	133,405,058
Investment property	5.C	12,825,500	-
Other financial assets	9	726,235	304,664,442
Non-current assets		1,375,010,013	1,393,925,383
Inventories	10	2,332,427,872	1,980,451,778
Advances, deposits and prepayments	8	748,075,043	412,773,542
Other financial assets	9	2,086,909,585	1,574,484,466
Cash and cash equivalents	11	505,194,161	396,404,261
Assets held for sale	5.B	-	35,865,465
Current assets		5,672,606,660	4,399,979,513
Total assets		7,047,616,674	5,793,904,896
Equity			
Share capital	12	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		2,122,057,310	1,069,572,396
Total equity		2,689,057,310	1,636,572,396
Liabilities			
Employee benefit obligation	14	43,669,953	32,262,856
Lease liabilities	15	78,641,492	122,256,724
Non-current liabilities		122,311,445	154,519,580
Loans and borrowings	13	-	250,000,000
Employee benefit obligation	14	24,414,204	21,018,917
Trade and other payable	16	3,548,037,256	3,082,900,365
Lease liabilities	15	49,476,669	44,634,210
Current tax liabilities	17	614,319,789	604,259,428
Current liabilities		4,236,247,919	4,002,812,920
Total liabilities		4,358,559,364	4,157,332,500
Total equity and liabilities		7,047,616,674	5,793,904,896

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 40 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants
RJSC Firm Registration NO: 2-PC 7202


Akhtar Sanjida Kaseem, FCA, FCMA, CFE
Partner
Enrolment Number: 643


DVC: 2204280643AS256935

Place: Dhaka
Date: 27 April 2022


Christabel Randolph
Company Secretary


Parveen Mahmud
Director


Ashish Goupal
Managing Director


Elias Ahmed
Chief Financial Officer

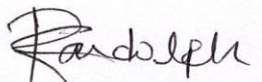



Marico Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2022


	Notes	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
Revenue	18	13,032,188,243	11,306,519,256
Cost of sales	19	(5,960,795,907)	(4,652,260,050)
Gross profit		7,071,392,336	6,654,259,206
Other income	22.1	17,087,007	63,392,805
General and administrative expenses	20	(1,190,388,541)	(1,073,905,421)
Marketing, selling and distribution expenses	21	(1,253,654,958)	(1,358,266,457)
Other expense	22.2	(92,020)	(788,185)
Operating profit		4,644,343,824	4,284,691,947
Finance income	23.1	126,636,587	149,398,274
Finance costs	23.2	(37,014,899)	(18,912,816)
Net finance income		89,621,688	130,485,458
Profit before contribution to workers participation fund & welfare fund		4,733,965,512	4,415,177,405
Contribution to workers participation fund & welfare fund	24	236,698,275	220,758,870
Profit before tax		4,497,267,237	4,194,418,535
Income tax expenses	26	(943,410,886)	(1,085,738,503)
Profit for the year		3,553,856,351	3,108,680,032
Other comprehensive income			
Remeasurements of defined benefit liability	14.3	18,628,563	(13,931,056)
Related tax	26.B	-	(10,856,812)
Other comprehensive income/(loss) for the year, net of tax		18,628,563	(24,787,868)
Total comprehensive income for the year		3,572,484,914	3,083,892,164
Earnings per share			
Basic earnings per share (per value of Tk 10)	25	112.82	98.69

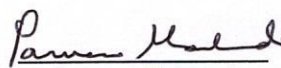
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A.Qasem & Co.
Chartered Accountants
RJSC Firm Registration NO: 2-PC 7202


Christabel Randolph
Company Secretary


Ashish Goupal
Managing Director


Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Enrolment Number: 643


Parveen Mahmud
Director


Elias Ahmed
Chief Financial Officer

DVC: 2204280643AS256935
Place: Dhaka
Date: 27 April 2022



Marico Bangladesh Limited
Statement of changes in equity
For the period ended 31 March 2022

	Attributable to owners of the Company			
	Share capital	Share premium	Retained earnings	Total
	BDT	BDT	BDT	BDT
Balance at 1 April 2020	315,000,000	252,000,000	820,680,232	1,387,680,232
Total comprehensive income for the period				
Profit for the period	-	-	3,108,680,032	3,108,680,032
Other comprehensive income	-	-	(24,787,868)	(24,787,868)
Total comprehensive income for the period			3,083,892,164	3,083,892,164
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2019-2020	-	-	(630,000,000)	(630,000,000)
First interim dividend for the year 2020-2021	-	-	(945,000,000)	(945,000,000)
Second interim dividend for the year 2020-2021	-	-	(630,000,000)	(630,000,000)
Third interim dividend for the year 2020-2021	-	-	(630,000,000)	(630,000,000)
Total transactions with owners of the Company			(2,835,000,000)	(2,835,000,000)
Balance at 31 March 2021	315,000,000	252,000,000	1,069,572,396	1,636,572,396
Balance at 1 April 2021	315,000,000	252,000,000	1,069,572,396	1,636,572,396
Profit for the period	-	-	3,553,856,351	3,553,856,351
Other comprehensive income	-	-	18,628,563	-
Total comprehensive income for the period			3,572,484,914	3,553,856,351
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2020-2021	-	-	(630,000,000)	(630,000,000)
First interim dividend for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
Second interim dividend for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
Third interim dividend for the year 2021-2022	-	-	(630,000,000)	(630,000,000)
Total transactions with owners of the Company			(2,520,000,000)	(2,520,000,000)
Balance at 31 March 2022	315,000,000	252,000,000	2,122,057,310	2,670,428,747

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Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 40 form an integral part of these financial statements.



Marico Bangladesh Limited
Statement of cash flows
For the year ended 31 March 2022

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Notes		
Cash flows from operating activities		
Collection from customers and others	13,062,730,254	11,385,285,072
Payment to suppliers and for operating expenses	(8,604,981,806)	(7,177,510,122)
Cash generated from operating activities	4,457,748,448	4,207,774,950
Interest paid	(8,627,922)	(2,111,958)
Interest received	84,266,200	168,546,826
Income tax paid	17.2 (928,032,728)	(1,069,600,995)
Net cash from operating activities	3,605,353,998	3,304,608,823
Cash flows from investing activities		
Acquisition of property, plant and equipment	(313,759,008)	(241,574,664)
Acquisition of intangible assets	(1,200,000)	-
Proceeds from disposal of PPE	37,481	459,660
Encashment of/(Investment in) fixed deposits	9.2 (184,197,196)	(447,974,722)
Investment in treasury bond	-	11,334,400
Net cash used in investing activities	(499,118,723)	(677,755,326)
Cash flows from financing activities		
Net proceeds from loans and borrowings	(250,000,000)	250,000,000
Dividend paid	32 (2,520,000,000)	(2,835,000,000)
Payment of lease liability	15 (227,445,375)	(66,040,838)
Net cash used in financing activities	(2,997,445,375)	(2,651,040,838)
Net increase in cash and cash equivalents	108,789,900	(24,187,341)
Effect of exchange rate fluctuations on cash held	-	184,588
Opening cash and cash equivalents	11 396,404,261	420,407,014
Closing cash and cash equivalents	11 505,194,161	396,404,261

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 40 form an integral part of these financial statements.



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Marico Bangladesh Limited
Notes to the financial statements
For the year ended 31 March 2022

1. Reporting entity

1.1 Company profile

Marico Bangladesh Limited (hereinafter referred to as "MBL"/"the Company") is a public limited company incorporated on 6 September 1999, vide the certificate of incorporation number C-38527(485)/99 of 1999 in Bangladesh under the Companies Act 1994 and has its registered address at House # 01, Road # 01, Sector # 01, Uttara Model Town, Dhaka-1230. The corporate address of the Company is at The Glass House, Level 6-7, Plot 2, Block SE(B), Gulshan 1, Dhaka 1212. The Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company was listed with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.

