



**Independent Auditors' Report
to the shareholders of
Pidilite Speciality Chemicals Bangladesh Private Ltd.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pidilite Speciality Chemicals Bangladesh Private Ltd., which comprise the statements of financial position as at 31 March 2019, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

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 ethical requirement 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), 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 also responsible for overseeing the company's financial reporting process.



Auditors' 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. But not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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.



Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's 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.

Dated, 25 April 2019
Dhaka


Ahmed Mashuque & Co.
Chartered Accountants

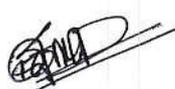


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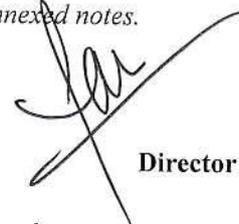
Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of financial position
As at 31 March 2019

	Notes	Amount in Taka	
		31-Mar-19	31-Mar-18
Assets			
Property, plant and equipment	5	327,819,794	344,030,487
Capital work-in-progress	6	90,631,374	6,988,681
Non current assets		418,451,168	351,019,168
Inventories	7	187,450,330	156,184,593
Accounts receivable	8	231,201,508	184,778,506
Advances, deposits and prepayments	9	48,893,163	29,309,599
Investment in FDR		-	20,000,000
Interest and other receivable		-	24,038
Cash and bank balances	10	57,330,876	95,047,235
Current assets		524,875,877	485,343,971
Total assets		943,327,045	836,363,139
Equity and liabilities			
Equity			
Share capital	11	352,694,500	352,677,300
Share money deposits	12	-	17,337
Retained earnings		431,369,301	322,797,504
Total equity		784,063,801	675,492,141
Liabilities			
Deferred tax liabilities	13	17,786,764	22,802,459
Non current liabilities		17,786,764	22,802,459
Employee benefits expenses payable	14	26,214,410	20,449,940
Provision for expenses	15	24,305,344	25,857,823
Current tax liability	16	12,653,641	16,618,432
Accounts payable	17	78,303,085	75,142,345
Current liabilities		141,476,480	138,068,540
Total liabilities		159,263,244	160,870,999
Total equity and liabilities		943,327,045	836,363,139

These financial statements should be read in conjunction with the annexed notes.


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated, 25 April 2019.
Dhaka




Ahmed Mashuque & Co.
Chartered Accountants

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Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Income			
Sales - net of VAT	18	1,237,114,974	1,070,117,234
Other income	19	1,968,431	2,142,710
		1,239,083,405	1,072,259,944
Less: Expenditure			
Cost of materials	20	424,272,006	363,129,631
Changes in inventory of finished goods and working progress	21	256,398,941	212,278,100
Operating expenses	22	18,238,057	16,764,898
Administrative expenses	23	43,259,329	38,390,358
Selling and distribution expenses	24	148,440,363	131,846,130
Employee benefits expenses	25	144,198,987	119,599,866
Depreciation		31,540,827	30,776,026
		1,066,348,510	912,785,009
Operating profit for the year		172,734,895	159,474,935
Add: Interest income		205,059	107,094
Less: Interest on overdraft		(115,877)	(29,917)
Profit before income tax for the year		172,824,078	159,552,112
Income tax expense			
Current tax		60,869,436	58,040,021
Deferred tax		(5,015,695)	(4,443,725)
		55,853,741	53,596,296
Net profit after income tax for the year		116,970,337	105,955,816
(Transferred to statement of changes in equity)			
Other Comprehensive Income/(Loss) :			
Remeasurement of Defined Benefit Plan		(8,398,540)	-
Total Comprehensive Income for the year		108,571,797	105,955,816

These financial statements should be read in conjunction with the annexed notes.


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated, 25 April 2019.
Dhaka




Ahmed Mashuque & Co.
Chartered Accountants

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Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of changes in equity
For the year ended 31 March 2019

Particulars	<i>Amount in Taka</i>			
	Share capital	Share money deposits	Retained earnings	Total
Balance as at 01 April 2017	352,677,300	17,337	216,841,688	569,536,325
Addition during the year	-	-	105,955,816	105,955,816
Balance as at 31 March 2018	352,677,300	17,337	322,797,504	675,492,141
Balance as at 01 April 2018	352,677,300	17,337	322,797,504	675,492,141
Addition during the year	17,200	(17,337)	116,970,337	116,970,200
Other Comprehensive Income/(Loss)	-	-	(8,398,540)	(8,398,540)
Balance as at 31 March 2019	352,694,500	-	431,369,301	784,063,801

These financial statements should be read in conjunction with the annexed notes.


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated, 25 April 2019.
 Dhaka


Ahmed Mashuque & Co.
Chartered Accountants


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Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of cash flows
For the year ended 31 March 2019

	Amount in Taka	
	2018-2019	2017-2018
A. Cash flows from operating activities		
Collection from sales	1,192,659,317	1,025,260,730
Payment to suppliers	(708,702,499)	(599,468,281)
Payment for expenses	(377,906,847)	(314,845,844)
Income tax paid	(64,834,228)	(42,588,381)
Net cash generated from operating activities	41,215,743	68,358,224
B. Cash flows from investing activities:		
Acquisition of fixed assets	(15,402,630)	(166,046,758)
Investment in FDR	20,000,000	20,000,000
Interest received	229,097	209,168
Capital work-in-progress	(83,642,692)	155,976,623
Net cash used in investing activities	(78,816,224)	10,139,033
C. Cash flows from financing activities:		
Interest paid	(115,877)	(29,917)
Net cash used in financing activities	(115,877)	(29,917)
Net changes in cash and bank balances (A+B+C)	(37,716,358)	78,467,340
Add: Cash and bank balances at the beginning of the year	95,047,234	16,579,894
Cash and bank balances at the end of the year	57,330,876	95,047,234

These financial statements should be read in conjunction with the annexed notes.


