Hoda Vasi
Chowdhury & Co

Marico Bangladesh Limited

Independent Auditor's Report
and
Audited Financial Statements

As at and for the Six-month period ended
30 September 2024

Hoda Vasi Chowdhury & Co
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Marico Bangladesh Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company" or "Marico") which comprise the statement of financial position as at 30 September 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from 01 July 2024 to 30 September 2024 then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 30 September 2024, and of its financial performance and its cash flows for 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), and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit areas	Our responses
Revenue recognition	
At the period ended 30 September 2024, the Company reported revenue of approximately Tk 4,048 million in the statement of profit or loss and other comprehensive income. Revenue is recognized when the performance obligation is satisfied by transferring goods or services to a customer, either at a point in time or over time. Goods or services are "transferred" when the customer obtains control of it. It is a matter of consideration whether revenue may be misstated due to recognition of sales	We have tested the design and operating effectiveness of key controls focusing on the following: • Segregation of duties in invoice creation and modification; • Approved price list and specified terms of trade in place; • Authorization of credit terms to customers; • Timing of revenue recognition; and

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transaction before performance obligation being satisfied. Furthermore, revenue is measured at net of trade discounts, returns and allowances. Within a number of the business categories, the estimation of discount recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, it is a matter of concern that revenue may be misstated as a result of faulty estimations over discounts.	• Calculation of discounts. Our substantive procedures in relation to the revenue recognition comprise the followings: • Observing and evaluating whether proper segregation of duties put in place; • Examining samples of sales orders for evidence by the appropriate personnel concerned and application controls for credit limits; • Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, examining application controls for authorized prices and terms; • Obtaining supporting documentation for sales transactions recorded on either side of the period end as well as credit notes issued after the period end date to determine whether revenue was recognized in the correct period; • Assessing the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts by comparing with applicable accounting standard; • Testing the effectiveness of the Company's controls over the calculation of discounts and appropriate timing of revenue recognition; • Critically assessing manual journals made to revenue to identify unusual or irregular items; and • Finally, assessing the appropriateness and presentation of disclosures as per the relevant accounting standards. Our testing did not identify any issues with regard to revenue.
Refer to the note no. 21 to the financial statements	
Contingent Liabilities	
The Company had contingent liabilities of approximately Tk 1,077 million as of the reporting date of 30 September 2024 in respect of indirect tax (VAT) and Workers' Profit Participation and Welfare Fund. In this connection, the Company submitted the Writ	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:

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petition to the Hon'ble High Court and the decision of the High Court is currently pending. In this regard, the external legal advisors (litigation lawyers) of the Company opined that the overall outcome of liabilities of the Company was not possible to determine until final order by the Court is received. However, the lawyers are optimistic of positive outcome related to these matters in favour of the Company. In this respect, a significant management's judgement is required in order for assessing the level of provision, and determining the most likely cash outflows from the Company associated with these matters. Therefore, it has been considered as a key audit area.	• Obtaining the lists of all ongoing VAT and WPPF related litigations; • Discussing with the jurisdictions as to said matters; • Evaluating management's judgement regarding the expected resolution of these matters; • Obtaining confirmations from external legal advisors of the Company; • Analyzing of responses in letters independently obtained from the external advisors of the Company on various matters; and • Obtaining and reading the disclosures made in the accompanying financial statements. Our testing did not identify any issues with regard to contingent liabilities.
Refer to the note no. 32 to the financial statements	

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

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

b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) The statements of financial position and statements of profit or loss and other comprehensive income along with the annexed notes 1 to 36 dealt with by the report are in agreement with the books of account; and

d) The expenditure incurred was for the purposes of the Company's business.

Sk Md Tarikul Islam, FCA
Partner
Enrolment No.: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants HVC

Dhaka, 26 OCT 2024

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

		As at	
		30 September 2024	**31 March 2024**
	Notes	**BDT**	**BDT**
Assets			
Non Current Assets			
Property, plant and equipment	*8A*	1,352,698,758	1,414,648,907
Investment property	*8B*	-	1,319,156
Intangible assets	*9*	216,915	242,273
Right-of-use assets	*10*	344,938,578	345,911,409
Advances, deposits and prepayments	*11*	9,246,878	54,495,117
Other financial assets	*12*	8,273,391	7,355,019
Deferred tax asset	*29.1*	83,224,128	68,821,750
Total Non Current Assets		**1,798,598,648**	**1,892,793,631**
Current Assets			
Inventories	*13*	2,821,738,128	3,351,467,544
Advances, deposits and prepayments	*11*	1,133,859,515	756,713,830
Other financial assets	*12*	5,908,148,209	9,018,705,412
Cash and cash equivalents	*14*	1,467,223,508	1,887,129,573
Total Current Assets		**11,330,969,361**	**15,014,016,359**
Total Assets		**13,129,568,009**	**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		7,054,191,263	7,643,067,522
Total Equity		**7,621,191,263**	**8,210,067,522**
Liabilities			
Non Current Liabilities			
Lease liabilities	*17*	145,161,484	151,868,409
Employee benefit obligation	*16*	27,877,621	23,741,889
Total Non Current Liabilities		**173,039,105**	**175,610,298**
Current Liabilities			
Trade and other payable	*18*	4,092,093,457	7,168,202,840
Lease liabilities	*17*	59,824,551	38,871,187
Employee benefit obligation	*16*	32,728,585	21,619,307
Loans and borrowings		-	450,000,000
Current tax liabilities	*20*	1,146,028,785	834,612,174
Unclaimed dividend	*19*	4,662,264	7,826,662
Total Current Liabilities		**5,335,337,641**	**8,521,132,170**
Total Liabilities		**5,508,376,746**	**8,696,742,468**
Total Equity and Liabilities		**13,129,568,009**	**16,906,809,990**

Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 36 form an integral part of these financial statements.

