

**Independent Auditor's Report and Audited
Financial Statements
of
Marico Bangladesh Limited**

As at and for the year ended 31 March 2025

Hoda Vasi Chowdhury & Co

Chartered Accountants

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" or "Marico") which comprise the statement of financial position as at 31 March 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 March 2025, 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), and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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 judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the audit of financial statements are as under:

Key audit areas	Our responses
Revenue recognition	
At the year ended 31 March 2025, the Company reported revenue of approximately Tk 16,309.3 million in the statement of profit or loss and other comprehensive income. Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are "transferred" when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none">• Segregation of duties in invoice creation and modification;• Approved price list and specified terms of trade in place;• Authorization of credit terms to customers;• Timing of revenue recognition; and

<p>to recognition of sales transaction before performance obligation being satisfied.</p> <p>Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the business categories, the estimation of discount and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, it is a matter of concern that revenue may be misstated as a result of faulty estimations over discounts and rebates.</p>	<ul style="list-style-type: none"> • Calculation of discounts and rebates. <p>Our substantive procedures in relation to the revenue recognition comprise the followings:</p> <ul style="list-style-type: none"> • Observing and evaluating whether proper segregation of duties put in place; • Examining samples of sales orders for evidence by the appropriate personnel concerned and application controls for credit limits; • Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms; • Obtaining supporting documentation for sales transactions recorded on either side of the year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct accounting period; • Assessing the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts and rebates by comparing with applicable accounting standard; • Testing the effectiveness of the Company's controls over the calculation of discounts and rebates as well as appropriate timing of revenue recognition; • Critically assessing manual journals made to revenue to identify unusual or irregular items; and • Finally, assessing the appropriateness and presentation of disclosures as per the relevant accounting standards. <p>Our testing did not identify any issues with regard to revenue recognition.</p>
<p>Refer to the note no. 22 to the financial statements</p>	

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Contingent liabilities	
<p>The Company had contingent liabilities of approximately Tk 1,088.9 million as of the reporting date of 31 March 2025 in respect of indirect tax (VAT) and Workers' Profit Participation and Welfare Fund (WPPF). In this connection, the Company submitted the Appeal and Writ petition to the Hon'ble High Court and the decision of the High Court is currently pending. In this regard, it has been opined by the external legal advisors (litigation lawyers) of the Company that the overall outcome of liabilities of the Company was not possible to determine until final order by the Court is received. However, the external lawyers are optimistic of positive outcome related to these matters in favour of the Company.</p> <p>In this respect, a significant management's judgement is required in order for assessing the level of provision, and determining the most likely cash outflows from the Company associated with these matters. Therefore, it has been considered as a key audit area.</p>	<p>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:</p> <ul style="list-style-type: none"> • Obtaining the lists of all ongoing VAT and WPPF related litigations; • Discussing with the jurisdictions as to the said matters; • Evaluating management's judgement regarding the expected resolution of these matters; • Obtaining confirmations from external legal advisors as well as the internal legal division of the Company; • Analyzing the responses independently obtained from the external advisors of the Company on various matters; and • Obtaining and reading the disclosures made in the accompanying financial statements. <p>Our testing did not identify any issues with regard to contingent liabilities.</p>
<p>Refer to the note no. 33 to the financial statements</p>	

Other Information:

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs); the Companies Act, 1994; the Securities and Exchange Rules, 2020 and other applicable laws and

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regulations in Bangladesh 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 ISA 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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 year. 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, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 41 dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.



Sk Md Tarikul Islam, FCA
Partner
Membership No.: 1238
Firm's registration # CAF-001-057
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC: *HVC*

Dhaka, 29 April 2025

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Marico Bangladesh Limited
Statement of financial position
As at 31 March 2025

	Notes	As At	
		31 March 2025	31 March 2024
		BDT	BDT
Assets			
Non Current Assets			
Property, plant and equipment	8A	1,339,736,158	1,414,648,907
Investment property	8B	-	1,319,156
Intangible assets	9	7,641,651	242,273
Right-of-use assets	10	311,435,495	345,911,409
Advances, deposits and prepayments	11	28,699,856	54,495,117
Other financial assets	12	9,409,497	7,355,019
Deferred tax asset	30.2	-	68,821,750
Total Non Current Assets		1,696,922,658	1,892,793,631
Current Assets			
Inventories	13	2,950,598,980	3,351,467,544
Advances, deposits and prepayments	11	962,313,916	756,713,830
Other financial assets	12	5,138,333,397	9,018,705,412
Cash and cash equivalents	14	3,092,223,180	1,887,129,573
Total Current Assets		12,143,469,474	15,014,016,359
Total Assets		13,840,392,132	16,906,809,990
Equity			
Share capital	15	315,000,000	315,000,000
Share premium	15.3	252,000,000	252,000,000
Retained earnings		6,965,646,453	7,643,067,522
Total Equity		7,532,646,453	8,210,067,522
Liabilities			
Non Current Liabilities			
Lease liabilities	18	116,309,747	151,868,409
Employee benefit obligation	17	54,043,762	23,741,889
Deferred tax liability	30.2	33,541,064	-
Total Non Current Liabilities		203,894,572	175,610,298
Current Liabilities			
Trade and other payable	19	4,897,454,525	7,168,202,840
Lease liabilities	18	58,511,757	38,871,187
Employee benefit obligation	17	48,561,893	21,619,307
Loans and borrowings	16	-	450,000,000
Current tax liabilities	21	1,094,198,992	834,612,174
Unclaimed dividend	20	5,123,939	7,826,662
Total Current Liabilities		6,103,851,107	8,521,132,170
Total Liabilities		6,307,745,679	8,696,742,468
Total Equity and Liabilities		13,840,392,132	16,906,809,990

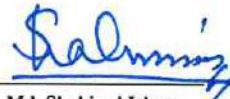
Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 41 form an integral part of these financial statements.