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated, 25 April 2019.
Dhaka

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Ahmed Mashuque & Co.
Chartered Accountants



Pidilite Speciality Chemicals Bangladesh Private Ltd.
Notes, comprising a summary of significant accounting policies and other explanatory information
As at and for the year ended 31 March 2019

1 Company profile

1.01 Legal form

Pidilite Speciality Chemicals Bangladesh Private Ltd. incorporated in Bangladesh as a private limited company on 29th December 2005 having registered office at House#167, Road#3, New DOHS, Mohakhali, Dhaka vide registration no. C-60121 (2129)/05.

1.02 Nature of business

The objectives of the Company include manufacturing and marketing of all kinds of dyes and other colouring materials, chemicals and chemical compounds, adhesives, etc. and selling those in Bangladesh as well as exporting to other countries. The company commenced its commercial production from October 2009. Besides, the company is also engaged in commercial import and trading of adhesives, colouring materials and allied products since December 2012.

2 Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable. IFRS comprise of

- International Financial Reporting Standards (IFRS);
- International Accounting Standards (IAS); and
- Interpretations.

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

2.02 Reporting period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover period from 01 April 2018 to 31 March 2019 consistently.

2.03 Basis of accounting

The financial statements have been prepared under the accrual basis of accounting.

2.04 Going concern

As per management assessment the company had adequate resources to continue in operation for foreseeable future and there is no material uncertainties related to event on conditions which may cast significant doubt upon the company's ability to continue as going concern, and hence, the financial statements have been prepared on going concern basis.

2.05 Basis of measurement

The financial statements have been prepared under the historical cost convention except inventories which is measured at lower of cost and net realizable value on even reporting date.

2.06 Date of authorisation for issue of financial statements

The Board of Directors has authorised these financial statements on 25 April 2019.

2.07 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.



2.08 Use of estimates and judgments

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Judgements

Information about judgments made in applying accounting policies that have most significant effect on the amount recognized in the financial statements is included in the following notes:

Note 3.01 Property, plant and equipment

Note 3.02 Inventories

Assumption and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is included in the following notes:

Note - 14 Employee benefits expenses payable

Note - 15 Provision for expenses

Note - 16 Provision for income tax

Note - 17 Accounts payable

2.09 Functional and presentation currency

These financial statements are presented in Bangladesh currencies(Taka), which is both functional currency and presentation currency of the company. All amount have been rounded off to the nearest Taka unless otherwise indicated.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are stated at cost net of accumulated depreciation. Cost of an item of property, plant and equipment comprises its net purchase price after deducting trade discount and rebates, import duties, non refundable taxes and any cost that are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Subsequent cost

The cost of replacing component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits are embodied within the component will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

c) Depreciation

Depreciation on assets is charged from the month in which the asset is brought into use irrespective the date of acquisition under straight-line basis at the following rates:

<u>Assets</u>	<u>Rate</u>
Machinery and Equipment	10%
Factory buildings	5%
Vehicles	20%
Computers	30%
Furniture & Fixtures	10%
Mechanical Office Equipment	10%
Laboratory Equipment	10%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



d) Disposal

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02 Inventories

Inventories are valued in accordance with IAS-2 : *Inventories* at lower of cost and net realizable value. Cost is determined at weighted average method. The cost of raw, packing and semi finished goods comprises of expenditure incurred in the normal course of business in bringing these items to their present location and condition. The cost of finished goods comprises of cost of raw materials, direct labor and production related overheads (based on normal capacity). Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales.

3.03 Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.

3.04 Taxation

Income tax expenses comprises current and deferred tax . Current tax and deferred tax is recognised in profit or loss except to the extent that its relates to items recognised directly in equity in which case it is recognized in equity.

Current tax

As per SRO no 172 - Law/Income Tax/2009 dated 30 June 2009, the company is entitled to pay tax at the reduced rate on income of manufacturing operations, prescribed in the said SRO, and accordingly Pidilite Speciality Chemicals Bangladesh Private Ltd. is enjoying this benefit from the assessment year 2010-2011. This benefit was ceased on 30 September 2014. During the year ended on 31 March 2019 applicable income tax rate on income of manufacturing operations was 35%. Further, the Industrial unit is subject to tax at normal rate less Tax rebate @ 10% as per Para-1 of the S.R.O. 185-law/income tax/2014 dated 01 July 2014 of the Internal Resources Division, Ministry of Finance, Govt. of the People's Republic of Bangladesh as applicable.

Furthermore, income tax on other income, interest income and income from trading of imported goods has been recognized as per the Income Tax Ordinance, 1984.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.
- temporary differences related to investment in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.



Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income 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 realized simultaneously.

A deferred tax asset is recognized for tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. 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 realized.

