

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

*As at and for the three-month period ended  
30 June 2025*

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

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

#### Opinion

We have audited the financial statements of Marico Bangladesh Limited ("the Company" or "Marico") which comprise the statement of financial position as at 30 June 2025, 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 April 2025 to 30 June 2025 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 June 2025, 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
<b>Revenue recognition</b>	
At the period ended 30 June 2025, the Company reported revenue of approximately Tk 5,110 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 transaction before performance obligation being satisfied.	We have tested the design and operating effectiveness of key controls focusing on the following: <ul style="list-style-type: none"><li>• Segregation of duties in invoice creation and modification;</li><li>• Approved price list and specified terms of trade in place;</li><li>• Authorization of credit terms to customers;</li><li>• Timing of revenue recognition; and</li><li>• Calculation of discounts.</li></ul>

<p>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 period 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.</p>	<p>Our substantive procedures in relation to the revenue recognition comprise the followings:</p> <ul style="list-style-type: none"><li>• Observing and evaluating whether proper segregation of duties put in place;</li><li>• Reviewing samples of sales orders for evidence by the appropriate personnel concerned and application controls for credit limits;</li><li>• Comparing prices and terms on samples of sales invoices to the authorized price list and terms of trade and also, evaluating application controls for authorized prices and terms;</li><li>• 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 accounting period;</li><li>• Assessing the appropriateness of the Company's revenue recognition accounting policies, including those relating to discounts by comparing with applicable accounting standard;</li><li>• Testing the effectiveness of the Company's controls over the calculation of discounts and appropriate timing of revenue recognition;</li><li>• Critically assessing manual journals made to revenue to identify unusual or irregular items; and</li><li>• Finally, assessing the appropriateness and presentation of disclosures as per the relevant accounting standards.</li></ul> <p>Our testing did not identify any issues with regard to revenue recognition.</p>
<p>Refer to the note no. 21 to the financial statements</p>	

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<b>Contingent liabilities</b>	
<p>The Company had contingent liabilities of approximately Tk 1,088.9 million as of the reporting date of 30 June 2025 in respect of indirect tax (VAT) and Workers' Profit Participation and Welfare Fund. In this connection, the Company submitted the Writ petition to the Hon'ble High Court and the decision of the High Court is currently pending. In this regard, it has been opined by the external legal advisors (litigation lawyers) of the Company that the overall outcome of liabilities of the Company was not possible to determine until final order by the Court is received. However, the external lawyers are optimistic of positive outcome related to these matters in favour of the Company.</p> <p>In this respect, a significant management's judgement is required in order for assessing the level of provision, and determining the most likely cash outflows from the Company associated with these matters. Therefore, it has been considered as a key audit area.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Obtaining the lists of all ongoing VAT and WPPF related litigations;</li> <li>• Discussing with the jurisdictions as to the said matters;</li> <li>• Evaluating management's judgement regarding the expected resolution of these matters;</li> <li>• Obtaining confirmations from external legal advisors as well as the internal legal division of the Company;</li> <li>• Analyzing responses in letters independently obtained from the external advisors of the Company on various matters; and</li> <li>• Obtaining and reading the disclosures made in the accompanying financial statements.</li> </ul> <p>Our testing did not identify any issues with regard to contingent liabilities.</p>
<p>Refer to the note no. 32 to the financial statements</p>	

**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.

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

Dhaka, 29 JUL 2025

**Marico Bangladesh Limited**  
**Statement of financial position**  
**As at 30 June 2025**

	Notes	As At	
		30 June 2025	31 March 2025
		BDT	BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment (PPE)	8	1,313,071,484	1,339,736,158
Intangible assets	9	8,463,835	7,641,651
Right-of-use assets	10	307,138,245	311,435,495
Advances, deposits and prepayments	11	32,343,380	28,699,856
Other financial assets	12	5,044,854	9,409,497
<b>Total non-current assets</b>		<b>1,666,061,798</b>	<b>1,696,922,658</b>
<b>Current assets</b>			
Inventories	13	2,297,574,299	2,950,598,980
Advances, deposits and prepayments	11	303,329,842	962,313,916
Other financial assets	12	3,829,635,547	5,138,333,397
Cash and cash equivalents	14	966,207,763	3,092,223,180
<b>Total current assets</b>		<b>7,396,747,449</b>	<b>12,143,469,474</b>
<b>Total assets</b>		<b>9,062,809,247</b>	<b>13,840,392,132</b>
<b>Equity</b>			
Share capital	15	315,000,000	315,000,000
Share premium	15.1	252,000,000	252,000,000
Retained earnings		2,768,788,777	6,965,646,453
<b>Total equity</b>		<b>3,335,788,777</b>	<b>7,532,646,453</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	17	94,297,541	116,309,747
Employee benefit obligation	16	56,909,200	54,043,762
Deferred tax liabilities	29	17,481,911	33,541,064
<b>Total non-current liabilities</b>		<b>168,688,652</b>	<b>203,894,572</b>
<b>Current liabilities</b>			
Trade and other payable	18	4,513,379,906	4,897,454,525
Lease liabilities	17	77,220,041	58,511,757
Employee benefit obligation	16	38,318,223	48,561,893
Current tax liabilities	20	924,659,543	1,094,198,992
Unclaimed dividend	19	4,754,105	5,123,939
<b>Total current liabilities</b>		<b>5,558,331,818</b>	<b>6,103,851,107</b>
<b>Total liabilities</b>		<b>5,727,020,470</b>	<b>6,307,745,679</b>
<b>Total equity and liabilities</b>		<b>9,062,809,247</b>	<b>13,840,392,132</b>

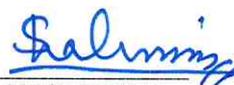
Footnotes: 1. Independent auditor's report in page 1 to 5.  
2. The notes 1 to 36 form an integral part of these financial statements.