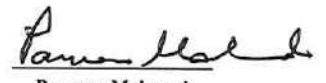
Sumitava Basu
Managing Director



Shafiq Musharraf
Chief Financial Officer



Md. Shahinul Islam
Company secretary



Parveen Mahmud
Director



Sk Md Tarikul Islam, FCA
Partner
Membership No: 1238
Firm's registration # CAF-001-057
Hoda Vasi Chowdhury & Co
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DVC: *HVC*

Dhaka, 29 April 2025

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Marico Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2025

	Notes	For the year ended	
		31 March 2025	31 March 2024
		BDT	BDT
Revenue	22	16,309,360,876	14,524,182,830
Cost of sales	23	(6,598,240,960)	(6,099,250,601)
Gross profit		9,711,119,916	8,424,932,229
Other income	26.1	53,178,498	40,359,793
General and administrative expenses	24	(1,477,101,441)	(1,299,156,185)
Marketing, selling and distribution expenses	25	(1,189,816,738)	(1,015,214,451)
Other expense	26.2	(1,685,128)	(106,661)
Operating profit		7,095,695,106	6,150,814,725
Finance income	27.1	968,900,989	579,855,635
Finance costs	27.2	(94,213,714)	(565,820,362)
Net finance income		874,687,276	14,035,273
Profit before contribution to workers participation fund and welfare fund		7,970,382,381	6,164,849,998
Contribution to workers participation fund & welfare fund	28	(398,519,091)	(308,242,500)
Profit before tax		7,571,863,290	5,856,607,498
Income tax expenses	30	(1,665,784,360)	(1,250,289,667)
Profit for the Year		5,906,078,931	4,606,317,831
Other comprehensive income			
Remeasurements of defined benefit liability		-	17,434,047
Total comprehensive income for the Year		5,906,078,931	4,623,751,878
Earnings per share		BDT	BDT
Basic earnings per share (per value of Tk 10)	29	187.49	146.23

Footnotes: 1. Independent auditor's report in page 1 to 5.
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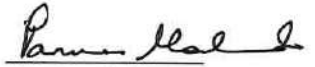
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DVC:

Dhaka, 29 April 2025

2505131238 AS 619498

Marico Bangladesh Limited
Statement of changes in equity
For the year ended 31 March 2025

	Attributable to owners of the Company			
	Share capital	Share premium	Retained earnings	Total
	BDT	BDT	BDT	BDT
Balance at 1 April 2024	315,000,000	252,000,000	7,643,067,522	8,210,067,522
Total comprehensive income for the year				
Profit for the year	-	-	5,906,078,931	5,906,078,931
Total comprehensive income for the year	315,000,000	252,000,000	5,906,078,931	5,906,078,931
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2023-2024	-	-	(630,000,000)	(630,000,000)
First interim for the year 2024-2025	-	-	(3,150,000,000)	(3,150,000,000)
Second interim for the year 2024-2025	-	-	(1,417,500,000)	(1,417,500,000)
Third interim for the year 2024-2025	-	-	(1,386,000,000)	(1,386,000,000)
Total transactions with owners of the Company	-	-	(6,583,500,000)	(6,583,500,000)
Balance at 31 March 2025	315,000,000	252,000,000	6,965,646,453	7,532,646,453
Balance at 1 April 2023	315,000,000	252,000,000	3,019,315,643	3,586,315,643
Total comprehensive income for the year				
Profit for the year	-	-	4,606,317,831	4,606,317,831
Other comprehensive income	-	-	17,434,047	17,434,047
Total comprehensive income for the year	315,000,000	252,000,000	4,623,751,878	4,623,751,878
Transactions with owners of the Company				
Contributions and distributions	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 31 March 2024	315,000,000	252,000,000	7,643,067,522	8,210,067,522

Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 41 form an integral part of these financial statements.

**Marico Bangladesh Limited
Statement of cash flows
For the year ended 31 March 2025**

	For the year ended	
	31 March 2025	31 March 2024
	BDT	BDT
Cash flows from operating activities		
Collection from customers and others	16,759,271,628	14,520,186,187
Payment to suppliers and for operating expenses	(11,673,613,145)	(7,297,819,426)
Cash generated from operating activities	5,085,658,483	7,222,366,762
Interest paid	(76,593,512)	(148,664,115)
Interest received	901,070,470	326,831,686
Income tax paid	(1,303,834,727)	(1,250,600,996)
Net cash from operating activities	4,606,300,714	6,149,933,337
Cash flows from investing activities		
Acquisition of property, plant and equipment	(167,490,528)	(243,710,829)
Acquisition of intangible assets	(7,713,889)	-
Proceeds from disposal of PPE	(1,040,291)	4,304,862
Encashment of/(Investment in) fixed deposits	3,874,672,489	(4,601,092,226)
Net cash (used in)/generated from investing activities	3,698,427,781	(4,840,498,193)
Cash flows from financing activities		
Net proceeds from loans and borrowings	(450,000,000)	450,000,000
Dividend paid	(6,583,500,000)	(2,028,925,000)
Payment of lease liability	(66,395,127)	(72,563,902)
Net cash used in financing activities	(7,099,895,127)	(1,651,488,902)
Net increase in cash and cash equivalents	1,204,833,368	(342,053,758)
Effect of exchange rate fluctuations on cash held	260,237	377,467
Opening cash and cash equivalents	1,887,129,573	2,228,805,865
Closing cash and cash equivalents	3,092,223,180	1,887,129,573

Footnotes: 1. Independent auditor's report in page 1 to 5.

2. The notes 1 to 41 form an integral part of these financial statements.

3. Comparative number has been adjusted under effect of exchange rate fluctuation on cash hold.

**Marico Bangladesh Limited
Notes to the financial statements
For the year ended 31 March 2025**

1. Reporting entity

1.1 Company profile

Marico Bangladesh Limited (hereinafter referred to as "MBL" or "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, Just for Baby, Beardo, Medicare safelife 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 has invested to set up a new manufacturing plant in Mirsharai Economic Zone (MEZ) and started its commercial operation from 4th July 2023. 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:

Bangladesh Securities and Exchange Rules 2020;
The Companies Act, 1994;
The Income Tax Act, 2023; and
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 7.

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 132nd Board of Directors meeting held on 29th April, 2025.

2.3 Reporting period

The financial period of the Company covers one year from 01 April to 31 March and is followed consistently.

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 year financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year 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 7.4 & 7.17.

(b) **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 31 March 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next twelve month period is included in the following notes:

Note 8A	Property, plant and equipment
Note 9	Intangible assets
Note 10	Right-of-use assets
Note 13	Inventories
Note 17	Employee benefit obligation
Note 18	Lease liabilities
Note 21	Current tax liabilities
Note 30.2	Deferred tax
Note 33	Contingent liabilities

5. **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 7.11.

6. **Standards issued but not yet effective**

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.*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*

7. **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
7.1	Foreign currency transactions
7.2	Property, plant and equipment
7.3	Intangible assets
7.4	Right of use assets
7.5	Investment Property
7.6	Inventories
7.7	Cash and cash equivalents
7.8	Financial instruments
7.9	Share capital
7.10	Dividend to the equity holders
7.11	Employee benefits
7.12	Accruals
7.13	Provisions
7.14	Income tax
7.15	Revenue
7.16	Finance income and finance cost
7.17	Lease liabilities
7.18	Impairment
7.19	Contingencies
7.20	Earnings per share
7.21	Events after the reporting period

7.1 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.