1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-Wet and Bio Oil in Bangladesh. The Company started its commercial operation on 30 January 2000. Subsequently, it started its commercial production at Filling unit, Crushing unit and Refinery unit in 2002, 2012 & 2017 respectively. Its manufacturing plants are located at Mouchak, Kaliakoir, Gazipur and Shirirchala, Mahona, Bhabanipur, Gazipur. The Company sells its products through its own distribution channels comprising of sales depots located in Gazipur, Chittagong, Bogra and Jessore.

2. Basis of preparation

2.1 Statement of compliance

In accordance with the requirement of the gazette notification issued by The Financial Reporting Council (FRC) on 22 November 2020, the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Rules 1987;
- ii. The Companies Act, 1994;
- iii. The Income Tax Ordinance, 1984; and
- iv. The Value Added Tax and Supplementary Duty Act, 2012;

The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

Details of the Company's accounting policies including changes during the year, if any, are included in note 40.



Notes to the financial statements (continued)

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 118th Board of Directors meeting held on 27 April, 2022.

2.3 Reporting period

The financial period of the Company covers period ended on 31 March 2022.

2.4 Comparative and reclassification

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current period financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current period financial statements and to comply with relevant IFRSs.

3. Functional and presentation currency

These financial statements are presented in Bangladeshi Taka (Taka/TK/BDT) which is the Company's functional and presentation currency. All amounts have been rounded off to the nearest integer.

4. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Judgements

Information about judgements related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is described in note 40.04 & 40.17

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 March 2022 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 26 B	Deferred tax assets
Note 5 A	Property plant equipment
Note 5 C	Investment property
Note 6	Intangible assets
Note 10	Inventories
Note 14	Employee benefit obligation
Note 17	Current tax liabilities
Note 29	Contingent liabilities





Notes to the financial statements (continued)

5. Property, plant and equipment
See accounting policy in Note 40.02

A. Reconciliation of carrying amount

	Freehold land		Plant and machinery		Factory building		Office building		Office equipment		Computers		Furniture and fixtures		A.C and refrigerators		Assets under construction		Total	
	BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT		BDT	
Cost																				
Balance at 1 April 2020	176,749,959		988,462,243		231,650,100		168,607,073		56,585,940		27,744,524		75,250,895		22,411,149		26,079,575		1,773,541,458	
Additions	-		-		-		-		-		-		-		-		242,364,021		242,364,021	
Transfer from asset under construction	-		79,822,078		-		38,512,790		17,143,100		7,514,418		10,213,098		2,377,323		(155,582,807)		-	
Disposals/ adjustments	-		(3,466,687)		(457,950)		-		(695,700)		-		(464,542)		(304,434)		-		(5,389,313)	
Investment property adjustment	-		-		-		-		-		-		-		-		-		-	
Balance at 31 March 2021	176,749,959		1,064,817,634		231,192,150		207,119,863		73,033,340		35,258,942		84,999,451		24,484,038		112,860,789		2,010,516,166	
Balance at 1 April 2021	176,749,959		1,064,817,634		231,192,150		207,119,863		73,033,340		35,258,942		84,999,451		24,484,038		112,860,789		2,010,516,166	
Asset held for sale adjustments in Opening Balance	-		-		-		-		-		-		-		-		-		-	
Additions-Other than Mirsharai unit	-		-		-		136,844,485		-		-		23,356,261		-		-		160,200,746	
Additions- Mirsharai unit	-		-		-		-		-		-		-		-		311,449,966		311,449,966	
Transfer from asset under construction	-		277,065,906		771,880		26,170,433		28,272,028		4,016,570		1,345,150		3,622,789		(341,264,755)		40,981,893	
Transfer to investment property	-		-		-		(138,784,967)		-		-		(23,356,261)		-		-		(162,141,228)	
Disposals	-		(337,654)		(195,702)		-		(963,712)		(100,667)		(1,476,882)		(812,799)		-		(3,887,416)	
Balance at 31 March 2022	176,749,959		1,341,545,886		231,768,328		231,349,814		100,341,657		39,174,844		84,867,719		27,294,028		124,027,893		2,357,120,127	

Accumulated depreciation and impairment loss

Balance at 1 April 2020	-		733,240,855		203,433,245		60,056,105		48,386,890		20,430,063		51,262,294		9,735,473		-		1,126,544,925	
Depreciation for the year	-		68,615,174		6,323,743		7,122,203		12,991,453		5,412,363		12,435,524		3,348,042		-		114,248,502	
Impairment loss (reversal of impairment) of PPE	-		1,536,148		-		-		-		-		876,973		-		-		2,413,121	
Disposals	-		(2,705,521)		(457,950)		-		(626,200)		-		(464,542)		(304,434)		-		(4,558,647)	
Balance at 31 March 2021	-		798,686,656		209,299,038		67,178,308		60,752,143		25,842,426		64,110,249		12,779,081		-		1,238,647,901	
Balance at 1 April 2021	-		798,686,656		209,299,038		67,178,308		60,752,143		25,842,426		64,110,249		12,779,081		-		1,238,647,901	
Asset held for sale adjustments in Opening Balance	-		-		-		-		-		-		-		-		-		-	
Depreciation for the year	-		94,950,572		1,471,719		105,997,772		14,398,317		5,131,611		18,337,509		4,027,715		-		124,335,281	
Impairment loss (reversal of impairment) of PPE	-		5,898,787		-		28,730,638		(4,761,389)		-		16,124,499		-		-		164,835,071	
Transfer to investment property	-		-		-		(125,959,467)		-		-		(23,356,261)		-		-		1,137,398	
Disposals	-		(337,654)		(155,155)		-		(842,276)		(81,180)		(1,396,204)		(803,814)		-		(149,315,728)	
Balance at 31 March 2022	-		899,198,361		210,615,602		75,947,251		69,546,795		30,892,857		73,819,793		16,002,982		-		1,376,023,640	

Carrying amounts

At 31 March 2021	176,749,959		266,130,978		21,893,112		139,941,555		12,281,197		9,416,516		20,889,202		11,704,957		112,860,789		771,868,265	
At 31 March 2022	176,749,959		442,347,525		21,152,726		155,402,563		30,794,861		8,281,987		11,047,926		11,291,046		124,027,893		981,096,486	

B. Assets held for sale

Opening balance	31 March 2022	31 March 2021
Transfer to property, plant and equipment (cost portion)	BDT	BDT
Transfer to property, plant and equipment (depreciation portion)	35,865,465	35,865,465
Closing balance	(160,200,746)	-
	124,335,281	-
	35,865,465	35,865,465

Disaggregation of closing balance

Office building	31 March 2022	31 March 2021
Furniture and fixtures	BDT	BDT
	138,784,967	-
	23,356,261	-
	(125,959,467)	-
	35,865,465	35,865,465

C. Investment property

See accounting policy in Note 40.05	31 March 2022	31 March 2021
Office building	BDT	BDT
Furniture and fixtures	138,784,967	-
Depreciation for the year (Office building)	23,356,261	-
Depreciation for the year (Furniture and fixtures)	(125,959,467)	-
	35,865,465	35,865,465

** Due to change of management decision from selling the property (Uttara office building) to rent the property, the relevant assets have been transferred from Asset held for sales category to investment property.

