

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

**As at and for the Six-month period ended
30 September 2023**

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

We have audited the financial statements of Marico Bangladesh Limited ("the Company"), which comprise the statement of financial position as at 30 September 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the three-month period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Company as at 30 September 2023, and of its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

Key audit matters

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

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

➤ Revenue recognition

Referring to Note 20 and Note 7.15 in the financial statements, Revenue of BDT 3,755 million is recognized in the statement of profit or loss and other comprehensive income of Marico Bangladesh Limited. This material item is subject to considerable inherent risk due to the risk of being overstated at the end of the reporting period on account of variation in the timing of the transfer of control by the management in order to meet the expectations of the shareholders and also to achieve performance targets. Accordingly, there could be potential misstatements that revenue made during the period end is not recognised in the correct reporting period.

How our audit addressed the key audit matter:

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

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

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

➤ Uncertain Tax Position:

Referring to Note 28 & Note 31 of the financial statements, the Company is subject to periodic review by local tax authorities on a range of tax matters during the normal course of business including indirect taxes and transaction related tax matters that could eventually require payments of taxes and possible additional charges. Judgement is required in assessing the level of provisions and disclosure of contingent liabilities, required in respect of uncertain tax position that reflects management's best estimates of the most likely outcome based on the facts available.

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

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

How our audit addressed the key audit matter:

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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


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

Report on other legal and regulatory requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- ii) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books.
- iii) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- iv) The expenditure incurred was for the purposes of the company's business.

A. Qasem & Co.
Chartered Accountants


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

DVC: 2311050643A0470623

Place: Dhaka
Date: 26 October 2023

Marico Bangladesh Limited
Statement of financial position
As at 30 September 2023

	Notes	As At	
		30 September	31 March
		2023	2023
		BDT	BDT
Assets			
Non Current Assets			
Property, plant and equipment	8A	1,389,660,861	1,304,594,243
Investment property	8B	4,587,447	8,103,932
Intangible assets	9	472,380	553,054
Right-of-use assets	10	377,153,398	266,911,631
Advances, deposits and prepayments	11	55,199,197	65,871,163
Other financial assets	12	2,967,657	7,086,385
Deferred tax asset	28.1	7,925,145	12,486,990
Total Non Current Assets		1,837,966,085	1,665,607,398
Current Assets			
Inventories	13	3,029,611,388	2,528,550,222
Advances, deposits and prepayments	11	713,816,252	1,028,621,890
Other financial assets	12	5,905,100,941	4,184,389,716
Cash and cash equivalents	14	2,289,800,147	2,228,805,865
Total Current Assets		11,938,328,728	9,970,367,693
Total Assets		13,776,294,813	11,635,975,091
Equity			
Share capital	15	315,000,000	315,000,000
Share premium	15.1	252,000,000	252,000,000
Retained earnings		5,517,007,139	3,019,315,643
Total equity		6,084,007,139	3,586,315,643
Liabilities			
Non Current liabilities			
Lease liabilities	17	171,607,770	46,397,509
Employee benefit obligation	16	28,622,718	26,683,320
Total Non Current liabilities		200,230,489	73,080,829
Current liabilities			
Trade and other payable	18	6,586,436,890	7,106,383,606
Lease liabilities	17	43,965,431	57,310,504
Employee benefit obligation	16	37,480,379	25,893,750
Current tax liabilities	19	815,778,792	778,588,742
Unclaimed dividend		8,395,693	8,402,017
Total current liabilities		7,492,057,186	7,976,578,619
Total liabilities		7,692,287,674	8,049,659,448
Total equity and liabilities		13,776,294,813	11,635,975,091

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

2. The notes 1 to 35 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants

Md. Sahabuddin
Company Secretary

Rajat Diwakar
Managing Director

Akhtar Sanjida Kasem, FCA, FCMA, CFE
Partner

Shafiq Musharraf
Chief Financial Officer

Parveen Mahmud
Director

Enrolment Number: 643
DVC: 2311050643A0470623

Place: Dhaka
Date: 26 October 2023



Marico Bangladesh Limited
Statement of profit or loss and other comprehensive income
For the Six-month period ended 30 September 2023

	Notes	For the Six-month period ended		For the three-month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		BDT	BDT	BDT	BDT
Revenue	20	7,717,656,893	7,345,951,054	3,755,515,396	3,699,445,918
Cost of sales	21	(3,271,128,954)	(3,527,691,269)	(1,615,683,714)	(1,783,874,102)
Gross profit		4,446,527,939	3,818,259,785	2,139,831,682	1,915,571,816
Other income	24.1	20,449,820	11,552,028	11,307,996	5,318,233
General and administrative expenses	22	(624,860,372)	(582,222,977)	(327,687,985)	(324,639,557)
Marketing, selling and distribution expenses	23	(528,776,573)	(529,287,381)	(251,505,823)	(259,482,631)
Other expense	24.2	(70,575)	(4,568)	(70,575)	-
Operating profit		3,313,270,239	2,718,296,886	1,571,875,295	1,336,767,860
Finance income	25.1	218,776,590	44,290,987	121,393,129	19,387,043
Finance costs	25.2	(163,273,828)	(29,163,552)	(98,640,960)	(25,314,161)
Net finance income		55,502,762	15,127,435	22,752,169	(5,927,119)
Profit before contribution to workers participation fund and welfare fund		3,368,773,001	2,733,424,321	1,594,627,464	1,330,840,741
Contribution to workers participation fund & welfare fund	26	(168,438,648)	(136,671,166)	(79,731,371)	(66,536,770)
Profit before tax		3,200,334,353	2,596,753,155	1,514,896,093	1,264,303,971
Income tax expenses	28	(702,642,857)	(596,039,505)	(345,951,500)	(292,431,653)
Profit for the period		2,497,691,496	2,000,713,650	1,168,944,593	971,872,318
Other comprehensive income					
Remeasurements of defined benefit liability		-	-	-	-
Total comprehensive income for the period		2,497,691,496	2,000,713,650	1,168,944,593	971,872,318
Earnings per share		BDT	BDT	BDT	BDT
Basic earnings per share (per value of Tk 10)	27	79.29	63.51	37.11	30.85

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 35 form an integral part of these financial statements.