Sumitava Basu
Managing Director

Shafiq Musharrof
Chief Financial Officer

Md. Shahinul Islam
Company secretary

Parveen Mahmud
Director

Sk Md Tarikul Islam, FCA
Partner
Membership No: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, 26 OCT 2024

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

	Notes	For the six-month period ended 30 September 2024 BDT	For the six-month period ended 30 September 2023 BDT	For the three-month period ended 30 September 2024 BDT	For the three-month period ended 30 September 2023 BDT
Revenue	*21*	8,407,684,436	7,717,656,893	4,048,141,210	3,755,515,396
Cost of sales	*22*	(3,316,801,071)	(3,271,128,954)	(1,628,800,035)	(1,615,683,714)
Gross profit		**5,090,883,365**	**4,446,527,939**	**2,419,341,175**	**2,139,831,682**
Other income	*25.1*	18,899,505	20,449,820	9,212,071	11,307,996
General and administrative expenses	*23*	(697,216,098)	(624,860,372)	(366,865,538)	(327,687,985)
Marketing, selling and distribution expenses	*24*	(599,656,053)	(528,776,573)	(306,597,984)	(251,505,823)
Other expense	*25.2*	(354,858)	(70,575)	(282,613)	(70,575)
Operating profit		**3,812,555,861**	**3,313,270,239**	**1,754,807,111**	**1,571,875,295**
Finance income	*26.1*	431,694,953	218,776,590	187,740,318	121,393,129
Finance costs	*26.2*	73,851,970	(163,273,828)	40,517,490	(98,640,960)
Net finance income		505,546,924	55,502,762	228,257,808	22,752,169
Profit before contribution to workers participation fund and welfare fund		**4,318,102,785**	**3,368,773,001**	**1,983,064,919**	**1,594,627,464**
Contribution to workers participation fund & welfare fund	*27*	(215,905,139)	(168,438,648)	(99,153,246)	(79,731,371)
Profit before tax		**4,102,197,646**	**3,200,334,353**	**1,883,911,673**	**1,514,896,093**
Income tax expenses	*29*	(911,073,904)	(702,642,857)	(418,499,550)	(345,951,500)
Profit for the Year		**3,191,123,741**	**2,497,691,496**	**1,465,412,124**	**1,168,944,593**
Other comprehensive income					
Remeasurements of defined benefit liability		-	-	-	-
Total comprehensive income for the Year		**3,191,123,741**	**2,497,691,496**	**1,465,412,124**	**1,168,944,593**
Earnings per share		**BDT**	**BDT**	**BDT**	**BDT**
Basic earnings per share (per value of Tk 10)	*28*	**101.31**	**79.29**	**46.52**	**37.11**

Footnotes: 1. Independent auditor's report in page 1 to 5.
2. The notes 1 to 36 form an integral part of these financial statements.

Sumitava Basu
Managing Director

Shafiq Musharrof
Chief Financial Officer

Md. Shahinul Islam
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Parveen Mahmud
Director

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Partner
Membership No: 1238
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Dhaka, 26 OCT 2024

Marico Bangladesh Limited
Statement of changes in equity
For the Six-month period ended 30 September 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	-	-	3,191,123,741	3,191,123,741
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**3,191,123,741**	**3,191,123,741**
Transactions with owners of the Company				
Contributions and distributions	-	-	-	-
Final dividend for the year 2023-2024	-	-	(630,000,000)	(630,000,000)
First interim for the year 2024-2025	-	-	(3,150,000,000)	(3,150,000,000)
Total transactions with owners of the Company	-	-	**(3,780,000,000)**	**(3,780,000,000)**
Balance at 30 September 2024	**315,000,000**	**252,000,000**	**7,054,191,263**	**7,621,191,263**
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	-	-	2,497,691,496	2,497,691,496
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	**2,497,691,496**	**2,497,691,496**
Transactions with owners of the Company				
Contributions and distributions				
Total transactions with owners of the Company	-	-	-	-
Balance at 30 September 2023	**315,000,000**	**252,000,000**	**5,517,007,139**	**6,084,007,139**

Footnotes: *1. Independent auditor's report in page 1 to 5.*
2. The notes 1 to 36 form an integral part of these financial statements.