3.05 Revenue recognition

(a) Sales of goods

Sales are recognized when the entity satisfies a performance obligation by transferring a promised goods to a customer. Sales are stated net of returns and excluding VAT.

(b) Interest income

Interest income is recognized on accrual basis.

3.06 Statement of cash flows

Statement of cash flows is prepared in accordance with IAS-7 : *Cash Flow Statement* under direct method.

3.07 Finance costs

Finance costs comprise interest expense on short term borrowings.

3.08 Employees' benefit schemes

The company maintains defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

(a) *Defined contribution plan (provident fund)*

The Company operates contributory provident fund for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the company @ 8.33% of the basic pay. These contributions are invested separately from the Company's business. This fund is recognized by National Board of Revenue.

(b) *Employees' Retirement Gratuity*

The company provides retirement benefit in the form of gratuity determined by reference to employees' earnings and years of service to each eligible employees at the time of retirement/separation. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

(c) *Workers' profit participation fund (WPPF)*

The Company provides 5% of its profit before charging such expense as WPPF in accordance with the Bangladesh Labour Act, 2006(as amended in 2013).

(d) *Insurance Scheme*

The company has a group life and hospitalisation insurance scheme for its permanent employees, premium for which is being charged to Statement of profit or loss and other comprehensive income annually as per the insurance policy.

(e) *Leave encashment*

Permanent employees of the company are entitled to receive leave encashment on unavailed earned leave at the time of retirement/separation. Actuary valuation of the unavailed leave is carried out by a professional actuary.



3.09 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.

Financial assets

The company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The company classifies financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

- **Accounts receivable**

Accounts receivable is stated net of provisions, if any.

- **Cash and bank balances**

Cash and bank balances consist cash in hand, bank deposits, which were held and available for use of the company without any restriction.

- **Investment in FDR**

The company has the positive intent and ability to hold FDR to maturity, and such financial assets are classified as held-to-maturity. 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.

- **Advances, deposits and prepayments**

Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less

Deposits

Deposits measured at cost value.

Prepayments

Prepayments are initially measured at cost. After initial recognition, Prepayments are carried at cost less charges to Statement of profit or loss and other comprehensive income.

Financial liability

The company initially recognises all financial liabilities 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 expire.

- **Trade and other payables**

Trade and other payables and other financial liabilities are recognized when contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits.

3.10 Interest income and expenses

Interest income comprises interest income on investment in FDR. Interest expenses comprise interest expense on borrowings from bank.



3.11 Offsetting

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends to either to settle on the net basis, or to realize the assets and to settle the liabilities simultaneously.

3.12 Materiality and aggregation

Each material class of similar items present separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.13 Share capital

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

3.14 Earning per share

The Company calculates its earnings per share in accordance with IAS 33: *Earning per share*.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.15 Events after the reporting date

In accordance with IAS 10: *Events after the reporting period*, amount recognized in the financial statements are adjusted for event after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for event after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

3.16 Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladesh taka at the exchange rates ruling at the statement of financial position date. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladesh taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the statement of profit or loss and other comprehensive income. This rates are as follows:

Currencies	Closing rate as at	
	31-Mar-19	31-Mar-18
BDT/USD	84.30	83.50

4 Comparative

Comparative figures have been regrouped /reclassified wherever found necessary to conform to the presentation adopted in these financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS 8: *Accounting policies, Changes in Accounting Estimates and Errors*.



5 Property, plant and equipment
For 2019

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2019
	As at 01 April 2018	Addition during the year	Disposal/ Adjustment	As at 31 March 2019	As at 01 April 2018	Charged during the year	Disposal/ Adjustment	As at 31 March 2019	
	184,959,523	-	-	184,959,523	-	5,568,165	-	-	
Freehold land	111,363,212	-	-	111,363,212	41,690,985	-	-	47,259,151	64,104,062
Factory buildings	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Machinery and equipment	230,112,098	14,580,369	-	244,692,467	149,452,682	23,398,704	-	172,851,387	71,841,080
Computers	6,369,382	709,761	-	7,079,143	5,364,579	570,709	-	5,935,287	1,143,856
Furniture and fixtures	7,749,319	40,000	-	7,789,319	4,256,197	775,927	-	5,032,124	2,757,195
Mechanical office equipment	4,100,705	-	-	4,100,705	2,276,998	410,067	-	2,687,065	1,413,640
Laboratory equipment	8,172,494	-	-	8,172,494	5,754,805	817,251	-	6,572,056	1,600,439
As at 31 March 2019	552,826,734	15,330,130	-	568,156,864	208,796,247	31,540,823	-	240,337,070	327,819,794

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2018
	As at 01 April 2017	Addition during the year	Disposal/ Adjustment	As at 31 March 2018	As at 01 April 2017	Charged during the year	Disposal/ Adjustment	As at 31 March 2018	
	22,230,000	162,729,523	-	184,959,523	-	5,568,156	-	-	
Freehold land	111,363,212	-	-	111,363,212	36,122,829	-	-	41,690,985	69,672,227
Factory buildings	850,000	-	850,000	-	850,000	-	850,000	-	-
Vehicles	-	-	-	-	-	-	-	-	-
Machinery and equipment	228,420,436	1,691,662	-	230,112,098	126,596,537	22,856,145	-	149,452,682	80,659,416
Computers	5,637,074	732,308	-	6,369,382	4,938,335	426,244	-	5,364,579	1,004,803
Furniture and fixtures	7,355,473	393,846	-	7,749,319	3,517,363	738,834	-	4,256,197	3,493,122
Mechanical office equipment	3,601,286	499,419	-	4,100,705	1,907,599	369,399	-	2,276,998	1,823,707
Laboratory equipment	8,172,494	-	-	8,172,494	4,937,556	817,248	-	5,754,805	2,417,690
As at 31 March 2018	387,629,976	166,046,758	850,000	552,826,734	178,870,219	30,776,026	850,000	208,796,247	344,030,487