A.Qasem & Co.
Chartered Accountants

Md. Sahabuddin

Rajat Diwakar

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

Parveen Mahmud
Director

Shafiq Musharraf
Chief Financial Officer

DVC: 2311050643A0470623

Place: Dhaka
Date: 26 October 2023



Marico Bangladesh Limited
Statement of changes in equity
For the six-month period ended 30 September 2023

	Attributable to owners of the Company			
	Share capital BDT	Share premium BDT	Retained earnings BDT	Total BDT
Balance at 1 April 2023	315,000,000	252,000,000	3,019,315,643	3,586,315,643
Total comprehensive income for the period				
Profit for the period	-	-	2,497,691,496	2,497,691,496
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	315,000,000	252,000,000	2,497,691,496	2,497,691,496
Transactions with owners of the Company				
Contributions and distributions	-	-	-	-
Total transactions with owners of the Company	-	-	-	-
Balance at 30 September 2023	315,000,000	252,000,000	5,517,007,139	6,084,007,139
Balance at 1 April 2022	315,000,000	252,000,000	2,122,057,310	2,689,057,310
Total comprehensive income for the period				
Profit for the period	-	-	2,000,713,650	2,000,713,650
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	2,000,713,650	2,000,713,650
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2021-2022			(630,000,000)	(630,000,000)
First interim for the year 2022-2023	-	-	(1,417,500,000)	(1,417,500,000)
Second interim for the year 2022-2023			(945,000,000)	(945,000,000)
Total transactions with owners of the Company	-	-	(2,992,500,000)	(2,992,500,000)
Balance at 30 September 2022	315,000,000	252,000,000	1,130,270,960	1,697,270,960

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 35 form an integral part of these financial statements.



Marico Bangladesh Limited
Statement of cash flows
For the period ended 30 September 2023

	For the period ended	
	30 September	30 September
	2023	2022
	BDT	BDT
Cash flows from operating activities		
Collection from customers and others	7,550,591,709	7,343,202,509
Payment to suppliers and for operating expenses	(3,985,255,214)	(2,867,536,281)
Cash generated from operating activities	3,565,336,495	4,475,666,228
Interest paid	(52,973,177)	(4,030,833)
Interest received	153,765,128	131,652,919
Income tax paid	(660,890,963)	(411,164,828)
Net cash from operating activities	3,005,237,483	4,192,123,486
Cash flows from investing activities		
Acquisition of property, plant and equipment	(122,045,803)	(242,575,676)
Acquisition of intangible assets	(0)	(819,000)
Proceeds from disposal of PPE	3,518,100	3,405,546
Encashment of/(Investment in) fixed deposits	(1,654,604,892)	1,942,382,196
Net cash used in investing activities	(1,773,132,595)	1,702,393,065
Cash flows from financing activities		
Dividend paid	(1,132,150,000)	(2,992,498,744)
Payment of lease liability	(38,960,605)	(33,486,144)
Net cash used in financing activities	(1,171,110,604)	(3,025,984,888)
Net increase in cash and cash equivalents	60,994,282	2,868,531,664
Opening cash and cash equivalents	2,228,805,865	505,194,162
Closing cash and cash equivalents	2,289,800,147	3,373,725,826

Footnotes: 1. Independent auditor's report in page 1 to 4.
2. The notes 1 to 35 form an integral part of these financial statements.



Marico Bangladesh Limited
Notes to the financial statements
For the quarter and six-month period ended 30 September 2023

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.

Notes to the financial statements (continued)

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 125th Board of Directors meeting held on 26th October, 2023.



2.3 Reporting period

The financial period of the Company covers period ended on 30 September 2023.

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 september 2023 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 28.1	Deferred tax
Note 8A	Property plant equipment
Note 9	Intangible assets
Note 13	Inventories
Note 16	Employee benefit obligation
Note 19	Current tax liabilities
Note 31	Contingent liabilities



Notes to the financial statements (continued)

5. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in note 7.11.

6. Standards issued but not yet effective

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

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

- *Amendments To References To Conceptual Framework in IFRS Standards.*
- *IFRS 17 Insurance Contracts.*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*

7. Significant accounting policies

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

Note	Particulars
7.01	Foreign currency transactions
7.02	Property, plant and equipment
7.03	Intangible assets
7.04	Right of use assets
7.05	Investment Property
7.06	Inventories
7.07	Cash and cash equivalents
7.08	Financial instruments
7.09	Share capital
7.10	Dividend to the equity holders
7.11	Employee benefits
7.12	Accruals
7.13	Provisions
7.14	Income tax
7.15	Revenue
7.16	Finance income and finance cost
7.17	Lease liabilities
7.18	Impairment
7.19	Contingencies
7.20	Earnings per share
7.21	Events after the reporting period

7.01 Foreign currency transactions

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



Notes to the financial statements (continued)

7.02 Property, plant and equipment

i) Recognition and measurement

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

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

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

ii) Subsequent cost

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

iii) Depreciation

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

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

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

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

iv) Derecognition

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

v) Asset under construction

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

vi) Capitalisation of borrowing costs

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



Notes to the financial statements (continued)

7.03 Intangible assets

i) Recognition and measurement

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

ii) Subsequent costs

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

iii) Amortisation

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

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

iv) Derecognition

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

7.04 Right of use assets

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liabilities. When a right-of-use asset meets the definition of investment property, it is presented in investment property. The right-of-use asset is initially measured at cost, and depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, in accordance with the Company's accounting policies.

7.05 Investment Property

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

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

Investment property may include investment property that is being redeveloped.

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

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

7.06 Inventories

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

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

7.07 Cash and cash equivalents

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



Notes to the financial statements (continued)

7.08 Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets – policy applicable from 1 April 2018

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

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

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

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

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

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

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

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

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

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

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



Notes to the financial statements (continued)

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

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

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

(a) Cash and cash equivalents

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

(b) Trade and other receivables

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

Financial instruments (continued)

(c) Short-term investment

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

iii. Financial liability

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

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

Financial liabilities include trade and other payables etc.

(a) Trade and other payables

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

(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.

Notes to the financial statements (continued)

7.09 Share capital

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

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

7.10 Dividend to the equity holders

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

7.11 Employee benefits

i) Short-term employee benefits

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

ii) Defined benefit plan (Gratuity)

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

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

iii) Leave encashment

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

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

iv) Workers' profit participation and welfare fund

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

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

7.12 Accruals

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

Notes to the financial statements (continued)

7.13 Provisions

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

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

7.14 Income tax

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

i) Current tax

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

ii) Deferred tax

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

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

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

7.15 Revenue

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

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;

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.