7.2 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 year are as follows:

Assets	Depreciation rate
Plant and machinery	5-50%
Buildings	5-33%
Furniture, fixtures and office equipment	10-50%
Computer and IT equipment	20-50%

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 year in which they are incurred.

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7.3 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 50%.

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.

7.4 Right of use assets

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 depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, in accordance with the Company's accounting policies.

7.5 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.

7.6 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.

7.7 Cash and cash equivalents

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.

7.8 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.

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.

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.

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.

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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.

(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.

(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.

7.9 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.

7.10 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.

7.11 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 funded 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 by a qualified actuary once in every two years 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 year and the calculation is performed annually by a qualified actuary.

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 contribution to workers participation fund and welfare fund 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.

7.12 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.

7.13 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.

7.14 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 2023 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.

7.15 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).

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7.16 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.

7.17 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.

7.18 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.

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.

7.19 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.

7.20 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 years.

7.21 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.

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Notes to the financial statements (continued)

	Computer software	
	31 March 2025	31 March 2024
	BDT	BDT
9. Intangible assets		
See accounting policy in Note 7.3		
Cost		
Opening balance	24,413,446	24,413,446
Additions	7,713,889	-
Disposals	(1,469,036)	-
Closing balance	30,658,299	24,413,446
Accumulated amortization		
Opening balance	24,171,173	23,710,959
Amortization during the year	314,510	460,214
Disposals	(1,469,036)	-
Closing balance	23,016,646	24,171,173
Carrying amount	7,641,651	242,273
10. Right-of-use assets		
See accounting policy in Note 7.4		
Reconciliation of carrying amount		
Cost		
Opening balance	450,087,067	442,009,097
Additions	33,106,918	169,696,456
Modification	-	(3,995,758)
Disposal	(529,601)	(157,622,728)
Closing balance	482,664,384	450,087,067
Accumulated depreciation		
Opening balance	104,175,658	175,097,466
Addition/ Adjustment	67,332,743	62,229,723
Disposal	(279,512)	(133,151,531)
Closing balance	171,228,889	104,175,658
Carrying amount	311,435,495	345,911,409
* Disposal has been presented separately in prior year.		
11. Advances, deposits and prepayments		
Advances		
Advance for capital goods	4,287,765	8,967,568
Advance to suppliers and others	967,902,930	765,332,048
	972,190,694	774,299,616
Deposits		
Security deposits	2,683,191	4,190,645
	2,683,191	4,190,645
Prepayments		
Prepaid expenses	16,139,887	32,718,686
	16,139,887	32,718,686
	991,013,773	811,208,947
11.1 Current and non-current classification of advances, deposits and prepayments		
Current	962,313,916	756,713,830
Non-current	28,699,856	54,495,117
	991,013,773	811,208,947

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Notes to the financial statements (continued)

	Notes	As at	
		31 March 2025	31 March 2024
		BDT	BDT
12. Other financial assets			
Treasury bills	12.2	4,791,326,681	8,665,999,170
Trade receivables		84,858,013	38,200,323
Loans to employees		11,630,861	11,060,481
Accrued interest		258,856,688	310,800,458
Rent Receivables		1,070,650	-
	12.1	<u>5,147,742,893</u>	<u>9,026,060,432</u>
12.1 Current and non-current classification of other financial assets			
Current		5,138,333,397	9,018,705,412
Non-current		9,409,497	7,355,019
		<u>5,147,742,893</u>	<u>9,026,060,432</u>
12.2 Treasury Bills (maturity more than three months)			
Treasury bill for 364 days		2,944,050,448	4,108,982,896
Treasury bill for 182 days		1,847,276,233	3,732,494,073
Treasury bill for 91 days		-	824,522,201
		<u>4,791,326,681</u>	<u>8,665,999,170</u>
13. Inventories			
See accounting policy in Note 7.6			
Raw materials		1,605,384,896	2,403,080,840
Packing materials		510,151,542	456,399,201
Finished goods		411,422,839	317,102,123
Stores and spares		59,962,396	41,559,539
Materials in transit		363,677,307	133,325,841
		<u>2,950,598,980</u>	<u>3,351,467,544</u>
14. Cash and cash equivalents			
See accounting policy in Note 7.7			
Cash at bank	14.1	3,087,099,241	1,879,302,911
Balance with bank for unclaimed dividend	20	5,123,939	7,826,662
		<u>3,092,223,180</u>	<u>1,887,129,573</u>
14.1 Cash at bank			
bKash Limited		51,725,000	-
BRAC Bank PLC		2,041,477,977	942,576,882
Commercial Bank of Ceylon PLC		553,455,585	301,807,169
Citibank N.A.		1,912	3,855,666
The City Bank PLC		16,110,495	1,508,909
Dutch Bangla Bank PLC		81,431,460	8,415,000
Dhaka bank PLC		116,242,443	33,186,986
Eastern Bank PLC		2,804,879	214,726,664
The Hongkong and Shanghai Banking Corporation Ltd.		23,567,575	338,502
Midland Bank PLC.		29,217	-
Mutual Trust Bank PLC		111,586	186,826,664
State Bank of India		14,532,243	559,079
Standard Chartered Bank		185,608,869	185,173,700
Sonali Bank PLC		-	10,043
Bank Alfalah Limited		-	233
Islami Bank Bangladesh PLC		-	317,414
		<u>3,087,099,241</u>	<u>1,879,302,911</u>

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Notes to the financial statements (continued)

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
15. Share capital		
See accounting policy in Note 7.9		
Authorised		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
	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

15.1 Composition of shareholding

Details	No. of share		% of Holding	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Marico Limited, India	28,350,000	28,350,000	90.00%	90.00%
Institutions	2,086,397	2,102,927	6.62%	6.68%
General Shareholders	649,007	452,214	2.06%	1.43%
Foreign Shareholders	414,596	594,859	1.32%	1.89%
Grand Total	31,500,000	31,500,000	100.00%	100.00%