	Amount in Taka	
	31-Mar-19	31-Mar-18
6 Capital work-in-progress		
Machinery and equipment	26,728,849	5,816,885
Software	250,000	250,000
Building- Valuka project	59,977,838	921,797
Pre-Operative Exp of Valuka Project- Regulatory fees	1,265,713	-
Mechanical Office Equipment	2,408,973	-
	90,631,374	6,988,681
These expenditures will be capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.		
7 Inventories		
Raw materials	60,016,843	46,580,792
Packing materials	15,695,461	11,418,226
Work in progress	2,978,275	1,174,963
Manufactured finished goods	34,965,165	41,076,780
Imported finished goods	55,383,588	35,143,655
Imported raw material in transit	17,497,748	7,382,489
Imported packing material in transit	-	573,947
Imported finished goods in transit	5,947,612	20,936,676
Provision for damage goods		
Raw materials and Packing materials	(2,480,444)	(1,378,146)
Finished goods	(2,553,918)	(6,724,789)
	187,450,330	156,184,593
8 Accounts receivable		
Secured accounts receivable	1,316,086	2,513,013
Unsecured accounts receivable	239,995,180	189,387,692
Provision for bad debts	(10,109,757)	(7,122,199)
	231,201,508	184,778,506
9 Advances, deposits and prepayments		
Advances		
Advance against service	-	45,771
Advance to employees	4,430,212	4,699,791
Advance to supplier	1,470,000	5,708,193
VAT current account	13,302,982	10,185,931
Deposits		
Security deposit (Note # 09.01)	1,967,500	946,901
Advance against Import Duty	14,702,788	-
Import deposit	270,566	146,671
Prepayments		
Office rent	5,254,834	424,385
Warehouse rent	-	187,500
Insurance	4,300,846	3,787,496
Other prepaid and deferred expense for materials	3,193,436	3,176,959
	48,893,163	29,309,599
9.01 Security deposit		
Security deposit to Titas Gas T&D Co. Ltd.	277,500	486,901
Security deposit to Dhaka Electric Supply Authority(DESA)	240,000	240,000
Security deposit for Pragati Insurance Ltd.	200,000	200,000
Security deposit to Linde Bangladesh Limited.	20,000	20,000
Security deposit to Office Rent.	1,230,000	-
	1,967,500	946,901
10 Cash and cash equivalents		
Cash in hand	365,959	237,215
Cash at bank:		
The Hongkong and Shanghai Banking Corporation Limited	-	8,083
Standard Chartered	51,978,986	82,694,602
Citibank N.A.	4,985,931	12,107,335
	57,330,876	95,047,235



	Amount in Taka		
	31-Mar-19	31-Mar-18	
11 Share capital			
Authorized			
50,00,000 ordinary shares of Taka 100 each	500,000,000	500,000,000	
Issued, subscribed and paid-up			
3,526,945 ordinary shares of Taka 100 each	352,694,500	352,677,300	
Shareholding position of the company is as follows :			
Pidilite International Pte. Ltd (Singapore)	349,150,500	349,150,500	
Pidilite Middle East Ltd (United Arab Emirates)	3,544,000	3,526,800	
	352,694,500	352,677,300	
12 Share money deposits			
Pidilite International Pte. Ltd (Singapore)	-	57	
Pidilite Middle East Ltd (United Arab Emirates)	-	17,280	
	-	17,337	
13 Deferred tax liabilities			
Deferred tax has been recognised and measured in accordance with the provision of IAS 12, Income taxes.			
Deferred tax arrived at as follows:			
	Carrying amount as at 31 March 2019	Tax base as at 31 March 2019	Taxable/ (deductible) Temporary difference
Property, plant and equipment			
Buildings	64,104,062	16,034,131	48,069,930
Vehicles	-	-	-
Machinery and equipment	71,841,080	58,302,487	13,538,593
Computers	1,143,856	1,405,499	(261,643)
Furniture and fixtures	2,757,195	3,858,884	(1,101,690)
Mechanical office equipment	1,413,640	1,087,490	326,150
Laboratory equipment	1,600,439	1,242,699	357,740
	142,860,271	81,931,189	60,929,081
Provision for doubtful debts	10,109,757	-	(10,109,757)
Net temporary difference			50,819,324
Tax rate			35%
Deferred tax liability/ expense on temporary difference			17,786,764
Change in deferred tax assets and liability			
Opening balance		22,802,459	27,246,184
Provision made during the year		(5,015,695)	(4,443,725)
		17,786,764	22,802,459
14 Employee benefits expenses payable			
Employees' Retirement Gratuity (Note # 14.01)		-	-
Workers' Profit Participation and Welfare Fund		8,641,204	7,977,606
Wages		345,883	325,710
Salary allowances		17,227,323	12,146,624
		26,214,410	20,449,940
14.01 Employees' Retirement Gratuity			
Present value of defined benefit obligation		35,244,586	23,026,302
Fair value of plan assets		(35,244,586)	(23,026,302)
		-	-