Notes to the financial statements (continued)

7.17 Lease liabilities

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

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

7.18 Impairment

i. Financial assets

The Company recognises loss allowances for ECLs on:

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

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

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

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

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

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

Measurement of ECLs

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

ii) Non-financial assets

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

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

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



Notes to the financial statements (continued)

7.19 Contingencies

i) Contingent liability

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

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

ii) Contingent asset

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

The Company does not recognise contingent asset.

7.20 Earnings per share

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

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

7.21 Events after the reporting period

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



Notes to the financial statements (continued)

8. Property, plant and equipment

See accounting policy in Note 7.02

A. Reconciliation of Carrying amount

Cost

	Freehold land	Plant and machinery	Factory building	Office building	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Assets under construction	Total
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Balance at 1 April 2022	176,749,959	1,341,545,886	231,768,328	231,349,814	100,341,657	39,174,844	84,867,719	27,294,028	124,027,893	2,357,120,127
Additions-Other than Mirsharai unit	-	-	-	-	-	-	-	-	144,451,880	144,451,880
Additions- Mirsharai unit	-	-	-	-	-	-	-	-	350,518,932	350,518,932
Transfer from asset under construction	-	73,570,376	14,502,148	1,586,295	125,998,065	11,795,335	5,023,441	1,841,209	(234,316,870)	-
Disposals	-	(57,542,643)	-	-	(7,504,046)	(733,019)	(868,465)	-	-	(66,648,173)
Balance at 31 March 2023	176,749,959	1,357,573,619	246,270,476	232,936,109	218,835,676	50,237,160	89,022,695	29,135,237	384,681,835	2,785,442,766
Balance at 1 April 2023	176,749,959	1,357,573,619	246,270,476	232,936,109	218,835,676	50,237,160	89,022,695	29,135,237	384,681,835	2,785,442,766
Additions	-	-	-	-	-	-	-	-	179,033,353	179,033,353
Transfer from asset under construction	-	158,739,075	306,728,409	36,959,293	29,045,408	7,625,904	18,903,295	2,364,122	(560,365,506)	-
Transfer to intangible asset	-	-	-	(186,791)	-	-	-	-	-	(186,791)
Disposals	-	(11,752,438)	(126,275)	-	(6,072,494)	(3,530,236)	(412,510)	(637,392)	-	(22,531,346)
Balance at 30 Sep 2023	176,749,959	1,504,560,256	552,872,610	269,708,611	241,808,590	54,332,828	107,513,480	30,861,966	3,349,683	2,941,757,983

Accumulated depreciation and impairment loss

Balance at 1 April 2022	-	899,198,361	210,615,602	75,947,251	69,546,795	30,892,857	73,819,793	16,002,982	-	1,376,023,640
Depreciation for the year	-	108,707,098	1,980,652	9,132,661	27,997,050	5,962,278	8,431,425	3,827,197	-	166,038,362
Impairment loss (reversal of impairment) of PPE	-	201,450	-	-	-	-	-	-	-	201,450
Disposals	-	(52,382,313)	-	-	(7,444,238)	(733,019)	(855,359)	-	-	(61,414,929)
Balance at 31 March 2023	-	955,724,596	212,596,254	85,079,912	90,099,608	36,122,116	81,395,859	19,830,179	-	1,480,848,523
Balance at 1 April 2023	-	955,724,596	212,596,254	85,079,912	90,099,608	36,122,116	81,395,859	19,830,179	-	1,480,848,523
Depreciation for the year	-	58,926,536	5,656,825	5,700,977	14,824,321	3,685,053	3,460,864	1,428,642	-	93,683,217
Transfer to intangible asset	-	-	-	(37,358)	-	-	-	-	-	(37,358)
Disposals	-	(11,752,438)	(126,275.00)	-	(5,943,267)	(3,525,378)	(412,510)	(637,392)	-	(22,397,260)
Balance at 30 Sep 2023	-	1,002,898,694	218,126,803	90,743,531	98,980,661	36,281,792	84,444,212	20,621,428	-	1,552,097,122

Carrying amounts

At 31 March 2023	176,749,959	401,849,023	33,674,222	147,856,197	128,736,068	14,115,044	7,626,836	9,305,058	384,681,835	1,304,594,243
At 30 Sep 2023	176,749,959	501,661,562	334,745,806	178,965,080	142,827,928	18,051,036	23,069,268	10,240,538	3,349,683	1,389,660,861

B. Investment property

See accounting policy in Note 7.05

Office building
Depreciation for the year ended (Office building)

30 September 2023	31 March 2023
BDT	BDT
140,659,360	140,659,360
(136,071,913)	(132,555,428)
4,587,447	8,103,932



Notes to the financial statements (continued)

9.	Intangible assets	Notes	Computer software	
			30 September	31 March
			2023	2023
	See accounting policy in Note 7.03		BDT	BDT
	Cost			
	Opening balance		24,226,655	23,261,875
	Additions		-	964,780
	Transfer to intangible asset		186,791	-
	Disposals		-	-
	Closing balance		24,413,446	24,226,655
	Accumulated amortisation			
	Opening balance		23,673,601	23,209,991
	Amortisation during the year		230,107	463,609
	Transfer to intangible asset		37,358	-
	Disposals		-	-
	Closing balance		23,941,066	23,673,601
	Carrying amount		472,380	553,054
10.	Right-of-use assets		Right-of-use assets	
			30 September	31 March
			2023	2023
	See accounting policy in Note 7.04		BDT	BDT
	Reconciliation of carrying amount			
	Cost			
	Opening balance		452,662,582	420,063,229
	Additions		169,696,456	34,874,051
	Modification		(3,995,758)	-
	Disposal		(24,471,196)	(2,274,698)
	Closing balance		593,892,084	452,662,582
	Accumulated depreciation			
	Opening balance		185,750,950	127,347,234
	Addition/ Adjustment		30,987,735	58,403,716
	Disposal		-	-
	Closing balance		216,738,685	185,750,950
	Carrying amount		377,153,398	266,911,631



Notes to the financial statements (continued)