15.2 Classification of shareholders by holding

31 March 2025				
Classification	Holdings	No. of Shareholders	% of Holdings (by shares)	% of Holdings (by numbers)
Less than 500 shares	198,951	3,861	0.63%	92.17%
500 to 5,000 shares	365,198	243	1.16%	5.80%
5,001 to 10,000 shares	301,213	39	0.96%	0.93%
10,001 to 20,000 shares	239,011	16	0.76%	0.38%
20,001 to 30,000 shares	262,975	10	0.83%	0.24%
30,001 to 40,000 shares	225,521	6	0.72%	0.14%
40,001 to 50,000 shares	190,336	4	0.60%	0.10%
50,001 to 100,000 shares	531,778	6	1.69%	0.14%
100,001 to 1,000,000 shares	835,017	3	2.65%	0.07%
Over 1,000,000 shares	28,350,000	1	90.00%	0.02%
Grand Total	31,500,000	4,189	100.00%	100.00%

31 March 2024				
Classification	Holdings	No. of Shareholders	% of Holdings (by shares)	% of Holdings (by numbers)
Less than 500 shares	182,302	3,783	0.58%	93.02%
500 to 5,000 shares	290,651	198	0.92%	4.87%
5,001 to 10,000 shares	262,969	37	0.83%	0.91%
10,001 to 20,000 shares	278,215	19	0.88%	0.47%
20,001 to 30,000 shares	234,956	9	0.75%	0.22%
30,001 to 40,000 shares	142,851	4	0.45%	0.10%
40,001 to 50,000 shares	327,657	7	1.04%	0.17%
50,001 to 100,000 shares	397,367	5	1.26%	0.12%
100,001 to 1,000,000 shares	1,033,032	4	3.28%	0.10%
Over 1,000,000 shares	28,350,000	1	90.00%	0.02%
Grand Total	31,500,000	4,067	100.00%	100.00%

15.3 Share premium

	No. of share	
	31 March 2025	31 March 2024
Holdings		
Share premium on paid up share capital	252,000,000	252,000,000
	252,000,000	252,000,000

Notes to the financial statements (continued)

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
16. Loans and borrowings		
Short term loan	-	450,000,000
	<u>-</u>	<u>450,000,000</u>
17. Employee benefit obligation		
See accounting policy in Note 7.11		
Provision for gratuity	36,970,773	16,526,505
Provision for leave encashment	65,634,882	28,834,691
	<u>102,605,655</u>	<u>45,361,196</u>
Current	48,561,893	21,619,307
Non-Current	54,043,762	23,741,889
	<u>102,605,655</u>	<u>45,361,196</u>
17.1 Employee benefits - gratuity		
Net defined benefit asset	(88,744,903)	(83,194,885)
Total employee benefit asset	<u>(88,744,903)</u>	<u>(83,194,885)</u>
Net defined benefit liability	125,715,676	99,721,390
Total employee benefit liability	<u>125,715,676</u>	<u>99,721,390</u>
	13.2 <u>36,970,773</u>	<u>16,526,505</u>
17.2 Current and non-current classification of employee benefits- gratuity		
Current	36,970,773	16,526,505
Non-Current	-	-
	<u>36,970,773</u>	<u>16,526,505</u>
17.3 Movement in net defined benefit (asset) liability		

	Defined benefit obligation		Fair value of plan assets		Net defined (asset) liability
	31 March 2025	31 March 2024	31 March 2025	31 March 2024	31 March 2025
Balance at 1 April	99,721,389	97,905,427	(83,194,885)	(76,118,863)	16,526,504
Included in Profit or Loss					
Interest expense/ (Income)	12,016,433	8,028,245	(10,024,984)	(6,241,747)	1,991,449
Current Service Cost	18,452,820	19,363,109	-	-	18,452,820
	<u>130,190,642</u>	<u>125,296,781</u>	<u>(93,219,869)</u>	<u>(82,360,610)</u>	<u>36,970,773</u>
Included in OCI					
Actuarial (gain)/loss arising from:					
-Demographic assumption	-	-	-	-	-
-Financial assumption	-	(18,311,761)	-	-	-
-Experience adjustment	-	(668,996)	-	-	-
Return on plan asset excluding interest income	-	-	-	1,546,710	-
	-	<u>(18,980,757)</u>	-	<u>1,546,710</u>	-
Other					
Contribution paid by the employer	-	-	-	(8,975,620)	-
Benefits paid	(4,474,966)	(6,594,635)	4,474,966	6,594,635	-
	<u>(4,474,966)</u>	<u>(6,594,635)</u>	<u>4,474,966</u>	<u>(2,380,985)</u>	<u>-</u>
Balances as at 31 March	<u>125,715,676</u>	<u>99,721,389</u>	<u>(88,744,903)</u>	<u>(83,194,885)</u>	<u>36,970,773</u>

Notes to the financial statements (continued)

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
17.4 Defined benefit obligation		
(i) Actuarial assumption		
The followings were the principal actuarial assumptions at the reporting date:		
Discount rate	8.2%	12.1%
Salary increase rate	10.0%	10.0%
Employee turnover rate	16.0%	16.0%
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.		
17.5 Provision for leave encashment		
Opening balance	28,834,691	30,790,506
Provision for leave encashment	44,470,256	7,808,610
Payment during the year	(7,670,065)	(9,764,425)
	65,634,882	28,834,691
Current	11,591,120	5,092,802
Non-Current	54,043,762	23,741,889
	65,634,882	28,834,691
18. Lease liabilities		
See accounting policy in Note 7.17		
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 2.70% 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.		
Less than one year	58,511,757.28	38,871,187
One to two years	44,277,074.44	42,307,690
Two to three years	35,205,418.00	38,288,191
Three to four years	36,827,254.00	34,566,784
Four to five years	-	36,705,745
More than five years	-	-
	174,821,504	190,739,596
Lease liabilities included in the statement of financial position		
Current	58,511,757	38,871,187
Non-current	116,309,747	151,868,409
	174,821,504	190,739,596
Amounts recognised in profit or loss		
Interest on lease liabilities	17,620,202	18,365,984
	17,620,202	18,365,984
Amounts recognised in the statement of cash flows		
Lease rental	66,395,127	72,563,902
Total cash outflow for lease liabilities and interest payments	66,395,127	72,563,902
19. Trade and other payable		
See accounting policy in Note 7.8 iii (a)		
Trade payables	19.1 1,430,331,507	4,239,782,396
Other payables	19.2 3,467,123,019	2,928,420,445
	4,897,454,525	7,168,202,840

Notes to the financial statements (continued)

