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

As at and for the period ended 30 June 2024

Independent Auditor's Report
To the Shareholders of Marico Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

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

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

➢ Revenue recognition

Referring to the Note 21 and Note 7.15 to the financial statements, Revenue of BDT 4,360 million is recognized in the statement of profit or loss and other comprehensive income of Marico Bangladesh Limited. This material item is subject to considerable inherent risk due to the risk of being overstated at the end of the reporting period on account of variation in the timing of transfer of control by the management in order to meet expectations of the shareholders and also to achieve performance targets. Accordingly, there could be potential misstatements that revenue made during the period end are not recognised in the correct reporting period.

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Tax & Company Affairs Office: Ivory Krishnachura (5th Floor), 3/1-E, Purana Paltan, Dhaka-1000, Bangladesh; ☎ +880-2-9551103, 9584925, aqasemtax@aqcbd.com

How our audit addressed the key audit matter

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

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

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

- **Uncertain tax position**

  Referring to Note 29 and Note 32 of the financial statements, the Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. Judgement is required in assessing the level of provisions and disclosure of contingent liabilities, required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.

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

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

  How our audit addressed the key audit matter

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

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

Responsibilities of management and those charged with governance for the financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof.

ii) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books.

iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and

iv) The expenditures incurred were for the purpose of the Company's business.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment Number: CAF-001-129

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

DVC: 2407310643A0613036

Place: Dhaka
Date: 30 July 2024

Marico Bangladesh Limited
Statement of financial position
As at 30 June 2024

	Notes	As at 30 June 2024 BDT	As at 31 March 2024 BDT
Assets			
Non Current Assets			
Property, plant and equipment	*8A*	1,382,342,704	1,414,648,907
Investment property	*8B*	-	1,319,156
Intangible assets	*9*	229,594	242,273
Right-of-use assets	*10*	351,987,751	345,911,409
Advances, deposits and prepayments	*11*	33,660,488	54,495,117
Other financial assets	*12*	9,992,119	7,355,019
Deferred tax asset	*29.1*	78,219,835	68,821,750
Total Non Current Assets		**1,856,432,491**	**1,892,793,631**
Current Assets			
Inventories	*13*	3,122,503,691	3,351,467,544
Advances, deposits and prepayments	*11*	875,723,313	756,713,830
Other financial assets	*12*	6,616,228,292	9,018,705,412
Cash and cash equivalents	*14*	3,931,823,015	1,887,129,573
Total Current Assets		**14,546,278,311**	**15,014,016,359**
Total Assets		**16,402,710,802**	**16,906,809,990**
Equity			
Share capital	*15*	315,000,000	315,000,000
Share premium	*15.1*	252,000,000	252,000,000
Retained earnings		9,368,779,138	7,643,067,522
Total Equity		**9,935,779,138**	**8,210,067,522**
Liabilities			
Non Current Liabilities			
Lease liabilities	*17*	153,411,474	151,868,409
Employee benefit obligation	*16*	25,321,900	23,741,889
Total Non Current Liabilities		**178,733,374**	**175,610,298**
Current Liabilities			
Trade and other payable	*18*	5,301,691,423	7,168,202,840
Lease liabilities	*17*	56,580,961	38,871,187
Employee benefit obligation	*16*	27,069,298	21,619,307
Loans and borrowings		-	450,000,000
Current tax liabilities	*20*	895,132,321	834,612,174
Unclaimed dividend	*19*	7,724,287	7,826,662
Total Current Liabilities		**6,288,198,290**	**8,521,132,170**
Total Liabilities		**6,466,931,664**	**8,696,742,468**
Total Equity and Liabilities		**16,402,710,802**	**16,906,809,990**

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 36 form an integral part of these financial statements.

Shafiq Musharrof
Chief Financial Officer

Sumitava Basu
Country Head

A. Qasem & Co.
Chartered Accountants
FRC Enlistment Number: CAF-001-129

Md. Shahinul Islam
Company secretary

Parveen Mahmud
Director

Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Enrolment Number: 643
DVC: 2407310643A0613036

Place: Dhaka
Date: 30 July 2024

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Marico Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the three-month period ended 30 June 2024

	Notes	For the three-month period 30 June 2024 BDT	30 June 2023 BDT
Revenue	21	4,359,543,226	3,962,141,497
Cost of sales	22	(1,688,001,036)	(1,655,445,240)
Gross profit		**2,671,542,190**	**2,306,696,257**
Other income	25.1	9,687,434	9,141,824
General and administrative expenses	23	(330,350,560)	(297,172,387)
Marketing, selling and distribution expenses	24	(293,058,069)	(277,270,750)
Other expense	25.2	(72,245)	-
Operating profit		**2,057,748,750**	**1,741,394,944**
Finance income	26.1	243,954,635	97,383,461
Finance costs	26.2	33,334,480	(64,632,866)
Net finance income		277,289,115	32,750,596
Profit before contribution to workers participation fund and welfare fund		**2,335,037,865**	**1,774,145,540**
Contribution to workers participation fund & welfare fund	27	(116,751,894)	(88,707,277)
Profit before tax		**2,218,285,971**	**1,685,438,263**
Income tax expenses	29	(492,574,355)	(356,691,357)
Profit for the Year		**1,725,711,616**	**1,328,746,906**
Other comprehensive income			
Remeasurements of defined benefit liability		-	-
Total comprehensive income for the Year		**1,725,711,616**	**1,328,746,906**
Earnings per share		BDT	BDT
Basic earnings per share (per value of Tk 10)	28	**54.78**	**42.18**