Marico Bangladesh Limited
Statement of cash flows
For the Six-month period ended 30 September 2024

	For the six-month period ended	
	30 September 2024	30 September 2023
	BDT	BDT
Cash flows from operating activities		
Collection from customers and others	8,356,243,199	7,550,591,709
Payment to suppliers and for operating expenses	(7,340,597,403)	(3,986,437,339)
Cash generated from operating activities	**1,015,645,796**	**3,564,154,370**
Interest paid	(54,273,762)	(52,973,177)
Interest received	483,010,853	153,765,128
Income tax paid	(614,059,669)	(660,890,963)
Net cash from operating activities	**830,323,218**	**3,004,055,359**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(64,744,902)	(122,045,803)
Proceeds from disposal of PPE	(121,592)	3,518,100
Encashment of/(Investment in) fixed deposits	3,071,838,261	(1,654,604,892)
Net cash used in investing activities	**3,006,971,767**	**(1,773,132,595)**
Cash flows from financing activities		
Net proceeds from loans and borrowings	(450,000,000)	-
Dividend paid	(3,780,000,000)	(1,132,150,000)
Payment of lease liability	(27,446,200)	(38,960,605)
Net cash used in financing activities	**(4,257,446,199)**	**(1,171,110,604)**
Net increase in cash and cash equivalents	**(420,151,214)**	**59,812,158**
Effect of exchange rate fluctuations on cash held	**245,150**	**1,182,125**
Opening cash and cash equivalents	**1,887,129,573**	**2,228,805,865**
Closing cash and cash equivalents	**1,467,223,508**	**2,289,800,147**

Footnotes: 1. Effect of the movement in exchange rate changes on Cash and Cash Equivalents has been incorporated and the comparative amount has also been updated accordingly in line with IAS 7.

2. Independent auditor's report in page 1 to 5.

3. The notes 1 to 36 form an integral part of these financial statements.

Marico Bangladesh Limited
Notes to the financial statements
For the Six-month period ended 30 September 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 130th Board of Directors meeting held on 26th September, 2024.

2.3 Reporting period

The financial period of the Company covers period ended 30 September 2024.

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.

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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 September 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

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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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.

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.

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.

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.

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.

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Notes to the financial statements (continued)

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.

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.

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Notes to the financial statements (continued)

7.14 Income tax

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

i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for corporate income tax is made following the rate applicable for companies as per Finance Act 2023 i.e 22.5%.

ii) Deferred tax

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

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

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

7.15 Revenue

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

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

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

7.16 Finance income and finance cost

i) Finance income

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

ii) Finance cost

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

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

7.17 Lease liabilities

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

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

Notes to the financial statements (continued)

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.

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.

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	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	-	-	-	-	-	41,942,128	41,942,128
Transfer from asset under construction	-	52,732,647	3,288,024	18,546,799	3,042,500	(77,609,970)	-
Disposals	-	(1,103,307)	(360,151)	(10,149,322)	(3,904,103)	-	(15,516,883)
Balance at 30 September 2024	**176,749,959**	**1,584,221,533**	**852,500,299**	**408,707,937**	**57,566,306**	**11,406,037**	**3,091,152,072**
Balance at 1 April 2023	-	955,724,596	297,638,809	191,325,645	36,122,116	-	1,480,811,166
Depreciation for the period	-	136,038,341	29,848,069	29,242,561	7,741,792	-	202,870,763
Impairment loss (reversal of impairment) of PPE	-	(1,565,273)	-	526,862	-	-	(1,038,411)
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
Depreciation for the period	-	65,700,591	18,136,514	15,089,715	4,339,994	-	103,266,814
Impairment loss (reversal of impairment) of PPE	-	-	-	267,057	-	-	267,057
Disposals	-	(1,103,307)	(85,027)	(10,070,869)	(3,899,273)	-	(15,158,476)
Balance at 30 September 2024	-	**1,137,070,115**	**345,412,090**	**216,114,655**	**39,856,454**	-	**1,738,453,314**
Carrying amounts							
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**
At 30 September 2024	**176,749,959**	**447,151,418**	**507,088,209**	**192,593,282**	**17,709,852**	**11,406,037**	**1,352,698,758**

B. Investment property
See accounting policy in Note 7.05

	30 September 2024	31 March 2024
	BDT	BDT
Office building	140,659,360	140,659,360
Depreciation for the period ended (Office building)	(140,659,360)	(139,340,204)
	-	**1,319,156**

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

Notes to the financial statements (continued)

9. Intangible assets

See accounting policy in Note 7.03

	As at 30 September 2024 BDT	As at 31 March 2024 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 period	25,357	460,214
Closing balance	**24,196,530**	**24,171,173**
Carrying amount	**216,915**	**242,273**

10. Right-of-use assets

See accounting policy in Note 7.04

Reconciliation of carrying amount	As at 30 September 2024 BDT	As at 31 March 2024 BDT
Cost		
Opening balance	450,087,067	442,009,097
Additions	32,471,184	169,696,456
Modification		(3,995,758)
Disposal		(157,622,728)
Closing balance	**482,558,251**	**450,087,067**
Accumulated depreciation		
Opening balance	104,175,658	175,097,466
Addition/ Adjustment	33,444,015	62,229,723
Disposal		(133,151,531)
Closing balance	**137,619,673**	**104,175,658**
Carrying amount	**344,938,578**	**345,911,409**

Notes to the financial statements (continued)

	Notes	As at 30 September 2024 BDT	As at 31 March 2024 BDT
11. Advances, deposits and prepayments			
Advances			
Advance for capital goods		3,329,290	8,967,568
Advance to suppliers and others		1,098,566,329	765,332,048
		1,101,895,620	**774,299,616**
Deposits			
Security deposits		4,284,950	4,190,645
		4,284,950	**4,190,645**
Prepayments			
Prepaid expenses		36,925,824	32,718,686
		36,925,824	**32,718,686**
	11.1	**1,143,106,394**	**811,208,947**