Notes	As at	
	30 September	31 March
	2023	2023
	BDT	BDT
11. Advances, deposits and prepayments		
Advances		
Advance for capital goods	33,457,067	90,131,526
Advance to suppliers and others	682,847,186	955,953,219
	716,304,253	1,046,084,745
Deposits		
Security deposits	3,189,660	12,068,498
	3,189,660	12,068,498
Prepayments		
Prepaid expenses	49,521,535	36,339,810
	49,521,535	36,339,810
11.1	769,015,448	1,094,493,053
11.1 Current and non-current classification of advances, deposits and prepayments		
Current	713,816,252	1,028,621,890
Non-current	55,199,197	65,871,163
	769,015,448	1,094,493,053
12. Other financial assets		
Fixed deposits	12.2 522,902,837	1,614,295,444
Treasury Bills	12.3 5,196,609,000	2,450,611,500
Trade receivables	58,006,370	60,694,023
Loans to employees	7,542,829	7,736,276
Accrued interest	123,007,562	58,138,858
12.1	5,908,068,598	4,191,476,101
12.1 Current and non-current classification of other financial assets		
Current	5,905,100,941	4,184,389,716
Non-current	2,967,657	7,086,385
	5,908,068,598	4,191,476,101



Notes to the financial statements (continued)

	Notes	As at	
		30 September	31 March
		2023	2023
		BDT	BDT
12.2 Fixed deposits (maturity more than three months)			
BRAC Bank PLC		-	502,700,000
The City Bank Limited		-	101,372,222
IPDC Finance Limited		-	101,381,111
IDLC Finance Limited		-	102,871,000
DBH Finance PLC		-	101,350,000
Commercial Bank of Ceylon		522,902,837	502,070,000
Eastern Bank PLC		-	101,171,111
Bank Alfalah Limited		-	101,380,000
The Hongkong and Shanghai Banking Corporation Ltd.		-	-
		522,902,837	1,614,295,444
12.3 Treasury Bills (maturity more than three months)			
Treasury Bill for 364 days		2,299,725,000	-
Treasury Bill for 182 days		2,896,884,000	483,215,500
Treasury Bill for 91 days		-	1,967,396,000
		5,196,609,000	2,450,611,500
13. Inventories			
See accounting policy in Note 7.06			
Raw materials		1,945,196,079	1,704,670,892
Packing materials		510,477,639	272,010,468
Finished goods		207,306,831	387,071,251
Stores and spares		38,854,224	35,838,517
Materials in transit		327,776,614	128,959,096
		3,029,611,388	2,528,550,222
14. Cash and cash equivalents			
See accounting policy in Note 7.07			
Cash at bank	14.1	2,277,204,454	1,506,765,881
Balance with bank for unclaimed dividend		8,395,693	8,402,017
Balance at MFSP (Mobile Financial Service Provider)	14.2	4,200,000	-
Fixed deposits	14.3	-	713,637,967
		2,289,800,147	2,228,805,865

Notes to the financial statements (continued)

Notes	As at	
	30 September	31 March
	2023	2023
	BDT	BDT
14.1 Cash at bank		
BRAC Bank PLC	776,009,807	64,385,293
Citibank N.A.	482,862	8,086,752
Islami Bank Bangladesh PLC	25,508,099	29,975,632
Sonali Bank PLC	6,392	7,091,891
Standard Chartered Bank	519,377,787	345,278,771
The Hongkong and Shanghai Banking Corporation Ltd.	280,605	8,558,663
Eastern Bank PLC	440,635,224	930,972,202
Dutch Bangla Bank Limited	84,900,050	4,329,995
The City Bank Limited	9,505,738	55,688
Commercial Bank of Ceylon	364,041,932	108,030,994
State Bank of India	169,292	-
Dhaka bank Limited	56,286,665	-
	2,277,204,454	1,506,765,881
14.2 Balance at MFSP (Mobile Financial Service Provider)		
bKash	4,200,000	-
	4,200,000	-
14.3 Fixed deposits (maturity less than three months)		
BRAC Bank PLC	-	354,529,467
Eastern Bank PLC	-	359,108,500
	-	713,637,967

Notes to the financial statements (continued)

Notes	As at	
	30 September	31 March
	2023	2023
	BDT	BDT
15. Share capital		
See accounting policy in Note 7.09		
Authorised		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
	<u>400,000,000</u>	<u>400,000,000</u>
Issued, subscribed and paid up		
Issued for cash	41,500,000	41,500,000
Issued for consideration other than cash	273,500,000	273,500,000
	<u>315,000,000</u>	<u>315,000,000</u>
15.1 Share premium		
Holdings		
Share premium on paid up share capital	252,000,000	252,000,000
	<u>252,000,000</u>	<u>252,000,000</u>
16. Employee benefit obligation		
See accounting policy in Note 7.11		
Provision for gratuity	33,322,717	21,786,564
Provision for leave encashment	32,780,381	30,790,506
	<u>66,103,098</u>	<u>52,577,070</u>
Current	37,480,379	25,893,750
Non-Current	28,622,718	26,683,320
	<u>66,103,098</u>	<u>52,577,070</u>
17. Lease liabilities		
See accounting policy in Note 7.17		
The Company leases many assets, including properties, warehouses, depots sales offices and land. Total number of lease assets is twenty and average terms of period of lease is four to fifty years. The incremental borrowing rate (IBR) ranges from 2.70% to 10.40%. The factory leases were entered into many years ago as combined leases of land and buildings. The following table sets out a maturity analysis of lease payables, showing the undiscounted lease payments to be paid after the reporting date.		
Less than one year	43,965,431	57,310,505
One to two years	40,251,678	26,134,320
Two to three years	43,243,017	12,571,804
Three to four years	34,252,380	7,691,383
Four to five years	35,096,492	-
More than five years	18,764,203	-
	<u>215,573,201</u>	<u>103,708,013</u>
Lease liabilities included in the statement of financial position		
Current	43,965,431	57,310,504
Non-current	171,607,770	46,397,509
	<u>215,573,201</u>	<u>103,708,013</u>
Amounts recognised in profit or loss		
Interest on lease liabilities	(9,596,292)	8,411,440
	<u>(9,596,292)</u>	<u>8,411,440</u>
Amounts recognised in the statement of cash flows		
Lease rental	38,960,605	65,420,941
Total cash outflow for lease liabilities and interest payments	<u>38,960,605</u>	<u>65,420,941</u>



Notes to the financial statements (continued)