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
19.1 Trade payables		
Intercompany trade payable		
Payable against raw material	299,634,934	918,144,538
Payable against packing material	3,588,731	6,292,479
	303,223,665	924,437,017
Third party trade payable		
Payable against raw material	144,404,113	2,715,385,002
Payable against services	898,225,057	494,678,985
Payable against packing material	84,478,672	105,281,391
	1,127,107,842	3,315,345,378
Total trade payables	1,430,331,507	4,239,782,396
19.2 Other payables		
Intercompany other payable		
Royalty payable	141,265,985	125,230,371
General and technical assistance fees payable	117,811,045	436,193,023
	259,077,030	561,423,394
Third party other payable		
Payable against expenses	273,683,691	697,069,919
Payable against business promotion expense	1,277,734,160	702,053,952
Import duty and related charges payable	459,248,512	233,231,639
Withholding tax and VAT payable	94,275,364	54,865,504
Workers' profit participation and welfare fund	398,519,091	298,242,500
Festival bonus	13,742,764	23,360,461
Advance from customers	631,771,492	183,571,610
Payable against capital goods	4,498,835	45,976,539
Audit fees payable	970,000	968,307
Interest on Deferred LC	-	75,858,721
Supplementary duty	53,602,079	51,797,899
	3,208,045,989	2,366,997,051
Total other payables	3,467,123,019	2,928,420,445

20. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 31 March 2025	Unclaimed Dividend as on 31 March 2024
2020	Interim	300%	945,000,000	18-Feb-19	-	4,098,001
	Final	200%	630,000,000	18-Jun-20	-	262,671
2021	Interim	300%	945,000,000	16-Aug-20	-	345,053
	Interim	200%	630,000,000	17-Nov-20	-	201,003
	Interim	200%	630,000,000	15-Feb-21	-	305,226
2022	Final	200%	630,000,000	27-May-21	-	689,560
	Interim	200%	630,000,000	18-Aug-21	-	449,570
	Interim	200%	630,000,000	11-Nov-21	-	328,686
	Interim	200%	630,000,000	15-Feb-22	-	231,366
2023	Final	200%	630,000,000	26-May-22	212,079	229,933
	Interim	450%	1,417,500,000	23-Jun-22	358,077	369,571
2024	Interim	300%	945,000,000	21-Aug-22	290,005	316,023
	Final	200%	630,000,000	27-May-24	427,249	-
2025	Interim	1000%	3,150,000,000	25-Aug-24	2,075,270	-
	Interim	450%	1,417,500,000	28-Nov-24	880,943	-
	Interim	440%	1,386,000,000	23-Feb-25	880,317	-
Unclaimed Dividend					5,123,939	7,826,662

*Total value of Unclaimed dividend represent balance after all adjustments

Notes to the financial statements (continued)

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
21. Current tax liabilities		
Provision for income tax	21.1 8,789,927,118	7,226,505,574
Advance income tax	21.2 (7,695,728,126)	(6,391,893,400)
	<u>1,094,198,992</u>	<u>834,612,174</u>
21.1 Provision for income tax		
Opening balance	7,226,505,574	7,913,544,700
Provision for current period/year	1,563,421,544	1,360,062,900
Adjustment for prior assessment year:		
Assessment year 2009-2010	-	(9,098,540)
Assessment year 2012-2013	-	(206,588,040)
Assessment year 2013-2014	-	(279,549,372)
Assessment year 2015-2016	-	(502,672,641)
Assessment year 2016-2017	-	(530,996,790)
Assessment year 2017-2018	-	(511,139,076)
Assessment year 2021-2022	-	(3,069,069)
Assessment year 2022-2023	-	(3,988,499)
	<u>8,789,927,118</u>	<u>7,226,505,574</u>
21.2 Advance income tax		
Opening balance	6,391,893,400	7,134,955,958
Payment during the year:		
Payment for current period	757,177,448	742,613,919
Payment for prior year:		
Assessment year 2015-2016	-	3,618,152
Assessment year 2016-2017	-	2,830,193
Assessment year 2017-2018	-	705,596
Assessment year 2018-2019	1,931,298	-
Assessment year 2023-2024	-	500,833,265
Assessment year 2024-2025	544,725,980	-
Adjustment for prior assessment year:		
Assessment year 2012-2013	-	(236,519,377)
Assessment year 2013-2014	-	(234,442,800)
Assessment year 2015-2016	-	(485,952,667)
Assessment year 2016-2017	-	(521,632,106)
Assessment year 2017-2018	-	(497,658,995)
Assessment year 2018-2019	-	(17,457,738)
	<u>7,695,728,126</u>	<u>6,391,893,400</u>

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

Accounting year ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
31 March 2025	2025-26	1,563,421,544	757,177,448	-
31 March 2024	2024-25	1,360,062,900	1,287,339,898	Return submitted
31 March 2023	2023-24	1,163,138,344	1,145,507,263	Return submitted
31 March 2022	2022-23	1,041,906,778	989,845,947	Return submitted
31 March 2021	2021-22	957,546,319	928,793,586	Return submitted
31 March 2020	2020-21	908,685,699	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	544,884,755	Open at CT(A) level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
		<u>8,789,927,118</u>	<u>7,695,728,126</u>	

Notes to the financial statements (continued)

		For the year ended	
		31 March 2025	31 March 2024
		BDT	BDT
22. Revenue			
	See accounting policy in Note 7.15		
	Parachute coconut oil	9,463,963,584	8,592,795,863
	Value added hair oil (VAHO)	4,858,682,336	4,236,429,084
	Color	35,729,235	39,762,987
	Health & Beauty	979,624,472	764,701,198
	Baby Segment	387,534,326	336,085,563
	Others*	583,826,923	554,408,135
		<u>16,309,360,876</u>	<u>14,524,182,830</u>
	*Others include male grooming, byproduct & others		
	** Revenue includes BDT 1,830,401,571 related to Mirsarai plant		
22.1 Segregation of revenue between domestic and export			
	Revenue from domestic operation	16,191,298,172	14,473,943,116
	Revenue from export	118,062,704	50,239,714
		<u>16,309,360,876</u>	<u>14,524,182,830</u>
23. Cost of sales			
	Opening stock of finished goods	317,102,123	387,071,251
	Cost of goods manufactured	6,692,561,676	6,029,281,473
		<u>7,009,663,799</u>	<u>6,416,352,724</u>
	Closing stock of finished goods	(411,422,839)	(317,102,123)
		<u>6,598,240,960</u>	<u>6,099,250,601</u>
	* Cost of Sales includes BDT 658,884,592 related to Mirsarai Plant		
23.1 Cost of goods manufactured			
	Materials consumed	6,139,961,161	5,515,768,398
	Factory overhead	552,600,515	513,513,075
		<u>6,692,561,676</u>	<u>6,029,281,473</u>
23.1.1 Materials consumed			
	Opening stock of raw materials, packing materials and others	3,034,365,421	2,141,478,971
	Purchases during the year	5,644,771,881	6,408,654,847
	Closing stock of raw materials, packing materials and others	(2,539,176,141)	(3,034,365,421)
		<u>6,139,961,161</u>	<u>5,515,768,398</u>
23.1.2 Factory overhead			
	Communication expenses	659,316	564,200
	Cost of outsourced human resources	131,409,467	115,424,601
	Depreciation	167,921,627	167,059,981
	Entertainment	11,419,346	13,047,886
	Power expenses	80,992,403	70,490,065
	Printing and stationery	1,779,296	1,674,125
	Repairs and maintenance	28,564,306	23,201,205
	Salaries and allowances	94,632,732	80,390,546
	Security charges	13,140,626	12,729,850
	Travelling and conveyance	8,601,626	8,298,655
	Warehouse rent	13,479,772	20,631,961
		<u>552,600,515</u>	<u>513,513,075</u>