**Sumitava Basu**  
Managing Director



**Shafiq Musharraf**  
Chief Financial Officer



**Md. Shahinul Islam**  
Company secretary



**Zakir Ahmed Khan**  
Director



**Sk Md Tarikul Islam, FCA**  
Partner  
Membership No: 1238  
Firms' Registration # CAF-001-05  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, 29 JUL 2025

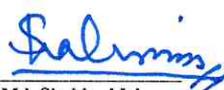
**Marico Bangladesh Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the three-month period ended 30 June 2025**

	Notes	For the three-month period ended	
		30 June 2025	30 June 2024
		BDT	BDT
Revenue	21	5,110,347,705	4,359,543,226
Cost of sales	22	(2,262,972,001)	(1,688,001,036)
<b>Gross profit</b>		<b>2,847,375,704</b>	<b>2,671,542,190</b>
Other income/(expense)	25	9,186,109	9,615,189
General and administrative expenses	23	(383,609,697)	(330,350,560)
Marketing, selling and distribution expenses	24	(235,498,446)	(293,058,069)
<b>Operating profit</b>		<b>2,237,453,669</b>	<b>2,057,748,750</b>
Finance income	26.1	220,053,442	243,954,635
Finance costs	26.2	(7,551,881)	33,334,480
Net finance income		212,501,561	277,289,115
<b>Profit before contribution to workers participation fund and welfare fund</b>		<b>2,449,955,230</b>	<b>2,335,037,865</b>
Contribution to workers participation fund & welfare fund	27	(122,495,448)	(116,751,894)
<b>Profit before tax</b>		<b>2,327,459,783</b>	<b>2,218,285,971</b>
Income tax expenses	29	(381,817,458)	(492,574,355)
<b>Profit for the period</b>		<b>1,945,642,324</b>	<b>1,725,711,616</b>
<b>Other comprehensive income</b>			
Remeasurements of defined benefit liability		-	-
<b>Total comprehensive income for the period</b>		<b>1,945,642,324</b>	<b>1,725,711,616</b>
<b>Earnings per share</b>		<b>BDT</b>	<b>BDT</b>
Basic earnings per share (per value of Tk 10)	28	61.77	54.78

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 Musharraf  
Chief Financial Officer

  
Md. Shahinul Islam  
Company secretary

  
Zakir Ahmed Khan  
Director

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

Dhaka, 29 JUL 2025

**Marico Bangladesh Limited**  
**Statement of changes in equity**  
**For the three-month period ended 30 June 2025**

	Attributable to owners of the Company			
	Share capital	Share premium	Retained earnings	Total
	BDT	BDT	BDT	BDT
<b>Balance at 1 April 2025</b>	315,000,000	252,000,000	6,965,646,453	7,532,646,453
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,945,642,324	1,945,642,324
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	315,000,000	252,000,000	1,945,642,324	1,945,642,324
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final dividend for the period 2024-2025	-	-	(6,142,500,000)	(6,142,500,000)
<b>Total transactions with owners of the Company</b>	-	-	(6,142,500,000)	(6,142,500,000)
<b>Balance at 30 June 2025</b>	<b>315,000,000</b>	<b>252,000,000</b>	<b>2,768,788,777</b>	<b>3,335,788,777</b>
<b>Balance at 1 April 2024</b>	315,000,000	252,000,000	7,643,067,522	8,210,067,522
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	1,725,711,617	1,725,711,617
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	1,725,711,617	1,725,711,617
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final dividend for the period 2023-2024	-	-	-	-
<b>Total transactions with owners of the Company</b>	-	-	-	-
<b>Balance at 30 June 2024</b>	<b>315,000,000</b>	<b>252,000,000</b>	<b>9,368,779,138</b>	<b>9,935,779,138</b>

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 three-month period ended 30 June 2025**

	For the three-month period ended	
	30 June 2025	30 June 2024
	BDT	BDT
<b>Cash flows from operating activities</b>		
Collection from customers and others	4,782,316,121	4,226,526,024
Payment to suppliers and for operating expenses	(2,296,885,405)	(3,831,331,879)
<b>Cash generated from operating activities</b>	<b>2,485,430,717</b>	<b>395,194,144</b>
Interest paid	-	(57,883,118)
Interest received	183,937,238	203,903,913
Income tax paid	(567,416,057)	(441,452,291)
<b>Net cash from operating activities</b>	<b>2,101,951,898</b>	<b>99,762,647</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment (PPE)	(22,524,399)	(44,135,491)
Acquisition of intangible assets	(1,284,797)	-
Proceeds from disposal of PPE	(1,143,633)	71,735
Encashment of/(Investment in) fixed deposits	1,345,154,516	2,446,639,434
<b>Net cash used in investing activities</b>	<b>1,320,201,687</b>	<b>2,402,575,677</b>
<b>Cash flows from financing activities</b>		
Net proceeds from loans and borrowings	-	(450,000,000)
Dividend paid	(5,528,248,743)	-
Payment of lease liabilities	(20,064,641)	(8,006,179)
<b>Net cash used in financing activities</b>	<b>(5,548,313,384)</b>	<b>(458,006,178)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,126,159,799)</b>	<b>2,044,332,146</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>144,383</b>	<b>361,298</b>
<b>Opening cash and cash equivalents</b>	<b>3,092,223,180</b>	<b>1,887,129,573</b>
<b>Closing cash and cash equivalents</b>	<b>966,207,763</b>	<b>3,931,823,015</b>

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  
Notes to the financial statements  
For the three-month period ended 30 June 2025**

**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 133th Board of Directors meeting due on 29th July, 2025.

**2.3 Reporting period**

The financial period of the Company covers period ended 30 June 2025.

**2.4 Comparative and reclassification**

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

**3. Functional and presentation currency**

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

**4. Use of judgements and estimates**

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

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

**(a) Judgements**

Information about judgements related to lessee accounting under IFRS 16 made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is described in note 7.04 & 7.17.