	Notes	As at	
		30 September	31 March
		2023	2023
		BDT	BDT
18. Trade and other payable			
See accounting policy in Note 07.08 iii (a)			
Trade payables	18.1	3,381,597,152	2,550,342,837
Other payables	18.2	3,204,839,738	4,556,040,771
		<u>6,586,436,890</u>	<u>7,106,383,608</u>
18.1 Trade payables			
Intercompany trade payable			
Payable against raw material		1,167,083,144	711,260,029
Payable against packing material		8,182,815	-
Payable against finished goods		-	376,955
		<u>1,175,265,959</u>	<u>711,636,984</u>
Third party trade payable			
Payable against raw material		1,470,745,152	1,283,806,815
Payable against services		605,615,747	542,270,032
Payable against packing material		129,288,608	12,629,005
Payable against finished goods		681,686	-
		<u>2,206,331,193</u>	<u>1,838,705,853</u>
Total trade payables		<u>3,381,597,152</u>	<u>2,550,342,837</u>
18.2 Other payables			
Intercompany other payable			
Royalty payable		319,084,836	252,640,679
General and technical assistance fees payable		376,271,499	319,344,214
Dividend payable		896,775,000	2,028,925,000
		<u>1,592,131,335</u>	<u>2,600,909,894</u>
Third party other payable			
Payable against expenses		314,619,906	369,197,008
Payable against business promotion expense		569,984,575	567,190,500
Import duty and related charges payable		264,203,598	170,339,552
Withholding tax and VAT payable		102,767,816	204,077,026
Workers' profit participation and welfare fund		168,438,648	264,825,282
Festival bonus		15,172,986	19,716,272
Advance from customers		59,214,574	244,697,045
Payable against capital goods		57,955,473	57,776,466
Audit fees payable		707,923	880,000
Interest on Deferred LC		25,848,458	8,212,324
Supplementary duty		33,794,446	48,219,403
		<u>1,612,708,403</u>	<u>1,955,130,877</u>
Total other payables		<u>3,204,839,738</u>	<u>4,556,040,771</u>
19. Current tax liabilities			
Provision for income tax	19.1	8,611,625,713	7,913,544,700
Advance income tax	19.2	(7,795,846,921)	(7,134,955,958)
		<u>815,778,792</u>	<u>778,588,742</u>
19.1 Provision for income tax			
Opening balance		7,913,544,700	6,755,639,460
Provision for current period/year		736,417,322	1,163,138,344
Provision for prior year:			
Assessment year 2009-2010		(9,098,540)	-
Assessment year 2015-2016		(16,719,973)	-
Assessment year 2016-2017		(1,330,561)	(5,233,104)
Assessment year 2017-2018		(4,129,668)	-
Assessment year 2020-2021		(3,069,069)	-
Assessment year 2021-2022		(3,988,499)	-
		<u>8,611,625,713</u>	<u>7,913,544,700</u>



Notes to the financial statements (continued)

Notes	As at	
	30 September	31 March
	2023	2023
	BDT	BDT
19.2 Advance income tax		
Opening balance	7,134,955,958	6,141,319,671
Payment during the year:		
Payment for current period	266,740,396	644,673,998
Payment for prior year:	-	-
Assessment year 2015-2016	3,618,152	-
Assessment year 2016-2017	2,830,193	-
Assessment year 2017-2018	705,596	-
Assessment year 2022-2023	-	348,962,290
Assessment year 2023-2024	386,996,626	-
	7,795,846,921	7,134,955,958

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

Accounting year ended	Assessment year	Provision for income tax (Amount in Taka)	Advance income tax (Amount in Taka)	Status
30 September 2023	2024-25	736,417,322	266,740,396	-
31 March 2023	2023-24	1,163,138,344	1,031,670,624	-
31 March 2022	2022-23	1,037,918,279	989,845,947	Return submitted
31 March 2021	2021-22	961,534,818	928,793,586	Return submitted
31 March 2020	2020-21	908,685,699	859,770,282	Return submitted
31 March 2019	2019-20	715,903,898	714,242,632	At High Court
31 March 2018	2018-19	603,956,939	560,411,195	Open at DCT level
31 March 2017	2017-18	505,678,847	497,658,995	At TAT*
31 March 2016	2016-17	530,996,790	521,632,106	At TAT*
31 March 2015	2015-16	485,952,668	485,952,667	At TAT*
31 March 2014	2014-15	475,304,697	468,166,315	At High Court
31 March 2013	2013-14	279,549,372	234,442,800	At TAT*
31 March 2012	2012-13	206,588,040	236,519,377	At TAT*
		8,611,625,713	7,795,846,921	

*Taxes Appellate Tribunal



Notes to the financial statements (continued)

		For six month period ended		For three month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		BDT	BDT	BDT	BDT
20. Revenue					
See accounting policy in Note 7.15					
Parachute coconut oil		4,827,271,436	4,670,766,276	2,282,719,465	2,326,584,058
Value added hair oil (VAHO)		2,104,649,742	2,012,523,388	1,045,962,884	999,962,512
Color		22,333,700	20,059,801	6,270,216	9,028,089
Health & Beauty		340,857,748	246,404,075	178,858,695	147,695,751
Baby Segment		132,556,545	99,068,551	73,549,435	57,759,338
Others*		289,987,721	297,128,964	168,154,701	158,416,169
		7,717,656,893	7,345,951,054	3,755,515,396	3,699,445,918
*Others include male grooming, byproduct & others					
20.1 Segregation of revenue between domestic and export					
Revenue from domestic operation		7,684,279,537	7,292,877,545	3,739,512,046	3,670,825,032
Revenue from export		33,377,356	53,073,509	16,003,350	28,620,886
		7,717,656,893	7,345,951,054	3,755,515,396	3,699,445,918
21. Cost of sales					
Opening stock of finished goods	Note	387,071,251	391,631,323	226,357,809	283,978,668
Cost of goods manufactured	21.1	3,091,364,535	3,413,156,966	1,596,632,736	1,776,992,453
		3,478,435,786	3,804,788,289	1,822,990,545	2,060,971,121
Closing stock of finished goods		(207,306,831)	(277,097,019)	(207,306,831)	(277,097,019)
		3,271,128,954	3,527,691,269	1,615,683,714	1,783,874,102
21.1 Cost of goods manufactured					
Materials consumed	Notes 21.1.1	2,851,762,357	3,190,555,927	1,461,491,099	1,652,040,707
Factory overhead	21.1.2	239,602,178	222,601,039	135,141,637	124,951,746
		3,091,364,535	3,413,156,966	1,596,632,736	1,776,992,453
21.1.1 Materials consumed					
Opening stock of raw materials, packing materials and others		2,141,478,971	1,940,796,549	2,595,210,111	1,503,657,404
Purchases during the year		3,532,587,942	3,798,257,341	1,688,585,545	2,696,881,266
Closing stock of raw materials, packing materials and others		(2,822,304,557)	(2,548,497,963)	(2,822,304,557)	(2,548,497,963)
		2,851,762,357	3,190,555,927	1,461,491,099	1,652,040,707