	Amount in Taka	
	31-Mar-19	31-Mar-18
Movement in the present value of the defined benefit obligation are as follows		
Opening balance	23,026,302	18,546,620
Current service cost	4,010,490	3,636,508
Interest cost	2,476,383	2,027,376
Actuarial (Gain) / loss		
Actuarial (gains)/ losses arising from changes in demographic assumption	609,218	(210,439)
Actuarial (gains)/ losses arising from changes in financial assumption	9,750,851	(1,533,567)
Actuarial (gains)/ losses arising from changes in experience adjustment	(4,085,209)	916,013
Benefits paid during the year	(678,153)	(356,209)
Acquisition/Divestiture	134,704	-
	35,244,586	23,026,302
Movement in the fair value of the plan assets are as follows		
Opening balance	23,026,302	18,546,620
Contributions from employer	12,254,428	4,514,012
Adjustment for opening fair value	75,066	-
Expected Return on Plan Assets	2,555,919	-
Actuarial (Gain) / loss	(2,123,680)	-
Return on plan assets	-	321,879
Benefits paid during the year	(678,153)	(356,209)
Acquisition/Divestiture	134,704	-
	35,244,586	23,026,302
i) Net Benefit (Asset)/Liability		
Defined benefit obligation	35,244,586	23,026,302
Fair value of plan assets	35,244,586	23,026,302
Net Benefit (Asset)/Liability	-	-
ii) Total expenses recognized in the statement of profit and loss		
Current Service cost	4,010,490	3,636,508
Interest cost on benefit obligation (net)	(79,536)	993,670
Total expenses recognized in the statement of profit and loss	3,930,954	4,630,178
iii) Re-measurement effects recognised in other comprehensive income for the year		
Actuarial (gains)/ losses arising from changes in demographic assumption	609,218	(210,439)
Actuarial (gains)/ losses arising from changes in financial assumption	9,750,851	(1,533,567)
Actuarial (gains)/ losses arising from changes in experience adjustment	(4,085,209)	916,013
Return on plan asset	2,123,680	711,827
Recognised in other comprehensive income	(8,398,540)	116,166
Actual return on plan assets	-	-
Assumptions employed for the valuations are as follows		
Expected rate of salary increase	9.00%	8.00%
Discount rate	7.65%	11.10%



	Amount in Taka	
	31-Mar-19	31-Mar-18
15 Provision for expenses		
Professional fees	184,000	253,000
Security service	108,150	108,150
Utilities	182,160	134,918
Sales promotion	18,540,627	19,757,729
Advertisement and promotional material	-	1,088,287
Sales agent expenses	578,630	1,075,038
Travelling and conveyance	505,000	1,178,532
Audit fees	1,476,850	206,000
Freight outward	1,081,746	934,315
Petrol and oil	230,500	230,500
Telephone	60,000	60,000
Consumables materials	27,000	27,000
Withholding income tax and VAT payable	692,416	417,823
Liability for other expenses	638,266	386,531
	24,305,344	25,857,823
16 Current tax liability		
Provision for income tax (16.01)	62,589,901	59,628,283
Advance income tax (16.02)	(49,936,260)	(43,009,851)
	12,653,641	16,618,432
16.01 Provision for income tax		
Opening balance	59,628,283	50,470,412
Provision made during the year	60,869,436	58,040,021
Adjustment during the year	(57,907,818)	(48,882,150)
	62,589,901	59,628,283
16.02 Advance income tax		
Opening balance	43,009,851	49,303,620
Addition during the year	64,834,228	42,588,381
Adjustment during the year	(57,907,818)	(48,882,150)
	49,936,260	43,009,851



17 Accounts payable

	Amount in Taka	
	31-Mar-19	31-Mar-18
Bhuiyan Metal Works	351,784	917,125
The Care Pack Ltd.	3,093,660	1,978,978
Comilla Plastic Industry	764,722	286,941
Creative Packaging Industry	1,417,606	772,757
Fair Deal-Expenses	1,286,440	2,187,310
Ghorashal Containers Ltd.	475,126	189,295
Ghorashal Multilayer Plastic Packaging Ltd.	278,873	212,518
I R Limited	3,517,316	2,126,129
Juthi Enterprise	559,625	2,645,994
K. S. Printing & Packaging	408,608	80,836
Kashpia Printing & Packaging Ind.	170,775	62,100
Link3 Technologies Ltd.	36,075	36,075
Masud Glass House	52,900	110,400
Pidilite Industries Ltd.	46,984,649	42,279,769
Padma Cans And Closures Ltd.	1,353,464	1,248,875
Padma Lamitube Ltd.	186,347	206,341
Pragati Insurance Ltd.	139,693	85,735
Q Pail Limited	534,220	507,926
Rains.Com	93,611	149,590
Rupali Rent-A-Car	52,900	52,900
Z. R. Enterprise	165,438	50,600
Ahmed Mashuque & Co.	28,750	28,750
Engineers Solution & Ideas	450,000	-
Mediacom Ltd.	8,212,725	-
New Super Sign	483,185	-
Nirma Limited	381,484	-
Ruptex	215,085	-
Xclusive Can Limited.	199,801	-
A. J. R Transport Agency Ltd.	254,191	-
Badal & Co.	1,988,718	-
Haresh Petrochem Singapore Pte Ltd.	1,482,274	-
Sears Construction & Engineers Ltd.	1,362,731	-
Sarker Steel Limited	713,906	-
Dhaka Metal Box	108,651	-
Paona Chempro Pvt. Ltd.	248,850	-
R P Industries	197,803	-
Ruhani Int'l Agency Ltd.	51,100	-
Akros Trading Co., Ltd.	-	6,078,800
Akram Chemical Traders	-	50,749
Al-Madina Plastic	-	58,538
Ata Husain Khan Limited.	-	122,331
Havas Media Bangladesh Ltd.	-	1,495,168
Holoplus Techno Systems Ltd.	-	51,693
Incom	-	27,600
Jm Enterprise	-	40,251
One Travels	-	214,500
Petrochem Middle East Fze	-	9,242,682
Ran's International	-	45,531
Rahman Accessories	-	125,580
Ricasil Industries	-	896,373
Ruhani International Agency Ltd.	-	118,000
S. R. Parcel Services Ltd.	-	36,751
Sincos Engineers Limited	-	100,590
Unique Products	-	161,115
Zonayed Enterprise-Supplier	-	59,150
	78,303,085	75,142,345