**(b) Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at 30 June 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next twelve month period is included in the following notes:

Note 8A	Property, plant and equipment
Note 9	Intangible assets
Note 10	Right-of-use assets
Note 13	Inventories
Note 16	Employee benefit obligation
Note 17	Lease liabilities
Note 20	Current tax liabilities
Note 29.2	Deferred tax
Note 32	Contingent liabilities

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**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**

IFRS 18 : Presentation and Disclosure in Financial Statements' is effective for annual periods beginning after 1 January 2027 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

**7. Significant accounting policies**

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

<b>Note</b>	<b>Particulars</b>
7.01	Foreign currency transactions
7.02	Property, plant and equipment (PPE)
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 (PPE)**

**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:

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

**iv) Derecognition**

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

**v) Asset under construction**

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

**vi) Capitalisation of borrowing costs**

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

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**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 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**

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**

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
<b>Financial assets at amortised cost</b>	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.
<b>Debt investments at FVOCI</b>	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.
<b>Equity investments at FVOCI</b>	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

**(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

**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.

**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 60 days, at the rate of one month's gross 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.

**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 2025 i.e 20%.

**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 applies IFRS 15 Revenue from contracts with customers. 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.

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**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.

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**Notes to the financial statements (continued)**

**7.19 Contingencies**

**i) Contingent liability**

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

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

**ii) Contingent asset**

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

The Company does not recognise contingent asset.

**7.20 Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

**7.21 Events after the reporting period**

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

**7.22 Interim Financial Statements**

The interim financial statements have been prepared in accordance with the requirement of International Accounting Standard IAS 34: Interim Financial Reporting, the Companies Act 1994, the Securities and Exchange Rules 2020, Financial Reporting Act 2015, relevant guidelines issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations in Bangladesh. There is no change in the basis for preparation and accounting policies governing this interim financial statements from the last reporting date. Consequently, no separate note on accounting policy are being provided. Figures for 2024 have been regrouped whenever necessary to facilitate comparison and to comply with relevant IFRS.



Notes to the financial statements (continued)

9. Intangible assets	Notes	As at	
		30 June	31 March
		2025	2025
		BDT	BDT
See accounting policy in Note 7.03			
<b>Cost</b>			
Opening balance		30,658,299	24,413,446
Additions		1,284,797	7,713,889
Disposals		-	(1,469,036)
<b>Closing balance</b>		<b>31,943,095</b>	<b>30,658,299</b>
<b>Accumulated amortization</b>			
Opening balance		23,016,646	24,171,173
Amortization during the period		462,613	314,510
Disposals		-	(1,469,036)
<b>Closing balance</b>		<b>23,479,258</b>	<b>23,016,646</b>
<b>Carrying amount</b>		<b>8,463,835</b>	<b>7,641,651</b>
10. Right-of-use assets			
See accounting policy in Note 7.04			
<b>Reconciliation of carrying amount</b>			
<b>Cost</b>			
Opening balance		482,664,384	450,087,067
Additions		12,665,519	33,106,918
Disposal		-	(529,601)
<b>Closing balance</b>		<b>495,329,903</b>	<b>482,664,384</b>
<b>Accumulated depreciation</b>			
Opening balance		171,228,889	104,175,658
Addition/ Adjustment		16,962,771	67,332,743
Disposal		-	(279,512)
<b>Closing balance</b>		<b>188,191,660</b>	<b>171,228,889</b>
<b>Carrying amount</b>		<b>307,138,245</b>	<b>311,435,495</b>
11. Advances, deposits and prepayments			
<b>Advances</b>			
Advance for capital goods		936,639	4,287,765
Advance to suppliers and others		279,000,696	967,902,930
		<b>279,937,336</b>	<b>972,190,694</b>
<b>Deposits</b>			
Security deposits		2,778,998	2,683,191
		<b>2,778,998</b>	<b>2,683,191</b>
<b>Prepayments</b>			
Prepaid expenses		52,956,889	16,139,887
		<b>52,956,889</b>	<b>16,139,887</b>
		<b>335,673,222</b>	<b>991,013,773</b>
11.1 Current and non-current classification of advances, deposits and prepayments			
Current		303,329,842	962,313,916
Non-current		32,343,380	28,699,856
		<b>335,673,222</b>	<b>991,013,773</b>

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## Notes to the financial statements (continued)

Notes	As at	
	30 June 2025	31 March 2025
	BDT	BDT
<b>12. Other financial assets</b>		
Treasury bills	3,446,172,166	4,791,326,681
Trade receivables	84,608,411	84,858,013
Loans to employees	9,152,884	11,630,861
Accrued interest	294,746,940	258,856,688
Rent receivables	-	1,070,650
<b>12.1</b>	<b>3,834,680,400</b>	<b>5,147,742,893</b>
<b>12.1 Current and non-current classification of other financial assets</b>		
Current	3,829,635,547	5,138,333,397
Non-current	5,044,854	9,409,497
	<b>3,834,680,400</b>	<b>5,147,742,893</b>
<b>12.2 Treasury Bills (maturity more than three months)</b>		
	<b>30 June 2025</b>	<b>31 March 2025</b>
	BDT	BDT
Treasury Bill for 364 days	2,944,050,449	2,944,050,448
Treasury Bill for 182 days		1,847,276,233
Treasury Bill for 91 days	502,121,717	
	<b>3,446,172,166</b>	<b>4,791,326,681</b>
<b>13. Inventories</b>		
See accounting policy in Note 7.06		
Raw materials	1,186,114,018	1,605,384,896
Packing materials	448,296,646	510,151,542
Finished goods	419,444,696	411,422,839
Stores and spares	59,355,227	59,962,396
Materials in transit	184,363,712	363,677,307
	<b>2,297,574,299</b>	<b>2,950,598,980</b>
<b>14. Cash and cash equivalents</b>		
See accounting policy in Note 7.07		
Cash at bank	947,921,949	3,087,099,241
Balance with bank for unclaimed dividend	4,754,105	5,123,939
Remittance in Transit	13,531,709	-
<b>14.1</b>	<b>966,207,763</b>	<b>3,092,223,180</b>
<b>14.1 Cash at bank</b>		
bKash	4,601,485	51,725,000
BRAC Bank PLC	730,982,432	2,041,477,977
Commercial Bank of Ceylon PLC	36,920,129	553,455,585
Citibank N.A.	23,848	1,912
The City Bank PLC	33,272,154	16,110,495
Dutch Bangla Bank PLC	22,549,155	81,431,460
Dhaka bank PLC	17,736,223	116,242,443
Eastern Bank PLC	1,606,248	2,804,879
The Hongkong and Shanghai Banking Corporation Ltd.	62,814,166	23,567,575
Midland Bank PLC.	78,090	29,217
Mutual Trust Bank PLC	896,327	111,586
State Bank of India	492,557	14,532,243
Standard Chartered Bank	35,949,134	185,608,869
	<b>947,921,949</b>	<b>3,087,099,241</b>