Notes to the financial statements (continued)

21.1.2 Factory overhead

	For six month period ended		For three month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	BDT	BDT	BDT	BDT
Communication expenses-CoS	404,665	338,727	246,048	189,278
Cost of outsourced human resources	51,201,939	53,294,542	24,890,498	24,783,202
Depreciation-CoS	77,101,024	62,266,407	43,721,905	31,963,363
Entertainment-CoS	5,174,024	4,383,084	2,320,152	2,050,915
Power expenses	38,998,237	53,423,652	25,313,948	30,927,922
Printing and stationery-CoS	1,133,444	553,846	543,595	464,582
Repairs and maintenance-CoS	8,407,885	7,031,503	5,924,809	5,102,362
Salaries and allowances-CoS	38,359,213	30,020,466	22,867,025	23,560,229
Security charges-CoS	6,034,289	4,591,667	3,207,692	2,406,709
Travelling and conveyance-CoS	3,662,454	3,520,493	1,853,184	1,784,696
Warehouse rent	9,125,002	3,176,652	4,252,782	1,718,488
	239,602,178	222,601,039	135,141,637	124,951,746

22. General and administrative expenses

Salaries and allowances	296,907,510	262,945,430	164,143,011	149,592,814
Gratuity	11,536,152	15,395,502	5,768,076	7,234,491
Rent, rates and taxes	8,724,275	4,903,942	4,527,260	2,806,037
Professional and legal charges	15,158,008	11,490,176	8,677,667	6,468,524
Security charges	1,125,273	917,316	570,135	460,181
Stamp and license fees	8,069,310	4,914,145	3,967,400	2,942,873
Directors' remuneration and fees	15,471,298	15,748,920	11,826,745	6,764,207
Repair and maintenance	9,440,128	6,536,914	5,089,755	5,273,207
Communication expenses	2,816,627	4,309,644	2,212,855	3,320,175
Subscription to trade association	72,500	165,146	15,000	139,778
Entertainment	15,264,566	13,323,693	6,903,061	7,798,699
Printing and stationery	815,609	603,550	432,547	548,612
Vehicle running expenses	21,301,472	19,213,998	9,099,393	9,996,600
Travelling and conveyance	7,449,362	9,731,513	4,053,724	5,825,679
Audit fees	825,923	422,500	348,169	254,500
Insurance premium	14,240,881	11,702,992	5,847,304	5,563,568
Bank charges	6,073,751	3,017,559	3,399,265	1,307,117
AGM and public relation	3,154,301	4,284,021	2,659,674	2,173,788
Conference and training	1,964,443	2,177,873	1,664,358	1,029,725
Electricity and gas charges	589,665	574,096	418,822	252,927
Amortisation	230,107	215,683	115,054	172,133
Royalty	73,826,839	69,692,439	35,757,056	34,886,567
Depreciation	20,098,677	21,406,930	11,017,957	11,725,408
Depreciation on right-of-use asset	30,987,735	28,380,990	15,504,396	14,734,753
General and technical assistance fees	49,116,570	52,846,731	18,572,691	34,496,158
CSR expense	9,599,389	17,301,269	5,096,611	8,871,037
	624,860,372	582,222,977	327,687,985	324,639,557



Notes to the financial statements (continued)

		For six month period ended		For three month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		BDT	BDT	BDT	BDT
23. Marketing, selling and distribution expenses					
Advertisement, travelling and communication expense		380,137,965	398,028,576	177,721,665	193,340,043
Business promotion expenses		16,588,246	16,518,451	10,074,396	9,273,018
Other selling & distribution expenses		41,394,226	35,256,717	19,773,328	17,443,628
Entertainment-Mkt		6,476,845	3,905,547	2,093,250	1,609,856
Free sample		6,158,083	3,020,024	4,438,538	2,663,266
Freight- outward		57,422,009	49,788,299	27,447,913	27,885,307
Market research expenses		20,599,199	22,769,767	9,956,735	7,267,512
		528,776,573	529,287,381	251,505,823	259,482,631
24. Other income/(expense)					
Other income	Note 24.1	20,449,820	11,552,028	11,307,996	5,318,233
Other expenses	Note 24.2	(70,575)	(4,568)	(70,575)	-
		20,379,245	11,547,460	11,237,421	5,318,233
24.1 Other income					
Gain on sale of PPE		3,588,675	876,619	3,550,966	1,500
Gain on lease disposal/ modification		2,916,834	244,648	(136,879)	244,648
Gain on cessation of liability		-	164,767	-	151,159
Refund from insurance		-	1,050,675	-	1,050,675
Insurance claim		1,131,512	-	980,314	-
Rental income		6,762,000	3,444,000	3,381,000	1,722,000
Scrap sales		6,050,798	5,771,318	3,532,594	2,148,251
		20,449,820	11,552,028	11,307,996	5,318,233
24.2 Other expenses					
Loss on sale of PPE		(70,575)	(4,568)	(70,575)	-
		(70,575)	(4,568)	(70,575)	-
25. Net finance income					
Finance income/(Expense)	Note 25.1	218,776,590	44,290,987	121,393,129	19,387,043
Finance costs	Note 25.2	(163,273,828)	(29,163,552)	(98,640,960)	(25,314,161)
		55,502,762	15,127,435	22,752,169	(5,927,119)
25.1 Finance income/(Expense)					
Interest on fixed deposits		162,883,477	39,070,586	97,334,081	15,361,771
Interest on call deposits		55,750,354	5,220,401	23,985,026	4,025,272
Interest on staff loan		142,759	-	74,022	-
		218,776,590	44,290,987	121,393,129	19,387,043



Notes to the financial statements (continued)

	For six month period ended		For three month period ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	BDT	BDT	BDT	BDT
25.2 Finance costs				
Interest on overdraft and loans	(52,973,177)	(4,056,103)	(33,620,400)	(3,132,492)
Foreign exchange (gain)/loss	(100,704,359)	(20,667,125)	(60,288,951)	(19,840,355)
Interest on lease	(9,596,292)	(4,440,324)	(4,731,609)	(2,341,314)
	<u>(163,273,828)</u>	<u>(29,163,552)</u>	<u>(98,640,960)</u>	<u>(25,314,161)</u>

	For six month period ended	
	30 September	30 September
	2023	2022
	BDT	BDT
26. Contribution to WPPF		
Profit before contribution to WPPF	3,368,773,001	2,733,424,321
Applicable contribution rate	5%	5%
	<u>168,438,648</u>	<u>70,134,396</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.