	Amount in taka	
	2018-2019	2017-2018
18 Sales - net of VAT		
Local sales	871,440,055	760,477,806
Export sales	7,123,522	15,708,316
Sale of imported finished goods	358,551,398	293,931,113
	1,237,114,974	1,070,117,234
19 Other income		
Gain on sale of assets	-	300,000
Sale of scrap	1,968,431	1,842,710
	1,968,431	2,142,710
20 Cost of materials		
Raw materials consumed (Note 20.01)	288,860,279	255,660,453
Packing materials consumed (Note 20.02)	135,411,726	107,469,178
Cost of materials	424,272,006	363,129,631
20.01 Raw materials consumed		
Opening stock	46,580,792	34,894,102
Add: Purchase during the year	302,296,330	267,347,142
Less: Closing stock	60,016,843	46,580,792
	288,860,279	255,660,453
20.02 Packing materials consumed		
Opening stock	11,418,226	7,721,096
Add: Purchase during the year	139,688,962	111,166,307
Less: Closing stock	15,695,461	11,418,226
	135,411,726	107,469,178
21 Changes in inventory of finished goods and working progress		
Cost of imported finished goods (Note 21.01)	248,386,038	212,300,505
Opening work-in-progress	1,174,963	781,152
Opening finished goods	41,076,780	40,344,613
Closing work-in-progress	(2,327,830)	(1,174,963)
Closing finished goods	(34,965,165)	(41,076,780)
Damage and obsolete materials	3,054,155	1,103,574
	256,398,941	212,278,100
21.01 Cost of imported finished goods		
Opening stock	35,143,655	21,419,691
Add: Purchase during the year	268,625,971	226,024,469
Less: Closing stock	55,383,588	35,143,655
	248,386,038	212,300,505
22 Operating expenses		
Travelling and conveyance	480,476	193,047
Rent others - bus rental	1,834,321	1,758,370
Repairs and maintenance	1,814,830	1,752,622
Consumable materials	1,314,323	1,233,154
Conventions, seminars and company meetings expense	272,583	250,028
Fuel and petrol	593,566	651,424
Stationery and office supplies	391,324	279,421
Security service charges	2,078,663	1,921,442
Cleaning expenses	422,732	379,789
Telephone and fax	152,202	142,933
Internet expenses	131,242	107,484
Electricity charges	2,657,728	2,495,786
Gas charges	609,194	595,715
Entertainment	759,556	647,489
Insurance	3,823,944	3,589,602
Testing and certification expenses	40,350	103,795
Factory staff health check up expense	191,725	275,814
Office maintenance and supplies	669,298	386,983
	18,238,057	16,764,898



	Amount in taka	
	2018-2019	2017-2018
23 Administrative expenses		
Insurance	1,514,872	1,545,959
Recruitment expenses	37,763	65,225
Travelling and conveyance	1,676,212	1,621,398
Overseas travelling	138,256	148,088
Office rent	2,409,829	2,055,792
Rent others - bus rental	742,490	795,958
Repairs and maintenance	317,628	242,313
Fuel and petrol	786,493	857,497
License, registration and membership	1,138,119	1,015,874
Audit fees	1,476,849	206,000
Audit fees for PF, GF & WPPF	69,000	69,000
Professional fees	1,081,878	806,747
Stationeries	411,495	348,571
Postage	92,816	220,338
Telephone and fax	231,256	206,566
Internet expenses	218,900	220,300
Data processing services charges	2,722,504	2,367,119
Electricity bill	211,699	161,295
Books and periodicals	25,562	18,650
Vehicles insurance	-	15,196
Royalty (Note : 23.01)	21,964,089	19,404,653
Land tax and rates	140,550	6,200
Entertainment	826,896	584,720
Bank charges	968,819	943,822
Office maintenance and supplies	1,017,796	764,094
Bad debts	3,037,558	3,698,984
	43,259,329	38,390,358
23.01 Royalty		
Local sales	871,440,055	760,477,806
Export sales	7,123,522	15,708,316
Net revenue for royalty purposes	878,563,576	776,186,121
Royalty @ 2.5% on the net revenue	21,964,089	19,404,653