## Notes to the financial statements (continued)

		As at	
		30 June 2025	31 March 2025
		BDT	BDT
<b>15. Share capital</b>			
	See accounting policy in Note 7.09		
	<b>Authorised</b>		
	40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
		<b>400,000,000</b>	<b>400,000,000</b>
	<b>Issued, subscribed and paid up</b>		
	Issued for cash	41,500,000	41,500,000
	Issued for consideration other than cash	273,500,000	273,500,000
		<b>315,000,000</b>	<b>315,000,000</b>
<b>15.1 Share premium</b>			
		30 June 2025	31 March 2025
	<b>Holdings</b>		
	Share premium on paid up share capital	252,000,000	252,000,000
		<b>252,000,000</b>	<b>252,000,000</b>
<b>16. Employee benefit obligation</b>			
	See accounting policy in Note 7.11		
	Provision for gratuity	26,110,800	36,970,773
	Provision for leave encashment	69,116,623	65,634,882
		<b>95,227,423</b>	<b>102,605,655</b>
	Current	38,318,223	48,561,893
	Non-Current	56,909,200	54,043,762
		<b>95,227,423</b>	<b>102,605,655</b>
<b>17. Lease liabilities</b>			
	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 2.7% to 13.5%. 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	63,054,828	58,511,757
	One to two years	43,263,494	44,277,074
	Two to three years	34,964,301	35,205,418
	Three to four years	30,234,959	36,827,254
	Four to five years	-	-
	More than five years	-	-
		<b>171,517,582</b>	<b>174,821,504</b>
	<b>Lease liabilities included in the statement of financial position</b>		
	Current	77,220,041	58,511,757
	Non-current	94,297,541	116,309,747
		<b>171,517,582</b>	<b>174,821,504</b>
	<b>Amounts recognised in profit or loss</b>	30 June 2025	30 June 2024
		BDT	BDT
	Interest on lease liabilities	4,095,200	4,662,895
		<b>4,095,200</b>	<b>4,662,895</b>
	<b>Amounts recognised in the statement of cash flows</b>		
	Lease rental	20,064,641	8,006,179
	Total cash outflow for lease liabilities and interest payments	<b>20,064,641</b>	<b>8,006,179</b>

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## Notes to the financial statements (continued)

		As at	
		30 June 2025 BDT	31 March 2025 BDT
<b>18. Trade and other payable</b>			
	See accounting policy in Note 07.08 iii (a)		
	Trade payables	18.1 1,055,030,685	1,430,331,507
	Other payables	18.2 3,458,349,221	3,467,123,019
		<u>4,513,379,906</u>	<u>4,897,454,525</u>
<b>18.1 Trade payables</b>			
	<b>Intercompany trade payable</b>		
	Payable against raw material	356,504,261	299,634,934
	Payable against packing material	10,322,221	3,588,731
		<u>366,826,482</u>	<u>303,223,665</u>
	<b>Third party trade payable</b>		
	Payable against raw material	102,634,284	144,404,113
	Payable against services	505,739,025	898,225,057
	Payable against packing material	79,830,893	84,478,672
		<u>688,204,203</u>	<u>1,127,107,842</u>
	<b>Total trade payables</b>	<u>1,055,030,685</u>	<u>1,430,331,507</u>
<b>18.2 Other payables</b>			
	<b>Intercompany other payable</b>		
	Royalty payable	186,024,381	141,265,985
	General and technical assistance fees payable	142,480,518	117,811,045
		<u>328,504,899</u>	<u>259,077,030</u>
	<b>Third party other payable</b>		
	Payable against expenses	1,707,278,569	1,551,417,852
	Import duty and related charges payable	276,894,312	459,248,512
	Withholding tax and VAT payable	63,570,062	94,275,364
	Workers' profit participation and welfare fund	122,495,448	398,519,091
	Festival bonus	-	13,742,764
	Advance from customers	292,089,914	631,771,492
	Payable against capital goods	9,047,756	4,498,835
	Dividend payable	614,250,000	-
	Audit fees payable	531,500	970,000
	Supplementary duty	43,686,763	53,602,079
		<u>3,129,844,323</u>	<u>3,208,045,989</u>
	<b>Total other payables</b>	<u>3,458,349,221</u>	<u>3,467,123,019</u>

## 19. Unclaimed Dividend balance

Financial Year	Dividend Type	Rate of Dividend	Total Dividend	Record Date	Unclaimed Dividend as on 30 June 2025	Unclaimed Dividend as on 31 March 2025
2022	Final	200%	630,000,000	26-May-22	229,933	212,079
2023	Interim	450%	1,417,500,000	23-Jun-22	-	358,077
	Interim	300%	945,000,000	21-Aug-22	306,280	290,005
2024	Final	200%	630,000,000	27-May-24	426,309	427,249
2025	Interim	1000%	3,150,000,000	25-Aug-24	2,074,820	2,075,270
	Interim	450%	1,417,500,000	18-Nov-24	880,740	880,943
	Interim	440%	1,386,000,000	23-Feb-25	836,023	880,317
<b>Unclaimed Dividend</b>					<u>4,754,105</u>	<u>5,123,939</u>