Footnotes: *1. Independent auditor's report in page 1 to 4.*
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Sumitava Basu
Country Head

Shafiq Musharrof
Chief Financial Officer

A. Qasem & Co.
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Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner
Enrolment Number: 643

Md. Shahinul Islam
Company secretary

Parveen Mahmud
Director

DVC: 2407310643A0613036

Place: Dhaka
Date: 30 July 2024

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Marico Bangladesh Limited
Statement of changes in equity
For the three-month period ended 30 June 2024

	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	-	-	1,725,711,616	1,725,711,616
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**315,000,000**	**252,000,000**	**1,725,711,616**	**1,725,711,616**
Transactions with owners of the Company				
Contributions and distributions	-	-	-	-
Final dividend for the year 2023-2024	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 30 June 2024	**315,000,000**	**252,000,000**	**9,368,779,138**	**9,935,779,138**
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	-	-	1,328,746,906	1,328,746,906
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**1,328,746,906**	**1,328,746,906**
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2021-2022	-	-	-	-
First interim for the year 2022-2023	-	-	-	-
Second interim for the year 2022-2023	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 30 June 2023	**315,000,000**	**252,000,000**	**4,348,062,551**	**4,915,062,551**

Footnotes: *1. Independent auditor's report in page 1 to 4.*
2. The notes 1 to 36 form an integral part of these financial statements.

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CHARTERED ACCOUNTANTS

Marico Bangladesh Limited
Statement of cash flows
For the period ended 30 June 2024

	For the year ended	
	30 June 2024	30 June 2023
	BDT	BDT
Cash flows from operating activities		
Collection from customers and others	4,226,526,024	3,813,422,825
Payment to suppliers and for operating expenses	(3,830,970,584)	(1,814,336,003)
Cash generated from operating activities	**395,555,440**	**1,999,086,822**
Interest paid	(57,883,118)	(19,352,777)
Interest received	203,903,913	112,962,780
Income tax paid	(441,452,291)	(483,599,900)
Net cash from operating activities	**100,123,943**	**1,609,096,925**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(44,135,491)	(115,947,054)
Proceeds from disposal of PPE	71,735	-
Encashment of/(Investment in) fixed deposits	2,446,639,434	72,451,618
Net cash used in investing activities	**2,402,575,677**	**(43,495,436)**
Cash flows from financing activities		
Net proceeds from loans and borrowings	(450,000,000)	-
Dividend paid	-	-
Payment of lease liability	(8,006,179)	(22,319,350)
Net cash used in financing activities	**(458,006,178)**	**(22,319,350)**
Net increase in cash and cash equivalents	**2,044,693,442**	**1,543,282,139**
Opening cash and cash equivalents	**1,887,129,573**	**2,228,805,865**
Closing cash and cash equivalents	**3,931,823,015**	**3,772,088,003**

Footnotes: 1. Independent auditor's report in page 1 to 4.
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CHARTERED ACCOUNTANTS

Marico Bangladesh Limited
Notes to the financial statements
For the period ended 30 June 2024

1. Reporting entity

1.1 Company profile

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

1.2 Nature of business

The Company is engaged in manufacturing and marketing of consumer products under the brand name of Parachute, Nihar, Saffola, Hair Code, Livon, Parachute Advanced, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-Wet, 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:

i. Bangladesh Securities and Exchange Rules 2020;
ii. The Companies Act, 1994;
iii The Income Tax Act, 2023; and
iv The Value Added Tax and Supplementary Duty Act, 2012;

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

Details of the Company's accounting policies including changes during the period, 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 129th Board of Directors meeting held on 30th July, 2024.

2.3 Reporting period

The financial period of the Company covers three months period from 01 April to 30 June and is followed consistently.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

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 7.04 & 7.17.

(b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 30 June 2024 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 16	Employee benefit obligation
Note 17	Lease liabilities
Note 20	Current tax liabilities
Note 29.1	Deferred tax
Note 32	Contingent liabilities

QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

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 form 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
7.01	Foreign currency transactions
7.02	Property, plant and equipment
7.03	Intangible assets
7.04	Right of use assets
7.05	Investment Property
7.06	Inventories
7.07	Cash and cash equivalents
7.08	Financial instruments
7.09	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

7.01 Foreign currency transactions

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

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GULSHAN
DHAKA
CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

7.02 Property, plant and equipment

i) Recognition and measurement

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

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

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

ii) Subsequent cost

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

iii) Depreciation

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

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

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

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

7.03 Intangible assets

i) Recognition and measurement

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

ii) Subsequent costs

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

iii) Amortisation

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

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

7.04 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.

7.05 Investment Property

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

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

Investment property may include investment property that is being redeveloped.