	Amount in taka	
	2018-2019	2017-2018
24 Selling and distributing expenses		
Sample expense	525,440	883,261
Convention and exhibit expense	9,791,087	9,410,939
Bill board	933,739	1,443,074
Press advertising	-	693,160
Digital advertising	239,997	-
TV and radio advertising	13,533,240	490,000
Sales promotion expenses	52,277,855	43,581,002
Promotional items	5,784,001	2,946,472
Warehouse rent	2,654,350	2,275,152
Literature and promotional materials	10,717,284	9,635,737
Delivery expenses	19,684,048	18,099,719
Van subsidy for remote region	72,450	-
Insurance	691,498	496,259
Postage	93,943	105,976
Travelling and conveyance	16,072,569	15,885,934
Overseas travelling	1,142,181	449,060
Seminars and company meetings expense	2,998,879	3,352,170
Telephone and fax	1,288,446	1,044,555
Sales agents expenses	7,837,492	19,117,515
Electricity	74,430	64,197
Security service charges	339,192	341,121
Internet	90,750	85,980
Fuel and petrol	1,597,491	1,444,847
	148,440,363	131,846,130
25 Employee benefits expenses		
Salary and allowances	125,607,546	101,786,144
Wages	4,403,540	3,758,123
Employees' retirement gratuity	3,855,888	4,514,012
Group insurance	1,545,434	1,441,156
Workers' Profit Participation and Welfare Fund	8,641,204	7,977,606
Directors remuneration	64,000	69,000
Employee training	81,375	53,825
	144,198,987	119,599,866
26 Basic earnings per share (EPS)		
Profit after tax	116,970,337	105,955,816
Number of shares	3,526,945	3,526,773
Basic EPS	33.16	30.04
27 Particulars of employee		
<i>Nationality:</i>		
Bangladeshi	136	118
Non-Bangladeshi	2	2
	138	120
<i>Salary range:</i>		
Monthly Taka 3,000 or above	138	120
Monthly below Taka 3,000	-	-
	138	120



28 Related party transaction

During the year the company carried out a number of transactions with related parties in the normal course of business. Names of those related parties, Nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24 : *Related Party Disclosure* .

Name of the related party transaction	Nature of transaction	Relationship	Transaction during the year 18-19		Amount due/(receivable) as at 31 March 2018
			Transaction value	Amount due/(receivable)	
Pidilite Industries Ltd., India	Purchase of finished goods	Parent company through wholly owned subsidiaries	187,170,270	18,341,044	10,451,753
	Purchase of raw and packing materials		42,694,364	4,183,673	10,115,773
	Royalties		21,964,088	21,964,088	19,404,652
	Expenses against service		2,495,844	2,495,844	2,307,591
Pidilite Lanka (Private) Limited	Sale of finished goods	Subsidiaries of Parent company through wholly owned subsidiaries	2,086,664	(697,766)	(346,291)

29 Capital expenditure commitment

There is no such commitment as at 31 March 2019.



30 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. 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 risks
- Liquidity risks
- Market risk
- **Credit risk**

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

In monitoring credit risk, debtors are grouped according to their risk profile, *i.e.* their legal status, financial condition, ageing profile etc. Accounts and other receivables are mainly related to the Company's buyers. The company's exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of credit purchaser. Credit risk does not arise in respect of any other receivables.

a) Exposure to credit risk

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

	Amount in taka	
	As at 31 March 2019	As at 31 March 2018
Accounts receivables	231,201,508	184,778,506
Investment in FDR	-	20,000,000
Advances, deposits and prepayments	48,893,163	29,309,599
Advances, deposits and prepayments (except receivable from Govt.)	35,590,182	19,123,668
Bank balances(except cash in hand) Note # 10	56,964,917	94,810,020
	372,649,771	348,021,792

b) Ageing of accounts receivables

The aging of the gross account receivable at the reporting date was:

Due below six months	229,005,209	184,870,611
Due over six months	12,306,056	7,030,094
	241,311,265	191,900,705

• Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity (cash and bank balances) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses.

Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

In extreme stressed conditions, the Company may get support from the shareholders in the form of shareholder's loan/capital contribution.



The following are the contractual maturities of financial liabilities :

As at 31 March 2019					
Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits expenses payable	26,214,410	(26,214,410)	(26,214,410)	-	-
Provision for expenses	24,305,344	(24,305,344)	(24,305,344)	-	-
Current tax liabilities	12,653,641	(12,653,641)	-	(12,653,641)	-
Accounts payables	78,303,085	(78,303,085)	(78,303,085)	-	-
	141,476,481	(141,476,481)	(128,822,840)	(12,653,641)	-

As at 31 March 2018					
Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits	20,449,940	(20,449,940)	(20,449,940)	-	-
Provision for expenses	25,857,823	(25,857,823)	(25,857,823)	-	-
Current tax liabilities	16,618,432	(16,618,432)	-	-	(16,618,432)
Accounts payables	75,142,345	(75,142,345)	(75,142,345)	-	-
	138,068,540	(138,068,540)	(121,450,107)	-	(16,618,432)

• **Market risk**

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will 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 level.