\*Total value of Unclaimed dividend represent balance after all adjustments

Notes to the financial statements (continued)

20 Current tax liabilities

	<i>Notes</i>	<u>30 June 2025</u>	<u>31 March 2025</u>
		BDT	BDT
Provision for income tax	21.1	8,607,509,921	8,789,927,118
Advance income tax	21.2	(7,682,850,378)	(7,695,728,126)
		<u>924,659,543</u>	<u>1,094,198,992</u>

20.1 Provision for income tax

	<u>30 June 2025</u>	<u>31 March 2025</u>
	BDT	BDT
Opening balance	8,789,927,118	7,226,505,574
Provision for current period/year	421,539,743	1,563,421,544
<b>Adjustment for prior assessment year:</b>		
Assessment year 2018-2019	(603,956,940)	-
	<u>8,607,509,921</u>	<u>8,789,927,118</u>

20.2 Advance income tax

	<u>30 June 2025</u>	<u>31 March 2025</u>
	BDT	BDT
Opening balance	7,695,728,126	6,391,893,400
<b>Payment during the year:</b>		
Payment for current period/year	87,416,057	757,177,448
<b>Payment for prior year:</b>		
Assessment year 2018-2019	-	1,931,298
Assessment year 2024-2025	-	544,725,980
Assessment year 2025-2026	480,000,000	-
<b>Adjustment for prior assessment year:</b>		
Assessment year 2018-2019	(580,293,805)	-
	<u>7,682,850,378</u>	<u>7,695,728,126</u>

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

Accounting year/period ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
30 June 2025	2026-27	421,539,743	87,416,057	-
31 March 2025	2025-26	1,563,421,545	1,237,177,448	-
31 March 2024	2024-25	1,353,005,332	1,287,379,176	Return submitted
31 March 2023	2023-24	1,163,138,344	1,145,507,088	Return submitted
31 March 2022	2022-23	1,041,906,778	989,809,670	Return submitted
31 March 2021	2021-22	964,603,887	928,790,762	Return submitted
31 March 2020	2020-21	908,685,699	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	678,833,580	At High Court
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
		<u>8,607,509,921</u>	<u>7,682,850,378</u>	

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## Notes to the financial statements (continued)

		For the three-month period ended	
		30 June 2025	30 June 2024
		BDT	BDT
<b>21. Revenue</b>			
	See accounting policy in Note 7.15		
	Parachute coconut oil	3,061,475,509	2,681,192,274
	Value added hair oil (VAHO)	1,561,033,834	1,249,397,572
	Color	10,528,431	9,691,892
	Health & Beauty	298,787,264	185,030,782
	Baby Segment	87,045,984	73,234,200
	Others*	91,476,685	160,996,506
		<b>5,110,347,705</b>	<b>4,359,543,226</b>
	*Others include male grooming, byproduct & others		
<b>21.1 Segregation of revenue between domestic and export</b>			
	Revenue from domestic operation	5,063,231,279	4,332,569,036
	Revenue from export	47,116,426	26,974,190
		<b>5,110,347,705</b>	<b>4,359,543,226</b>
<b>22. Cost of sales</b>			
	Opening stock of finished goods	411,422,839	317,102,123
	Cost of goods manufactured	2,270,993,858	1,598,893,037
		<b>2,682,416,697</b>	<b>1,915,995,160</b>
	Closing stock of finished goods	(419,444,696)	(227,994,124)
		<b>2,262,972,001</b>	<b>1,688,001,036</b>
<b>22.1 Cost of goods manufactured</b>			
	Materials consumed	2,143,686,446	1,466,712,460
	Factory overhead	127,307,412	132,180,577
		<b>2,270,993,858</b>	<b>1,598,893,037</b>
<b>22.1.1 Materials consumed</b>			
	Opening stock of raw materials, packing materials and others	2,539,176,141	3,034,365,421
	Purchases during the quarter	1,482,639,908	1,326,856,605
	Closing stock of raw materials, packing materials and others	(1,878,129,603)	(2,894,509,566)
		<b>2,143,686,446</b>	<b>1,466,712,460</b>
<b>22.1.2 Factory overhead</b>			
	Communication expenses-CoS	161,577	154,413
	Cost of outsourced human resources	35,183,555	30,072,782
	Depreciation-CoS	40,915,279	42,656,861
	Entertainment-CoS	1,675,492	2,314,007
	Power expenses	12,809,571	22,551,180
	Printing and stationery-CoS	367,474	571,270
	Repairs and maintenance-CoS	4,941,029	4,334,962
	Salaries and allowances-CoS	25,736,381	17,775,892
	Security charges-CoS	2,351,248	3,372,546
	Travelling and conveyance-CoS	2,353,530	1,998,731
	Warehouse rent	812,276	6,377,935
		<b>127,307,412</b>	<b>132,180,577</b>

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## Notes to the financial statements (continued)

	For the three-month period ended	
	30 June 2025	30 June 2024
	BDT	BDT
<b>23. General and administrative expenses</b>		
Salaries and allowances	194,585,936	158,548,720
Gratuity	5,111,067	5,111,067
Rent, rates and taxes	5,244,065	4,515,080
Professional and legal charges	11,482,345	5,327,177
Security charges	205,091	524,072
Stamp and license fees	3,794,567	3,567,639
Directors' remuneration and fees	7,372,480	5,797,122
Repair and maintenance	4,389,938	3,891,603
Communication expenses	1,497,262	549,627
Subscription to trade association	-	101,076
Entertainment	9,095,857	7,638,655
Printing and stationery	596,193	440,937
Vehicle running expenses	12,771,820	10,982,669
Travelling and conveyance	2,492,513	3,145,807
Audit fees	416,875	494,308
Insurance premium	6,564,405	10,948,110
Bank charges	1,456,148	818,955
AGM and public relation	1,364,557	589,535
Conference and training	996,924	1,241,807
Electricity and gas charges	955,757	302,456
Amortisation	462,613	12,679
Royalty	49,731,551	41,783,798
Depreciation	16,172,584	10,303,295
Depreciation on right-of-use asset	16,962,771	16,519,780
General and technical assistance fees	24,071,333	32,749,587
CSR expense	5,815,047	4,445,000
	<b>383,609,697</b>	<b>330,350,560</b>
<b>24. Marketing, selling and distribution expenses</b>		
Advertisement, travelling and communication expense	145,275,068	190,204,167
Business promotion expenses	11,452,267	9,482,067
Other selling & distribution expenses	22,025,890	27,959,845
Entertainment-Mkt	5,666,792	5,871,847
Free sample	1,418,469	1,227,868
Freight- outward	31,675,898	32,744,879
Market research expenses	17,984,063	25,567,396
	<b>235,498,446</b>	<b>293,058,069</b>
<b>25. Other income/(expense)</b>		
Gain/(Loss) on sale of PPE	(1,143,633)	71,734
Gain/(Loss) on lease disposal/ modification	-	(10,145,921)
Refund from insurance	1,996,076	284,572
Sale of RM PM	-	11,023,755
Rental income	3,381,000	3,381,000
Scrap sales	4,952,666	5,000,049
	<b>9,186,109</b>	<b>9,615,189</b>

## Notes to the financial statements (continued)

		For the three-month period ended	
		30 June 2025	30 June 2024
		BDT	BDT
<b>26.</b>	<b>Net finance income</b>		
		<i>Notes</i>	
	Finance income/(Expense)	26.1	220,053,442
	Finance costs	26.2	(7,551,881)
			<u>212,501,562</u>
			<u>243,954,635</u>
<b>26.1</b>	<b>Finance income/(Expense)</b>		
	Interest on fixed deposits		183,404,457
	Interest on call deposits		36,423,033
	Interest on staff loan		225,952
			<u>220,053,442</u>
			<u>243,954,635</u>
<b>26.2</b>	<b>Finance costs</b>		
	Interest on overdraft and loans		-
	Foreign exchange (gain)/loss		3,456,682
	Interest on lease		4,095,200
			<u>7,551,881</u>
			<u>(33,334,480)</u>
<b>27.</b>	<b>Contribution to WPPF</b>		
	Profit before contribution to WPPF		2,449,955,230
	Applicable contribution rate		5%
			<u>122,495,448</u>
			<u>2,335,037,865</u>
			<u>116,751,894</u>
	*The Company operates a fund for workers as workers' profit participation and welfare fund and provides 5% of its profit before workers' profit participation fund and tax as per provision of the Bangladesh Labour Act 2006.		
<b>28.</b>	<b>Earnings per share</b>		
<b>28.1</b>	<b>Basic earnings per share</b>		
	Profit attributable to ordinary shareholders (net profit after tax)		1,945,642,324
	Weighted average number of ordinary shares outstanding during the year/period		31,500,000
	Earnings per share (EPS) in Taka		<u>61.77</u>
			<u>54.78</u>
<b>28.2</b>	<b>Diluted earnings per share</b>		

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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Notes to the financial statements (continued)

29.

Income tax expenses

See accounting policy in Note 7.14

Amounts recognised in profit or loss

Current tax expense

Current period

Adjustment for AY 2018-19

	For the three-month period ended	
	30 June 2025	30 June 2024
	BDT	BDT
	421,539,743	501,972,439
	(23,663,131)	-
	397,876,611	501,972,439
	(16,059,153)	(9,398,085)
	381,817,458	492,574,355

Deferred tax (income)/expense

29.1 Reconciliation of effective tax rate

	For the period ended		For the year ended	
	30 June 2025	BDT	31 March 2025	BDT
	%	%	%	%
Profit before income tax	20.0%	2,327,413,508	22.5%	7,571,863,290
Income tax using the corporate tax rate		465,482,702		1,703,669,240
Factors affecting the tax charge for current year:				
Short/(higher) fiscal depreciation and amortisation over that of accounting	0.09%	2,060,461	0.14%	10,971,901
Disallowance for excess perquisites	0.13%	2,980,078	0.25%	18,691,357
Short/(higher) of leave encashment payment over provision	0.05%	1,095,793	0.11%	8,280,043
Disallowance for contribution to CSR project	0.03%	636,854	0.03%	2,503,838
Impairment loss of property, plant and equipment	0.00%	-	0.02%	1,616,531
Income that is exempt from taxation	-2.49%	(57,895,858)	-2.43%	(184,111,211)
Effect of special rate of export income	-0.03%	(670,443)	-0.06%	(4,356,060)
Other inadmissible expenses	0.24%	5,670,126	0.27%	20,788,437
Foreign exchange loss/ (gain)	0.08%	1,976,410	-0.22%	(16,583,884)
Depreciation on leased assets	0.17%	3,928,297	0.20%	15,149,867
Interest on lease liabilities	0.04%	948,380	0.05%	3,964,545
Actual rent on leased assets	-0.20%	(4,673,056)	-0.23%	(17,163,059)
Adjustment for AY 2018-19	-1.02%	(23,663,131)	0.00%	-
Deferred tax (income) / expense	-0.69%	(16,059,153)	1.35%	102,362,814
Total income tax expense	16.41%	381,817,458	21.35%	1,665,784,360

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29.2 Movement in deferred tax balances

	Net balance at 01 April 2025		Recognised in profit /loss		Recognised in OCI		Net balance as at 30 June 2025		Balance as at 30 June 2025	
	BDT		BDT		BDT		BDT		Deferred tax assets	Deferred tax liabilities
<b>30 June 2025</b>										
Property, plant and equipment	4,136,880		(10,352,058)		-		(6,215,178)		(6,215,178)	-
Provision for leave encashment	(14,767,848)		(625,163)		-		(15,393,011)		(15,393,011)	-
RoJ assets and lease liability under IFRS 16	27,588,148		(135,268)		-		27,452,880		-	27,452,880
Unrealized forex gain/(loss)	16,583,884		(4,946,664)		-		11,637,220		-	11,637,220
<b>Net deferred tax (assets)/liabilities</b>	<b>33,541,064</b>		<b>(16,059,153)</b>		<b>-</b>		<b>17,481,911</b>		<b>(21,608,189)</b>	<b>39,090,100</b>
<b>31 March 2025</b>										
Property, plant and equipment	(24,192,773)		28,329,653		-		4,136,880		-	4,136,880
Provision for leave encashment	(6,487,805)		(8,280,043)		-		(14,767,848)		(14,767,848)	-
RoJ assets and lease liability under IFRS 16	32,078,657		(4,490,509)		-		27,588,148		-	27,588,148
Unrealized forex gain/(loss)	(70,219,829)		86,803,713		-		16,583,884		-	16,583,884
<b>Net deferred tax (assets)/liabilities</b>	<b>(68,821,750)</b>		<b>102,362,814</b>		<b>-</b>		<b>33,541,064</b>		<b>(14,767,848)</b>	<b>48,308,912</b>

Notes to the financial statements (continued)

30. Related party transactions

30.1 Parent and ultimate controlling party

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

30.2 Transactions with key management personnel

For the three-month period ended	
30 June 2025	30 June 2024
BDT	BDT
7,372,480	5,797,122
7,372,480	5,797,122

Directors' remuneration and fees

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

30.3 Other related party transactions

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

30.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 June 2025	Balance as at 31 March 2025
Marico Limited, India	Parent company	Purchase of RM and PM	BDT 208,674,387	BDT 207,371,254	BDT 3,588,731
		Purchase of Asset (Mould)	-	162,516	162,516
		Royalty	49,731,551	186,024,381	141,265,985
		Dividend	4,975,425,000	-	-
		General and technical assistance fees	24,074,501	142,480,518	126,610,813
		Sale of PM	474,833	547,338	182,351
		Other receivables	49,219	8,672,843	8,623,625

30.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 June 2025	Balance as at 31 March 2025
Marico Middle East FZE	Associated company	Sale of FG	BDT 13,427,423	BDT 5,559	BDT 348,537
		Purchase of RM	536,172,154	159,455,228	299,634,934
		Other receivables	-	247,096	6,678,448
Marico South East Asia	Associated company	General and technical assistance fees	-	35,125	35,125
		Other receivables	-	651,413	651,413
MARICO LANKA PRIVATE LIMITED	Associated company	Sale of FG	501,473	866,042	364,569

## Notes to the financial statements (continued)

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

	As at	
	30 June 2025	31 March 2025
	BDT	BDT
<b>31.1 Calculation of net asset value per share</b>		
Net asset	3,335,788,777	7,532,646,453
Number of shares	31,500,000	31,500,000
<b>Net asset value (NAV) per share</b>	<b>105.90</b>	<b>239.13</b>

\* Net assets value per share decreased due to declaration of final dividend for FY 25 which has been recognized in Q1FY26.

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

	For the three-month period ended	
	30 June 2025	30 June 2024
	BDT	BDT
Net cash from operating activities	2,101,951,898	99,762,647
No. of shares	31,500,000	31,500,000
<b>Net operating cash flow per share (NOCFPS)</b>	<b>66.73</b>	<b>3.17</b>

\* Net operating cash flow increased due to lower payment to supplier in Q1FY26

### 31.3 Reconciliation of net profit with cash flows from operating activities

	For the three-month period ended	
	30 June 2025	30 June 2024
	BDT	BDT
Profit after tax	1,945,642,324	1,725,711,617
Adjustment for:		
Depreciation	74,050,634	69,479,936
Amortisation	462,613	12,679
Interest expense	-	57,883,118
Effect of exchange rate fluctuations on cash held	-	-
Interest on staff loan	225,952	212,070
Interest on lease	4,095,200	4,662,895
Gain on lease modification and cancellation	-	-
(Reversal of) impairment expense	-	-
Interest income	(220,053,442)	(243,954,635)
Loss/(Gain) on sale of PPE	1,143,633	(71,735)
Tax expense	381,817,458	492,574,355
	<b>2,187,384,372</b>	<b>2,106,510,300</b>
Changes in operating assets and liabilities:		
Inventories	653,024,681	228,963,853
Advances, deposits and prepayments	651,989,425	(104,878,850)
Other financial assets	3,798,228	(6,960,761)
Employee benefit obligation	(7,378,231)	7,030,002
Trade and other payable	(1,003,387,760)	(1,835,470,399)
Cash generated from operating activities	<b>2,485,430,718</b>	<b>395,194,143</b>
Interest paid	-	(57,883,118)
Interest received	183,937,238	203,903,913
Income tax paid	(567,416,057)	(441,452,291)
<b>Net cash flows from operating activities</b>	<b>2,101,951,898</b>	<b>99,762,647</b>

\* Net operating cash flow increased due to lower payment to supplier in Q1FY26

**Notes to the financial statements (continued)**

**32. Contingent liabilities**

The Company has contingent liability of BDT 1,088,900,000 as on 30 June 2025 in respect of indirect tax (VAT) and workers' profit participation & welfare fund. These are being vigorously defended by the Company. The management does not consider that it is appropriate to make provision in respect of any of these claims.

The Company has ordinary letter of credit amount of Taka 46,444,029, Taka 244,263,836, Taka 20,209,986, Taka 632,791,040, Taka 1,273,020 and Taka 292,459,932 with Standard Chartered Bank, Commercial Bank of Ceylon, Hongkong and Shanghai Banking Corporation, BRAC Bank PLC, Mutual Trust Bank PLC and Dhaka Bank PLC respectively.

Shipping guarantee of Taka 27,137,939.00 and Taka 16,084,175.54 with Standard Chartered Bank and Dhaka Bank PLC.