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

Current		1,133,859,515	756,713,830
Non-current		9,246,878	54,495,117
		1,143,106,394	**811,208,947**

12. Other financial assets

Treasury Bills	*12.2*	5,594,160,909	8,665,999,170
Trade receivables		52,864,390	38,200,323
Loans to employees		10,334,829	11,060,481
Accrued interest		259,061,473	310,800,458
	12.1	**5,916,421,600**	**9,026,060,432**

12.1 Current and non-current classification of other financial assets

Current		5,908,148,209	9,018,705,412
Non-current		8,273,391	7,355,019
		5,916,421,600	**9,026,060,432**

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Notes to the financial statements (continued)

		Notes	As at 30 September 2024 BDT	As at 31 March 2024 BDT
12.2	**Treasury Bills (maturity more than three months)**			
	Treasury Bill for 364 days		3,230,915,819	4,108,982,896
	Treasury Bill for 182 days		1,352,367,170	3,732,494,073
	Treasury Bill for 91 days		1,010,877,920	824,522,201
			5,594,160,909	**8,665,999,170**
13.	**Inventories**			
	See accounting policy in Note 7.06			
	Raw materials		2,046,516,971	2,403,080,840
	Packing materials		425,185,153	456,399,201
	Finished goods		211,677,553	317,102,123
	Stores and spares		52,129,531	41,559,539
	Materials in transit		86,228,920	133,325,841
			2,821,738,128	**3,351,467,544**
14.	**Cash and cash equivalents**			
	See accounting policy in Note 7.07			
	Cash at bank	*14.1*	1,462,561,244	1,879,302,911
	Balance with bank for unclaimed dividend		4,662,264	7,826,662
			1,467,223,508	**1,887,129,573**
14.1	**Cash at bank**			
	BRAC Bank PLC		1,280,147,864	942,576,882
	Citibank N.A.		5,104,648	3,855,666
	Islami Bank Bangladesh PLC		12,206	317,414
	Sonali Bank PLC		-	10,043
	Standard Chartered Bank		25,813,131	185,173,700
	The Hongkong and Shanghai Banking Corporation Ltd.		330,368	338,502
	Eastern Bank PLC		83,894	214,726,664
	Dutch Bangla Bank PLC		321,570	8,415,000
	The City Bank PLC		9,615	1,508,909
	Commercial Bank of Ceylon PLC		40,640,460	301,807,169
	State Bank of India		6,107,354	559,079
	Bank Alfalah Limited		-	233
	Mutual Trust Bank PLC		43,713,380	186,826,664
	MIDLAND Bank		1,049,722	-
	Dhaka bank PLC		59,227,030	33,186,986
			1,462,561,244	**1,879,302,911**

Notes to the financial statements (continued)

		As at	
		30 September 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 September 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	26,748,639	16,526,505
Provision for leave encashment	33,857,567	28,834,691
	60,606,206	**45,361,196**
Current	32,728,585	21,619,307
Non-Current	27,877,621	23,741,889
	60,606,206	**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 13.50%. 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	59,824,551	38,871,187
One to two years	54,977,687	42,307,690
Two to three years	36,323,106	38,288,191
Three to four years	35,096,492	34,566,784
Four to five years	18,764,199	36,705,745
More than five years	-	-
	204,986,035	**190,739,596**
Lease liabilities included in the statement of financial position		
Current	59,824,551	38,871,187
Non-current	145,161,484	151,868,409
	204,986,035	**190,739,596**
Amounts recognised in profit or loss	**BDT**	**BDT**
Interest on lease liabilities	9,221,454	18,365,984
	9,221,454	**18,365,984**
Amounts recognised in the statement of cash flows		
Lease rental	27,446,200	72,563,902
Total cash outflow for lease liabilities and interest payments	**27,446,200**	**72,563,902**

			As at	
			30 September 2024	31 March 2024
			BDT	BDT
18.	**Trade and other payable**			
	See accounting policy in Note 07.08 iii (a)			
	Trade payables	*18.1*	1,681,586,970	4,239,782,396
	Other payables	*18.2*	2,410,506,487	2,928,420,445
			4,092,093,457	**7,168,202,840**
18.1	**Trade payables**			
	Intercompany trade payable			
	Payable against raw material		639,100,055	918,144,538
	Payable against packing material		5,708,618	6,292,479
			644,808,673	**924,437,017**
	Third party trade payable			
	Payable against raw material		71,686,910	2,715,385,002
	Payable against services		889,935,609	494,678,985
	Payable against packing material		73,971,972	105,281,391
	Payable against finished goods		1,183,807	-
			1,036,778,297	**3,315,345,378**
	Total trade payables		**1,681,586,970**	**4,239,782,396**
18.2	**Other payables**			
	Intercompany other payable			
	Royalty payable		72,499,444	125,230,371
	General and technical assistance fees payable		59,336,400	436,193,023
			131,835,844	**561,423,394**
	Third party other payable			
	Payable against expenses		439,998,038	697,069,919
	Payable against business promotion expense		903,470,982	702,053,952
	Import duty and related charges payable		420,519,677	233,231,639
	Withholding tax and VAT payable		88,680,967	54,865,504
	Workers' profit participation and welfare fund		215,905,139	298,242,500
	Festival bonus		13,140,680	23,360,461
	Advance from customers		130,093,028	183,571,610
	Payable against capital goods		16,910,028	45,976,539
	Audit fees payable		472,500	968,307
	Interest on Deferred LC		1,262,539	75,858,721
	Supplementary duty		48,217,064	51,797,899
			2,278,670,642	**2,366,997,051**
	Total other payables		**2,410,506,487**	**2,928,420,445**

19. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 30 September 2024	Unclaimed Dividend as on 31 March 2024
2020	Interim	300%	945,000,000	18-Feb-19	-	4,098,001
	Final	200%	630,000,000	18-Jun-20	-	262,671
2021	Interim	300%	945,000,000	16-Aug-20	-	345,053
	Interim	200%	630,000,000	17-Nov-20	-	201,003
	Interim	200%	630,000,000	15-Feb-21	-	305,226
	Final	200%	630,000,000	27-May-21	-	689,560
2022	Interim	200%	630,000,000	18-Aug-21	-	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	218,233	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
2024	Final	200%	53,589,294	25-Aug-24	571,841	-
2025	Interim	1000%	268,409,585	22-Sep-24	2,693,820	-
Unclaimed Dividend					**4,662,264**	**7,826,662**

*Total value of Unclaimed dividend represent balance after all adjustments

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		As at	
		30 September 2024	31 March 2024
		BDT	BDT
20. Current tax liabilities			
Provision for income tax	*20.1*	8,151,981,855	7,226,505,574
Advance income tax	*20.2*	(7,005,953,069)	(6,391,893,400)
		1,146,028,785	**834,612,174**
20.1 Provision for income tax			
Opening balance		7,226,505,575	7,913,544,700
Provision for current period/year		925,476,281	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)
		8,151,981,855	**7,226,505,574**
20.2 Advance income tax			
Opening balance		6,391,893,400	7,134,955,958
Payment during the year:			
Payment for current period		241,870,309	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 2023-2024		-	500,833,265
Assessment year 2024-2025		372,189,360	-
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)
		7,005,953,069	**6,391,893,400**

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 September 2024	2025-26	925,476,281	241,870,309	-
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(A) level
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
		8,151,981,855	**7,005,953,069**	

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Notes to the financial statements (continued)

			For the six-month period ended		For the three-month period ended	
			30 September 2024	30 September 2023	30 September 2024	30 September 2023
			BDT	BDT	BDT	BDT
21.	**Revenue**					
	See accounting policy in Note 7.15					
	Parachute coconut oil		5,107,639,882	4,827,271,436	2,426,447,608	2,282,719,465
	Value added hair oil (VAHO)		2,323,670,002	2,104,649,742	1,074,272,429	1,045,962,884
	Color		15,949,187	22,333,700	6,257,295	6,270,216
	Health & Beauty		460,380,512	340,857,748	275,349,729	178,858,695
	Baby Segment		157,257,771	132,556,545	84,023,571	73,549,435
	Others*		342,787,083	289,987,721	181,790,577	168,154,701
			8,407,684,436	7,717,656,893	4,048,141,210	3,755,515,396
	*Others include male grooming, byproduct & others					
21.1	**Segregation of revenue between domestic and export**					
	Revenue from domestic operation		8,355,713,723	7,684,279,537	4,023,144,687	3,739,512,046
	Revenue from export		51,970,713	33,377,356	24,996,523	16,003,350
			8,407,684,436	7,717,656,893	4,048,141,210	3,755,515,396
22.	**Cost of sales**					
		Note				
	Opening stock of finished goods		317,102,123	387,071,251	227,994,124	226,357,809
	Cost of goods manufactured	*22.1*	3,211,376,501	3,091,364,535	1,612,483,464	1,596,632,736
			3,528,478,624	**3,478,435,786**	**1,840,477,588**	**1,822,990,545**
	Closing stock of finished goods		(211,677,553)	(207,306,831)	(211,677,553)	(207,306,831)
			3,316,801,071	3,271,128,954	1,628,800,035	1,615,683,714
22.1	**Cost of goods manufactured**					
		Notes				
	Materials consumed	*22.1.1*	2,941,901,086	2,851,762,357	1,475,188,626	1,461,491,099
	Factory overhead	*22.1.2*	269,475,415	239,602,178	137,294,838	135,141,637
			3,211,376,501	3,091,364,535	1,612,483,464	1,596,632,736
22.1.1	**Materials consumed**					
	Opening stock of raw materials, packing materials and others		3,034,365,421	2,141,478,971	2,894,509,566	2,595,210,111
	Purchases during the year		2,517,596,241	3,532,587,942	1,190,739,636	1,688,585,545
	Closing stock of raw materials, packing materials and others		(2,610,060,575)	(2,822,304,557)	(2,610,060,575)	(2,822,304,557)
			2,941,901,086	2,851,762,357	1,475,188,626	1,461,491,099
22.1.2	**Factory overhead**					
	Communication expenses-CoS		295,622	404,665	141,209	246,048
	Cost of outsourced human resources		60,881,250	51,201,939	30,808,468	24,890,498
	Depreciation-CoS		84,855,514	77,101,024	42,198,653	43,721,905
	Entertainment-CoS		5,192,575	5,174,024	2,878,568	2,320,152
	Power expenses		46,516,590	38,998,237	23,965,409	25,313,948
	Printing and stationery-CoS		948,422	1,133,444	377,152	543,595
	Repairs and maintenance-CoS		8,094,677	8,407,885	3,759,714	5,924,809
	Salaries and allowances-CoS		42,261,566	38,359,213	24,485,674	22,867,025
	Security charges-CoS		6,715,750	6,034,289	3,343,204	3,207,692
	Travelling and conveyance-CoS		4,078,142	3,662,454	2,079,412	1,853,184
	Warehouse rent		9,635,308	9,125,002	3,257,373	4,252,782
			269,475,415	239,602,178	137,294,838	135,141,637