Currency risk

Transaction risk

Transaction risk arises from risk of adverse exchange rate movements occurring in the course of normal international transaction.

Interest rate risk

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimise the risks surrounding interest payments and receipts.

31 Operating leases - Leases as lessee

The company usually leases office premises and warehouse. The leases typically run for a period of years as mentioned in the lease agreements, with an option to renew the lease after that date.

During the period an amount of Taka 5,064,179 was recognised as an expense in statement of profit or loss and other comprehensive income in respect of operating leases which is as follows:

	Amount in Taka	
	2018-2019	2017-2018
Office rent	2,409,829	2,055,792
Warehouse rent	2,654,350	2,275,152
	5,064,179	4,330,944

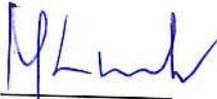


32 Contingent Liability

During the year 31 March 2019, There has no contingent liability.



Head of Finance



Director



Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2019

Annexure 1

	Amount in Taka			Total
	Sales of manufactured goods		Trading of imported finished goods	
	Local Sales	Export Sales		
Total sales ratio	70%	1%	29%	100%
MFG sales to Local & Export ratio	99%	1%		
Total Sales - net of VAT	871,440,055	7,123,522	358,551,398	1,237,114,974
Other income	1,968,431	-	-	1,968,431
	873,408,486	7,123,522	358,551,398	1,239,083,405
Less: Expenditure				
Cost of materials	420,831,946	3,440,059	-	424,272,006
Changes in inventory of finished goods and	8,012,903		248,386,038	256,398,941
Operating expenses	18,090,181	147,877	-	18,238,057
Administrative expenses				
Insurance	1,069,624	6,195	439,053.35	1,514,872
Recruitment expenses	26,664	154	10,944.80	37,763
Travelling and conveyance	1,183,543	6,855	485,814	1,676,212
Overseas travelling	97,620	565	40,070.55	138,256
Security service charges	-	-	-	-
Office rent	1,701,537	9,854	698,438	2,409,829
Rent others - bus rental	524,259	3,036	215,195	742,490
Repairs and maintenance	315,799	1,829	-	317,628
Fuel and petrol	781,964	4,529	-	786,493
License, registration and membership	1,131,566	6,553	-	1,138,119
Audit fees	1,408,691	8,158	60,000	1,476,849
Audit fees for PF, GF & WPPF	48,720	282	19,998	69,000
Professional fees	1,075,648	6,230	-	1,081,878
Stationeries	290,549	1,683	119,263	411,495
Postage	65,536	380	26,901	92,816
Telephone and fax	163,286	946	67,025	231,256
Internet expenses	154,561	895	63,443	218,900
Data processing services charges	2,382,008	13,795	326,700	2,722,504
Electricity bill	149,477	866	61,356	211,699
Books and periodicals	25,415	147	-	25,562
Vehicles insurance	-	-	-	-
Royalty (Note : 23.01)	21,837,616	126,473	-	21,964,089
Land tax and rates	139,741	809	-	140,550
Entertainment	583,716	3,381	239,800	826,896
Bank charges	684,066	3,962	280,792	968,819
Office maintenance and supplies	1,011,935	5,861	-	1,017,796
Bad debts	3,037,558	-	-	3,037,558
	39,891,097	213,438	3,154,794	43,259,329
Selling and distributing expenses				
Sample expense	522,415	3,026	-	525,440
Convention and exhibit expense	6,913,311	40,039	2,837,738	9,791,087
Bill board	928,362	5,377	-	933,739
Press advertising	-	-	-	-
Digital Advertising	169,457	981	69,558	239,997
TV and radio advertising	9,553,272	55,328	3,924,639.60	13,533,240
Sales promotion expenses	43,921,859	254,374	8,101,622	52,277,855
Promotional items	4,083,979	23,652	1,676,369	5,784,001
Warehouse rent	1,874,189	10,854	769,307	2,654,350
Literature and promotional materials	10,655,573	61,712	-	10,717,284
Delivery expenses	15,747,238	-	3,936,810	19,684,048
Van subsidy for remote region	51,156	296	20,998	72,450
Insurance	488,254	2,828	200,416	691,498
Postage	66,331	384	27,227	93,943
Travelling and conveyance	11,348,552	65,725	4,658,291	16,072,569
Overseas travelling	806,473	4,671	331,037	1,142,181
Seminars and company meetings expense	2,117,455	12,263	869,161	2,998,879
Trade Fair and Exhibition Expenses	-	-	-	-
Telephone and fax	909,749	5,269	373,429	1,288,446
Sales agents expenses	5,533,912	32,050	2,271,530	7,837,492
Electricity	52,554	304	21,572	74,430
Security service charges	239,497	1,387	98,308	339,192
Internet	64,077	371	26,302	90,750
Fuel and petrol	1,127,960	6,533	462,999	1,597,491
	117,175,626	587,425	30,677,312	148,440,363
Employee benefits expenses	101,816,314	589,671	41,793,002	144,198,987
Depreciation	31,205,789	180,729	154,309	31,540,827
Operating profit for the year	136,384,630	1,964,323	34,385,943	172,734,895
Add: Interest income	203,878	1,181	-	205,059
Less: Interest on overdraft	(115,210)	(667)	-	(115,877)
Profit before income tax for the year	136,473,299	1,964,836	34,385,943	172,824,078