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Notes to the financial statements (continued)

	For the year ended	
	31 March 2025	31 March 2024
	BDT	BDT
24. General and administrative expenses		
Salaries and allowances	743,902,993	634,392,701
Gratuity	20,444,268	21,149,612
Rent, rates and taxes	19,456,925	16,906,654
Professional and legal charges	34,498,252	35,512,222
Security charges	2,988,723	2,272,445
Stamp and license fees	16,331,238	16,199,449
Directors' remuneration and fees	37,339,967	31,537,232
Repair and maintenance	19,567,313	18,670,820
Communication expenses	4,259,265	4,431,717
Subscription to trade association	305,403	180,029
Entertainment	46,681,202	36,651,477
Printing and stationery	2,721,430	2,559,968
Vehicle running expenses	44,783,366	43,507,435
Travelling and conveyance	14,825,196	18,045,836
Audit fees	1,823,569	1,874,429
Insurance premium	34,775,894	27,039,305
Bank charges	4,952,660	10,714,980
AGM and public relation	9,959,244	7,155,392
Conference and training	6,597,451	4,589,485
Electricity and gas charges	1,197,645	718,817
Amortisation	314,510	460,214
Royalty	156,962,202	139,144,849
Depreciation	39,002,902	42,595,558
Depreciation on right-of-use asset	67,332,743	62,229,723
General and technical assistance fees	126,046,375	103,540,800
CSR expense	20,030,707	17,075,037
	1,477,101,441	1,299,156,185
25. Marketing, selling and distribution expenses		
Advertisement, travelling and communication expense	797,043,994	702,101,643
Business promotion expenses	40,524,231	38,260,466
Other selling & distribution expenses	104,512,669	97,435,068
Entertainment	28,773,835	11,313,774
Free sample	7,455,296	7,422,612
Freight- outward	122,888,416	108,514,187
Market research expenses	88,618,297	50,166,701
	1,189,816,738	1,015,214,451
26. Other income		
	<i>Notes</i>	
Other income	26.1 53,178,498	40,359,793
Other expenses	26.2 (1,685,128)	(106,661)
	51,493,370	40,253,132
26.1 Other income		
Gain on sale of PPE	644,836	4,411,524
Gain/(Loss) on lease disposal/ modification	(10,150,365)	2,916,834
Refund from insurance	2,373,830	2,989,887
Insurance claim	3,094,453	1,313,181
Sale of RM PM SFG	22,503,267	-
Rental income	13,524,000	13,525,034
Scrap sales	21,188,477	15,203,333
	53,178,498	40,359,793

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Notes to the financial statements (continued)

		For the year ended	
		31 March 2025	31 March 2024
		BDT	BDT
26.2	Other expenses		
	Loss on sale of PPE	(1,685,128)	(106,661)
		<u>(1,685,128)</u>	<u>(106,661)</u>
27.	Net finance income		
	Finance income/(Expense)	968,900,989	579,855,635
	Finance cost	(94,213,714)	(565,820,362)
		<u>874,687,276</u>	<u>14,035,273</u>
		<u>874,687,276</u>	<u>14,035,273</u>
27.1	Finance income/(Expense)		
	Interest on fixed deposits	716,665,540	483,076,423
	Interest on call deposits	132,461,160	96,416,864
	Foreign exchange gain	118,860,524	-
	Interest on staff loan	913,765	362,348
		<u>968,900,989</u>	<u>579,855,635</u>
		<u>968,900,989</u>	<u>579,855,635</u>
27.2	Finance costs		
	Interest on overdraft and loans	76,593,512	148,664,115
	Foreign exchange loss	-	398,790,265
	Interest on lease	17,620,202	18,365,984
		<u>94,213,714</u>	<u>565,820,362</u>
		<u>94,213,714</u>	<u>565,820,362</u>
28.	Contribution to WPPF		
	Profit before contribution to WPPF	7,970,382,381	6,164,849,998
	Applicable contribution rate	5%	5%
		<u>398,519,091</u>	<u>308,242,500</u>
		<u>398,519,091</u>	<u>308,242,500</u>
	**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 and tax as per provision of the Bangladesh Labour Act 2006.		
29.	Earnings per share		
29.1	Basic earnings per share		
	Profit attributable to ordinary shareholders (net profit after tax)	5,906,078,931	4,606,317,831
	Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
	Earnings per share (EPS) in Taka	<u>187.49</u>	<u>146.23</u>
		<u>187.49</u>	<u>146.23</u>
29.2	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 hence the diluted earning per share has not considered.		
30.	Income tax expenses		
	See accounting policy in Note 7.14		
	Amounts recognised in profit or loss		
	Current tax expense		
	Current year	1,563,421,544	1,360,062,900
	Adjustment for prior year	-	(53,438,474)
		<u>1,563,421,544</u>	<u>1,306,624,426</u>
	Deferred tax (income)/expense	102,362,815	(56,334,759)
		<u>1,665,784,360</u>	<u>1,250,289,667</u>
		<u>1,665,784,360</u>	<u>1,250,289,667</u>

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30.2 Movement in deferred tax balances