27. Earnings per share

27.1 Basic earnings per share

Profit attributable to ordinary shareholders (net profit after tax)	2,497,691,496	2,000,713,650	1,168,944,593	971,872,318
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000	31,500,000	31,500,000
Earnings per share (EPS) in Taka	<u>79.29</u>	<u>63.51</u>	<u>37.11</u>	<u>30.85</u>

27.2 Diluted earnings per share

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



Notes to the financial statements (continued)

28. Income tax expenses

See accounting policy in Note 7.14

Amounts recognised in profit or loss

Current tax expense

Current period

Adjustment for prior year

Deferred tax income/(expense)

For the six month period ended		For the three-month period ended	
30 September 2023	30 September 2022	30 September 2023	30 September 2022
BDT	BDT	BDT	BDT
(736,417,322)	(596,234,981)	(344,384,382)	(289,242,809)
38,336,310	5,233,104	8,388,129	-
(698,081,012)	(591,001,877)	(335,996,253)	(289,242,809)
(4,561,845)	(5,037,628)	(9,955,247)	(3,188,844)
702,642,857	(596,039,505)	345,951,500	292,431,653

28.1 Movement in deferred tax balances

30 September 2023	Net balance at 01 April 2023	Recognised in profit /loss	Recognised in OCI	Net balance as at 30 September 2023	Balance as at 30 September 2023	
	BDT	BDT	BDT	BDT	Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(39,129,939)	1,340,371	-	(37,789,568)	(37,789,568)	-
Provision for leave encashment	(6,927,864)	174,131	-	(6,753,733)	(6,753,733)	-
RoU assets and lease liability under IFRS 16	33,570,813	(43,374)	-	33,527,439	-	33,527,439
Unrealized forex loss	-	3,090,716	-	3,090,716	-	3,090,716
Net deferred tax (assets)/liabilities	(12,486,990)	4,561,845	-	(7,925,145)	(44,543,301)	36,618,155
31 March 2023	Net balance at 01 April 2022	Recognised in profit /loss	Recognised in OCI	Net balance as at 31 March 2023	Balance as at 31 March 2023	
	BDT	BDT	BDT	BDT	Deferred tax assets	Deferred tax liabilities
	BDT	BDT	BDT	BDT	BDT	BDT
Property, plant and equipment	(2,918,968)	(36,210,971)	-	(39,129,939)	(39,129,939)	-
Provision for leave encashment	(5,935,440)	(992,424)	-	(6,927,864)	(6,927,864)	-
RoU assets- Impact of IFRS 16	(4,995,696)	38,566,509	-	33,570,813	-	33,570,813
Net deferred tax (assets)/liabilities	(13,850,104)	1,363,115	-	(12,486,990)	(46,057,803)	33,570,813



Notes to the financial statements (continued)

29. Related party transactions

29.1 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.

29.2 Transactions with key management personnel

	For the six month period ended		For the three month period ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	BDT	BDT	BDT	BDT
Directors' remuneration and fees	15,471,298	15,748,920	11,826,745	6,764,207
	15,471,298	15,748,920	11,826,745	6,764,207

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

29.3 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*.

29.3.1 Transactions with parent company

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 Sep 2023	Balance as at 31 March 2023
Marico Limited, India	Parent company		BDT	BDT	BDT
		Purchase of RM and PM	30,505,685	46,154,172	20,566,343
		Purchase of Asset (Mould)		162,517	-
		Royalty	73,826,839	319,084,836	252,640,679
		Dividend	1,132,150,000	896,775,000	2,028,925,000
		General and technical assistance fees	49,116,570	376,271,499	319,344,214
		Sales of PM	2,821,553	2,180,189	-

29.3.2 Transactions with other related parties

Name of the related parties	Relationship	Nature of transaction	Transaction amount	Balance as at 30 Sep 2023	Balance as at 31 March 2023
			BDT	BDT	BDT
Marico Middle East FZE	Associated company	Sale of FG	6,833,014	10,434,515	
		Purchase of RM	1,572,379,675	1,129,111,788	690,693,686
Marico South East Asia	Associated company	Sales of PM	1,191,510		
Marico for Consumer Care Products SAE (Erstwhile Wind Co)	Associated company	Sales of PM	6,820,187	2,881,350	1,162,456
ZED Lifestyle Pvt Ltd	Associated company	Purchase of FG	1,413,363		376,955
Marico Gulf LLC	Associated company	Sale of FG	703,712		



Notes to the financial statements (continued)

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

	As at	
	30 September 2023 BDT	31 March 2023 BDT
30.1 Calculation of net asset value per share		
Net asset	6,084,007,139	3,586,315,643
Number of shares	31,500,000	31,500,000
Net asset value (NAV) per share	193.14	113.85
30.2 Calculation of net operating cash flow per share (NOCFPS)		
	For the period ended	
	30 September 2023	30 September 2022
Net cash from operating activities	3,005,237,483	4,192,123,486
No. of shares	31,500,000	31,500,000
Net operating cash flow per share (NOCFPS)	95.40	133.08
30.3 Reconciliation of net profit with cash flows from operating activities		
	For the period ended	
	30 September 2023 BDT	30 September 2022 BDT
Profit after tax	2,497,691,496	2,000,713,650
Adjustment for:		
Depreciation	128,187,436	112,054,328
Amortisation	230,107	215,683
Interest expense	52,973,177	4,056,103
Interest on staff loan	142,759	-
Interest on lease	9,596,292	4,440,324
Interest income	(218,776,590)	(44,290,987)
Gain on sale of PPE	(3,518,100)	(872,051)
Tax expense	702,642,857	596,039,505
	3,169,169,434	2,672,356,556
Changes in operating assets and liabilities:		
Inventories	(501,061,166)	(493,167,112)
Advances, deposits and prepayments	268,803,146	(325,634,433)
Other financial assets	(32,636,401)	(5,593,086)
Employee benefit obligation	13,526,027	19,104,454
Trade and other payable	647,535,451	2,608,599,848
Cash generated from operating activities	3,565,336,495	4,475,666,227
Interest paid	(52,973,177)	(4,030,833)
Interest received	153,765,128	131,652,919
Income tax paid	(660,890,963)	(411,164,828)
Net cash flows from operating activities	3,005,237,483	4,192,123,486

* Net operating cash flow increased due to higher collection and lower payment to supplier in FY23 compared to PY.