Notes to the financial statements (continued)

	For the six-month period ended		For the three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	BDT	BDT	BDT	BDT
23. General and administrative expenses				
Salaries and allowances	341,726,739	296,907,510	183,178,018	164,143,011
Gratuity	10,222,134	11,536,152	5,111,067	5,768,076
Rent, rates and taxes	8,305,071	8,724,275	3,789,991	4,527,260
Professional and legal charges	16,441,191	15,158,008	11,114,014	8,677,667
Security charges	1,088,207	1,125,273	564,135	570,135
Stamp and license fees	7,877,136	8,069,310	4,309,497	3,967,400
Directors' remuneration and fees	19,495,579	15,471,298	13,698,457	11,826,745
Repair and maintenance	10,189,313	9,440,128	6,297,710	5,089,755
Communication expenses	1,581,289	2,816,627	1,031,661	2,212,855
Subscription to trade association	150,516	72,500	49,440	15,000
Entertainment	17,980,020	15,264,566	10,341,365	6,903,061
Printing and stationery	590,942	815,609	150,005	432,547
Vehicle running expenses	22,798,718	21,301,472	11,816,049	9,099,393
Travelling and conveyance	7,861,257	7,449,362	4,715,450	4,053,724
Audit fees	649,731	825,923	155,423	348,169
Insurance premium	18,196,615	14,240,881	7,248,505	5,847,304
Bank charges	2,200,801	6,073,751	1,381,846	3,399,265
AGM and public relation	3,819,441	3,154,301	3,229,906	2,659,674
Conference and training	2,815,712	1,964,443	1,573,905	1,664,358
Electricity and gas charges	786,101	589,665	483,645	418,822
Amortisation	25,357	230,107	12,679	115,054
Royalty	80,554,938	73,826,839	38,771,140	35,757,056
Depreciation	19,730,455	20,098,677	9,427,160	11,017,957
Depreciation on right-of-use asset	33,444,015	30,987,735	16,924,235	15,504,396
General and technical assistance fees	59,336,400	49,116,570	26,586,814	18,572,691
CSR expense	9,348,421	9,599,389	4,903,421	5,096,611
	697,216,098	**624,860,372**	**366,865,538**	**327,687,985**
24. Marketing, selling and distribution expenses				
Advertisement, travelling and communication expense	396,085,713	380,137,965	205,881,547	177,721,665
Business promotion expenses	19,957,155	16,588,246	10,475,088	10,074,396
Other selling & distribution expenses	53,433,278	41,394,226	25,473,433	19,773,328
Entertainment-Mkt	9,341,845	6,476,845	3,469,998	2,093,250
Free sample	7,296,897	6,158,083	6,069,028	4,438,538
Freight- outward	62,965,209	57,422,009	30,220,330	27,447,913
Market research expenses	50,575,957	20,599,199	25,008,561	9,956,735
	599,656,053	**528,776,573**	**306,597,984**	**251,505,823**

Notes to the financial statements (continued)

		Note	For the six-month period ended 30 September 2024 BDT	30 September 2023 BDT	For the three-month period ended 30 September 2024 BDT	30 September 2023 BDT
25.	**Other income/(expense)**					
	Other income	25.1	18,899,505	20,449,820	9,212,071	11,307,996
	Other expenses	25.2	(354,858)	(70,575)	(282,613)	(70,575)
			18,544,647	20,379,245	8,929,458	11,237,421
25.1	**Other income**					
	Gain on sale of PPE		233,266	3,588,675	89,287	3,550,966
	Gain/(Loss) on lease disposal/ modification		(10,145,921)	2,916,834	-	(136,879)
	Refund from insurance		284,572	-	-	-
	Insurance claim		1,964,830	1,131,512	1,964,830	980,314
	Sale of RM PM		11,023,755	-	-	-
	Rental income		6,762,000	6,762,000	3,381,000	3,381,000
	Scrap sales		8,777,003	6,050,798	3,776,954	3,532,594
			18,899,505	20,449,820	9,212,071	11,307,996
25.2	**Other expenses**					
	Loss on sale of PPE		(354,858)	(70,575)	(282,613)	(70,575)
			(354,858)	(70,575)	(282,613)	(70,575)
26.	**Net finance income**					
	Finance income/(Expense)	26.1	431,694,953	218,776,590	187,740,318	121,393,129
	Finance costs	26.2	73,851,970	(163,273,828)	40,517,490	(98,640,960)
			505,546,924	55,502,762	228,257,808	22,752,169
26.1	**Finance income/(Expense)**					
	Interest on fixed deposits		344,318,606	162,883,477	131,647,333	97,334,081
	Interest on call deposits		86,953,262	55,750,354	55,881,970	23,985,026
	Interest on staff loan		423,085	142,759	211,015	74,022
			431,694,953	218,776,590	187,740,318	121,393,129