Notes to the financial statements (continued)

6. Intangible assets	31 March 2022	31 March 2021
See accounting policy in Note 40.03	BDT	BDT
Cost		
Opening balance	22,061,875	22,061,875
Additions	1,200,000	-
Disposals	-	-
Closing balance	23,261,875	22,061,875
Accumulated amortisation		
Opening balance	21,835,791	20,432,585
Amortisation during the year	1,374,200	1,403,206
Disposals	-	-
Closing balance	23,209,991	21,835,791
Carrying amount	51,884	226,084
7. Right-of-use asset	31 March 2022	31 March 2021
See accounting policy in Note 40.04	BDT	BDT
Cost		
Opening balance	241,332,175	212,831,176
Additions-other than Mirsharai unit	6,722,593	53,661,570
Additions-Mirsharai unit	172,800,922	-
Disposal	(792,461)	(25,160,571)
Closing balance	420,063,229	241,332,175
Accumulated depreciation		
Opening balance	76,738,542	37,432,890
Addition/ Adjustment	51,139,195	46,434,480
Disposal	(530,503)	(7,128,828)
Closing balance	127,347,234	76,738,542
Carrying amount	292,715,995	164,593,633
8. Advances, deposits and prepayments	31 March 2022	31 March 2021
	BDT	BDT
Advances		
Advance for capital goods	57,509,956	53,561,536
Advance to suppliers and others	737,479,714	459,992,329
	794,989,670	513,553,865
Deposits		
Security deposits	11,125,498	12,359,983
	11,125,498	12,359,983
Prepayments		
Prepaid expenses	15,703,685	20,264,752
	821,818,852	546,178,600



Notes to the financial statements (continued)

8.1 Current and non-current classification of advances, deposits and prepayments

	Notes	31 March 2022 BDT	31 March 2021 BDT
Current		748,075,043	412,773,542
Non-current		73,743,809	133,405,058
		821,818,852	546,178,600

9. Other financial assets

	Notes	31 March 2022 BDT	31 March 2021 BDT
Fixed deposits	9.2	1,942,382,196	1,737,974,722
Trade receivables		52,229,788	65,033,298
Loans to employees		1,537,577	6,814,738
Accrued interest		91,486,259	69,326,150
		2,087,635,820	1,879,148,908

9.1 Current and non-current classification of other financial assets

	Notes	31 March 2022 BDT	31 March 2021 BDT
Current		2,086,909,585	1,574,484,466
Non-current		726,235	304,664,442
		2,087,635,820	1,879,148,908

9.2 Fixed deposits

	31 March 2022 BDT	31 March 2021 BDT
BRAC Bank Limited	300,000,000	200,000,000
The City Bank Limited	150,000,000	-
IPDC Finance Limited	309,379,333	200,000,000
IDLC Finance Limited	394,817,863	280,000,000
Commercial Bank of Ceylon	388,185,000	557,974,722
Woori Bank	-	500,000,000
Bank Alfalah	400,000,000	-
	1,942,382,196	1,737,974,722

10. Inventories

See accounting policy in Note 40.06

	Notes	31 March 2022 BDT	31 March 2021 BDT
Raw materials		1,406,999,188	1,039,689,041
Packing materials		278,205,653	224,187,805
Finished goods		391,631,323	304,234,340
Stores and spares		25,261,419	21,970,493
Materials in transit		230,330,289	390,370,099
		2,332,427,872	1,980,451,778

Notes to the financial statements (continued)

11. Cash and cash equivalents

See accounting policy in Note 40.07

	31 March 2022	31 March 2021
Notes	BDT	BDT
11.1	497,055,828	380,267,615
	8,138,333	16,136,646
	505,194,161	396,404,261

11.1 Cash at bank

	31 March 2022	31 March 2021
	BDT	BDT
BRAC Bank Limited	44,520,844	53,487,789
Citibank N.A.	1,607,081	903,681
Islami Bank Bangladesh Limited	6,689,940	10,431,030
Sonali Bank Limited	2,754,523	5,695,235
Standard Chartered Bank	425,793,218	169,738,861
The Hongkong and Shanghai Banking Corporation Ltd.	7,719,415	4,665,448
Eastern Bank Limited	1,071,792	133,664,596
Dutch Bangla Bank Limited	250,000	201,000
The City Bank Limited	6,649,014	1,479,975
	497,055,828	380,267,615



Notes to the financial statements (continued)

12. Share capital

See accounting policy in Note 40.09

	31 March 2022	31 March 2021
	BDT	BDT
Authorised		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
Issued, subscribed and paid up		
Issued for cash	41,500,000	41,500,000
Issued for consideration other than cash	273,500,000	273,500,000
	315,000,000	315,000,000

12.1 Composition of shareholding

Details	No. of share		% of Holding	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Marico Limited, India	28,350,000	28,350,000	90.00%	90.00%
Institutions	2,534,052	2,790,979	8.04%	8.86%
General Shareholders	615,948	359,021	1.96%	1.14%
	31,500,000	31,500,000	100.00%	100.00%

12.2 Classification of shareholders by holding

Holdings	No. of shareholders		% of Holding	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Less than 500 shares	3055	3190	0.59%	0.33%
500 to 5,000 shares	205	206	0.99%	0.46%
5,001 to 10,000 shares	42	38	0.92%	0.33%
10,001 to 20,000 shares	23	15	0.68%	0.66%
20,001 to 30,000 shares	8	8	0.66%	0.53%
30,001 to 40,000 shares	6	5	0.54%	0.32%
40,001 to 50,000 shares	5	4	0.58%	0.72%
50,001 to 100,000 shares	10	9	2.03%	1.27%
100,001 to 1,000,000 shares	4	5	3.01%	5.38%
Over 1,000,000 shares		1	90.00%	90.00%
	3358	3481	100.00%	100.00%

12.3 Share premium

Holdings	No. of share	
	31 March 2022	31 March 2021
Share premium on paid up share capital	252,000,000	252,000,000
	252,000,000	252,000,000

12.4 Dividends

The following dividend was declared and paid by the Company in the year

31 March 2022	31 March 2021
BDT	BDT
(2,520,000,000)	(2,835,000,000)
(2,520,000,000)	(2,835,000,000)

After the reporting date, the following dividend was proposed/declared/recommended by the board of directors. The dividend has not been recognised as liabilities in accordance with IAS 10.

31 March 2022	31 March 2021
BDT	BDT
630,000,000	630,000,000
630,000,000	630,000,000

BDT 20 per qualifying ordinary share (2021: BDT 20)

13. Loans and borrowings

31 March 2022	31 March 2021
BDT	BDT
-	250,000,000
-	250,000,000

Short term loan

14. Employee benefit obligation

See accounting policy in Note 40.11

31 March 2022	31 March 2021
BDT	BDT
41,704,422	28,672,978
26,379,735	24,608,795
68,084,157	53,281,773
24,414,204	21,018,917
43,669,953	32,262,856
68,084,157	53,281,773

Current

Non-Current



Notes to the financial statements (continued)

14.1 Employee benefits - gratuity	31 March 2022 BDT	31 March 2021 BDT
Net defined benefit asset	(56,847,711)	(77,216,166)
Total employee benefit asset	(56,847,711)	(77,216,166)
Net defined benefit liability	98,552,133	105,889,144
Total employee benefit liability	98,552,133	105,889,144
Total employee benefit liability	155,399,844	28,672,978

14.2 Current and non-current classification of employee benefits- gratuity	31 March 2022 BDT	31 March 2021 BDT
Current	21,276,959	19,484,302
Non-Current	20,427,463	9,188,676
	41,704,422	28,672,978