	Net balance at 01 April 2024		Recognised in profit /loss		Recognised in OCI		Net balance as at 31 March 2025		Balance as at 31 March 2025	
	BDT		BDT		BDT		BDT		Deferred tax assets	Deferred tax liabilities
31 March 2025										
Property, plant and equipment	(24,192,773)		28,329,653		-		4,136,880		-	4,136,880
Provision for leave encashment	(6,487,805)		(8,280,043)		-		(14,767,848)		(14,767,848)	-
RoU assets and lease liability under IFRS 16	32,078,657		(4,490,509)		-		27,588,148		-	27,588,148
Unrealized forex loss	(70,219,829)		86,803,713		-		16,583,884		-	16,583,884
Net deferred tax (assets)/liabilities	(68,821,750)		102,362,815		-		33,541,064		(14,767,848)	48,308,912
31 March 2024										
Property, plant and equipment	(39,129,939)		14,937,166		-		(24,192,773)		(24,192,773)	-
Provision for leave encashment	(6,927,864)		440,058		-		(6,487,805)		(6,487,805)	-
RoU assets- Impact of IFRS 16	33,570,813		(1,492,156)		-		32,078,657		-	32,078,657
Unrealized forex loss	(12,486,990)		(70,219,829)		-		(70,219,829)		(70,219,829)	-
Net deferred tax (assets)/liabilities	(24,963,980)		(56,334,759)		-		(68,821,750)		(100,990,407)	32,078,657

Notes to the financial statements (continued)

31. Related party transactions

31.1 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.

31.2 Transactions with key management personnel

For the year ended	
31 March 2025	31 March 2024
BDT	BDT
37,339,967	31,537,232
37,339,967	31,537,232

Directors' remuneration and fees

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

31.3 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*.

31.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount BDT	Balance as at	
				31 March 2025	31 March 2024
Marico Limited, India	Parent company	Purchase of RM and PM	26,262,891	3,588,731	14,489,362
		Purchase of Asset (Mould)	-	162,516	162,516
		Royalty	141,265,985	141,265,985	125,230,371
		Dividend	5,925,150,000	-	-
		General and technical assistance fees	126,610,813	126,610,813	438,518,580
		Sale of PM	1,172,506	182,351	1,219,052
		Other receivables	7,974,041	8,623,625	2,325,557

31.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount BDT	Balance as at	
				31 March 2025	31 March 2024
Marico Middle East FZE	Associated company	Sale of FG	21,605,566	348,537	348,537
		Purchase of RM	2,219,408,192	299,634,934	909,947,656
		Other receivables	6,431,352	6,678,448	247,096
Marico South East Asia	Associated company	Sale of SFG	22,503,267	-	-
		Other receivables	35,125	35,125	130,127
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Sale of Asset	-	-	-
		Sales of PM	1,073,418	-	-
ZED Lifestyle Pvt Ltd	Associated company	Other receivables	299,006	651,413	651,413
Marico Gulf LLC	Associated company	Purchase of FG	-	-	-
		Sale of FG	-	-	-

Notes to the financial statements (continued)

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

	As at	
	31 March 2025	31 March 2024
	BDT	BDT
32.1 Calculation of net asset value per share		
Net asset	7,532,646,453	8,210,067,522
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	239.13	260.64

* Net assets value per share decreased due to lower retained earning in FY25 (due to dividend payout).

	For the year ended	
	31 March 2025	31 March 2024
	BDT	BDT
32.2 Calculation of net operating cash flow per share (NOCFPS)		
Net cash from operating activities	4,606,300,714	6,149,933,337
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	146.23	195.24

* Net operating cash flow decreased due to higher payment to supplier in FY25.

* Effect of the movement in exchange rate changes on Cash and Cash Equivalents has been incorporated and the comparative amount has also been updated accordingly in line with IAS 7.

32.3 Reconciliation of net profit with cash flows from operating activities

	For the year ended	
	31 March 2025	31 March 2024
	BDT	BDT
Profit after tax	5,906,078,931	4,606,317,831
Adjustment for:		
Depreciation	274,257,271	271,885,263
Amortisation	314,510	460,214
Interest expense	76,593,512	148,664,115
Interest on staff loan	913,765	362,348
Interest on lease	17,620,202	18,365,984
Interest income	(968,900,989)	(579,855,635)
Loss/(Gain) on sale of PPE	1,040,291	(4,304,862)
Tax expense	1,665,784,360	1,250,289,667
	6,973,701,854	5,712,184,925
Changes in operating assets and liabilities:		
Inventories	400,868,564	(822,917,321)
Advances, deposits and prepayments	(184,744,866)	202,120,148
Other financial assets	(48,298,719)	(16,348,006)
Employee benefit obligation	57,244,459	10,218,177
Trade and other payable	(2,231,973,332)	2,137,486,304
Cash generated from operating activities	4,966,797,960	7,222,744,228
Interest paid	(76,593,512)	(148,664,115)
Interest received	1,019,930,994	326,831,686
Income tax paid	(1,303,834,727)	(1,250,600,996)
Net cash flows from operating activities	4,606,300,714	6,150,310,803

* Net operating cash flow decreased due to higher payment to supplier in FY25.

Notes to the financial statements (continued)

33. Contingent liabilities

The Company has contingent liability of Taka 1,088,900,000 as on 31 March 2025 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 10,764,037, Taka 425,203,798, Taka 489,675,774, Taka 83,098,257.9, Taka 4,941,741 and Taka 486,549,476 with Standard Chartered Bank, Commercial Bank of Ceylon, Hongkong and Shanghai Banking Corporation, BRAC Bank PLC, Mutual Trust Bank PLC and Dhaka Bank PLC respectively. Shipping guarantee of Taka 12,589,064 and Taka 109,210,237 with Standard Chartered Bank and Dhaka Bank PLC.

34. Production Capacity

<u>Main product</u>	<u>Installed capacity</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>
Parachute Coconut Oil (PCNO)	36,500	36,500
Copra Crushing	72,000	72,000
CCNO Refining	18,000	18,000
Value Added Hair Oil (VAHO)	28,860	28,860
Water based product	12,000	12,000
Edible Oil	4,000	4,000

35. Commitment

	<u>31 March 2025</u>	<u>31 March 2024</u>
	<u>BDT</u>	<u>BDT</u>
i) Capital commitment	59,819,275	39,531,030
ii) Other commitment	251,156,642	297,449,863

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

36. 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.

<u>Dividend for</u>	<u>Dividends remitted</u>	
	<u>31 March 2025</u>	<u>31 March 2024</u>
Final dividend for the year 2023-2024	510,300,000	-
First interim for the year 2024-2025	2,551,500,000	-
Second interim for the year 2024-2025	1,148,175,000	-
Third interim for the year 2024-2025	1,122,660,000	-
Final dividend for the year 2021-2022	-	510,300,000
First interim for the year 2022-2023	-	753,175,000
Second interim for the year 2022-2023	-	765,450,000
	<u>5,332,635,000</u>	<u>2,028,925,000</u>

37. 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.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31 March 2025.

38. 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.

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Notes to the financial statements (continued)

38.1 New factory in Mirsharai Economic Zone

The Company has invested in a new manufacturing plant located in the Mirsharai Economic Zone (MEZ) and commenced commercial operations on July 4th, 2023. Following the regulations outlined in the Bangladesh Economic Zone Order (BEZA) of 2010 and relevant laws of the land (including SRO No 104 AIN/Income Tax/2020), the Company intends to take advantage of the income tax benefits provided for conducting business within the Economic Zone. In order to provide stakeholders with additional information, the Company has included a separate note in the financial statements detailing the financial performance of operations within the Economic Zone. This note includes a breakdown of revenue, costs associated, other relevant cost with the Company's activities within the Economic Zone, as well as the allocation of common costs based on net sales percentage.

	31 March 2025
	BDT
Revenue	1,830,401,571
Cost of sales	(658,884,592)
Gross profit	1,171,516,979
Other income	1,636,293
General and administrative expenses	(163,701,785)
Marketing, selling and distribution expenses	(107,106,378)
Finance costs	(41,006,109)
Profit before contribution to workers participation fund and welfare fund	861,339,000
Contribution to workers participation fund & welfare fund	(43,066,950)
Profit before tax	818,272,050

39. 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:399), among them 31 employees left the Company and 352 (Previous year: 345) existed at 31 March 2025.

40. Subsequent events

The Board of Directors of Marico Bangladesh Limited at its 132nd meeting held on 29 April 2025 has recommended 1950% final cash dividend (i.e.195 per share), amounting to Tk. 6,142,500,000 for the year ended on 31 March 2025.

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Notes to the financial statements (continued)

41. Financial instruments - fair values and financial risk management
41.1 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 2025

Particulars	Note	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	12.2	-	-	-	-	-	-	-	-	-	-	-	-	
Treasury bills	12.2	-	-	-	-	-	-	-	-	4,791,326,681	-	-	4,791,326,681	
Loan to employees	12	-	-	-	-	-	-	-	-	11,630,861	-	-	11,630,861	
Trade receivables	12	-	-	-	-	-	-	-	-	84,858,013	-	-	84,858,013	
Cash and cash equivalents	14	-	-	-	-	-	-	-	-	3,092,223,180	-	-	3,092,223,180	
		-	-	-	-	-	-	-	-	7,980,038,735	-	-	7,980,038,735	
Financial liabilities measured at fair value														
Financial liabilities not measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-	
Trade and other payables	19	-	-	-	-	-	-	-	-	-	-	-	4,897,454,525	
Lease liabilities	18	-	-	-	-	-	-	-	-	-	-	-	174,821,504	
		-	-	-	-	-	-	-	-	-	-	-	5,072,276,030	

Notes to the financial statements (continued)

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

41.1 Accounting classifications and fair values (continued)

31 March 2024

Particulars	Note	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	Total			
		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT		
Financial assets measured at fair value											
Financial assets not measured at fair value											
Fixed deposits	12.2	-	-	-	-	-	-	-	-	-	-
Treasury bills	12.2	-	-	-	-	8,665,999,170	-	-	-	-	8,665,999,170
Loan to employees	12	-	-	-	-	11,060,481	-	-	-	-	11,060,481
Trade receivables	12	-	-	-	-	38,200,323	-	-	-	-	38,200,323
Cash and cash equivalents	14	-	-	-	-	1,887,129,573	-	-	-	-	1,887,129,573
		-	-	-	-	10,602,389,548	-	-	-	-	10,602,389,548
Financial liabilities measured at fair value											
Financial liabilities not measured at fair value											
Trade and other payables	19	-	-	-	-	-	-	-	-	7,168,202,840	7,168,202,840
Lease liabilities	18	-	-	-	-	-	-	-	-	190,739,596	190,739,596
		-	-	-	-	-	-	-	-	7,358,942,437	7,358,942,437

Notes to the financial statements (continued)

41.2 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

41.2.1 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:

Note	31 March 2025		31 March 2024	
	BDT		BDT	
12.2	4,791,326,681	8,665,999,170		
12	11,630,861	11,060,481		
12	84,858,013	38,200,323		
14	3,092,223,180	1,887,129,573		
	7,980,038,735	10,602,389,548		

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Notes to the financial statements (continued)

41.2 Financial risk management (continued)

41.2.2 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:

Note	Carrying amount	Expected cash flow	Contractual cash flows							
			BDT	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years		
			BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
31 March 2025										
Trade and other payables	4,897,454,525	4,897,454,525	4,897,454,525	-	-	-	-	-	-	-
Lease liabilities	174,821,504	174,821,503	24,833,604	33,678,153	44,277,074	72,032,672	-	-	-	-
	5,072,276,029	5,072,276,028	4,922,288,130	33,678,153	44,277,074	72,032,672	-	-	-	-
31 March 2024										
Trade and other payables	7,168,202,840	7,168,202,840	7,168,202,840	-	-	-	-	-	-	-
Lease liabilities	190,739,596	190,739,595	24,833,604	14,037,583	42,307,690	109,560,719	-	-	-	-
	7,358,942,435	7,358,942,435	7,193,036,444	14,037,583	42,307,690	109,560,719	-	-	-	-

Notes to the financial statements (continued)

41.2.3 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 25 are as follows:

	31 March 2025	31 March 2024
	USD	USD
Import of goods and services	(3,354,888)	(21,145,860)
Bank balance	81,324	27,492
	(3,273,564)	(21,118,368)

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

	Average rate		Year-end spot rate	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Exchange rate (USD/BDT)	118.38	108.91	122.00	110.00

Notes to the financial statements (continued)

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)			
	Strengthening BDT	Weakening BDT	Strengthening BDT	Weakening BDT
31 March 2025				
USD (1% movement)	(3,993,748)	3,993,748	(3,993,748)	3,993,748
31 March 2024				
USD (1% movement)	(23,230,205)	23,230,205	(23,230,205)	23,230,205

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 2024, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	31 March 2025		31 March 2024	
		BDT		BDT	
Fixed rate instruments					
Financial assets					
Fixed deposit receipts	12.2	-	-	-	-
Treasury bills	12.3	4,791,326,681	8,665,999,170		
Financial liabilities					
Variable rate instruments					
Financial assets					
Financial liabilities					

END OF THE FINANCIAL STATEMENTS