Hoda Vasi
Chowdhury & Co

Marico Bangladesh Limited

Auditor's Report and Financial Statements
as at and for the year ended 31 March 2018

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
Marico Bangladesh Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Marico Bangladesh Limited (the "Company") which comprise the statement of financial position as at 31 March 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2018 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS).

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 purpose 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;

(c) the Company's statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and

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

Hoda Vasi Chowdhury

Hoda Vasi Chowdhury & Co.
Chartered Accountants
HVC

Dhaka, 25 April 2018

Marico Bangladesh Limited
Statement of financial position

	Notes	As at 31 March 2018 Taka	As at 31 March 2017 Taka
Assets			
Property, plant and equipment	4	511,585,227	593,536,255
Intangible assets	5	6,188,057	9,118,422
Deferred tax assets	6	58,510,013	76,756,882
Non-current financial assets	7	11,504,048	10,366,331
Other non-current assets	8	28,563,337	41,750,162
Total non-current assets		616,350,682	731,528,052
Inventories	9	1,717,322,020	1,348,927,101
Other current financial assets	10	1,244,197,702	1,311,435,690
Other current assets	11	610,794,216	193,377,297
Cash and cash equivalents	12	269,743,772	166,833,748
Total current assets		3,842,057,710	3,020,573,836
Total assets		4,458,408,392	3,752,101,888
Equity and liabilities			
Equity			
Share capital	13	315,000,000	315,000,000
Share premium		252,000,000	252,000,000
Retained earnings		925,586,729	1,013,110,293
Total equity		1,492,586,729	1,580,110,293
Liabilities			
Employee benefit obligation	14	49,861,763	44,296,120
Total non-current liabilities		49,861,763	44,296,120
Loans and borrowings	15	300,000,000	-
Employee benefit obligation	14	6,984,584	5,220,211
Trade and other payables	16	2,222,763,532	1,740,557,065
Current tax liabilities	17	386,211,784	381,918,199
Total current liabilities		2,915,959,900	2,127,695,475
Total liabilities		2,965,821,663	2,171,991,595
Total equity and liabilities		4,458,408,392	3,752,101,888

The annexed notes 1 to 39 form an integral part of these financial statements.

Randolph
Company Secretary

Director

Managing Director

Chief Financial Officer

As per our annexed report of same date

Hoda Vasi Ch
Hoda Vasi Chowdhury & Co.
Chartered accountants
HVC

Dhaka, 25 April 2018

Marico Bangladesh Limited
Statement of profit or loss and other comprehensive income

	Notes	For the year ended 31 March 2018 Taka	2017 Taka
Revenue	18	7,814,663,479	6,916,109,929
Cost of sales	19	(4,229,519,648)	(3,710,291,705)
Gross profit		3,585,143,831	3,205,818,224
Marketing, selling and distribution expenses	20	(579,697,303)	(537,613,344)
General and administrative expenses	21	(860,442,410)	(800,982,856)
Other income/(expense)	22	(8,961,977)	(8,771,723)
Operating profit		2,136,042,141	1,858,450,301
Finance income, net	23	107,703,132	68,516,585
Profit before tax		2,243,745,273	1,926,966,886
Income tax expense	24	(601,117,912)	(486,774,815)
Profit after tax		1,642,627,361	1,440,192,071
Other comprehensive income			
Remeasurement of defined benefit plan	14	(205,229)	10,011,988
Related taxes	6.1	2,554,304	(2,502,997)
Total other comprehensive income		2,349,075	7,508,991
Total comprehensive income		1,644,976,436	1,447,701,062
Earnings per share			
Basic earnings per share (par value of Tk 10)	25	52.15	45.72

The annexed notes 1 to 39 form an integral part of these financial statements.

Company Secretary

Director

Managing Director

Chief Financial Officer

As per our annexed report of same date

Hoda Vasi Chowdhury & Co.
Chartered accountants

HVC

Dhaka, 25 April 2018

Marico Bangladesh Limited
Statement of changes in equity
for the year ended 31 March 2018

	Share capital Taka	Share premium Taka	Retained earnings Taka	Total equity Taka
Balance as at 1 April 2016	315,000,000	252,000,000	1,141,720,944	1,708,720,944
Net profit for the year	-	-	1,440,192,071	1,440,192,071
Other comprehensive income for the year	-	-	7,508,991	7,508,991
Prior year adjustment			(1,311,713)	(1,311,713)
Final dividend for 2015-2016	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2016-2017	-	-	(472,500,000)	(472,500,000)
2nd interim dividend for 2016-2017	-	-	(945,000,000)	(945,000,000)
Balance as at 31 March 2017	315,000,000	252,000,000	1,013,110,293	1,580,110,293
Balance as at 1 April 2017	315,000,000	252,000,000	1,013,110,293	1,580,110,293
Net profit for the year	-	-	1,642,627,361	1,642,627,361
Other comprehensive income for the year	-	-	2,349,075	2,349,075
Final dividend for 2016-2017	-	-	(157,500,000)	(157,500,000)
1st interim dividend for 2017-2018	-	-	(787,500,000)	(787,500,000)
2nd interim dividend for 2017-2018	-	-	(787,500,000)	(787,500,000)
Balance as at 31 March 2018	315,000,000	252,000,000	925,586,729	1,492,586,729