Notes to the financial statements (continued)

	For the six-month period ended		For the three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	BDT	BDT	BDT	BDT
26.2 Finance costs				
Interest on overdraft and loans	54,273,762	52,973,177	(3,609,356)	33,620,400
Foreign exchange (gain)/loss	(137,347,186)	100,704,359	(41,466,693)	60,288,951
Interest on lease	9,221,454	9,596,292	4,558,559	4,731,609
	(73,851,970)	**163,273,828**	**(40,517,490)**	**98,640,960**

	For the six-month period ended	
	30 September 2024	30 September 2023
27. Contribution to WPPF	BDT	BDT
Profit before contribution to WPPF	4,318,102,785	3,368,773,001
Applicable contribution rate	5%	5%
	215,905,139	**168,438,648**

*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.

	For the six-month period ended		For the three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	BDT	BDT	BDT	BDT
28. Earnings per share				
28.1 Basic earnings per share				
Profit attributable to ordinary shareholders (net profit after tax)	3,191,123,741	2,497,691,496	1,465,412,124	1,168,944,593
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000	31,500,000	31,500,000
Earnings per share (EPS) in Taka	**101.31**	**79.29**	**46.52**	**37.11**

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.

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29. Income tax expenses

See accounting policy in Note 7.14

	For the six month period ended		For the three-month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	BDT	BDT	BDT	BDT
Amounts recognised in profit or loss				
Current tax expense				
Current year	925,476,281	736,417,322	423,503,842	344,384,382
Adjustment for prior year	-	(38,336,310)	-	(8,388,129)
	925,476,281	698,081,012	423,503,842	335,996,253
Deferred tax (income)/expense	(14,402,378)	4,561,845	(5,004,293)	9,955,247
	911,073,904	**702,642,857**	**418,499,550**	**345,951,500**

29.1 Movement in deferred tax balances

30 September 2024	Net balance at 01 April 2024	Recognised in profit /loss	Recognised in OCI	Net balance as at 30 September 2024	Balance as at 30 September 2024 Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(24,192,773)	(3,665,357)	-	(27,858,130)	(27,858,130)	-
Provision for leave encashment	(6,487,805)	(1,177,957)	-	(7,665,762)	(7,665,762)	-
RoU assets and lease liability under IFRS 16	32,078,657	4,889,240	-	36,967,897	-	36,967,897
Unrealized forex loss	(70,219,829)	(14,448,303)	-	(84,668,132)	(84,668,132)	-
Net deferred tax (assets)/liabilities	**(68,821,750)**	**(14,402,378)**	-	**(83,224,127)**	**(120,192,024)**	**36,967,897**

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 2024 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**

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 six-month period ended		For the three month period ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	BDT	BDT	BDT	BDT
Directors' remuneration and fees	19,495,579	15,471,298	13,698,457	11,826,745
	19,495,579	15,471,298	13,698,457	11,826,745

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 September 2024	Balance as at 31 March 2024
			BDT	BDT	BDT
Marico Limited, India	Parent company	Purchase of RM and PM	16,092,367	16,054,226	14,489,362
		Purchase of Asset (Mould)	-	162,516	162,516
		Royalty	80,554,938	72,499,444	125,230,371
		Dividend	-	-	-
		General and technical assistance fees	59,336,400	59,336,400	438,518,580
		Sales of PM	990,156	217,123	1,219,052
		Other receivables	1,449,928	3,115,973	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 September 2024	Balance as at 31 March 2024
			BDT	BDT	BDT
Marico Middle East FZE	Associated company	Purchase of RM	1,089,159,734	628,716,307	909,947,656
		Sale of FG	21,605,566	-	348,537
		Other receivables	523,392	928,852	247,096
Marico South East Asia	Associated company	Sales of PM	11,023,755	-	-
		Other receivables	-	-	130,127
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Sale of PM	1,073,418	1,073,418	-
		Other receivables	-	651,413	651,413
ZED Lifestyle Pvt Ltd	Associated company	Purchase of FG	294,068	-	-

Notes to the financial statements (continued)

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

31.1 Calculation of net asset value per share

	As at	
	30 September 2024	31 March 2024
	BDT	BDT
Net asset	7,621,191,263	8,210,067,522
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	**241.94**	**260.64**

* Net assets value per share deccreased due to lower retained earning in Q2 FY25 (due to divident payout).

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

	For the six month period ended	
	30 September 2024	30 September 2023
Net cash from operating activities	830,323,218	3,004,055,359
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	**26.36**	**95.37**

* Net operating cash flow decreased due to higher payment to supplier in Q2 FY25.
* Effect of the movement in exchange rate changes on Cash and Cash Equivalents has been incorporated and the comparative amount has also been updated accordingly in line with IAS 7.

31.3 Reconciliation of net profit with cash flows from operating activities

	For the six month period ended	
	30 September 2024	30 September 2023
	BDT	BDT
Profit after tax	3,191,123,741	2,497,691,496
Adjustment for:		
Depreciation	138,029,984	128,187,436
Amortisation	25,357	230,107
Interest expense	54,273,762	52,973,177
Effect of exchange rate fluctuations on cash held	(245,150)	(1,182,125)
Interest on staff loan	423,085	142,759
Interest on lease	9,221,454	9,596,292
Interest income	(431,694,953)	(218,776,590)
Loss/(Gain) on sale of PPE	121,592	(3,518,100)
Tax expense	911,073,904	702,642,857
	3,872,352,776	**3,167,987,311**
Changes in operating assets and liabilities:		
Inventories	529,729,416	(501,061,166)
Advances, deposits and prepayments	(337,535,724)	268,803,146
Other financial assets	(13,938,415)	(32,636,401)
Employee benefit obligation	15,245,010	13,526,027
Trade and other payable	(3,050,207,270)	647,535,451
Cash generated from operating activities	**1,015,645,796**	**3,564,154,370**
Interest paid	(54,273,762)	(52,973,177)
Interest received	483,010,853	153,765,128
Income tax paid	(614,059,669)	(660,890,963)
Net cash flows from operating activities	**830,323,218**	**3,004,055,359**

* Net operating cash flow decreased due to higher payment to supplier in Q2 FY25.

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Notes to the financial statements (continued)

32. Contingent liabilities

The Company has contingent liability of BDT 1,077,100,000 as on 30 September 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 128,454,073.03, Taka 56,911,724.96, Taka 488,494,542.00, Taka 49,585,441.00 and Taka 23,760,192.00 with Standard Chartered Bank, Commercial Bank of Ceylon, BRAC Bank PLC, Mutual Trust Bank PLC and Dhaka Bank PLC respectively. Shipping guarantee of Taka 3,716,340.38 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 September 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 130th meeting held on 26th October 2024 have declared 450% interim cash dividend i.e. BDT 45 per share, amount to total BDT 1,417,500,000 for the period ended 30 September 2024.

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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 September 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								
Treasury Bills	*12.2*	-	-	-	-	5,594,160,909	-	5,594,160,909
Loan to employees	*12*	-	-	-	-	10,334,829	-	10,334,829
Trade receivables	*12*	-	-	-	-	52,864,390	-	52,864,390
Cash and cash equivalents	*14*	-	-	-	-	1,467,223,508	-	1,467,223,508
		-	-	-	-	**7,124,583,636**	-	**7,124,583,636**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	*18*	-	-	-	-	-	4,092,093,457	4,092,093,457
Lease liabilities	*17*	-	-	-	-	-	204,986,035	204,986,035
		-	-	-	-	-	**4,297,079,492**	**4,297,079,492**

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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								
Treasury Bills	*12.2*	-	-	-	-	8,665,999,170	-	8,665,999,170
Loan to employees	*12*	-	-	-	-	11,060,481	-	11,060,481
Trade receivables	*12*	-	-	-	-	38,200,323	-	38,200,323
Cash and cash equivalents	*14*	-	-	-	-	1,887,129,573	-	1,887,129,573
		-	-	-	-	**10,602,389,548**	-	**10,602,389,548**
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Loans and borrowings		-	-	-	-	-	450,000,000	450,000,000
Trade and other payables	*18*	-	-	-	-	-	7,168,202,840	7,168,202,840
Lease liabilities	*17*	-	-	-	-	-	190,739,596	190,739,596
		-	-	-	-	-	**7,808,942,436**	**7,808,942,436**

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 September 2024 BDT	31 March 2024 BDT
Treasury Bills	*12.2*	5,594,160,909	8,665,999,170
Loans to employees	*12*	10,334,829	11,060,481
Trade receivables	*12*	52,864,390	38,200,323
Cash and cash equivalents	*14*	1,467,223,508	1,887,129,573
		7,124,583,636	10,602,389,548

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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 September 2024								
Trade and other payables	*18*	4,092,093,457	4,092,093,457	4,092,093,457	-	-	-	-
Lease liabilities	*17*	204,986,035	204,986,034	24,833,604	34,990,947	54,977,687	90,183,797	-
		4,297,079,491	**4,297,079,491**	**4,116,927,061**	**34,990,947**	**54,977,687**	**90,183,797**	**-**
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	-
		7,358,942,435	**7,358,942,435**	**7,193,036,444**	**14,037,583**	**42,307,690**	**109,560,719**	**-**

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Notes to the financial statements (continued)

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 September 24 are as follows:

	30 September 2024	31 March 2024
	USD	USD
Import of goods and services	(6,448,945)	(21,145,860)
Bank balance	34,748	27,492
	(6,414,197)	**(21,118,368)**

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

	Average rate		Period end spot rate	
	30 September 2024	31 March 2024	30 September 2024	31 March 2024
Exchange rate (USD/BDT)	116.22	108.91	120.00	110.00

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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 September 2024				
USD (1% movement)	(7,697,036)	7,697,036	(7,697,036)	7,697,036
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 September 2024, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	30 September 2024	31 March 2024
		BDT	BDT
Fixed rate instruments			
Treasury Bills	12.2	5,594,160,909	8,665,999,170
Variable rate instruments			
Financial assets		-	-
Financial liabilities		-	-

END OF THE FINANCIAL STATEMENTS

Hoda Vasi Chowdhury & Co