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

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

7.06 Inventories

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

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

7.07 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.

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Notes to the financial statements (continued)

7.08 Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets – policy applicable from 1 April 2018

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

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.

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Notes to the financial statements (continued)

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

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

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

(a) Cash and cash equivalents

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

(b) Trade and other receivables

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

(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.

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Notes to the financial statements (continued)

7.09 Share capital

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

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

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

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

iii) Leave encashment

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

The Company's net obligation in respect of leave encashment scheme is the amount of future benefit that employees have earned in return for their service in the current and prior 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.

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Notes to the financial statements (continued)

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;

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).

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.

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Notes to the financial statements (continued)

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.

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Notes to the financial statements (continued)

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)

8. Property, plant and equipment
See accounting policy in Note 7.02

A. Reconciliation of Carrying amount

	Freehold land	Plant and machinery	Buildings	Factory and office Equipment	Computers	Assets under construction	Total
	BDT	BDT			BDT	BDT	BDT
Balance at 1 April 2023	176,749,959	1,357,573,619	479,019,795	336,993,608	50,237,160	384,681,835	2,785,255,977
Additions						312,225,054	312,225,054
Transfer from asset under construction	-	192,743,408	370,678,906	73,749,661	12,661,036	(649,833,011)	-
Disposals		(17,724,833)	(126,275)	(10,432,809)	(4,470,287)		(32,754,205)
Balance at 31 March 2024	**176,749,959**	**1,532,592,194**	**849,572,426**	**400,310,460**	**58,427,909**	**47,073,879**	**3,064,726,826**
Balance at 1 April 2024	176,749,959	1,532,592,194	849,572,426	400,310,460	58,427,909	47,073,879	3,064,726,826
Additions						19,674,871	19,674,871
Transfer from asset under construction		28,812,105	2,199,926	14,667,910	2,954,600	(48,634,541)	-
Disposals		(281,340)		(8,101,512)	(3,468,615)		(11,851,467)
Balance at 30 June 2024	**176,749,959**	**1,561,122,959**	**851,772,351**	**406,876,858**	**57,913,894**	**18,114,208**	**3,072,550,230**
Accumulated depreciation and impairment loss							
Balance at 1 April 2020	-	733,240,855			20,430,063	-	753,670,918
Depreciation for the year	-	66,615,174			5,412,363	-	72,027,537
Depreciation for the year	-	136,038,341	29,848,069	29,242,561	7,741,792	-	202,870,763
Disposals	-	(17,724,833)	(126,275)	(10,266,316)	(4,448,174)	-	(32,565,599)
Balance at 31 March 2024	**-**	**1,072,472,831**	**327,360,603**	**210,828,752**	**39,415,734**	**-**	**1,650,077,919**
Balance at 1 April 2024	-	1,072,472,831	327,360,603	210,828,752	39,415,734	-	1,650,077,919
Asset held for sale adjustments in Opening Balance	-	-	-	-	-	-	-
Depreciation for the year	-	33,203,716	9,043,994	7,275,112	2,118,180	-	51,641,001
Impairment loss (reversal of impairment) of PPE	-	-	-	267,057	-	-	267,057
Disposals	-	(281,340)	-	(8,033,326)	(3,463,785)	-	(11,778,451)
Balance at 30 June 2024	**-**	**1,105,395,206**	**336,404,597**	**210,337,595**	**38,070,128**	**-**	**1,690,207,526**
Carrying amounts							
At 30 June 2024	176,749,959	455,727,753	515,367,755	196,539,263	19,843,766	18,114,208	1,382,342,704
At 31 March 2024	176,749,959	460,119,363	522,211,822	189,481,708	19,012,175	47,073,879	1,414,648,907

B. Investment property
See accounting policy in Note 7.05

	30 June 2024	31 March 2023
	BDT	BDT
Office building	140,659,360	140,659,360
Depreciation for the year ended (Office building)	(140,659,360)	(139,340,204)
	0	1,319,156

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* Asset category has been reorganised and presented accordingly for both the years.

Notes to the financial statements (continued)

			Computer software	
9.	**Intangible assets**	***Notes***	**30 June 2024**	**31 March 2024**
	See accounting policy in Note 7.03		**BDT**	**BDT**
	Cost			
	Opening balance		24,413,446	24,413,446
	Additions		-	
	Closing balance		**24,413,446**	**24,413,446**
	Accumulated amortization			
	Opening balance		24,171,173	23,710,959
	Amortization during the year		12,679	460,214
	Closing balance		**24,183,851**	**24,171,173**
	Carrying amount		**229,594**	**242,273**

* Opening balance of Intangible assets has changed due to one reclassification of asset.

10. Right-of-use assets

See accounting policy in Note 7.04

	Right-of-use assets	
	30 June 2024	**31 March 2024**
Reconciliation of carrying amount	**BDT**	**BDT**
Cost		
Opening balance	450,087,067	442,009,097
Additions	22,596,123	169,696,456
Modification		(3,995,758)
Disposal		(157,622,728)
Closing balance	**472,683,190**	**450,087,067**
Accumulated depreciation		
Opening balance	104,175,658	175,097,466
Addition/ Adjustment	16,519,780	62,229,723
Disposal		(133,151,531)
Closing balance	**120,695,438**	**104,175,658**
Carrying amount	**351,987,751**	**345,911,409**

* Disposal has been presented separately in prior year.