Hoda Vasi
Chowdhury & Co

Hoda Vasi
Chowdhury & Co

Marico Bangladesh Limited
Statement of cash flows

	For the year ended 31 March	
	2018 Taka	2017 Taka
Cash flows from operating activities		
Collection from customers	7,747,157,791	6,934,216,275
Payment to suppliers and for operating expenses	(5,761,396,296)	(4,582,285,098)
Cash generated from operating activities	1,985,761,495	2,351,931,177
Interest paid	(3,288,784)	(1,816,132)
Interest received	134,627,224	78,682,153
Income tax paid	(576,023,154)	(525,820,940)
Net cash from operating activities	1,541,076,781	1,902,976,258
Cash flows from investing activities		
Acquisition of property, plant and equipment	(83,293,327)	(193,103,896)
Acquisition of intangible assets	(871,000)	(847,822)
Disposal of property, plant and equipment	5,650,074	2,570,132
(Investment in)/encashment of short-term investments	72,847,496	(450,285,500)
Net cash used in investing activities	(5,666,757)	(641,667,086)
Cash flows from financing activities		
Net proceeds from loans and borrowings	300,000,000	-
Dividend paid	(1,732,500,000)	(1,575,000,000)
Net cash used in financing activities	(1,432,500,000)	(1,575,000,000)
Net increase/(decrease) in cash and cash equivalents	102,910,024	(313,690,827)
Opening cash and cash equivalents	166,833,748	480,524,575
Closing Cash and cash equivalents	269,743,772	166,833,748

Marico Bangladesh Limited

Notes to the financial statements
as at and for the year ended 31 March 2018

1 Reporting entity

1.1 Formation and legal status

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 Company was initially registered as a private limited company and subsequently converted into a public limited company on 21 September 2008. The Company listed its shares with both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 16 September 2009.
The ultimate parent of MBL is Marico Limited incorporated in India.

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 Advansed, Beliphool, Ayurvedic Gold, Extra Care, Parachute Body Lotion, Set-Wet 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 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

These financial statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994, the Securities & Exchange rules 1987 and other applicable laws in Bangladesh.

Details of the Company's accounting policies are included in note 39.

2.2 Authorisation for issue

These financial statements are authorised for issue by the Board of Directors in its 99th Board of Directors Meeting held on 25 April 2018.

2.3 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention.

2.4 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.

2.5 Reporting period

These financial statements of the Company cover the financial year from 1 April 2017 to 31 March 2018 with comparative figures for the financial year from 1 April 2016 to 31 March 2017.

2.6 Use of estimates and judgments

The preparation of financial statements in conformity with BFRS requires management to make judgments, estimates and assumptions that influence the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Judgments and estimates are based on historical experiences and other factors, including expectations that are believed to be reasonable under the circumstances. Hence, actual results may differ from these estimates.

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements are included in the following notes:

Note-4	Property, plant and equipment
Note-5	Intangible assets
Note- 6	Deferred tax assets
Note-9	Inventories
Note-14	Employee benefit obligation
Note- 17	Current tax liabilities
Note-39.10	Provisions
Note-39.16	Contingencies

2.7 Basis of fair value measurement

As fair value is a market based measurement, when measuring the fair value of an asset or a liability, MBL uses market observable data as far as possible though entity's intention to hold an asset or to settle or otherwise fulfill a liability is not relevant while measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on inputs used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

MBL recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 31: Financial instruments - Fair values and financial risk management.

2.8 Materiality and aggregation

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

2.9 Current vs. non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset is current when it is:

i) expected to be realised or intended to be sold or consumed in normal operating cycle
ii) held primarily for the purpose of trading
iii) expected to be realised within twelve months after the reporting period or
iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months

All other assets are classified as non-current.

A liability is current when it is:

i) expected to be settled in normal operating cycle
ii) held primarily for the purpose of trading
iii) due to be settled within twelve months after the reporting period or
iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

2.10 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required or permitted by applicable accounting standards or offsetting reflects the substance of the transaction or other event and hence permitted by applicable accounting standards.

2.11 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's financial statements. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year's financial statements and to comply with relevant BFRSs.

2.12 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with BAS 7 *Statement of Cash Flows* as required by the Securities and Exchange Rules 1987.

2.13 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the company's ability to continue as a going concern.

3 New accounting standards not yet adopted

The Company has consistently applied the accounting policies as set out in Note 39 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 April 2017 have been considered. However, these amendments have no material impact on the financial statements of the Company.

In December 2017, ICAB has decided to adopt IFRS replacing BFRS effective for annual periods beginning on or after 1 January 2018. However, since currently issued BFRS have been adopted from IFRS without any major modification, such changes would not have any material impact on financial statements.

A number of standards and amendments to standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted. However, the Company has not early applied the following new standards in preparing these financial statements.

BFRS 9 Financial instruments (to be adopted as IFRS 9)

BFRS 9, published in July 2014, replaces the existing guidance in BAS 39 Financial Instruments: Recognition and Measurement. BFRS 9 includes revised guidance on the classification and measurement of the financial instruments, a new expected credit loss model for calculating impairment of financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from BAS 39. BFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.

BFRS 15 Revenue from contracts with customers (to be adopted as IFRS 15)

BFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing recognition guidance, including BAS 18 Revenue, BAS 11 Construction Contracts and BFRI 13 Customer Loyalty Programmes. BFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. Based on preliminary assessment the Company has determined that BFRS 15 has no material impact on its financial statements.

IFRS 16 Leases

IFRS 16, issued in January 2016 replaces existing leases guidance and effective for reporting period beginning on or after 1 January 2019. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change. The Company has not yet assessed any potential impact of IFRS 16 on its financial statements.