Notes to the financial statements (continued)

31. Contingent liabilities

The Company has contingent liability of BDT 1,077,100,000 as on 30 September 2023 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 140,674,448, Taka 276,784,752, Taka 44,849,062, Taka 5,499,270 and Taka 100,192,631 with Standard Chartered Bank, Commercial bank of Ceylon, City Bank NA, Brac Bank and Eastern Bank Ltd respectively. Shipping guarantee of Taka 7,683,124 with Standard Chartered Bank.

32. Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the period ended 30 September 2023.

33. 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.

34. Subsequent events

No significant events have occurred after the reporting period.



Notes to the financial statements (continued)

35. Financial instruments - fair values and financial risk management

35.1 Accounting classifications and fair values

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

30 September 2023

Particulars	Note	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits	12.2	-	-	-	-	522,902,837	-	522,902,837
Treasury Bills	12.3	-	-	-	-	5,196,609,000	-	5,196,609,000
Loan to employees	12	-	-	-	-	7,542,829	-	7,542,829
Trade receivables	12	-	-	-	-	58,006,370	-	58,006,370
Cash and cash equivalents	14	-	-	-	-	2,289,800,147	-	2,289,800,147
		-	-	-	-	8,074,861,183	-	8,074,861,183
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	18	-	-	-	-	-	6,586,436,890	6,586,436,890
Lease liabilities	17	-	-	-	-	-	215,573,201	215,573,201
		-	-	-	-	-	6,802,010,092	6,802,010,092



Notes to the financial statements (continued)

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

35.1 Accounting classifications and fair values (continued)

31 March 2023

Particulars	Note	Carrying amount						
		Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other financial liabilities	Total
		BDT	BDT	BDT	BDT	BDT	BDT	BDT
Financial assets measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial assets not measured at fair value								
Fixed deposits	12.2	-	-	-	-	1,614,295,444	-	1,614,295,444
Treasury Bills	12.3	-	-	-	-	2,450,611,500	-	2,450,611,500
Loan to employees	12	-	-	-	-	7,736,276	-	7,736,276
Trade receivables	12	-	-	-	-	60,694,023	-	60,694,023
Cash and cash equivalents	14	-	-	-	-	2,228,805,865	-	2,228,805,865
		-	-	-	-	6,362,143,108	-	6,362,143,108
Financial liabilities measured at fair value		-	-	-	-	-	-	-
		-	-	-	-	-	-	-
Financial liabilities not measured at fair value								
Trade and other payables	18	-	-	-	-	-	7,106,383,608	7,106,383,608
Lease liabilities	17	-	-	-	-	-	103,708,013	103,708,013
		-	-	-	-	-	7,210,091,622	7,210,091,622



Notes to the financial statements (continued)

35.2 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

35.2.1 Credit risk

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

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

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

	Note	30 September	31 March
		2023	2023
<u>Financial assets</u>		BDT	BDT
Fixed deposits	12.2	522,902,837	1,614,295,444
Treasury Bills	12.3	5,196,609,000	2,450,611,500
Loans to employees	12	7,542,829	7,736,276
Trade receivables	12	58,006,370	60,694,023
Cash and cash equivalents	14	2,289,800,147	2,228,805,865
		8,074,861,183	6,362,143,109



Notes to the financial statements (continued)

35.2 Financial risk management (continued)

35.2.2 Liquidity risk

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

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

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

Note	Carrying amount	Expected cash flow	Contractual cash flows				
			6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	BDT	BDT	BDT	BDT	BDT	BDT	BDT
30 September 2023							
Trade and other payables	18	3,204,839,738	3,204,839,738	3,204,839,738	-	-	-
Lease liabilities	17	215,573,201	215,573,201	24,833,604	19,131,827	40,251,678	112,591,890
		3,420,412,940	3,420,412,940	3,229,673,343	19,131,827	40,251,678	112,591,890
31 March 2023							
Trade and other payables	18	7,106,383,608	7,106,383,608	7,106,383,608	-	-	-
Lease liabilities	17	103,708,013	103,708,013	27,909,973	29,400,532	26,134,320	20,263,187
		7,210,091,622	7,210,091,622	7,134,293,582	29,400,532	26,134,320	20,263,187



Notes to the financial statements (continued)

35.2.2 Market risk

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

i) Currency risk

The Company's exposures to foreign currency risk at 30 September '23 are as follows:

	30 September 2023 USD	31 March 2023 USD
Import of goods and services	(19,922,481)	(2,175,727)
Bank balance	21,249	325,923
	(19,901,233)	(1,849,804)

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

	Average rate		Year-end spot rate	
	30 September 2023	31 March 2023	30 September 2023	31 March 2023
Exchange rate (USD/BDT)	108.93	98.20	110.50	105.07



Notes to the financial statements (continued)

ii) Foreign exchange rate sensitivity analysis

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

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

	Profit/(loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
	BDT	BDT	BDT	BDT
30 September 2023				
USD (1% movement)	(21,990,862)	21,990,862	(21,990,862)	21,990,862
31 March 2023				
USD (1% movement)	(1,943,589)	1,943,589	(1,943,589)	1,943,589

iii) Interest rate risk

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

As at 30 September 2023, the interest rate profile of the Company's interest bearing financial instruments was:

	Notes	30 September	31 March
		2023	2023
		BDT	BDT
Fixed rate instruments			
Financial assets		-	-
Fixed deposit receipts	12.2	522,902,837	1,614,295,444
Treasury Bills	12.3	5,196,609,000	2,450,611,500
Financial liabilities		-	-
Variable rate instruments			
Financial assets		-	-
Financial liabilities		-	-