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Notes to the financial statements (continued)

	Notes	As at 30 June 2024 BDT	As at 31 March 2024 BDT
11. Advances, deposits and prepayments			
Advances			
Advance for capital goods		2,263,571	8,967,568
Advance to suppliers and others		865,256,770	765,332,048
		867,520,341	**774,299,616**
Deposits			
Security deposits		4,311,998	4,190,645
		4,311,998	**4,190,645**
Prepayments			
Prepaid expenses		37,551,462	32,718,686
		37,551,462	**32,718,686**
	11.1	**909,383,801**	**811,208,947**

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

		30 June 2024 BDT	31 March 2024 BDT
Current		875,723,313	756,713,830
Non-current		33,660,488	54,495,117
		909,383,801	**811,208,947**

12. Other financial assets

	Notes	30 June 2024 BDT	31 March 2024 BDT
Treasury Bills	*12.2*	6,219,359,736	8,665,999,170
Trade receivables		45,348,564	38,200,323
Loans to employees		10,873,002	11,060,481
Accrued interest		350,639,110	310,800,458
	12.1	**6,626,220,412**	**9,026,060,432**

12.1 Current and non-current classification of other financial assets

		30 June 2024 BDT	31 March 2024 BDT
Current		6,616,228,292	9,018,705,412
Non-current		9,992,119	7,355,019
		6,626,220,411	**9,026,060,432**

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Notes to the financial statements (continued)

		Notes	As at 30 June 2024 BDT	As at 31 March 2024 BDT
12.2	**Treasury Bills (maturity more than three months)**			
	Treasury Bill for 364 days		4,108,982,896	4,108,982,896
	Treasury Bill for 182 days		2,110,376,840	3,732,494,073
	Treasury Bill for 91 days		-	824,522,201
			6,219,359,736	**8,665,999,170**
13.	**Inventories**			
	See accounting policy in Note 7.06			
	Raw materials		2,165,663,560	2,403,080,840
	Packing materials		407,606,723	456,399,201
	Finished goods		227,994,124	317,102,123
	Stores and spares		45,498,091	41,559,539
	Materials in transit		275,741,192	133,325,841
			3,122,503,691	**3,351,467,544**
14.	**Cash and cash equivalents**			
	See accounting policy in Note 7.07			
	Cash at bank	*14.1*	3,924,098,728	1,879,302,911
	Balance with bank for unclaimed dividend		7,724,287	7,826,662
			3,931,823,015	**1,887,129,573**
14.1	**Cash at bank**			
	BRAC Bank PLC		2,175,851,448	942,576,882
	Citibank N.A.		1,158,470	3,855,666
	Islami Bank Bangladesh PLC		15,781	317,414
	Sonali Bank PLC		9,556	10,043
	Standard Chartered Bank		75,689,941	185,173,700
	The Hongkong and Shanghai Banking Corporation Ltd.		335,083	338,502
	Eastern Bank PLC		25,993,329	214,726,664
	Dutch Bangla Bank PLC		234,000	8,415,000
	The City Bank PLC		6,064,827	1,508,909
	Commercial Bank of Ceylon PLC		826	301,807,169
	State Bank of India		29,953,037	559,079
	Bank Alfalah Limited		287	233
	Mutual Trust Bank PLC		372,916,567	186,826,664
	MIDLAND Bank		261,422,857	-
	Dhaka bank PLC		974,452,717	33,186,986
			3,924,098,728	**1,879,302,911**

QASEM & CO GULSHAN DHAKA CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

		As at	
		30 June 2024	31 March 2024
		BDT	BDT
15.	**Share capital**		
	See accounting policy in Note 7.09		
	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 Share premium

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

16. Employee benefit obligation

See accounting policy in Note 7.11

Provision for gratuity	21,637,572	16,526,505
Provision for leave encashment	30,753,626	28,834,691
	52,391,198	45,361,196
Current	27,069,298	21,619,307
Non-Current	25,321,900	23,741,889
	52,391,198	45,361,196

17. 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	56,580,961	38,871,187
One to two years	53,099,413	42,307,690
Two to three years	38,158,030	38,288,191
Three to four years	34,318,520	34,566,784
Four to five years	27,835,513	36,705,744.59
More than five years	-	-
	209,992,435	190,739,596

Lease liabilities included in the statement of financial position

Current	56,580,961	38,871,187
Non-current	153,411,474	151,868,409
	209,992,435	190,739,596

Amounts recognised in profit or loss	BDT	BDT
Interest on lease liabilities	4,662,895	18,365,984
	4,662,895	18,365,984
Amounts recognised in the statement of cash flows		
Lease rental	8,006,179	72,563,902
Total cash outflow for lease liabilities and interest payments	8,006,179	72,563,902

QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

	Notes	As at 30 June 2024 BDT	As at 31 March 2024 BDT
18. Trade and other payable			
See accounting policy in Note 07.08 iii (a)			
Trade payables	*18.1*	3,025,953,266	4,239,782,396
Other payables	*18.2*	2,275,738,157	2,928,420,445
		5,301,691,423	**7,168,202,840**

18.1 Trade payables

	30 June 2024 BDT	31 March 2024 BDT
Intercompany trade payable		
Payable against raw material	635,882,854	918,144,538
Payable against packing material	6,292,479	6,292,479
	642,175,333	**924,437,017**
Third party trade payable		
Payable against raw material	1,664,541,257	2,715,385,002
Payable against services	630,615,990	494,678,985
Payable against packing material	87,337,521	105,281,391
Payable against finished goods	1,283,165	-
	2,383,777,933	**3,315,345,378**
Total trade payables	**3,025,953,266**	**4,239,782,396**

18.2 Other payables

	30 June 2024 BDT	31 March 2024 BDT
Intercompany other payable		
Royalty payable	37,605,417	125,230,371
General and technical assistance fees payable	141,415,131	436,193,023
	179,020,548	**561,423,394**
Third party other payable		
Payable against expenses	475,340,287	697,069,919
Payable against business promotion expense	885,187,864	702,053,952
Import duty and related charges payable	331,080,639	233,231,639
Withholding tax and VAT payable	116,168,053	54,865,504
Workers' profit participation and welfare fund	116,751,894	298,242,500
Festival bonus	-	23,360,461
Advance from customers	48,159,190	183,571,610
Payable against capital goods	14,471,853	45,976,539
Audit fees payable	594,307	968,307
Interest on Deferred LC	62,877,294	75,858,721
Supplementary duty	46,086,228	51,797,899
	2,096,717,609	**2,366,997,051**
Total other payables	**2,275,738,157**	**2,928,420,446**

19. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 30 June 2024	Unclaimed Dividend as on 31 March 2024
2020	Interim	300%	945,000,000	18-Feb-19	4,098,001	4,098,001
	Final	200%	630,000,000	18-Jun-20	262,671	262,671
2021	Interim	300%	945,000,000	16-Aug-20	345,053	345,053
	Interim	200%	630,000,000	17-Nov-20	201,003	201,003
	Interim	200%	630,000,000	15-Feb-21	293,526	305,226
	Final	200%	630,000,000	27-May-21	677,860	689,560
2022	Interim	200%	630,000,000	18-Aug-21	437,870	449,570
	Interim	200%	630,000,000	11-Nov-21	316,986	328,686
	Interim	200%	630,000,000	27-Feb-22	219,666	231,366
	Final	200%	630,000,000	26-May-22	229,933	229,933
2023	Interim	450%	1,417,500,000	23-Jun-22	343,246	369,571
	Interim	300%	945,000,000	21-Aug-22	298,473	316,023
Unclaimed Dividend					7,724,287	7,826,662

*Total value of Unclaimed dividend represent balance after all adjustments

	Notes	As at 30 June 2024 BDT	As at 31 March 2024 BDT
20. Current tax liabilities			
Provision for income tax	*20.1*	7,728,478,012	7,226,505,574
Advance income tax	*20.2*	(6,833,345,691)	(6,391,893,400)
		895,132,321	**834,612,174**

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

		As at	
		30 June 2024	31 March 2024
		BDT	BDT
20.1	**Provision for income tax**		
	Opening balance	7,226,505,574	7,913,544,700
	Provision for current period/year	501,972,438	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)
		7,728,478,012	7,226,505,574
20.2	**Advance income tax**		
	Opening balance	6,391,893,399	7,134,955,958
	Payment during the year:		
	Payment for current period	69,262,932	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 2022-2023		-
	Assessment year 2023-2024	372,189,360	500,833,265
	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)
		6,833,345,691	6,391,893,399

20.3 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
30 June 2024	2025-26	501,972,439	69,262,929	
31 March 2024	2024-25	1,360,062,900	1,114,803,278	-
31 March 2023	2023-24	1,163,138,344	1,145,507,263	Return submitted
31 March 2022	2022-23	1,037,918,279	989,845,947	Return submitted
31 March 2021	2021-22	961,534,818	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	542,953,457	Open at CT level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
		7,728,478,012	6,833,345,689	

A. QASEM & CO. CHARTERED ACCOUNTANTS GULSHAN DHAKA

Notes to the financial statements (continued)