4 **Property, plant and equipment**

Cost

In Taka	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Under construction	Total
Balance at 1 April 2017	176,749,959	804,900,756	230,907,921	193,910,204	16,440,910	52,072,851	13,787,836	48,645,321	13,084,533	11,657,174	1,562,157,465
Additions	-	50,294,372	742,179	-	-	18,066,687	5,083,583	45,880,400	4,247,800	113,696,672	238,011,693
Transfer	-	-	-	-	-	-	-	-	-	(124,315,021)	(124,315,021)
Disposals	-	-	-	-	(16,440,910)	(922,541)	(36,000)	(24,000)	-	-	(17,423,451)
Balance at 31 March 2018	176,749,959	855,195,128	231,650,100	193,910,204	-	69,216,997	18,835,419	94,501,721	17,332,333	1,038,825	1,658,430,686
Balance at 1 April 2016	176,749,959	662,238,394	203,274,332	193,910,204	20,537,027	43,381,974	15,365,527	44,088,624	12,030,711	-	1,371,576,752
Additions	-	148,464,929	27,633,589	-	-	9,355,995	807,440	5,833,442	1,210,681	204,963,250	398,269,326
Transfer	-	-	-	-	-	-	-	-	-	(193,306,076)	(193,306,076)
Disposals	-	(5,802,567)	-	-	(4,096,117)	(665,118)	(2,385,131)	(1,276,745)	(156,859)	-	(14,382,537)
Balance at 31 March 2017	176,749,959	804,900,756	230,907,921	193,910,204	16,440,910	52,072,851	13,787,836	48,645,321	13,084,533	11,657,174	1,562,157,465

Accumulated depreciation and impairment loss

In Taka	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Under construction	Total
Balance at 1 April 2017	-	571,681,981	154,205,268	116,001,479	16,440,910	41,357,134	11,209,699	45,791,952	11,932,787	-	968,621,210
Depreciation	-	96,406,189	33,231,930	21,413,696	-	18,783,471	2,633,025	7,620,679	946,660	-	181,035,650
Impairment loss	-	12,277,774	-	-	-	-	-	2,316,274	-	-	14,594,048
Disposals	-	-	-	-	(16,440,910)	(922,541)	(17,998)	(24,000)	-	-	(17,405,449)
Balance at 31 March 2018	-	680,365,944	187,437,198	137,415,175	-	59,218,064	13,824,726	55,704,905	12,879,447	-	1,146,845,459
Balance at 1 April 2016	-	458,143,321	113,454,520	94,117,540	19,440,253	33,916,389	10,971,655	36,069,493	9,703,506	-	775,816,677
Depreciation	-	115,186,278	40,750,748	21,883,939	1,096,774	8,028,750	2,488,378	5,208,990	1,201,357	-	195,845,214
Impairment loss	-	4,112,184	-	-	-	11,520	17,113	5,653,241	1,163,158	-	10,957,216
Disposals	-	(5,759,802)	-	-	(4,096,117)	(599,525)	(2,267,447)	(1,139,772)	(135,234)	-	(13,997,897)
Balance at 31 March 2017	-	571,681,981	154,205,268	116,001,479	16,440,910	41,357,134	11,209,699	45,791,952	11,932,787	-	968,621,210

Carrying amounts	Freehold land	Plant and machinery	Factory building	Office building	Vehicles	Office equipment	Computers	Furniture and fixtures	A.C and refrigerators	Under construction	Total
At 31 March 2018	176,749,959	174,829,184	44,212,902	56,495,029	-	9,998,933	5,010,693	38,796,816	4,452,886	1,038,825	511,585,227
At 31 March 2017	176,749,959	233,218,775	76,702,653	77,908,725	-	10,715,717	2,578,137	2,853,369	1,151,746	11,657,174	593,536,255

4.1 Asset under construction

Year 2018

Particulars	As at 1 April 2017 Taka	Additions Taka	Transfers Taka	As at 31 March 2018 Taka
Plant and Machinery	11,530,759	39,802,438	50,294,372	1,038,825
Factory building	-	742,179	742,179	-
Office equipment	-	18,066,687	18,066,687	-
Computers	100,000	4,983,583	5,083,583	-
Furniture and fixtures	26,415	45,853,985	45,880,400	-
A.C and refrigerators	-	4,247,800	4,247,800	-
	11,657,174	113,696,672	124,315,021	1,038,825

Year 2017

Particulars	As at 1 April 2016 Taka	Additions Taka	Transfers Taka	As at 31 March 2017 Taka
Plant and machinery	-	159,995,688	148,464,929	11,530,759
Factory building	-	27,633,589	27,633,589	-
Office equipment	-	9,355,995	9,355,995	-
Computers	-	907,440	807,440	100,000
Furniture and fixtures	-	5,859,857	5,833,442	26,415
A.C and refrigerators	-	1,210,681	1,210,681	-
	-	204,963,250	193,306,076	11,657,174

4.2 Disposal of property, plant and equipment

Year 2018

Particulars	Original cost Taka	Accumulated depreciation Taka	Book value Taka	Sale value Taka	Gain/(loss) on sale of assets Taka
Vehicles	16,440,910	16,440,910	-	5,538,000	5,538,000
Office equipment	922,541	922,541	-	66,074	66,074
Computers	36,000	17,998	18,002	31,000	12,998
Furniture and fixtures	24,000	24,000	-	15,000	15,000
	17,423,451	17,405,449	18,002	5,650,074	5,632,072

Year 2017

Particulars	Original cost Taka	Accumulated depreciation Taka	Book value Taka	Sale value Taka	Gain/(loss) on sale of assets Taka
Plant and machinery	5,802,567	5,759,802	42,764	339,010	296,246
Vehicles	4,096,117	4,096,117	-	1,998,000	1,998,000
Office equipment	665,118	599,525	65,593	97,187	31,594
Computers	2,385,131	2,267,447	117,684	55,914	(61,770)
Furniture and fixtures	1,276,745	1,139,772	136,973	61,026	(75,947)
A.C and refrigerators	156,859	135,234	21,625	18,995	(2,630)
	14,382,537	13,997,897	384,639	2,570,132	2,185,493

		Note	2018 Taka	2017 Taka
4.3	**Fully depreciated assets - at cost**			
	Plant and machinery		563,500,430	169,476,463
	Factory building		147,817,188	374,052
	Office building		5,642,912	5,642,912
	Vehicles		-	16,440,910
	Factory equipment		53,400,325	29,965,932
	Computers		10,068,840	7,243,271
	Furniture and fixtures		33,256,211	30,618,785
	A.C and refrigerators		9,657,111	9,342,962
			823,343,017	269,105,287
4.4	**Depreciation allocated to:**			
	Cost of sales	19.1.2	137,941,076	164,052,019
	General and administrative expenses	21	43,094,574	31,793,195
			181,035,650	195,845,214

4.5 Impairment loss

Particulars	Reason for impairment	Amount
Plant and machinery	Change in expected economic benefit of few plant and machinery. Some moulds will not be used as per initial expectation	12,277,774
Furniture and fixtures	Change in expected economic benefit due to relocation of Head Office	2,316,274
		14,594,049

		2018 Taka	2017 Taka
5	**Intangible assets-Computer software**		
	Cost		
	Balance at 1 April	21,190,875	20,343,052
	Additions	871,000	847,823
	Disposals	-	-
	Balance at 31 March	22,061,875	21,190,875
	Accumulated amortisation		
	Balance at 1 April	12,072,453	7,200,732
	Amortisation	3,801,365	4,871,721
	Disposals	-	-
	Balance at 31 March	15,873,818	12,072,453
	Carrying amounts	6,188,057	9,118,422
5.1	**Fully amortised assets - at cost**	3,904,960	-

6 Deferred tax assets

Deferred tax (asset)/liability is arrived as follows:

	Note	Accounting base as at 31 March	Tax base as at 31 March	Temporary difference Taxable/ (deductible)
Year 2018				
Property, plant and equipment	4	333,796,443	504,416,028	(170,619,585)
Intangible assets	5	6,188,057	12,762,178	(6,574,121)
Provision for gratuity	14.1	44,272,692	-	(44,272,692)
Provision for leave encashment	14.2	12,573,655	-	(12,573,655)
Net deductible temporary difference				(234,040,053)
Income tax rate				25%
Deferred tax assets				(58,510,013)
Year 2017				
Property, plant and equipment	4	405,129,122	490,914,655	(85,785,533)
Intangible assets	5	9,118,422	13,309,199	(4,190,777)
Deferred revenue expense		-	8,791,645	(8,791,645)
Provision for gratuity	14.1	36,415,189	-	(36,415,189)
Provision for leave encashment	14.2	13,101,142	-	(13,101,142)
Royalty payable		139,398,614	-	(139,398,614)
General and technical assistance fees payable		19,344,629	-	(19,344,629)
Net deductible temporary difference				(307,027,529)
Income tax rate				25%
Deferred tax assets				(76,756,882)

6.1 Change in deferred tax assets and liability

	Note	2018 Taka	2017 Taka
Balance as at 1 April- deferred tax asset		(76,756,882)	(81,632,588)
Recognised in profit or loss	24	20,801,173	2,372,709
Recognised in other comprehensive income		(2,554,304)	2,502,997
Balance as at 31 March- deferred tax asset		(58,510,013)	(76,756,882)

Deferred tax assets as of 31 March 2018 includes deferred tax asset of Tk. 2,554,304 recognised against actuarial gain/(loss) from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.

7 Non-current financial assets

	2018 Taka	2017 Taka
Security deposits	6,365,600	2,605,000
Loans to employees	5,138,448	7,761,331
	11,504,048	10,366,331

8 Other non-current assets

	2018 Taka	2017 Taka
Advance for capital goods	8,170,635	17,452,584
Advance to suppliers and others	18,067,559	23,755,450
Prepaid expenses	2,325,143	542,128
	28,563,337	41,750,162

		Note	2018 Taka	2017 Taka
9	**Inventories**			
	Raw materials		1,093,091,743	800,554,140
	Packing materials		62,093,471	86,516,844
	Finished goods		174,804,729	152,398,038
	Stores and spares		18,744,592	17,159,318
	Materials in transit		368,587,485	292,298,761
			1,717,322,020	1,348,927,101

Details break-up of inventories could not be given as it is quite difficult to quantify each item in a separate and distinct category due to large variety of items. Information in summarized form may not be useful for the user.

		Note	2018 Taka	2017 Taka
10	**Other current financial assets**			
	Fixed deposits	10.1	1,237,525,917	1,308,587,800
	Security deposits		2,775,870	159,000
	Loans to employees		3,895,915	2,688,890
			1,244,197,702	1,311,435,690

10.1 Fixed deposits (having original maturity of more than three months)

Fixed deposits with:	Credit rating	2018 Taka	2017 Taka
Brac Bank Limited	AA1	341,791,399	222,964,722
Delta Brac Housing Finance Corporation Ltd.	AAA	163,727,455	333,093,789
IPDC Finance Limited	AA1	102,586,111	-
IDLC Finance Limited	AAA	327,887,619	334,812,869
One Bank Limited	AA	-	120,660,000
Standard Chartered Bank	AAA	301,533,333	-
South East Bank Limited	AA	-	297,056,420
		1,237,525,917	1,308,587,800

11 Other current assets

		2018 Taka	2017 Taka
Advances			
Advance to suppliers and others		549,391,820	145,321,666
Deposits			
VAT current account		50,630,088	41,324,458
Supplementary duty		116,584	839,950
		50,746,672	42,164,408
Prepayments			
Prepaid expenses		10,655,724	5,891,223
		610,794,216	193,377,297

12 Cash and cash equivalents

	Credit rating / Note	2018 Taka	2017 Taka
Cash in hand		239,770	168,451
Cash at banks:	Credit rating		
BRAC Bank Limited	AA1	7,347,690	34,839,167
Citibank N.A.	AAA	59,692	3,848
Islami Bank Bangladesh Limited	AA+	1,268,514	41,720
Sonali Bank Limited		514,933	189,424
Standard Chartered Bank	AAA	26,027,375	55,736,233
Dutch Bangla Bank Limited	AA+	-	890,000
The Hongkong and Shanghai Banking Corporation Ltd.	AAA	14,831,514	1,126,129
		50,049,718	92,826,521
Fixed deposits	12.2	219,454,284	73,838,776
		269,743,772	166,833,748

12.1 Overdraft facility

The Company also has overdraft facility with the below banks under which inventories are hypothecated.

Bank	Currency	Overdraft Limit
The Hongkong and Shanghai Banking Corporation Limited	BDT	100,000,000
Standard Chartered Bank	BDT	30,000,000
Citibank N.A.	USD	4,000,000

As of 31 March 2018, the Company has no overdraft balance.

		2018 Taka	2017 Taka
12.2 Fixed deposits (having original maturity of three months or less)			
Fixed deposits with:	Credit rating		
Standard Chartered Bank	AAA	219,454,284	73,838,776
		219,454,284	73,838,776

13 Share capital

	2018	2017
Authorised		
40,000,000 ordinary shares of Tk 10 each	400,000,000	400,000,000
Issued, subscribed and paid up		
Issued for cash	41,500,000	41,500,000
Issued for consideration other than cash	273,500,000	273,500,000
	315,000,000	315,000,000

13.1 Composition of shareholding

Details	No. of share		% of holding	
	2018	2017	2018	2017
Marico Limited, India	28,350,000	28,350,000	90.00	90.00
Institutions	2,896,169	2,786,979	9.00	8.85
General shareholders	253,831	363,021	1.00	1.15
	31,500,000	31,500,000	100.00	100.00

13.2 Classification of shareholders by holding

Holdings	Number of holders		% of total holding	
	2018	2017	2018	2017
Less than 500 shares	1800	2868	0.34	0.63
500 to 5,000 shares	85	164	0.37	0.61
5,001 to 10,000 shares	13	17	0.32	0.40
10,001 to 20,000 shares	17	10	0.71	0.42
20,001 to 30,000 shares	3	3	0.25	0.23
30,001 to 40,000 shares	0	0	0.00	0.00
40,001 to 50,000 shares	1	1	0.16	0.16
50,001 to 100,000 shares	3	5	0.62	0.95
100,001 to 1,000,000 shares	10	9	7.23	6.59
Over 1,000,000 shares	1	1	90.00	90.00
	1933	3078	100.00	100.00

13.3 Number of share held by the members of the Company's leadership team

	Note	No. of share 2018	No. of share 2017
Managing Director		1	-
		1	-

14 Employee benefit obligation

	Note	2018 Taka	2017 Taka
Provision for gratuity	14.1	44,272,692	36,415,189
Provision for leave encashment	14.2	12,573,655	13,101,142
		56,846,347	49,516,331
Current		6,984,584	5,220,211
Non-current		49,861,763	44,296,120
		56,846,347	49,516,331

14.1 Provision for gratuity

	2018 Taka	2017 Taka
Balance as at 1 April	36,415,189	40,434,105
Current service cost	9,865,179	9,054,987
Interest cost/(income)	4,005,671	4,447,752
Actuarial loss/(gain)	205,229	(10,011,988)
Benefit paid	(6,218,576)	(7,509,667)
Balance as at 31 March	44,272,692	36,415,189
Current	4,759,929	2,997,417
Non-current	39,512,763	33,417,772
	44,272,692	36,415,189

14.1.1 Significant actuarial assumptions

	2018	2017
Discount rate	11%	11%
Salary growth	11%	12%
Employee turnover	17.50%	17.50%
Year of mortality rate	2006-08	2006-08

14.1.2 Sensitivity analysis

Due to change in discount rate by 1%, potential impact would range from:

	2018	2017
Delta effect of +1% change in rate of discounting	(1,904,936)	(1,638,437)
Delta effect of -1% change in rate of discounting	2,087,444	1,801,401

14.2 Provision for leave encashment

	2018 Taka	2017 Taka
Balance as at 1 April	13,101,142	10,857,899
Provision made during the year	2,253,708	8,655,681
Paid during the year	(2,781,195)	(6,412,438)
Balance as at 31 March	12,573,655	13,101,142
Current	2,224,655	2,222,794
Non-current	10,349,000	10,878,348
	12,573,655	13,101,142

15 Loans and borrowings

The Company has taken a short-term loan of Tk. 300,000,000 for a duration of three months from Citibank N.A. Bangladesh.

		Note	2018 Taka	2017 Taka
16	**Trade and other payables**			
	Trade payables			
	Payable against raw material		418,464,212	313,181,017
	Payable against packing material		34,730,704	29,992,995
	Payable against finished goods		98,497,363	43,093,080
	Payable against services		168,373,123	50,002,104
			720,065,402	436,269,196
	Other payables			
	Workers' profit participation and welfare fund		118,091,844	101,419,310
	Royalty payable	26	209,646,298	134,901,377
	General and technical assistance fees payable	26	220,299,097	136,302,429
	Advance from customers		1,529,067	69,034,750
	Withholding tax and VAT payable		36,116,225	23,966,370
	Payable against business promotion expenses		204,071,165	243,702,939
	Payable against advertisement expenses		243,427,986	219,058,877
	Audit fees payable		1,302,950	1,302,950
	Interest accrued on loans		1,054,391	-
	Payable against capital goods		29,284,718	8,163,323
	Import duty and related charges payable		96,604,481	104,568,363
	Payable against expenses		341,269,908	261,867,181
			1,502,698,130	1,304,287,869
			2,222,763,532	1,740,557,065
17	**Current tax liabilities**			
	Balance as at 1 April		381,918,199	423,337,033
	Add: Provision during the year:			
	Provision for current year	24	603,956,939	511,139,076
	Provision for prior years			
	Assessment year 2013-2014	24	(23,640,200)	-
	Assessment year 2012-2013		-	(30,518,071)
	Assessment year 2011-2012		-	3,781,101
			962,234,938	907,739,139
	Less: Payment during the year:			
	Payment for current year		(388,901,091)	(295,710,722)
	Payment for prior years			
	Assessment year 2017-2018		(187,122,063)	-
	Assessment year 2016-2017		-	(219,329,117)
	Assessment year 2013-2014		-	(7,000,000)
	Assessment year 2011-2012		-	(3,781,101)
	Balance as at 31 March		386,211,784	381,918,199

17.1 Year wise break up of provision for current tax and advance income tax for those assessment is open

Accounting year ended	Assessment year	Provision for income tax	Advance income tax	Status
31 March 2018	AY 2018-19	603,956,939	388,901,091	To be submitted
31 March 2017	AY 2017-18	511,139,076	482,832,785	Return submitted
31 March 2016	AY 2016-17	536,229,894	516,829,134	Return submitted
31 March 2015	AY 2015-16	502,672,641	438,992,339	Return submitted
31 March 2014	AY 2014-15	475,304,697	468,166,315	At High Court
31 March 2013	AY 2013-14	279,549,372	206,086,374	At TAT*
31 March 2012	AY 2012-13	206,588,040	236,519,377	At TAT*
30 September 2008	AY 2009-10	9,098,540	-	At TAT*
Total		3,124,539,199	2,738,327,415	

*Taxes Appellate Tribunal

		Note	2018 Taka	2017 Taka
18	**Revenue**			
	Parachute coconut oil		5,808,522,439	5,345,714,157
	Value added hair oil (VAHO)		1,496,713,608	1,077,951,369
	Haircode		48,372,357	67,953,922
	Saffola - Edible oil		51,343,440	25,850,605
	Parachute body lotion		69,540,191	61,896,012
	Others		340,171,444	336,743,864
			7,814,663,479	6,916,109,929
19	**Cost of sales**			
	Opening stock of finished goods		152,398,038	142,234,909
	Cost of goods manufactured	19.1	4,251,926,339	3,720,454,834
			4,404,324,377	3,862,689,743
	Closing stock of finished goods		(174,804,729)	(152,398,038)
			4,229,519,648	3,710,291,705
19.1	**Cost of goods manufactured**			
	Materials consumed	19.1.1	3,949,660,726	3,423,648,040
	Factory overhead	19.1.2	302,265,613	296,806,794
			4,251,926,339	3,720,454,834
19.1.1	**Materials consumed**			
	Opening stock of raw materials, packing materials & others		1,196,529,063	1,120,057,871
	Purchases during the year		4,295,648,954	3,500,119,232
	Closing stock of raw materials, packing materials & others		(1,542,517,291)	(1,196,529,063)
			3,949,660,726	3,423,648,040
19.1.2	**Factory overhead**			
	Salaries and allowances		42,359,081	37,323,541
	Cost of outsourced human resources		40,925,468	38,430,423
	Power expenses		58,978,247	35,030,285
	Repair and maintenance		6,596,635	4,344,933
	Depreciation	4.4	137,941,076	164,052,019
	Communication expenses		602,271	794,180
	Entertainment		4,338,993	5,089,806
	Printing and stationery		866,615	869,918
	Security charges		4,456,628	5,412,406
	Travelling and conveyance-Local		5,016,599	5,459,283
	Warehouse rent		184,000	-
			302,265,613	296,806,794
20	**Marketing, selling and distribution expenses**			
	Advertisement		400,736,422	341,993,035
	Business promotion expenses		16,770,444	14,834,452
	Other selling & distribution expenses		59,719,215	81,684,908
	Entertainment		8,877,285	10,682,327
	Free sample		11,170,144	1,124,531
	Freight- outward		59,605,556	57,901,993
	Market research expenses		22,818,237	29,392,098
			579,697,303	537,613,344

	Note	2018 Taka	2017 Taka
21 General and administrative expenses			
Salaries and allowances		336,557,902	326,598,757
Gratuity	14.1	13,870,850	13,502,739
Workers' profit participation and welfare fund		118,091,844	101,419,310
Rent, rates and taxes		16,815,546	1,433,848
Professional and legal charges		15,509,313	31,937,168
Security charges		1,693,760	1,732,177
Stamp and license fees		5,954,378	3,807,122
Directors' remuneration		29,299,253	24,787,585
Directors' fees		993,474	667,645
Repair and maintenance		14,497,499	20,796,575
Communication expenses		8,962,686	11,020,081
Subscription to trade association		360,970	150,715
Entertainment		16,374,672	14,493,130
Printing and stationery		2,713,463	3,065,889
Vehicle running expenses		43,579,672	46,655,549
Travelling and conveyance-Local		7,363,420	9,890,079
Travelling and conveyance-Foreign		5,228,279	4,595,041
Statutory audit fees		1,302,950	1,302,950
Insurance premium		5,807,120	5,602,784
Books and periodicals		110,811	116,171
Bank charges		1,735,451	653,695
AGM and public relation expenses		802,088	2,898,131
Conference and training expenses		5,036,784	2,507,097
Electricity and gas charges		2,714,965	2,911,766
Amortisation	5	3,801,365	4,871,721
Royalty	26	74,744,920	65,561,325
Depreciation	4.4	43,094,574	31,793,195
Listing fees		315,000	315,000
General and technical assistance fees	26	76,822,856	54,071,433
CSR project	21.1	6,286,545	11,824,178
		860,442,410	800,982,856

21.1 MARICO Bangladesh Limited (MARICO) and Dhaka Ahsania Mission (DAM) entered into an agreement to implement "DAM-Marico Children Learning Centre (DAM-Marico CLC)" project from 01 October 2014 to 30 September 2017 in 1 (one) Upazila (Melandah) under Jamalpur District as per agreed Project Proposal and in line with the policies, strategies and guidelines of Government of Bangladesh (GoB) and MARICO. The beneficiaries of the project are uprooted children who are also dropped out from school. The project ended at the scheduled time at 30 September 2017 and Marico has no further commitment or plan to extend the project or any of the same kind as of 31 March 2018.

	Note	2018 Taka	2017 Taka
22 Other income/(expense)			
Gain on sale of assets	4.2	5,632,072	2,185,493
Impairment loss	4.5	(14,594,049)	(10,957,216)
		(8,961,977)	(8,771,723)
23 Finance income, net			
Interest on fixed deposits		133,653,604	74,846,945
Interest on call deposits		2,759,233	881,377
Interest on overdraft and loans		(4,343,175)	(1,816,132)
Foreign exchange gain/(loss)		(24,366,530)	(5,395,605)
		107,703,132	68,516,585

		Note	2018 Taka	2017 Taka
24	**Income tax expense**			
	Current tax expense			
	Current year	17	603,956,939	511,139,076
	Adjustment for prior years	17	(23,640,200)	(26,736,970)
	Deferred tax (income)/expense	6.1	20,801,173	2,372,709
			601,117,912	486,774,815

24.1 Reconciliation of effective tax

	2018 %	2018 Taka	2017 %	2017 Taka
Profit before tax		2,243,745,273		1,926,966,886
Income tax using the corporate tax rate	25%	560,936,319	25%	481,741,722
Factors affecting the tax charge for current year				
Non deductible expenses		117,429,506		107,253,412
Deductible expenses		(74,408,886)		(77,856,058)
Adjustment for prior years		(23,640,200)		(26,736,970)
Deferred tax (income)/expense		20,801,173		2,372,709
Total income tax expenses	26.79%	601,117,912	25.26%	486,774,815

25 Earnings per share

25.1 Basic earnings per share

The computation of EPS is given below:

	2018	2017
Earnings attributable to ordinary shareholders (Net profit after tax)	1,642,627,361	1,440,192,071
Weighted average number of ordinary shares outstanding during the year	31,500,000	31,500,000
Earnings per share (EPS) in Taka	52.15	45.72

25.2 Diluted earnings per share

Since there is no dilutive factor, diluted earnings per share is not required to be calculated.

26 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 BAS 24 *Related party disclosure:*

Name of the related parties	Relationship	Nature of transactions	Transaction Amount Taka	Balance as at 31 March 2018 Taka	Balance as at 31 March 2017 Taka
Marico Limited, India	Parent company	Purchase of RM, PM and FG	76,634,358	1,531,650	153,267,190
		Royalty	74,744,920	209,646,298	134,901,377
		Dividend	1,559,250,000	-	-
		General and technical assistance fees	76,822,856	220,299,097	136,302,429
Marico Middle East FZE	Subsidiary of parent company	Purchase of raw materials	2,851,146,491	100,477,183	90,381,891

27 **Capacity**

Major product	Unit of Measure	Installed Capacity
PCNO	KL	20,500
VAHO	KL	10,200
Copra	Ton	36,000
Refined oil	Ton	18,000

28 **Operating leases - leases as lessee**

	2018 Taka	2017 Taka
Non-cancellable operating lease rentals are payable as follows:		
No later than one year	27,754,560	1,840,000
Between two and five years	43,297,114	5,520,000
More than five years	-	-
	71,051,674	7,360,000

The Company leases corporate office, a number of warehouses, depots and sales office facilities under operating leases. During the year, an amount of BDT 1,4803,778 was recognised relating to non-cancellable operating lease.

29 **Commitment**

i) Capital commitment

Estimated amount of contracts remaining to be executed on capital account	1,500,885	39,831,095

ii) Other commitment

Outstanding L/C	432,496,086	493,308,632

L/C amount for import of raw material, packing materials and finished goods which were not received till the reporting date.

30 **Contingent Liabilities**

The Company has contingent liability of Taka 1,074,416,048 as on 31 March 2018 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.

31 **Financial instruments - Fair values and financial risk management**

31.1 **Accounting classifications and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. 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.

31 March 2018

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value - hedging instruments	Held -to-maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Fixed deposits	10.1	-	-	-	1,237,525,917	-	-	-	1,237,525,917	-	-	-	-
Security deposits	7 & 10	-	-	-	-	9,141,470	-	-	9,141,470	-	-	-	-
Loan to employees	7 & 10	-	-	-	-	9,034,363	-	-	9,034,363	-	-	-	-
Cash and cash equivalents	12	-	-	-		269,743,772	-	-	269,743,772	-	-	-	-
		-	-	-	1,237,525,917	287,919,605	-	-	1,525,445,522	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value													
Loans and borrowings	15	-	-	-	-	-	-	300,000,000	300,000,000				
Trade and other payables	16							2,222,763,532	2,222,763,532	-	-	-	-
		-	-	-	-	-	-	2,522,763,532	2,522,763,532	-	-	-	-

Hoda Vasi
Chowdhury & Co

31 March 2017

Figures in Taka

Particulars	Note	Carrying amount								Fair value			
		Held for trading	Designated at fair value	Fair value -hedging instruments	Held -to- maturity	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value													
Fixed deposits	10.1	-	-	-	1,308,587,800	-	-	-	1,308,587,800	-	-	-	-
Security deposits	7 & 10	-	-	-	-	2,764,000	-	-	2,764,000	-	-	-	-
Loan to employees	7 & 10	-	-	-	-	10,450,221	-	-	10,450,221	-	-	-	-
Cash and cash equivalents	12	-	-	-	-	166,833,748	-	-	166,833,748	-	-	-	-
		-	-	-	1,308,587,800	180,047,969	-	-	1,488,635,769	-	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value													
Trade and other payables	16	-	-	-	-	-	-	1,740,557,065	1,740,557,065	-	-	-	-
		-	-	-	-	-	-	1,740,557,065	1,740,557,065	-	-	-	-

31.2 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

31.2.1 Credit risk

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

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

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

Financial assets	Note	2018 Taka	2017 Taka
Fixed deposits	10.1	1,237,525,917	1,308,587,800
Security deposits	7 & 10	9,141,470	2,764,000
Loans to employees	7 & 10	9,034,363	10,450,221
Cash and cash equivalents	12	269,743,772	166,833,748
Total financial assets		1,525,445,522	1,488,635,769

31.2.2 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:

Year	Note	Carrying amount	Contractual cash flows		
			Total	Upto 1 year	Above 1 year
		Taka	Taka	Taka	Taka
2018					
Loans and borrowings	15	300,000,000	300,000,000	300,000,000	-
Trade and other payables	16	2,222,763,532	2,222,763,532	2,222,763,532	-
2017					
Trade and other payables	16	1,740,557,065	1,740,557,065	1,740,557,065	-

31.2.3 Market risk

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

i) Currency risk

The Company's exposures to foreign currency risk at 31 March 2018 are as follows:

	2018 USD	2017 USD
Import of goods and services	(4,919,224)	(5,152,613)
Bank balance	79,805	79,805
	(4,839,419)	(5,072,809)

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

	Average rate		Year-end spot rate	
	2018	2017	2018	2017
Exchange rate (USD/BDT)	81.81	78.57	83.9	79.71

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	
Effect in BDT	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
USD (1% movement)	(4,060,273)	4,060,273	(4,060,273)	4,060,273
31 March 2017				
USD (1% movement)	(4,043,536)	4,043,536	(4,043,536)	4,043,536

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 31 March 2018, the interest rate profile of the Company's interest bearing financial instruments was:

	2018 Taka	2017 Taka
Fixed rate instruments		
Financial assets		
Fixed deposit receipts	1,456,980,201	1,382,426,576
Financial liabilities	300,000,000	-
Variable rate instruments		
Financial assets	-	-
Financial liabilities	-	-

32 Value of import calculated on CIF Basis

Materials and finished goods	3,237,870,800	2,431,319,139
Capital goods	27,881,291	96,801,369
	3,265,752,091	2,528,120,508

33 Expenditure in foreign currency

General and technical assistance fees	76,822,856	54,071,433
Professional consultation fees	3,301,685	14,719,725
	80,124,541	68,791,158

34 Dividends

The Company remitted the following amounts, net of taxes, in foreign currency during the year to Marico Limited, India, a non-resident shareholder of the Company.

Final dividend for 2015-2016	-	127,575,000
1st interim dividend for 2016-2017	-	382,725,000
2nd interim dividend for 2016-2017	-	765,450,000
Final dividend for 2016-2017	127,575,000	-
1st interim dividend for 2017-2018	637,875,000.00	-
2nd interim dividend for 2017-2018	637,875,000.00	-
	1,403,325,000	1,275,750,000

35 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 years ended 31 March 2018 and 2017.

36 **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.

37 **Number of employees**

The number of employees engaged for the whole period or part thereof who received a total salary of Taka 36,000 p.a. and above was 256 (previous year: 252) among them 44 employees left from Marico Bangladesh Limited and total 213 (previous year: 212) employees existed as at 31 March 2018.

38 **Subsequent events**

For the year ended 31 March 2018 the Board of Directors recommended final cash dividend @ 100% per share at 99th Board of Directors Meeting held on 25 April 2018.

There is no other significant event after the reporting period that requires either disclosure of or adjustment to these financial statements.

39 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
39.1	Foreign currency transactions
39.2	Property, plant and equipment
39.3	Intangible assets
39.4	Inventories
39.5	Financial instruments
39.6	Share capital
39.7	Dividend to the equity holders
39.8	Employee benefits
39.9	Accruals
39.10	Provisions
39.11	Property, plant and equipment
39.12	Revenue
39.13	Finance income and finance cost
39.14	Lease
39.15	Impairment
39.16	Contingencies
39.17	Earnings per share
39.18	Events after the reporting period

39.1 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 Bangladeshi Taka (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 Bangladeshi Taka (BDT) at the exchange rate ruling at the date of transaction. Foreign exchange differences arising on translation are recognised in profit or loss.

39.2 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 period 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%
Vehicles	20-25%
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/BAS 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 period in which they are incurred.

39.3 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 BAS 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 assets are 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.

39.4 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.

39.5 Financial instruments

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial instrument comprises any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-derivative financial instruments comprise of investments in shares and term deposit, trade and other receivables, cash and cash equivalents, trade and other payables, share capital and interest-bearing borrowings.

i) Financial assets

The Company initially recognises receivables and deposits issued on the date when they are originated. All other financial assets are initially recognised on the trade date.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

The Company's financial assets comprise short term investment, refundable deposits, loans to employees and cash and cash equivalents.

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 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and demand deposits, together with short-term, highly liquid investments that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value. An investment normally meets the definition of a cash equivalent when it has a maturity of three months or less from the date of acquisition.

ii) Financial liabilities

The Company initially recognises financial liabilities on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company's financial liabilities comprise loans and borrowings, trade and other payable.

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

Trade and other payables

The Company's financial liabilities comprise trade and other payables which consist of payable against raw material, packing material, payable against transport and service, payable against royalty, general and technical assistance fees, payable against ASP and SLI activities, purchase of capital goods and for FOH expenses. These payables are classified as other financial liabilities.

The Company recognises such financial liability 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 benefits.

39.6 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.

39.7 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.

39.8 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 plans (Gratuity)

The Company operates 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 periods 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 tax 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 22 July 2013 and the trust deed.

39.9 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.

39.10 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 provision are reversed.

39.11 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 2017 i.e 25% (2016: 25%).

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.

39.12 Revenue

Revenue is recognised when the risk and reward of the ownership is transferred to the buyer, recovery of the consideration is probable, the associated cost and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods sold and the amount of revenue can be measured reliably. Transfer of risk and rewards occurs for the sale of goods when the product is delivered along with dispatch documents and invoiced to customers. Revenue from sale of goods is measured at fair value of the consideration received or receivable net off return and allowance, volume rebates and value added tax.

39.13 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.

i) 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.

39.14 Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are considered as operating leases and not recognised in the Company's statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

39.15 Impairment

i) Financial assets (non-derivative)

Financial assets not classified as at fair value through profit or loss and loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

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.

39.16 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.

39.17 Earnings per share

The Company represents 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 periods.

39.18 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.