**33. Capital management**

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

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

No changes were made in the objectives, policies or processes for managing capital during the period ended 30 June 2025.

**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 the Company at its 133rd meeting held on 29th July 2025 have declared 600% interim cash dividend i.e BDT 60 per share, amount to total BDT 1,890,000,000 for the period ended 30th June 2025.

There are no other events identified after the date of the statement of financial position which require adjustment or disclosure in the accompanying financial statements.

*HVC*

Notes to the financial statements (continued)

36. Financial instruments - fair values and financial risk management

36.1 Accounting classifications and fair values

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

30 June 2025

Particulars	Notes	Carrying amount						Total
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	
		BDT	BDT	BDT	BDT	BDT	BDT	
<b>Financial assets measured at fair value</b>								
<b>Financial assets not measured at fair value</b>								
Fixed deposits	12.2	-	-	-	-	-	-	-
Treasury Bills	12.3	-	-	-	-	3,446,172,166	-	3,446,172,166
Loan to employees	12	-	-	-	-	9,152,884	-	9,152,884
Trade receivables	12	-	-	-	-	84,608,411	-	84,608,411
Cash and cash equivalents	14	-	-	-	-	966,207,763	-	966,207,763
		-	-	-	-	4,506,141,225	-	4,506,141,225
<b>Financial liabilities measured at fair value</b>								
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables	18	-	-	-	-	-	4,513,379,906	4,513,379,906
Lease liabilities	17	-	-	-	-	-	171,517,582	171,517,582
		-	-	-	-	-	4,684,897,488	4,684,897,488

Notes to the financial statements (continued)

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

36.1 Accounting classifications and fair values (continued)

31 March 2025

Particulars	Note	Carrying amount							Total
		Fair value hedging instruments	Mandatory at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total	
		BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Financial assets measured at fair value</b>									
Financial assets not measured at fair value									
Fixed deposits		-	-	-	-	-	-	-	-
Treasury Bills	12.2	-	-	-	-	4,791,326,681	-	-	4,791,326,681
Loan to employees	12	-	-	-	-	11,630,861	-	-	11,630,861
Trade receivables	12	-	-	-	-	84,858,013	-	-	84,858,013
Cash and cash equivalents	14	-	-	-	-	3,092,223,180	-	-	3,092,223,180
		-	-	-	-	7,980,038,735	-	-	7,980,038,735
<b>Financial liabilities measured at fair value</b>									
Financial liabilities not measured at fair value									
Loans and borrowings		-	-	-	-	-	-	-	-
Trade and other payables	18	-	-	-	-	-	-	4,897,454,525	4,897,454,525
Lease liabilities	17	-	-	-	-	-	-	174,821,504	174,821,504
		-	-	-	-	-	-	5,072,276,030	5,072,276,030

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**Notes to the financial statements (continued)**

**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

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:

	<i>Notes</i>	<u>30 June 2025</u>	<u>31 March 2025</u>
		<u>BDT</u>	<u>BDT</u>
<b>Financial assets</b>			
Treasury Bills	12.2	3,446,172,166	4,791,326,681
Loans to employees	12	9,152,884	11,630,861
Trade receivables	12	84,608,411	84,858,013
Cash and cash equivalents	14	966,207,763	3,092,223,180
		<u>4,506,141,225</u>	<u>7,980,038,735</u>

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Notes to the financial statements (continued)

36.2 Financial risk management (continued)

36.2.2 Liquidity risk

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

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

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

Notes	Carrying amount	Expected cash flow	Contractual cash flows				
			BDT	6 months or less	6-12 months	1-2 years	2-5 years
		BDT	BDT	BDT	BDT	BDT	BDT
<b>30 June 2025</b>							
18	4,513,379,906	4,513,379,906	4,513,379,906	-	-	-	-
17	171,517,582	171,517,581	39,967,931	23,086,897	43,263,494	65,199,260	-
	<b>4,684,897,487</b>	<b>4,684,897,487</b>	<b>4,553,347,837</b>	<b>23,086,897</b>	<b>43,263,494</b>	<b>65,199,260</b>	<b>-</b>
<b>31 March 2025</b>							
18	4,897,454,525	4,897,454,525	4,897,454,525	-	-	-	-
17	174,821,504	174,821,503	24,833,604	33,678,153	44,277,074	72,032,672	-
	<b>5,072,276,029</b>	<b>5,072,276,028</b>	<b>4,922,288,130</b>	<b>33,678,153</b>	<b>44,277,074</b>	<b>72,032,672</b>	<b>-</b>

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Notes to the financial statements (continued)

36.2.3 Market risk

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

i) Currency risk

The Company's exposures to foreign currency risk at 30 June 25 are as follows:

	30 June 2025	30 June 2024
	USD	USD
Import of goods and services	(3,005,754)	(16,264,325)
Bank balance	206,262	45,162
	<u>(2,799,491)</u>	<u>(16,219,163)</u>

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

Exchange rate (USD/BDT)	Average rate		Quarter-end spot rate	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	121.67	114.06	122.70	118.00

**Notes to the financial statements (continued)**

**ii) Foreign exchange rate sensitivity analysis**

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

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

	Profit/(loss)		Equity	
	Strengthening BDT	Weakening BDT	Strengthening BDT	Weakening BDT
<b>30 June 2025</b>				
USD (1% movement)	(3,434,976)	3,434,976	(3,434,976)	3,434,976
<b>30 June 2024</b>				
USD (1% movement)	(19,138,612)	19,138,612	(19,138,612)	19,138,612

**iii) Interest rate risk**

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

As at 30 June 2025, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	30 June 2025 BDT	31 March 2025 BDT
<b>Fixed rate instruments</b>			
Treasury bills	12.2	3,446,172,166	4,791,326,681
<b>Variable rate instruments</b>			
Financial assets		-	-
Financial liabilities		-	-

END OF THE FINANCIAL STATEMENTS