			For the three-month period ended	
			30 June 2024	30 June 2023
			BDT	BDT
21.	**Revenue**			
	See accounting policy in Note 7.15			
	Parachute coconut oil		2,681,192,274	2,544,551,971
	Value added hair oil (VAHO)		1,249,397,572	1,058,686,857
	Color		9,691,892	16,063,485
	Health & Beauty		185,030,782	161,999,054
	Baby Segment		73,234,200	59,007,110
	Others*		160,996,506	121,833,020
			4,359,543,226	**3,962,141,497**
	*Others include male grooming, byproduct & others			
21.1	**Segregation of revenue between domestic and export**			
	Revenue from domestic operation		4,332,569,036	3,944,767,490
	Revenue from export		26,974,190	17,374,007
			4,359,543,226	**3,962,141,497**
22.	**Cost of sales**			
		Note		
	Opening stock of finished goods		317,102,123	387,071,251
	Cost of goods manufactured	*22.1*	1,598,893,037	1,494,731,799
			1,915,995,160	**1,881,803,049**
	Closing stock of finished goods		(227,994,124)	(226,357,809)
			1,688,001,036	**1,655,445,240**
22.1	**Cost of goods manufactured**			
		Notes		
	Materials consumed	*22.1.1*	1,466,712,460	1,390,271,258
	Factory overhead	*22.1.2*	132,180,577	104,460,541
			1,598,893,037	**1,494,731,799**
22.1.1	**Materials consumed**			
	Opening stock of raw materials, packing materials and others		3,034,365,421	2,141,478,971
	Purchases during the year		1,326,856,605	1,844,002,397
	Closing stock of raw materials, packing materials and others		(2,894,509,566)	(2,595,210,111)
			1,466,712,460	**1,390,271,258**

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

		For the three-month period ended	
		30 June 2024	30 June 2023
		BDT	BDT
22.1.2	**Factory overhead**		
	Communication expenses-CoS	154,413	158,618
	Cost of outsourced human resources	30,072,782	26,311,441
	Depreciation-CoS	42,656,861	33,379,119
	Entertainment-CoS	2,314,007	2,853,873
	Power expenses	22,551,180	13,684,289
	Printing and stationery-CoS	571,270	589,850
	Repairs and maintenance-CoS	4,334,962	2,483,076
	Salaries and allowances-CoS	17,775,892	15,492,188
	Security charges-CoS	3,372,546	2,826,597
	Travelling and conveyance-CoS	1,998,731	1,809,271
	Warehouse rent	6,377,935	4,872,220
		132,180,577	**104,460,541**
23.	**General and administrative expenses**		
	Salaries and allowances	158,548,720	132,764,500
	Gratuity	5,111,067	5,768,076
	Rent, rates and taxes	4,515,080	4,197,015
	Professional and legal charges	5,327,177	6,480,341
	Security charges	524,072	555,138
	Stamp and license fees	3,567,639	4,101,910
	Directors' remuneration and fees	5,797,122	3,644,553
	Repair and maintenance	3,891,603	4,350,373
	Communication expenses	549,627	603,771
	Subscription to trade association	101,076	57,500
	Entertainment	7,638,655	8,361,506
	Printing and stationery	440,937	383,062
	Vehicle running expenses	10,982,669	12,202,079
	Travelling and conveyance	3,145,807	3,395,638
	Audit fees	494,308	477,754
	Insurance premium	10,948,110	8,393,577
	Bank charges	818,955	2,674,486
	AGM and public relation	589,535	494,627
	Conference and training	1,241,807	300,085
	Electricity and gas charges	302,456	170,843
	Amortisation	12,679	115,054
	Royalty	41,783,798	38,069,783
	Depreciation	10,303,295	9,080,720
	Depreciation on right-of-use asset	16,519,780	15,483,340
	General and technical assistance fees	32,749,587	30,543,879
	CSR expense	4,445,000	4,502,778
		330,350,560	**297,172,387**

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

		For the three-month period ended	
		30 June 2024	30 June 2023
		BDT	BDT
24. Marketing, selling and distribution expenses			
Advertisement, travelling and communication expense		190,204,167	202,416,301
Business promotion expenses		9,482,067	6,513,851
Other selling & distribution expenses		27,959,845	21,620,899
Entertainment-Mkt		5,871,847	4,383,594
Free sample		1,227,868	1,719,545
Freight- outward		32,744,879	29,974,096
Market research expenses		25,567,396	10,642,464
		293,058,069	**277,270,750**

* Marketing, selling and distribution expenses includes BDT 18,041,655 related to Mirsarai Plant

	Note	30 June 2024	30 June 2023
25. Other income/(expense)			
Other income	*25.1*	9,687,434	9,073,087
Other expenses	*25.2*	(72,245)	-
		9,615,189	**9,073,087**
25.1 Other income			
Gain on sale of PPE		143,979	37,709
Gain/(Loss) on lease disposal/ modification		(10,145,921)	2,984,976
Refund from insurance		284,572	-
Insurance claim		-	151,198
Sale of RM PM		11,023,755	-
Rental income		3,381,000	3,381,000
Scrap sales		5,000,049	2,518,204
		9,687,434	**9,073,087**
25.2 Other expenses			
Loss on sale of PPE		(72,245)	-
		(72,245)	**-**
26. Net finance income			
Finance income/(Expense)	*26.1*	243,954,635	97,383,461
Finance costs	*26.2*	33,334,480	(64,632,866)
		277,289,115	**32,750,595**
26.1 Finance income/(Expense)			
Interest on fixed deposits		212,671,273	65,549,396
Interest on call deposits		31,071,292	31,765,328
Interest on staff loan		212,070	68,737
		243,954,635	**97,383,461**

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

		For the three-month period ended	
		30 June 2024	30 June 2023
		BDT	BDT
26.2	**Finance costs**		
	Interest on overdraft and loans	57,883,118	19,352,777
	Foreign exchange (gain)/loss	(95,880,493)	40,415,406
	Interest on lease	4,662,895	4,864,683
		(33,334,480)	**64,632,866**

		For the year ended	
27.	**Contribution to WPPF**	**30 June 2024**	**30 June 2023**
		BDT	BDT
	Profit before contribution to WPPF	2,335,037,865	1,774,145,540
	Applicable contribution rate	5%	5%
		116,751,894	**88,707,277**

*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.