14.3 Movement in net defined benefit (asset) liability	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Balance at 1 April	105,889,144	76,253,851	-	-	105,889,144	76,253,851
Included in Profit or Loss						
Interest expense/ (Income)	7,941,686	7,669,619	(5,806,797)	-	2,134,889	7,669,619
Current Service Cost	29,732,911	21,204,091	-	-	29,732,911	21,204,091
	143,563,741	28,873,710	(5,806,797)		137,756,944	28,873,710
Included in OCI						
Actuarial (gain)/loss arising from:						
-Demographic assumption	(10,398,351)	-	-	-	(10,398,351)	-
-Financial assumption	(4,088,673)	18,742,524	-	-	(4,088,673)	18,742,524
-Experience adjustment	(9,357,403)	(4,644,021)	-	-	(9,357,403)	(4,644,021)
Return on plan asset excluding interest income	-	-	5,215,864	(167,447)	5,215,864	(167,447)
	(23,844,427)	14,098,503	5,215,864	(167,447)	(18,628,563)	13,931,056
Other						
Contribution paid by the employer	-	(3,813,104)	(77,423,959)	(86,572,535)	(77,423,959)	(90,385,639)
Benefits paid	(21,167,181)	(9,523,816)	21,167,181	9,523,816	-	-
	(21,167,181)	(13,336,920)	(56,256,778)	(77,048,719)	(77,423,959)	(90,385,639)
Balances as at 31 March	98,552,133	105,889,144	(56,847,711)	(77,216,166)	41,704,422	28,672,978

14.4 Defined benefit obligation	31 March 2022	31 March 2021
(i) Actuarial assumption		
The followings were the principal actuarial assumptions at the reporting date:		
Discount rate	7.5%	7.5%
Salary increase rate	11.4%	12.0%
Employee turnover rate	14.5%	11.0%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Lives Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. This table is based on the experience of assured lives in India during the years 2006 to 2008.

14.5 Provision for leave encashment	31 March 2022 BDT	31 March 2021 BDT
Opening balance	24,608,796	16,124,365
Provision for leave encashment	11,064,487	14,802,279
Payment during the period	(9,293,548)	(6,317,848)
	26,379,735	24,608,796
	31 March 2022 BDT	31 March 2021 BDT
Current	3,137,245	1,534,615
Non-Current	23,471,221	23,074,180
	26,608,466	24,608,795



Notes to the financial statements (continued)

15. Lease liabilities

See accounting policy in Note 40.17

The Company leases many assets, including properties, warehouses, depots sales offices and land. Total number of lease assets is twenty and average terms of period of lease is four to fifty years. The incremental borrowing rate (IBR) ranges from 3.90% to 10.40%. The factory leases were entered into many years ago as combined leases of land and buildings. The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.

	31 March 2022	31 March 2021
	BDT	BDT
Less than one year	49,476,673	44,634,210
One to two years	53,963,404	48,886,907
Two to three years	8,149,986	52,280,711
Three to four years	11,144,568	5,873,811
Three to four years	5,383,534	9,831,760
More than five years	-	5,383,535
	<u>128,118,165</u>	<u>166,890,934</u>

Lease liabilities included in the statement of financial position

	31 March 2022	31 March 2021
	BDT	BDT
Current	49,476,669	44,634,210
Non-Current	78,641,492	122,256,724
	<u>128,118,161</u>	<u>166,890,934</u>

Amounts recognised in profit or loss

	31 March 2022	31 March 2021
	BDT	BDT
Interest on lease liabilities	9,411,049	11,787,340
Expenses related to short-term leases	-	8,554,647
	<u>9,411,049</u>	<u>20,341,987</u>

Amounts recognised in the statement of cash flows

	31 March 2022	31 March 2021
	BDT	BDT
Lease rental	227,445,375	53,040,839
Security deposit	-	13,000,000
Total cash outflow for lease liabilities and interest payments	<u>227,445,375</u>	<u>66,040,839</u>

16. Trade and other payables

Trade payables
Other payables

	31 March 2022	31 March 2021
	BDT	BDT
16.1	1,320,963,934	937,295,045
16.2	2,227,073,322	2,145,605,320
	<u>3,548,037,256</u>	<u>3,082,900,365</u>

16.1 Trade payables

Intercompany trade payable

	31 March 2022	31 March 2021
	BDT	BDT
Payable against raw material	468,683,405	441,206,707
Payable against packing material	3,330,329	7,151,743
	<u>472,013,734</u>	<u>448,358,450</u>

Third party trade payable

	31 March 2022	31 March 2021
	BDT	BDT
Payable against raw material	154,777,316	73,916,649
Payable against services	579,892,305	290,128,764
Payable against packing material	113,941,766	119,247,904
Payable against finished goods	338,813	5,643,278
	<u>848,950,200</u>	<u>488,936,595</u>
	<u>1,320,963,934</u>	<u>937,295,045</u>

16.2 Other payables

Intercompany other payable

	31 March 2022	31 March 2021
	BDT	BDT
Royalty payable	122,503,570	107,135,382
General and technical assistance fees payable	175,229,505	86,039,653
Payable against capital goods	3,396,608	14,593,598
	<u>301,129,683</u>	<u>207,768,633</u>

Third party other payable

	31 March 2022	31 March 2021
	BDT	BDT
Payable against expenses	501,301,644	565,367,923
Payable against business promotion expense	789,221,105	824,676,798
Import duty and related charges payable	183,188,039	115,589,691
Withholding tax and VAT payable	6,692,649	37,518,458
Workers' profit participation and welfare fund	236,698,275	220,758,871
Festival bonus	8,226,709	5,533,485
Advance from customers	108,859,723	106,211,149
Payable against capital goods	45,290,470	7,474,338
Unclaimed dividend	8,138,333	16,136,646
Audit fees payable	850,000	1,400,000
Interest accrued on loans	-	892,072
Supplementary duty	37,476,693	36,277,256
	<u>1,925,943,639</u>	<u>1,937,836,687</u>
	<u>2,227,073,322</u>	<u>2,145,605,320</u>



Notes to the financial statements (continued)

17 Current tax liabilities

		31 March 2022	31 March 2021
	Notes	BDT	BDT
Provision for income tax	17.1	6,755,639,460	5,817,546,371
Advance income tax	17.2	(6,141,319,671)	(5,213,286,943)
		<u>614,319,789</u>	<u>604,259,428</u>

17.1 Provision for income tax

		31 March 2022	31 March 2021
		BDT	BDT
Opening balance		5,817,546,371	4,749,128,795
Provision for current period/year		1,041,906,778	1,068,417,576
Provision for prior year:			
Assessment year 2021-2022		(103,813,689)	-
		<u>6,755,639,460</u>	<u>5,817,546,371</u>

17.2 Advance income tax

		31 March 2022	31 March 2021
		BDT	BDT
Opening balance		5,213,286,943	4,143,685,948
Payment during the year:			
Payment for current period/year		640,883,657	656,592,012
Payment for prior year:			
Assessment year 2015-2016		826,880	42,515,295
Assessment year 2016-2017		-	1,972,778
Assessment year 2017-2018		14,120,614	-
Assessment year 2020-2021		-	368,520,910
Assessment year 2021-2022		272,201,577	-
		<u>6,141,319,671</u>	<u>5,213,286,943</u>

17.3 Year wise break up of provision for current tax and balance of advance income tax for open years

Accounting year/period ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
31 March 2022	2022-23	1,041,906,778	640,883,657	
31 March 2021	2021-22	964,603,887	928,793,589	Return submitted
31 March 2020	2020-21	908,685,698	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	714,242,632	At High Court
31 March 2018	2018-19	603,956,939	560,411,195	Open at DCT level
31 March 2017	2017-18	511,139,076	496,953,399	Open at DCT level
31 March 2016	2016-17	536,229,894	518,801,912	Open at CT level
31 March 2015	2015-16	502,672,641	482,334,513	Open at CT level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
31 March 2013	2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	2009-10	9,098,540	-	At TAT*
		<u>6,755,639,460</u>	<u>6,141,319,671</u>	

*Taxes Appellate Tribunal



Notes to the financial statements (continued)

18. Revenue

See accounting policy in Note 40.15

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Parachute coconut oil	8,035,153,540	6,989,061,972
Value added hair oil (VAHO)	3,788,084,915	3,217,578,897
Color	45,498,638	59,956,898
Health & Beauty	420,450,050	394,293,853
Baby Segment	228,307,108	167,018,736
Others	514,693,992	478,608,900
	13,032,188,243	11,306,519,256

*Others include male grooming, byproduct & others

18.1 Breakup of local/export revenue

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Revenue from domestic operation	12,798,159,091	11,204,414,624
Revenue from export	234,029,152	102,104,632
	13,032,188,243	11,306,519,256

19. Cost of sales

	Notes	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
Opening stock of finished goods		304,234,340	204,518,577
Cost of goods manufactured	19.1	6,048,192,890	4,751,975,812
		6,352,427,230	4,956,494,389
Closing stock of finished goods		(391,631,323)	(304,234,340)
		5,960,795,907	4,652,260,050

19.1 Cost of goods manufactured

	Note	For the year ended	
		31 March 2022	31 March 2021
		BDT	BDT
Materials consumed	19.1.1	5,650,524,138	4,413,812,216
Factory overhead	19.1.2	397,668,752	338,163,596
		6,048,192,890	4,751,975,812

19.1.1 Materials consumed

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Opening stock of raw materials, packing materials and others	1,676,217,439	1,427,583,748
Purchases during the period	5,915,103,248	4,662,445,906
Closing stock of raw materials, packing materials and others	(1,940,796,549)	(1,676,217,438)
	5,650,524,138	4,413,812,216



Notes to the financial statements (continued)

19.1.2 Factory overhead

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Communication expenses	486,688	538,298
Cost of outsourced human resources	96,494,547	89,744,207
Depreciation	103,983,953	76,519,076
Entertainment	9,441,400	6,790,880
Power expenses	74,690,325	68,309,362
Printing and stationery	945,875	1,461,912
Repairs and maintenance	19,710,098	18,316,910
Salaries and allowances	68,690,696	56,280,402
Security charges	7,842,239	6,349,264
Travelling and conveyance	5,893,249	5,298,638
Warehouse rent	9,489,683	8,554,647
	397,668,752	338,163,596

20. General and administrative expenses

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Salaries and allowances	568,704,447	525,638,034
Gratuity	31,660,008	28,873,710
Rent, rates and taxes	11,247,572	8,381,941
Professional and legal charges	26,886,850	35,442,134
Security charges	1,800,846	1,565,877
Stamp and license fees	11,652,170	12,021,425
Directors' remuneration and fees	35,086,351	30,544,174
Repair and maintenance	20,509,289	14,701,731
Communication expenses	3,015,348	4,879,625
Subscription to trade association	235,220	527,095
Entertainment	29,464,244	20,562,533
Printing and stationery	4,142,835	2,727,234
Vehicle running expenses	33,779,238	19,736,649
Travelling and conveyance	18,353,362	8,104,928
Audit fees	1,487,500	1,300,000
Insurance premium	21,467,541	22,208,026
Bank charges	3,716,484	7,737,860
AGM and public relation	8,269,536	7,958,380
Conference and training	12,749,964	6,059,731
Electricity and gas charges	860,237	503,495
Amortisation	1,374,200	1,403,206
Royalty	122,503,570	107,135,381
Depreciation	60,851,114	37,729,427
Depreciation on right-of-use asset	51,139,195	46,434,480
General and technical assistance fees	87,142,865	86,547,962
CSR expense	22,288,555	32,767,263
(Reversal of) impairment of property, plant and equipment	-	2,413,121
	1,190,388,541	1,073,905,421



Notes to the financial statements (continued)

21. Marketing, selling and distribution expenses

For the year ended	
31 March 2022	31 March 2021
BDT	BDT
Advertisement, travelling and communication expense	999,384,285
Business promotion expenses	20,411,085
Other selling & distribution expenses	67,922,456
Entertainment-Mkt	1,398,620
Free sample	10,302,808
Freight- outward	86,703,702
Market research expenses	67,532,002
1,253,654,958	1,358,266,457

22 Other expense/(income)

For the year ended	
31 March 2022	31 March 2021
BDT	BDT
Other income	(17,087,007)
Other expense	92,020
(16,994,987)	(62,604,620)

22.1 Other income

For the year ended	
31 March 2022	31 March 2021
BDT	BDT
Gain on sale of PPE	(129,503)
Gain on lease modification	-
Gain on cessation of liability	-
Refund from insurance	(1,029,984)
Gain on disposal of T Bond	-
Insurance claim	(1,867,578)
Sale of RM PM	(473,179)
Rental income	(1,025,000)
Scrap sales	(12,561,763)
(17,087,007)	(63,392,805)

22.2 Other expense

For the year ended	
31 March 2022	31 March 2021
BDT	BDT
Loss on sale of PPE	92,020
92,020	788,185

23. Net finance income

For the year ended	
31 March 2022	31 March 2021
BDT	BDT
Finance income	126,636,587
Finance costs	(37,014,899)
(89,621,688)	(130,485,458)



Notes to the financial statements (continued)

23.1 Finance income

See accounting policy in Note 40.16

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Interest on fixed deposits	106,201,333	125,251,890
Interest on call deposits	20,435,254	23,795,137
Interest on staff loan	-	146,700
Good borrower rebate	-	204,547
	126,636,587	149,398,274

23.2 Finance costs

See accounting policy in Note 40.16

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Interest on overdraft and loans	7,735,850	2,962,773
Foreign exchange (gain)/loss	19,868,000	4,162,703
Interest on lease	9,411,049	11,787,340
	37,014,899	18,912,816

24. Contribution to WPPF

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Profit before contribution to WPPF	4,733,965,512	4,415,177,405
Applicable contribution rate	5%	5%
	236,698,276	220,758,870

The Company operates a fund for workers as workers' profit participation and welfare fund and provides 5% of its profit before workers' profit participation fund (WPPF) and tax as per provision of the Bangladesh Labour Act 2006.

25. Earnings per share

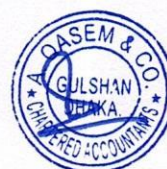
See accounting policy in Note 40.20

25.1 Basic earnings per share

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Profit attributable to ordinary shareholders (net profit after tax)	3,553,856,351	3,108,680,032
Weighted average number of ordinary shares outstanding during the period	31,500,000	31,500,000
Earnings per share (EPS) in Taka	112.82	98.69

25.2 Diluted earnings per share

As per IAS-33 "Earnings Per Share", the calculation of diluted earning per share does not assume conversion, exercise or other issue of potential ordinary shares that would have an anti dilutive effect on earning per share. The Company has no dilutive instruments and hence reporting of diluted earning per share is not applicable.



Notes to the financial statements (continued)

26 Income tax expenses

See accounting policy in Note 40.14

Amounts recognised in profit or loss

	For the year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Current tax expense		
Current period	1,041,906,778	1,068,417,576
Adjustment for prior periods	(103,813,689)	
	938,093,089	1,068,417,576
Deferred tax expense	5,317,797	17,320,927
	943,410,886	1,085,738,503

A. Reconciliation of effective tax rate

	For the year ended	
	31 March 2022	31 March 2021
	% BDT	% BDT
Profit before income tax	4,497,267,237	4,194,418,534
Income tax using the corporate tax rate	22.5% 1,011,885,128	25.0% 1,048,604,634
Factors affecting the tax charge for current period:		
Short/(higher) fiscal depreciation and amortisation over that of accounting	0.02% 966,021	-0.09% (3,689,161)
Disallowance for excess perquisites	0.29% 13,099,251	0.29% 12,128,937
Short/(higher) of gratuity payment over gratuity provision	-	-0.37% (15,428,416)
Short/(higher) of leave encashment payment over provision	0.01% 398,462	0.05% 2,121,108
Disallowance for contribution to CSR project	0.06% 2,786,069	0.12% 4,915,089
Impairment loss of property, plant and equipment	0.01% 255,915	0.01% 603,280
Allowance for exemption of export income	-0.21% (9,517,369)	-0.12% (4,860,969)
Short/(higher) of lease rent payment over depreciation on RoUA	0.03% 1,565,666	
Other inadmissible expenses	0.46% 20,467,633.84	0.52% 21,687,153
Foreign exchange loss	-	0.02% 1,040,676
Depreciation on leased assets	-	0.28% 11,608,620
Interest on lease liabilities	-	0.07% 2,946,835
Actual rent on leased assets	-	-0.32% (13,260,210)
Adjustment for prior years	-2.31% (103,813,689)	0.00% -
Deferred tax expense	0.12% 5,317,796.95	0.41% 17,320,927
Total income tax expense	20.98% 943,410,885	25.89% 1,085,738,503

B. Movement in deferred tax balances

	Balance as at 31 March				
	Net balance at 1 April	Recognised in profit/loss	Recognised in OCI	Net	Deferred tax assets/liabilities
	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(12,069,256)	9,150,288	-	(2,918,968)	(2,918,968)
Provision for leave encashment	(6,152,199)	216,759	-	(5,935,440)	(5,935,440)
RoU assets and lease liability under IFRS 16	(946,447)	(4,049,249)	-	(4,995,696)	(4,995,696)
Net deferred tax (assets)/liabilities	(19,167,902)	5,317,798	-	(13,850,104)	(8,854,408)
	Net balance at 1 April	Recognised in profit/loss	Recognised in OCI	Net	Deferred tax assets/liabilities
	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(10,351,960)	552,090	-	(9,799,870)	(9,799,870)
Intangible assets	(2,177,019)	(92,367)	-	(2,269,386)	(2,269,386)
Provision for gratuity	(21,993,959)	11,137,147	10,856,812	-	-
Provision for leave encashment	(4,031,091)	(2,121,108)	-	(6,152,199)	(6,152,199)
RoU assets- Impact of IFRS 16	43,849,572	(3,073,286)	-	40,776,286	40,776,286
Lease liabilities- Impact of IFRS 16	(52,641,184)	10,918,451	-	(41,722,733)	(41,722,733)
Net deferred tax (assets)/liabilities	(47,345,641)	17,320,927	10,856,812	(19,167,902)	(59,944,188)

Notes to the financial statements (continued)

27. Related party transactions

27.1 Parent and ultimate controlling party

Marico Limited, India has 90% shareholding of the Company. As a result, the parent of the Company is Marico Limited, India. The ultimate controlling party of the Company is Marico Limited, India.

27.2 Transactions with key management personnel

	31 March 2022	31 March 2021
	BDT	BDT
Directors' remuneration and fees	35,086,351	30,544,174
	<u>35,086,351</u>	<u>30,544,174</u>

Compensation for the Company's key management personnel includes salaries & meeting fees. These expenses are included in administrative expenses.

27.3 Other related party transactions

During the year the Company carried out a number of transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of IAS 24 *Related party disclosure*.

27.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount		Balance as at	
			31 March 2022	31 March 2021	31 March 2022	31 March 2021
Marico Limited, India	Parent company	Purchase of raw materials, packing materials and finished goods	223,593,328	69,327,054	166,408,080	25,404,308
		Purchase of Asset	3,199,425	60,393,486	3,396,608	14,593,597
		Sales of FG and SFG	-	384,841	-	-
		Royalty	122,503,570	107,135,381	122,503,570	107,135,381
		Dividend	2,268,000,000	2,551,500,000	-	-
		General and technical assistance fees	87,142,865	86,547,962	175,229,505	86,039,654
		Sales of RM	880,373	-	-	-

27.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount		Balance as at	
			31 March 2022	31 March 2021	31 March 2022	31 March 2021
Marico Middle East FZE	Associated company	Purchase of raw materials (RM)	2,046,223,062	2,302,086,094	305,605,654	422,954,142
		Purchase of FG	-	1,246,188	-	-
Marico South East Asia	Associated company	Reimbursement of expenses	-	55,730	-	-
		Sales of RM	2,599,715	-	-	-



Notes to the financial statements (continued)

28. Disclosures as per BSEC notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018

28.1 Calculation of net asset value per share

	As at	
	31 March 2022	31 March 2021
	BDT	BDT
Net asset	2,689,057,309	1,636,572,396
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	85.37	51.95

28.2 Calculation of net operating cash flow per share (NOCFPS)

	For the Year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Net cash from operating activities	3,605,353,998	3,304,608,823
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	114.46	104.91

28.3 Reconciliation of net profit with cash flows from operating activities

	For the Year ended	
	31 March 2022	31 March 2021
	BDT	BDT
Profit after tax	3,553,856,351	3,108,680,032
Adjustment for:		
Depreciation	215,974,262	160,682,982
Amortisation	1,374,200	1,403,206
Interest expense	7,735,850	2,962,773
Effect of exchange rate fluctuations on cash held	-	(184,588)
Interest on lease	9,411,049	11,787,340
Gain on lease modification and cancelation	-	(23,065,477)
(Reversal of) impairment expense	-	2,413,121
Interest income	(126,636,587)	(149,398,274)
Gain on sale of PPE	(37,484)	371,006
Tax expense	943,410,886	1,085,738,503
Gain on disposal of treasury bond	-	(11,334,400)
	4,605,088,528	4,190,056,224
Changes in operating assets and liabilities:		
Inventories	(351,976,096)	(348,349,453)
Advances, deposits and prepayments	(271,691,833)	(26,218,662)
Other financial assets	18,080,670	82,101,469
Employee benefit obligation	33,430,948	(53,027,499)
Trade and other payable	424,816,228	363,212,871
Cash generated from operating activities	4,457,748,448	4,207,774,950
Interest paid	(8,627,922)	(2,111,958)
Interest received	84,266,200	168,546,826
Income tax paid	(928,032,728)	(1,069,600,995)
Net cash flows from operating activities	3,605,353,998	3,304,608,823



Notes to the financial statements (continued)

29. Contingent liabilities

The Company has contingent liability of approximately BDT 1,131,100,000 as on 31 March 2022 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

The Company has ordinary letter of credit amount of Taka 18,768,345.38 Standard Chartered Bank and Taka 3,000,000 with CITI Bank NA. Shipping guarantee of Taka 1,470,359.23 with Standard Chartered Bank, Taka 528,447.17 with Hongkong and Shanghai Banking Corporation and Taka 3,000,000 with CITI Bank NA.

30. Production Capacity

Main product	Unit of measure	Installed capacity	
		31 March 2022	31 March 2021
Parachute Coconut Oil (PCNO)	KL	36,500	36,500
Copra Crushing	MT	72,000	36,000
Copra Crushing	MT	18,000	18,000
Value Added Hair Oil (VAHO)	MT	17,160	15,600
Water based product	MT	12,000	12,000
Edible Oil	MT	4,000	4,000

31. Commitment

	31 March 2022	31 March 2021
	BDT	BDT
i) Capital commitment	326,364,655	281,606,861
ii) Other commitment	1,180,256,797	1,127,506,863

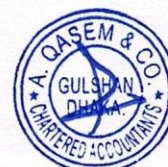
L/C amount for import of raw material, packing materials and finished goods which were not received till the reporting date

32. Dividends declared and remitted

The Company remitted the following amounts, net of taxes in foreign currency during the year to Marico Limited, India, a non-resident shareholder of the Company.

The company remitted following amounts, net of tax in foreign currency to Marico Ltd. India, a non resident shareholder of the Company.

Dividend for	Dividends declared	Dividends remitted	
		31 March 2022	31 March 2021
Final dividend for FY 2019-2020	(630,000,000)	-	510,300,000
First interim dividend for FY 2021-2021	(945,000,000)	-	765,450,000
Second interim dividend for FY 2020-2021	(630,000,000)	-	510,300,000
Third interim dividend for FY 2020-21	(630,000,000)	-	510,300,000
Final dividend for the year 2020-2021	(630,000,000)	510,300,000	-
First interim for the year 2021-2022	(630,000,000)	510,300,000	-
Second interim for the year 2021-2022	(630,000,000)	510,300,000	-
Third interim for the year 2021-2022	(630,000,000)	510,300,000	-
		2,041,200,000	2,296,350,000



33. Capital management

For the purpose of the company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

To maintain or adjust capital structure, the Company may adjust the amount of dividend, return on capital, issue new share or obtain long term-debt. All major investment and financing decisions, as a part of its capital management, are evaluated and approved by its Board of Directors.

34. Segment information

The Company essentially provides similar products to customers across the country. Business activities in which it engages and the economic environments in which it operates are of similar nature. Its business is not segmented by products or geographical areas and its operating result is viewed as a whole by its management. Hence, segment information is not relevant for the Company.

35. Number of employees

The number of employees engaged for the whole year or part there of who received a total salary of TK 36,000 p.a. and above is 383 (previous year:417), among them 83 employees left Marico and 300 (Previous year: 311) existed

36. Subsequent events

The Board of Directors of Marico Bangladesh Limited at its 118th meeting held on 27 April 2022 has declared 200% final cash dividend i.e. Tk. 20 per share, amount to total Taka 630,000,000 for the period ended at 31 March 2022 (i.e. total 800% Cash Dividend including 600% Interim Cash Dividend which has already been paid out).

Notes to the financial statements (continued)

37. Financial instruments - fair values and financial risk management

37.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 March 2022

Particulars	Notes	Carrying amount												
		Fair value hedging instruments		Mandatorily at fair value		FVOCI-debt instruments		FVOCI-equity instruments		Financial assets at amortized cost		Other financial liabilities		Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT		
Financial assets measured at fair value														
		-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value														
Fixed deposits	9	-	-	-	-	-	-	-	-	1,942,382,196	-	-	-	1,942,382,196
Loan to employees	9	-	-	-	-	-	-	-	-	1,537,577	-	-	-	1,537,577
Trade receivables	9	-	-	-	-	-	-	-	-	52,229,788	-	-	-	52,229,788
Cash and cash equivalents	11	-	-	-	-	-	-	-	-	505,194,161	-	-	-	505,194,161
		-	-	-	-	-	-	-	-	2,501,343,722	-	-	-	2,501,343,722
Financial liabilities measured at fair value														
		-	-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value														
Loans and borrowings	13	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other payables	16	-	-	-	-	-	-	-	-	-	-	3,548,037,256	-	3,548,037,256
Lease liabilities	15	-	-	-	-	-	-	-	-	-	-	128,118,161	-	128,118,161
		-	-	-	-	-	-	-	-	-	-	3,676,155,417	-	3,676,155,417



Notes to the financial statements (continued)

37. Financial instruments - fair values and financial risk management (continued)

37.1 Accounting classifications and fair values (continued)

31 March 2021

Particulars	Notes	Carrying amount										Total		
		Fair value hedging instruments		Mandatorily at fair value		FVOCI-debt instruments		FVOCI-equity instruments		Financial assets at amortized cost			Other financial liabilities	
		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT		BDT	BDT
Financial assets measured at fair value														
Financial assets not measured at fair value														
Fixed deposits	9	-	-	-	-	-	-	-	-	1,737,974,722	-	-	-	1,737,974,722
Loan to employees	9	-	-	-	-	-	-	-	-	6,814,738	-	-	-	6,814,738
Trade receivables	9	-	-	-	-	-	-	-	-	65,033,298	-	-	-	65,033,298
Cash and cash equivalents	11	-	-	-	-	-	-	-	-	396,404,261	-	-	-	396,404,261
		-	-	-	-	-	-	-	-	2,206,227,019	-	-	-	2,206,227,019
Financial liabilities measured at fair value														
Financial liabilities not measured at fair value														
Loans and borrowings	13	-	-	-	-	-	-	-	-	-	-	250,000,000	-	250,000,000
Trade and other payables	16	-	-	-	-	-	-	-	-	-	-	3,082,900,365	-	3,082,900,365
Lease liabilities	15	-	-	-	-	-	-	-	-	-	-	166,890,934	-	166,890,934
		-	-	-	-	-	-	-	-	-	-	3,499,791,299	-	3,499,791,299



Notes to the financial statements (continued)

37.2 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

37.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or counterpart to a financial instrument fails to meet its contractual obligation which arises principally from the Company's receivables from customers.

The Company makes sales on advance basis i.e. it receives advance from customers prior to sale, so there is no credit risk due to uncollectibility from the customers. However, the Company maintains most of the financial assets with short-term deposits and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	31 March 2022	31 March 2021
		BDT	BDT
Financial assets			
Fixed deposits	9	1,942,382,196	1,737,974,722
Loans to employees	9	1,537,577	6,814,738
Trade receivables	9	52,229,788	65,033,298
Cash and cash equivalents	11	505,194,161	396,404,261
		<u>2,501,343,722</u>	<u>2,206,227,019</u>



Notes to the financial statements (continued)

37.2 Financial risk management (continued)

37.2.2 Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The contractual maturities of financial liabilities of the Company are as follows:

Notes	Carrying amount	Contractual cash flows						
		Expected cash flow	6 months or less		1-2 years		2-5 years	
		BDT	BDT	BDT	BDT	BDT	BDT	More than 5 years
								BDT
31 March 2022								
13	Loans and borrowings	-	-	-	-	-	-	-
16	Trade and other payables	3,548,037,256	3,548,037,256	3,548,037,256	-	-	-	-
15	Lease liabilities	128,118,161	128,118,165	27,628,104	28,352,033	57,413,676	14,724,352	-
		3,676,155,417	3,676,155,421	3,575,665,360	28,352,033	57,413,676	14,724,352	-
31 March 2021								
13	Loans and borrowings	250,000,000	250,000,000	250,000,000	-	-	-	-
16	Trade and other payables	3,082,900,365	3,082,900,365	513,816,727	2,569,083,638	-	-	-
15	Lease liabilities	166,890,934	166,890,934	7,232,159	37,402,052	48,886,907.00	67,986,282.00	5,383,534
		3,499,791,299	3,499,791,299	771,048,886	2,606,485,690	48,886,907	67,986,282	5,383,534



Notes to the financial statements (continued)

37.2.3 Market risk

Market risk is the risk that includes changes in market price, such as foreign exchange rate, interest rates, and equity prices that may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The Company's exposures to foreign currency risk at 31 March 2022 are as follows:

	31 March 2022	31 March 2021
	USD	USD
Import of goods and services	(4,335,687)	(771,798)
Bank balance	2,179,283	508,702
	<u>(2,156,404)</u>	<u>(263,096)</u>

The following significant exchange rates have been applied during the year:

	Average rate	Year-end spot rate
	31 March 2022	31 March 2021
Exchange rate (USD/BDT)	85.37	84.82
		86.22
		84.71

ii) Foreign exchange rate sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.

A 1% change in foreign exchange rates would have increased/(decreased) equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit/(loss)	Equity	
	Strengthening	Weakening	Strengthening
	BDT	BDT	BDT
31 March 2022			
USD (1% movement)	(1,859,165)	1,859,165	(1,859,165)
			1,859,165
31 March 2021			
USD (1% movement)	BDT	BDT	BDT
	(222,869)	222,869	(222,869)
			222,869

Notes to the financial statements (continued)

iii) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

As at 31 March 2022, the interest rate profile of the Company's interest bearing financial instruments was:

	31 March 2022	31 March 2021
	BDT	BDT
Fixed rate instruments		
Financial assets		
Fixed deposit receipts	1,942,382,196	1,737,974,722
Financial liabilities	-	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-



Notes to the financial statements (continued)

38. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in note 40.11.

39. Standards issued but not yet effective

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this adoption does not have any impact on the financial statements of the Company.

A number of new standards are effective for annual periods beginning after 1 April 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are effective from 1 April 2020.

- Amendments To References To Conceptual Framework in IFRS Standards.
- IFRS 17: Insurance Contracts.
- IAS 1 and IAS 8: Definition of Material
- IAS 1: Classification of Liabilities as Current or Non-current
- IAS 16: Proceeds before Intended Use
- IAS 37: Costs of Fulfilling a Contract
- IFRS 9: Fees in the '10 per cent' test for derecognition of financial liabilities
- IAS 41: Taxation in fair value measurements
- IAS 8: Definition of Accounting Estimates

40. Significant accounting policies

The Company has consistently (otherwise as stated) applied the following accounting policies to all periods presented in these financial statements.

Note	Particulars
40.01	Foreign currency transactions
40.02	Property, plant and equipment
40.03	Intangible assets
40.04	Right of use asset
40.05	Investment Property
40.06	Inventories
40.07	Cash and cash equivalent
40.08	Financial instruments
40.09	Share capital
40.10	Dividend to the equity holders
40.11	Employee benefits
40.12	Accruals
40.13	Provisions
40.14	Income tax
40.15	Revenue
40.16	Finance income and finance cost
40.17	Lease liabilities
40.18	Impairment
40.19	Contingencies
40.20	Earnings per share
40.21	Events after the reporting period



Notes to the financial statements (continued)

40.01 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

40.02 Property, plant and equipment

i) Recognition and measurement

Property, plant and equipment (PPE) is recognised as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Parts of an item of property, plant and equipment having different useful lives, are accounted for as separate items (major components) of property, plant and equipment.

ii) Subsequent cost

Subsequent cost of an item of property, plant and equipment is capitalised only if it is probable that future economic benefits embodied within the item will flow to the Company and its costs can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

iii) Depreciation

No depreciation is charged on land and asset under construction (AuC) as the land has unlimited useful life and AuC has not yet been placed in service /commissioned.

Other items of property, plant and equipment is depreciated on a straight line basis in profit or loss over the estimated useful lives of each item of property, plant and equipment. Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately. Depreciation is charged from the month of acquisition of property, plant and equipment and no depreciation is charged in the month of disposal.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative period are as follows:

Assets	Depreciation rate
Plant and machinery	10-33%
Factory equipment	20-33%
Moulds	15-33%
Factory building	5-20%
Laboratory equipment	20-33%
Office equipment	33-50%
Computers	33-50%
Furniture and fixtures	20-50%
Office building	10-20%
A.C and refrigerators	20-33%



Notes to the financial statements (continued)

iv) **Derecognition**

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains or losses arising from the derecognition of an asset are determined as the difference between net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

v) **Asset under construction**

Asset under construction represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. These are transferred to the property, plant and equipment on the completion of the projects.

vi) **Capitalisation of borrowing costs**

As per the requirements of IAS 23 *Borrowing Costs*, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

40.03 Intangible assets

i) **Recognition and measurement**

Intangible assets have finite useful lives and are stated at cost less accumulated amortisation and any impairment losses. Intangible assets are recognised in accordance with IAS 38 *Intangible assets*. Intangible assets include cost of acquisition of computer software, intellectual property, copyright and other costs incidental to such capital expenditure.

ii) **Subsequent costs**

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

iii) **Amortisation**

Amortisation is recognised in profit or loss on straight line basis over the estimated useful lives of intangible assets from the date they are available for use.

Intangible asset (Computer Software) is amortised at the rate of 20% to 33%.

iv) **Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

40.04 Right of use asset

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Company's accounting policies.

Notes to the financial statements (continued)

40.05 Investment Property

Investment property is land or a building (including part of a building) or both that is:

- held to earn rentals or for capital appreciation or both;
- not owner-occupied;
- not used in production or supply of goods and services, or for administration; and
- not held for sale in the ordinary course of business.

Investment property may include investment property that is being redeveloped.

An investment property is measured initially at cost. For subsequent measurement an entity must adopt either the fair value model or the cost model as its accounting policy for all investment properties.

Under the cost model, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses. Fair value is disclosed. Gains and losses on disposal are recognised in profit or loss.

40.06 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on weighted average cost method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Stores and spares and material in transit are measured at cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

40.07 Cash and cash equivalent

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the company in the management of its short term commitments.

40.08 Financial instruments

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

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets – policy applicable from 1 April 2018

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Notes to the financial statements (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

40.08 Financial instruments (continued)

Financial assets – business model assessment: policy applicable from 1 April 2018

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Notes to the financial statements (continued)

Financial assets – subsequent measurement and gains and losses: policy applicable from 1 April 2018

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets includes cash and cash equivalents, trade and other receivables and short term investment.

(a) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

40.08 Financial instruments (continued)

(c) Short-term investment

Short-term investment consists of fixed deposits with original maturity of more than three months. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried as financial assets at amortised cost. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

iii. Financial liability

All financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability.

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

Financial liabilities include trade and other payables etc.

(a) Trade and other payables

The Company recognises trade and intercompany payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

Notes to the financial statements (continued)

(b) Loans and borrowings

The Company derecognises loans and borrowings when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

40.09 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

40.10 Dividend to the equity holders

The Company recognises a liability to make cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

40.11 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

ii) Defined benefit plan (Gratuity)

The Company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all its eligible employees. This scheme is qualified as defined benefit plan.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. When the benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit and loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit and loss. Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income. Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

iii) Leave encashment

The Company operates unfunded leave encashment scheme, i.e. if its employees do not avail leave during his/her service, s/he will be entitled to encash privilege leave at the time of separation from the Company subject to maximum 40 days, at the rate of one month's basic pay for 30 days of privilege leave. This scheme is qualified as other long term employee benefits.

The Company's net obligation in respect of leave encashment scheme is the amount of future benefit that employees have earned in return for their service in the current and prior periods and the calculation is performed annually by a qualified actuary.



Notes to the financial statements (continued)

iv) Workers' profit participation and welfare fund

The Company operates fund for workers as workers' profit participation and welfare fund ("the Fund") and provides 5% of its profit before tax as per provision of the Bangladesh Labour Act 2006. The Company recognises the contribution to the fund as short term employee benefits.

The Fund is governed by Bangladesh Labour Act, 2006 as amended up to 28 September 2015 and the trust deed.

40.12 Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amongst due to employees. Accruals are reported as part of trade and other payables.

40.13 Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provisions are reversed.

40.14 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2022 i.e 22.5%.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Notes to the financial statements (continued)

40.15 Revenue

The Company has initially applied IFRS 15 *Revenue from contracts with customers* from 1 April 2018. The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

40.16 Finance income and finance cost

i) Finance income

Finance income comprises interest income on funds invested and is recognised as it accrues in profit or loss using the effective interest method.

ii) Finance cost

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

40.17 Lease liabilities

The lease liabilities is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liabilities is subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

40.18 Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Notes to the financial statements (continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

40.19 Contingencies

i) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised in the statement of financial position of the Company. Moreover, contingencies arising from claims, litigations, assessments, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

ii) Contingent asset

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

The Company does not recognise contingent asset.



Notes to the financial statements (continued)

40.20 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

40.21 Events after the reporting period

Events after statement of financial position date that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements. Events after statement of financial position date that are non-adjusting events are disclosed in the notes when material.