28. Earnings per share

28.1 Basic earnings per share

Profit attributable to ordinary shareholders (net profit after tax)	1,725,711,616	1,328,746,906
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	**54.78**	**42.18**

28.2 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.

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

	For the year ended	
	30 June 2024	30 June 2023
	BDT	BDT
29. Income tax expenses		
See accounting policy in Note 7.14		
Amounts recognised in profit or loss		
Current tax expense		
Current year	501,972,439	392,032,940
Adjustment for prior year		(29,948,181)
	501,972,439	362,084,759
Deferred tax (income)/expense	(9,398,085)	(5,393,402)
	492,574,355	**356,691,357**

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

29.1 Movement in deferred tax balances

30 June 2024	Net balance at 01 April 2024	Recognised in profit /loss	Recognised in OCI	Net balance as at 30 June 2024	Balance as at 30 June 2024 Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(24,192,773)	(2,405,685)	-	(26,598,458)	(26,598,458)	-
Provision for leave encashment	(6,487,805)	(816,789)	-	(7,304,594)	(7,304,594)	-
RoU assets and lease liability under IFRS 16	32,078,657	2,774,979	-	34,853,636	-	34,853,636
Unrealized forex loss	(70,219,829)	(8,950,590)	-	(79,170,419)	(79,170,419)	-
Net deferred tax (assets)/liabilities	**(68,821,750)**	**(9,398,084)**	**-**	**(78,219,835)**	**(113,073,471)**	**34,853,636**

31 March 2024	Net balance at 01 April 2023	Recognised in profit /loss	Recognised in OCI	Net balance as at 31 March 2024	Balance as at 31 March 2023 Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
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		(70,219,829)		(70,219,829)	(70,219,829)	
Net deferred tax (assets)/liabilities	**(12,486,990)**	**(56,334,759)**	**-**	**(68,821,750)**	**(100,900,407)**	**32,078,657**

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

30. Related party transactions

30.1 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.

30.2 Transactions with key management personnel

	For the three-month period	
	30 June 2024	30 June 2023
	BDT	BDT
Directors' remuneration and fees	5,797,122	3,644,553
	5,797,122	**3,644,553**

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

30.3 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.*

30.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 June 2024	Balance as at 31 March 2024
			BDT	BDT	BDT
Marico Limited, India	Parent company	Purchase of RM and PM	4,431,675	16,867,127	14,489,362
		Purchase of Asset (Mould)		162,516	162,516
		Royalty	41,783,798	37,605,417	125,230,371
		General and technical assistance fees	32,749,587	143,740,688	438,518,580
		Sales of PM	773,033	1,992,085	1,219,052
		Other receivables	9,928	2,325,557	2,325,557

30.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 June 2024	Balance as at 31 March 2024
			BDT	BDT	BDT
Marico Middle East FZE	Associated company	Sale of FG	9,266,918		348,537
		Purchase of RM	508,999,256	627,685,971	909,947,656
		Other receivables		652,556	247,096
Marico South East Asia	Associated company	Sales of PM	11,023,755	-	-
		Other receivables	10,600	140,727	130,127
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Other receivables		651,413	651,413

A. QASEM & CO. GULSHAN DHAKA

Notes to the financial statements (continued)

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

	As at	
	30 June 2024	31 March 2024
	BDT	BDT
31.1 Calculation of net asset value per share		
Net asset	9,935,779,138	8,210,067,522
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	**315.42**	**260.64**

* Net assets value per share increased due to higher retained earning in Q1FY25.

31.2 Calculation of net operating cash flow per share (NOCFPS)	For the year ended	
	30 June 2024	30 June 2023
Net cash from operating activities	100,123,943	1,609,096,925
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	**3.18**	**51.08**

* Net operating cash flow decreased due to higher payment to supplier in Q1FY25.

31.3 Reconciliation of net profit with cash flows from operating activities

	For the year ended	
	30 June 2024	30 June 2023
	BDT	BDT
Profit after tax	1,725,711,617	1,328,746,906
Adjustment for:		
Depreciation	69,479,936	57,943,178
Amortisation	12,679	115,054
Interest expense	57,883,118	19,352,777
Interest on staff loan	212,070	-
Interest on lease	4,662,895	4,864,683
Interest income	(243,954,635)	(97,383,461)
Loss/(Gain) on sale of PPE	(71,735)	
Tax expense	492,574,355	356,691,357
	2,106,510,300	**1,670,330,493**
Changes in operating assets and liabilities:		
Inventories	228,963,853	(293,017,697)
Advances, deposits and prepayments	(104,878,850)	(96,219,587)
Other financial assets	(6,960,761)	(20,647,469)
Employee benefit obligation	7,030,002	5,977,680
Trade and other payable	(1,835,109,106)	732,663,401
Cash generated from operating activities	**395,555,440**	**1,999,086,822**
Interest paid	(57,883,118)	(19,352,777)
Interest received	203,903,913	112,962,780
Income tax paid	(441,452,291)	(483,599,900)
Net cash flows from operating activities	**100,123,943**	**1,609,096,925**

* Net operating cash flow decreased due to higher payment to supplier in Q1FY25.

QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

32. Contingent liabilities

The Company has contingent liability of BDT 1,077,100,000 as on 30 June 2024 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 69,387,146, Taka 1,989,294 ,Taka 257,530,000, Taka 27,700,000, Taka 64,694,106 and Taka 143,530,000 with Standard Chartered Bank, Citi Bank NA, Brac Bank PLC, Dhaka Bank PLC, State Bank of India and Mutual Trust Bank PLC respectively. Shipping guarantee of Taka 12,789,750 with Standard Chartered Bank.

33. Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2024.

34. Segment information

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

35. Subsequent events

The Board of Directors of Marico Bangladesh Limited at its 129th meeting held on 30 July 2024 has declared 1000% interim cash dividend i.e. Tk. 100 per share, amount to total Taka 3,150,000,000 for the period ended at 30 June 2024.

QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

36. Financial instruments - fair values and financial risk management

36.1 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.

30 June 2024

Particulars	*Note*	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits	*12.2*	-	-	-	-	-	-	-
Treasury Bills	*12.3*	-	-	-	-	6,219,359,736	-	6,219,359,736
Loan to employees	*12*	-	-	-	-	10,873,002	-	10,873,002
Trade receivables	*12*	-	-	-	-	45,348,564	-	45,348,564
Cash and cash equivalents	*14*	-	-	-	-	3,931,823,015	-	3,931,823,015
		-	-	-	-	**10,207,404,317**	-	**10,207,404,317**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	*18*	-	-	-	-	-	5,301,691,423	5,301,691,423
Lease liabilities	*17*	-	-	-	-	-	209,992,435	209,992,435
		-	-	-	-	-	**5,511,683,858**	**5,511,683,858**

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

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

36.1 Accounting classifications and fair values (continued)

31 March 2024

Particulars	Note	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits		-	-	-	-	-	-	-
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
		-	-	-	-	**10,602,389,547**	-	**10,602,389,547**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Loans and borrowings		-	-	-	-	-	450,000,000	450,000,000
Trade and other payables	*18*	-	-	-	-	-	7,168,202,839	7,168,202,839
Lease liabilities	*17*	-	-	-	-	-	190,739,596	190,739,596
		-	-	-	-	-	**7,808,942,436**	**7,808,942,435**

36.2 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

36.2.1 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:

Financial assets	*Note*	30 June 2024 BDT	31 March 2024 BDT
Treasury Bills	*12.2*	6,219,359,736	8,665,999,170
Loans to employees	*12*	10,873,002	11,060,481
Trade receivables	*12*	45,348,564	38,200,323
Cash and cash equivalents	*14*	3,931,823,015	1,887,129,573
		10,207,404,317	**10,602,389,547**

Notes to the financial statements (continued)

36.2 Financial risk management (continued)

36.2.2 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:

				Contractual cash flows				
	Note	Carrying amount	Expected cash flow	6 months or less	6-12 months	1- 2 years	2- 5 years	More than 5 years
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
30 June 2024								
Trade and other payables	*18*	5,301,691,423	5,301,691,423	5,301,691,423	-	-	-	-
Lease liabilities	*17*	209,992,435	209,992,434	24,833,604	31,747,357	53,099,413	100,312,062	-
		5,511,683,857	**5,511,683,857**	**5,326,525,027**	**31,747,357**	**53,099,413**	**100,312,062**	**-**
31 March 2024								
Trade and other payables	*18*	7,168,202,840	7,168,202,840	7,168,202,840	-	-	-	-
Lease liabilities	*17*	190,739,596	190,739,595	24,833,604	14,037,583	42,307,690	109,560,719	-
		7,358,942,436	7,358,942,435	7,193,036,444	14,037,583	42,307,690	109,560,719	-

36.2.2 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 30 June 24 are as follows:

	30 June 2024	31 March 2024
	USD	USD
Import of goods and services	(16,264,325)	(21,145,860)
Bank balance	45,162	27,492
	(16,219,163)	**(21,118,368)**

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

	Average rate		Year-end spot rate	
	30 June 2024	31 March 2024	30 June 2024	31 March 2024
Exchange rate (USD/BDT)	114.06	105.12	118.00	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)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	BDT	BDT	BDT	BDT
30 June 2024				
USD (1% movement)	(19,138,612)	19,138,612	(19,138,612)	19,138,612
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 30 June 2024, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	30 June 2024	31 March 2024
		BDT	BDT
Fixed rate instruments			
Treasury Bills	12.2	6,219,359,736	8,665,999,170
Variable rate instruments			
Financial assets		-	-
Financial liabilities		-	-

END OF THE FINANCIAL STATEMENTS

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS