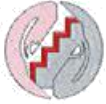

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
OF
PIDILITE SPECIALITY CHEMICALS BANGLADESH PRIVATE LTD.
AS AT AND FOR THE YEAR ENDED 31 MARCH 2018**



AHMED MASHUQUE & CO., *Chartered Accountants*

Navana Obaid Eternia
28-29 Kakrail (Level #12-13)
VIP Road, Dhaka-1000, Bangladesh
Tel : +880-2-58316931-39, Fax : +880-2-58316929
Email: info@ahmedmashuque.com, Web : www.ahmedmashuque.com
Business Alliance Associate of **Crowe Horwath International**
www.crowehorwath.net



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

Report on the Financial Statements

We have audited the accompanying financial statements of Pidilite Speciality Chemicals Bangladesh Private Ltd., which comprise the statement of financial position as at 31 March 2018, and 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 notes, comprising 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, 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.

Auditors' 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. Those standards require that we comply with the 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 auditor considers 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 the 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 present fairly, in all material respects, the financial position of Pidilite Speciality Chemicals Bangladesh Private Ltd. as at 31 March 2018, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of 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 : 08 MAY 2018
Dhaka



Ahmed Mashuque & Co.
Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of financial position
As at 31 March 2018

	Notes	Amount in Taka	
		31-Mar-18	31-Mar-17
Assets			
Property, plant and equipment	5	344,030,487	208,759,752
Capital work-in-progress	6	6,988,681	162,965,305
Non current assets		351,019,168	371,725,057
Inventories	7	156,184,593	119,192,918
Accounts receivable	8	184,778,506	137,779,291
Advances, deposits and prepayments	9	29,309,599	25,477,641
Investment in FDR		20,000,000	40,000,000
Interest and other receivable		24,038	126,112
Cash and cash equivalent	10	95,047,235	16,579,894
Current assets		485,343,971	339,155,857
Total assets		836,363,139	710,880,913
Equity and liabilities			
Equity			
Share capital	11	352,677,300	352,677,300
Share money deposits	12	17,337	17,337
Retained earnings		322,797,504	216,841,687
Total equity		675,492,141	569,536,325
Liabilities			
Deferred tax liabilities	13	22,802,459	27,246,184
Non current liabilities		22,802,459	27,246,184
Employee benefits expenses payable	14	20,449,940	16,892,646
Provision for expenses	15	25,857,823	33,827,748
Current tax liability	16	16,618,432	1,166,792
Accounts payables	17	75,142,345	62,211,219
Current liabilities		138,068,540	114,098,405
Total liabilities		160,870,999	141,344,588
Total equity and liabilities		836,363,139	710,880,913

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



 Director


 Director


 Head of Finance

Signed in terms of our separate report of even date annexed

Dated, **08 MAY 2018**
 Dhaka


 Ahmed Mashuque & Co.
 Chartered Accountants



Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2018

	Notes	Amount in Taka	
		2017-2018	2016-2017
Income			
Sales - net of VAT	18	1,070,117,234	950,871,111
Other income	19	2,142,710	3,023,774
		1,072,259,944	953,894,885
Less: Expenditure			
Cost of materials	20	363,129,631	350,021,450
Changes in inventory of finished goods and working progress	21	212,278,100	153,151,194
Operating expenses	22	16,136,324	15,228,766
Administrative expenses	23	39,018,932	36,408,715
Selling and distribution expenses	24	131,846,130	125,444,985
Employee benefits expenses	25	119,599,866	105,554,599
Depreciation	5	30,776,026	30,388,258
		912,785,009	816,197,967
Operating profit for the year		159,474,935	137,696,918
Add: Interest income		107,094	981,538
Less: Interest on overdraft		(29,917)	(1,509)
Profit before income tax for the year		159,552,112	138,676,947
Income tax expense			
Current tax		58,040,021	49,765,974
Deferred tax		(4,443,725)	(2,740,390)
		53,596,296	47,025,584
Net profit after income tax for the year		105,955,816	91,651,363
(Transferred to statement of changes in equity)			

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

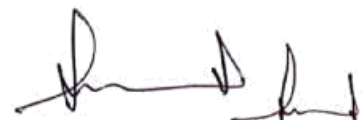

Director


Director


Head of Finance

Signed in terms of our separate report of even date annexed

Dated, 08 MAY 2018
Dhaka


Ahmed Mashuque & Co.
Chartered Accountants

topos



Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of changes in equity
For the year ended 31 March 2018

Particulars	<i>Amount in Taka</i>			
	Share capital	Share money deposits	Retained earnings	Total
Balance as at 01 April 2016	352,677,300	17,337	165,748,215	518,442,852
Addition during the year	-	-	91,651,363	91,651,363
Interim dividend	-	-	(40,557,890)	(40,557,890)
Balance as at 31 March 2017	352,677,300	17,337	216,841,688	569,536,325
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
Interim dividend paid	-	-	-	-
Balance as at 31 March 2018	352,677,300	17,337	322,797,504	675,492,141

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


 Director


 Director


 Head of Finance

Signed in terms of our separate report of even date annexed

Dated, **08 MAY 2019**
 Dhaka


 Ahmed Mashuque & Co.
 Chartered Accountants

topos



Pidilite Speciality Chemicals Bangladesh Private Ltd.

**Statement of cash flows
For the year ended 31 March 2018**

	Amount in Taka	
	2017 - 2018	2016 - 2017
A. Cash flows from operating activities		
Collection from sales	1,025,260,730	906,576,463
Payment to suppliers	(599,468,281)	(463,733,739)
Payment for expenses	(314,845,844)	(271,645,840)
Income tax paid	(42,588,381)	(72,499,774)
Net cash generated from operating activities	68,358,224	98,697,109
B. Cash flows from investing activities:		
Acquisition of fixed assets	(166,046,758)	(18,111,702)
Investment in FDR	20,000,000	110,000,000
Interest received	209,168	1,076,788
Capital work-in-progress	155,976,623	(147,425,022)
Net cash used in investing activities	10,139,033	(54,459,935)
C. Cash flows from financing activities:		
Interest paid	(29,917)	(1,509)
Interim dividend paid	-	(40,557,890)
Net cash used in financing activities	(29,917)	(40,559,399)
Net changes in cash and bank balances (A+B+C)	78,467,341	3,677,775
Add: Cash and bank balances at the beginning of the year	16,579,894	12,902,119
Cash and cash equivalent at the end of the year	95,047,235	16,579,894

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



Director


Director


Head of Finance

Signed in terms of our separate report of even date annexed

Dated : 08 MAY 2018
Dhaka


Ahmed Mashuque & Co.
Chartered Accountants

topos



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 2018

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 Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable. BFRS comprise of

- Bangladesh Financial Reporting Standards (BFRS);
- Bangladesh Accounting Standards (BAS); and
- Interpretations.

The titles and format of these financial statements follow the requirements of BFRS 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 BFRS 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 2017 to 31 March 2018 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.

2.06 Date of authorisation for issue of financial statements

The Board of Directors has authorised these financial statements on 08 MAY 2018.

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 Bangladesh Financial Reporting Standards (BFRSs) 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 payables
- Note - 5 Depreciation

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 BAS-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 2018 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 after confirmation of delivery to the buyer's, when risk and reward of ownership of goods are transferred to the buyer. 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 BAS-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.

(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

3.14 Earning per share

The Company calculates its earnings per share in accordance with BAS 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 BAS 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-18	31-Mar-17
BDT/USD	83.50	80.60

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 BAS 8: *Accounting policies, Changes in Accounting Estimates and Errors*.



5 Property, plant and equipment

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	
	Freehold land	22,230,000	162,729,523	-	184,959,523	-	-	-	
Buildings	111,363,212	-	-	111,363,212	36,122,829	5,568,156	-	41,690,985	
Vehicles	850,000	-	850,000	-	850,000	-	850,000	-	
Machinery and equipment	228,420,436	1,691,662	-	230,112,098	126,596,537	22,856,145	-	149,452,682	
Computers	5,637,074	732,308	-	6,369,382	4,938,335	426,244	-	5,364,579	
Furniture and fixtures	7,355,473	393,846	-	7,749,319	3,517,363	738,834	-	4,256,197	
Mechanical office equipment	3,601,286	499,419	-	4,100,705	1,907,599	369,399	-	2,276,998	
Laboratory equipment	8,172,494	-	-	8,172,494	4,937,556	817,248	-	5,754,805	
As at 31 March 2018	387,629,976	166,046,758	850,000	552,826,734	178,870,220	30,776,026	850,000	208,796,247	

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2017
	As at 01 April 2016	Addition during the year	Disposal/Adjustment	As at 31 March 2017	As at 01 April 2016	Charged during the year	Disposal/Adjustment	As at 31 March 2017	
	Freehold land	22,230,000	-	-	22,230,000	-	-	-	
Factory buildings	111,363,212	-	-	111,363,212	30,555,518	5,567,310	-	36,122,828	
Vehicles	850,000	-	-	850,000	850,000	-	-	850,000	
Machinery and equipment	210,744,623	17,675,813	-	228,420,436	104,153,384	22,443,150	-	126,596,534	
Computers	5,380,117	256,957	-	5,637,074	4,470,249	468,088	-	4,938,336	
Furniture and fixtures	7,243,403	112,070	-	7,355,473	2,781,827	735,536	-	3,517,363	
Mechanical office equipment	3,534,424	66,862	-	3,601,286	1,550,682	356,920	-	1,907,601	
Laboratory equipment	8,172,494	-	-	8,172,494	4,120,305	817,251	-	4,937,556	
As at 31 March 2017	369,518,274	18,111,702	-	387,629,976	148,481,964	30,388,255	-	178,870,220	
								208,759,752	



	Amount in Taka	
	31-Mar-18	31-Mar-17
6 Capital work-in-progress		
Machinery and equipment	5,816,885	1,219,761
Software	250,000	250,000
Land- New Valuka project	-	161,495,544
Building- New Valuka project	921,797	
	6,988,681	162,965,305
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	46,580,792	34,894,102
Packing materials	11,418,226	7,721,096
Work in progress	1,174,963	781,152
Manufactured finished goods	41,076,780	40,344,613
Imported finished goods	35,143,655	21,419,691
Imported raw material in transit	7,382,489	13,056,811
Imported packing material in transit	573,947	-
Imported finished goods in transit	20,936,676	12,968,902
Provision for damage goods		
Raw materials	(793,693)	(490,807)
Packing materials	(584,453)	(427,574)
Finished goods	(6,724,789)	(11,075,068)
	156,184,593	119,192,918
8 Accounts receivable		
Secured accounts receivable	2,513,013	5,450,107
Unsecured accounts receivable	189,387,692	135,752,399
Provision for bad debts	(7,122,199)	(3,423,215)
	184,778,506	137,779,291
9 Advances, deposits and prepayments		
Advances		
Advance against service	45,771	45,771
Advance to employees	4,699,791	2,846,575
Advance to supplier	5,708,193	1,049,185
VAT current account	10,185,931	7,919,658
Deposits		
Time deposit (Note # 9.01)	946,901	558,353
Import deposit	146,671	4,500,056
Prepayments		
Office rent	424,385	853,125
Warehouse rent	187,500	937,500
Insurance	3,787,496	3,652,073
Other prepaid and deferred expense for materials	3,176,959	3,115,344
	29,309,599	25,477,641
9.01 Time deposit		
Security deposit to Titas Gas T&D Co. Ltd.	486,901	298,353
Security deposit to Dhaka Electric Supply Authority(DESA)	240,000	240,000
Security deposit for Pragati Insurance Ltd.	200,000	
Security deposit to Linde BD.	20,000	20,000
	946,901	558,353
10 Cash and bank balances		
Cash in hand	237,215	210,009
Cash at bank:		
The Hongkong and Shanghai Banking Corporation Limited	8,083	8,733
Standard Chartered	82,694,602	5,675,594
Citibank N.A	12,107,335	10,685,558
	95,047,235	16,579,894



11 Share capital Authorized	Amount in Taka		
	31-Mar-18	31-Mar-17	
50,00,000 ordinary shares of Taka 100 each	500,000,000	500,000,000	
Issued, subscribed and paid-up			
3,526,773 ordinary shares of Taka 100 each	352,677,300	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)	3,526,800	3,526,800	
	352,677,300	352,677,300	
12 Share money deposits			
Pidilite International Pte. Ltd (Singapore)	57	57	
Pidilite Middle East Ltd (United Arab Emirates)	17,280	17,280	
	17,337	17,337	
13 Deferred tax liabilities			
Deferred tax has been recognised and measured in accordance with the provision of BAS 12, Income taxes.			
Deferred tax arrived at as follows:			
	Carrying amount as at 31 March 2018	Tax base as at 31 March 2018	Taxable/ (deductible) Temporary difference
Property, plant and equipment			
Buildings	69,672,227	20,042,664	49,629,563
Vehicles	-	-	-
Machinery and equipment	80,659,416	58,297,740	22,361,676
Computers	1,004,803	1,298,094	(293,291)
Furniture and fixtures	3,493,122	4,247,649	(754,527)
Mechanical office equipment	1,823,707	1,359,362	464,345
Laboratory equipment	2,417,690	1,553,373	864,316
	159,070,964	86,798,883	72,272,082
Provision for doubtful debts	7,122,199		(7,122,199)
Net temporary difference			65,149,883
Tax rate			35%
Deferred tax liability/ expense on temporary difference			22,802,459
Change in deferred tax assets and liability			
Opening balance		27,246,184	29,986,574
Provision made during the year		(4,443,725)	(2,740,390)
		22,802,459	27,246,184
14 Employee benefits expenses payable			
Employees' Retirement Gratuity (Note # 14.01)		-	-
Workers' Profit Participation and Welfare Fund		7,977,606	6,933,847
Wages		325,710	239,038
Salary allowances		12,146,624	9,719,761
		20,449,940	16,892,646
14.01 Employees' Retirement Gratuity			
Present value of defined benefit obligation		23,026,301	18,546,620
Fair value of plan assets		(23,026,301)	(18,546,620)
		-	-



	Amount in Taka	
	31-Mar-18	31-Mar-17
Movement in the present value of the defined benefit obligation are as follows		
Opening balance	18,546,620	10,961,801
Current service cost	3,636,508	2,379,347
Past service cost	-	5,424,992
Interest cost	2,027,376	1,192,381
Actuarial loss	(827,994)	636,848
Benefits paid during the year	(356,209)	(2,048,749)
Inter group transfer	-	-
	23,026,301	18,546,620
Movement in the fair value of the plan assets are as follows		
Opening balance	18,546,620	10,961,801
Contributions from employer	4,514,012	9,398,779
Return on plan assets	321,879	234,788
Benefits paid during the year	(356,209)	(2,048,748)
Inter group transfer	-	-
	23,026,301	18,546,620
Assumptions employed for the valuations are as follows		
	%	%
Expected rate of salary increase	8.00	9.00
Discount rate	11.10	11.30
15 Provision for expenses		
Professional fees	253,000	184,000
Security service	108,150	107,223
Utilities	134,918	188,833
Cleaning expenses-factory	-	29,358
Sales promotion	19,757,729	19,038,672
Advertisement and promotional material	1,088,287	8,214,725
Sales agent expenses	1,075,038	772,095
Travelling and conveyance	1,178,532	1,054,998
Audit fees	206,000	206,000
Freight Outward	934,315	2,510,581
Petrol & Oil	230,500	257,000
Telephone	60,000	93,000
Consumables materials	27,000	329,740
Withholding income tax & VAT payable	417,823	381,599
Liability for other expenses	386,531	459,924
	25,857,823	33,827,748
16 Current Tax Liability		
Provision for income tax (16.01)	59,628,283	50,470,412
Advance income tax (16.02)	(43,009,851)	(49,303,620)
	16,618,432	1,166,792
16.01 Provision for income tax		
Opening balance	50,470,412	53,057,936
Provision made during the year	58,040,021	49,765,974
Adjustment during the year	(48,882,150)	(52,353,498)
	59,628,283	50,470,412
16.02 Advance income tax		
Opening balance	49,303,620	29,157,344
Addition during the year	42,588,381	72,499,774
Adjustment during the year	(48,882,150)	(52,353,498)
	43,009,851	49,303,620

17 Accounts payables

	Amount in Taka	
	31-Mar-18	31-Mar-17
Akros Trading Co., Ltd.	6,078,800	4,674,800
Akram Chemical Traders	50,750	-
Al-Madina Plastic	58,539	163,845
Ata Husain Khan Limited.	122,331	599,429
Ahmed Mashuque & Co.	28,750	127,300
Bhuiyan Metal Works	917,125	-
The Care Pack Ltd.	1,978,978	1,811,816
Comilla Plastic Industry	286,941	131,721
Creative Packaging Industry	772,757	1,327,278
Dhaka Metal Box	-	438,855
Fair Deal-Expenses	2,187,310	3,161,451
Ghorashal Containers Ltd.	189,295	220,127
Ghorashal Multilayer Plastic Packaging Ltd.	212,518	-
Havas Media Bangladesh Ltd.	1,495,168	-
Holoplus Techno Systems Ltd.	51,693	-
I Positive Communications Ltd.	-	46,805
Incom	27,600	-
I R Limited	2,126,129	3,093,608
Innovative Trading Corporation	-	324,000
Juthi Enterprise	2,645,994	1,208,790
Jm Enterprise	40,251	-
K. S. Printing & Packaging	80,836	77,605
Kashpia Printing & Packaging Ind.	62,100	-
Link3 Technologies Ltd.	36,075	36,075
Masud Glass House	110,400	115,633
Nur-E-Midina Transport Agency	-	345,221
One Travels	214,500	41,039
Padma Cans And Closures Ltd.	1,248,875	385,214
Padma Lamitube Ltd.	206,341	551,088
Pidilite Industries Ltd.	42,279,769	36,651,032
Pragati Insurance Ltd.	85,735	-
Petrochem Middle East Fze	9,242,682	-
Q Pail Limited	507,926	775,697
Ran'S International	45,531	-
Rahman Accessories	125,580	-
Ricasil Industries	896,373	-
Rains.Com	149,590	-
Ruhani International Agency Ltd.	118,000	-
Ruhani Int'L Agency Ltd.	-	27,805
Rupali Rent-A-Car	52,900	52,900
S. R. Parcel Services Ltd.	36,751	308,746
Sincos Engineers Limited	100,590	-
Unique Products	161,115	-
Speciality Organice Private Ltd.	-	98,405
Yug International Private Limited.	-	5,335,785
Zonayed Enterprise-Supplier	59,150	-
Z. R. Enterprise	50,600	79,148
	75,142,345	62,211,219



	Amount in taka	
	2017-2018	2016-2017
18 Sales - net of VAT		
Local Sales	760,477,806	736,821,789
Export sales	15,708,316	14,765,618
Sale of imported finished goods	293,931,113	199,283,704
	1,070,117,234	950,871,111
19 Other Income		
Gain on sale of assets	300,000	-
Gain from product application	-	302,220
Sale of scrap	1,842,710	2,721,554
	2,142,710	3,023,774
20 Cost of materials		
Raw materials consumed (Note 20.01)	255,660,453	239,059,589
Packing materials consumed (Note 20.02)	107,469,178	110,961,860
Cost of materials	363,129,631	350,021,450
20.01 Raw materials consumed		
Opening stock	34,894,102	41,735,467
Add: Purchase during the year	267,347,142	232,218,224
Less: Closing stock	46,580,792	34,894,102
	255,660,453	239,059,589
20.02 Packing materials consumed		
Opening stock	7,721,096	9,917,812
Add: Purchase during the year	111,166,307	108,765,144
Less: Closing stock	11,418,226	7,721,096
	107,469,178	110,961,860
21 Changes in inventory of finished goods and working progress		
Cost of imported finished goods (Note 21.01)	212,300,505	140,252,487
Opening work-in-progress	781,152	1,132,164
Opening finished goods	40,344,613	43,578,435
Closing work-in-progress	(1,174,963)	(781,152)
Closing finished goods	(41,076,780)	(40,344,613)
Damage and obsolete materials	1,103,574	9,313,874
	212,278,100	153,151,194
21.01 Cost of imported finished goods		
Opening stock	21,419,691	25,496,391
Add: Purchase during the year	226,024,469	136,175,787
Less: Closing stock	35,143,655	21,419,691
	212,300,505	140,252,487
22 Operating expenses		
Travelling and conveyance	193,047	120,090
Rent others - bus rental	1,758,370	1,797,325
Repairs and maintenance	1,752,622	1,619,219
Consumable materials	1,233,154	1,338,121
Conventions, seminars and company meetings expense	250,028	244,866
Fuel and petrol	651,424	687,161
Stationery and office supplies	279,421	271,339
Security service charges	1,292,868	1,293,906
Cleaning expenses	379,789	349,284
Telephone and fax	142,933	145,452
Internet expenses	107,484	124,412
Electricity charges	2,495,786	2,507,288
Gas charges	595,715	544,775
Entertainment	647,489	624,196
Insurance	3,589,602	3,215,771
Testing & certification expenses	103,795	32,430
Factory staff health check up expense	275,814	-
Office maintenance & supplies	386,983	313,131
	16,136,324	15,228,766



	Amount in taka	
	2017-2018	2016-2017
23 Administrative expenses		
Insurance	1,545,959	1,422,565
Recruitment exp	65,225	5,100
Travelling and conveyance	1,621,398	1,291,037
Overseas travelling	148,088	158,119
Security service charges	628,574	338,635
Office rent	2,055,792	1,634,685
Rent others - bus rental	795,958	884,599
Repairs and maintenance	242,313	115,215
Fuel and petrol	857,497	1,158,028
License, registration & membership	1,015,874	855,051
Audit fees	206,000	206,000
Audit fees for PF, GF & WPPF	69,000	69,000
Professional fees	806,747	2,012,437
Stationeries	348,571	299,311
Postage	220,338	290,183
Telephone and fax	206,566	216,910
Internet expenses	220,300	150,449
Data processing services charges	2,367,119	1,328,793
Electricity bill	161,295	143,334
Books and periodicals	18,650	17,954
Vehicles insurance	15,196	15,196
Royalty (Note : 23.01)	19,404,653	18,440,497
Land tax & rates	6,200	7,480
Entertainment	584,720	715,570
Bank charges	943,822	689,329
Office maintenance & supplies	764,094	744,490
Bad debts Provisions	3,698,984	3,198,748
	39,018,932	36,408,715
23.01 Royalty		
Local Sales	760,477,806	736,821,789
Export sales	15,708,316	14,765,618
Net revenue for royalty purposes	776,186,121	751,587,407
Royalty @ 2.5% on the net revenue	19,404,653	18,789,685
Less : Adjustment	-	(349,188)
Net Royalty and Technical know-how fees expenses	19,404,653	18,440,497

During the year 2016-17 an adjustment was given for Tk. 349,188 as VAT @ 15% on royalty and Technical know-how fees paid on Tk. 1,543,918 and Tk. 784,000 for the year ended 31 March 2013. The company is entitled to get rebate on VAT paid against royalty and Technical know-how fees as it is inputs. But the Customs, Excise and VAT authority disallowed the VAT rebate by written order. Accordingly, the company reversed the rebate and charged as expenses as well as filed appeal against the order. After legal proceedings during the year final judgment declared in favor of the company and the VAT rebate adjusted accordingly.



	Amount in taka	
	2017-2018	2016-2017
24 Selling and distributing expenses		
Sample expense	883,261	381,211
Convention and exhibit expense	9,410,939	9,889,888
Bill board	1,443,074	2,356,650
Press advertising	693,160	1,605,575
TV & radio advertising	490,000	6,329,425
Sales promotion expenses	43,581,002	35,467,780
Promotional items	2,946,472	8,377,900
Warehouse rent	2,275,152	2,245,476
Literature and promotional materials	9,635,737	6,768,480
Delivery expenses	18,099,719	16,274,123
Insurance	496,259	437,716
Postage	105,976	100,095
Travelling and conveyance	15,885,934	13,336,268
Overseas travelling	449,060	720,507
Seminars and company meetings expense	3,352,170	1,590,948
Telephone and fax	1,044,555	925,928
Sales agents expenses	19,117,515	17,045,623
Electricity	64,197	61,687
Security service charges	341,121	343,009
Internet	85,980	120,478
Fuel and petrol	1,444,847	1,066,218
	131,846,130	125,444,985
25 Employee benefits expenses		
Salary and allowances	101,786,144	84,252,090
Wages	3,758,123	3,665,083
Employees' Retirement Gratuity	4,514,012	9,398,779
Group insurance	1,441,156	1,209,300
Workers' Profit Participation and Welfare Fund	7,977,606	6,933,847
Directors Remuneration	69,000	-
Employee training	53,825	95,500
	119,599,866	105,554,599
26 Basic earnings per share (EPS)		
Profit after tax	105,955,816	91,651,363
Number of shares	3,526,773	3,526,773
Basic EPS	30.04	25.99
27 Particulars of employee		
<i>Nationality:</i>		
Bangladeshi	118	107
Non-Bangladeshi	2	2
	120	109
<i>Salary range:</i>		
Monthly Taka 3,000 or above	120	109
Monthly below Taka 3,000	-	-
	120	109



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 BAS24: *Related Party Disclosure*.

Name of the related party transaction	Nature of transaction	Relationship	Transaction during the year 17-18		Amount due/(receivable) as at 31 March 2017
			Transaction value	Amount due/(receivable)	
Pidilite Industries Ltd., India	Purchase of raw and packing materials	Parent company through wholly owned subsidiaries	41,041,939	10,451,753	12,757,945
	Purchase of finished goods		164,921,687	10,115,773	3,832,632
	Royalties		19,404,653	19,404,652	18,789,685
	Expenses against service		2,359,645	2,307,591	1,270,770
Pidilite Lanka (Private) Limited	Sale of finished goods	Subsidiaries of Parent company through wholly owned subsidiaries	2,110,069	(346,291)	(324,311)

29 Capital expenditure commitment

There is no such commitment as at 31 March 2018.



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 2018	As at 31 March 2017
Accounts receivables	184,778,506	137,779,291
Investment in FDR	20,000,000	40,000,000
Advances, deposits and prepayments	485,343,971	126,112
Advances, deposits and prepayments (except receivable from Govt.)	19,123,668	17,557,983
Bank balances(except cash in hand)Note # 10	94,810,020	16,369,885
	804,056,164	211,833,271

b) Ageing of accounts receivables

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

Due below six months	184,870,611	137,739,190
Due over six months	7,030,094	3,463,316
	191,900,705	141,202,506

• 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 2018

Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits expenses payable	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)	-	-
	138,068,539	(138,068,539)	(121,450,107)	(16,618,432)	-

As at 31 March 2017

Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits	16,892,646	(16,892,646)	(16,892,646)	-	-
Provision for expenses	33,827,748	(33,827,748)	(33,827,748)	-	-
Current tax liabilities	1,166,792	(1,166,792)	-	-	(1,166,792)
Accounts payables	62,211,219	(62,211,219)	(62,211,219)	-	-
	114,098,405	(114,098,405)	(112,931,613)	-	(1,166,792)

• **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 4,330,944 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	
	2017-2018	2016 - 2017
Office rent	2,055,792	1,634,685
Warehouse rent	2,275,152	2,245,476
	4,330,944	3,880,161



32 **Contingent Liability**

The company has filed appeal at Tax Appellate Tribunal against the order of the Deputy Commissioner of Taxes as well as the Commissioner of Taxes (Appeal) on the matter of income tax assessments for the assessment years 2013-2014 and 2014-2015. Outcome of which is uncertain. However, the company's management feels that the claim by the Tax authority is unjustified and the company has fair grounds for having the judgment in their favor.



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 2018

	Amount in Taka			Annexure 1
	Sales of manufactured goods		Trading of imported finished goods	Total
	Local Sales	Export Sales		
Total sales ratio	71.1%	1.5%		
MFG sales to Local & Export ratio	98.0%	2.0%	27.5%	100%
Total Sales - net of VAT	760,477,806	15,708,316	293,931,113	1,070,117,234
Other income	2,142,710	-	-	2,142,710
	762,620,516	15,708,316	293,931,113	1,072,259,944
Less: Expenditure				
Cost of materials	355,780,678	7,348,952	-	363,129,631
Changes in inventory of finished goods and	(22,404)		-	(22,404)
Operating expenses	15,809,760	326,564	212,300,505	212,278,100
Administrative expenses			-	16,136,324
Insurance	1,523,266	22,693	-	1,545,959
Recruitment exp	46,615	694	17,915	65,225
Travelling and conveyance	1,158,782	17,263	445,352	1,621,398
Overseas travelling	105,836	1,577	40,676	148,088
Security service charges	619,347	9,227	-	628,574
Office rent	1,469,235	21,888	564,668	2,055,792
Rent others - bus rental	568,856	8,475	218,627	795,958
Repairs and maintenance	238,756	3,557	-	242,313
Fuel and petrol	844,910	12,587	-	857,497
License, registration & membership	1,000,962	14,912	-	1,015,874
Audit fees	202,976	3,024	-	206,000
Audit fees for PF, GF & WPPF	49,313	735	18,952	69,000
Professional fees	794,905	11,842	-	806,747
Stationeries	249,117	3,711	95,743	348,571
Postage	157,471	2,346	60,521	220,338
Telephone and fax	147,629	2,199	56,738	206,566
Internet expenses	157,444	2,346	60,510	220,300
Data processing services charges	1,888,111	28,129	450,880	2,367,119
Electricity bill	115,274	1,717	44,303	161,295
Books and periodicals	18,376	274	-	18,650
Vehicles insurance	14,973	223	-	15,196
Royalty (Note : 23.01)	19,119,811	284,842	-	19,404,653
Land tax & rates	6,109	91	-	6,200
Entertainment	388,926	5,794	190,000	584,720
Bank charges	674,531	10,049	259,241	943,822
Office maintenance & supplies	752,878	11,216	-	764,094
Bad debts	3,698,984	-	-	3,698,984
	36,013,394	481,412	2,524,127	39,018,932
Selling and distributing expenses				
Sample expense	870,296	12,965	-	883,261
Convention and exhibit expense	6,725,819	100,200	2,584,920	9,410,939
Bill board	1,421,891	21,183	-	1,443,074
Press advertising	682,985	10,175	-	693,160
TV & radio advertising	482,807	7,193	-	490,000
Sales promotion expenses	39,521,741	588,785	3,470,476	43,581,002
Promotional items	2,105,788	31,371	809,313	2,946,472
Warehouse rent	1,626,008	24,224	624,920	2,275,152
Literature and promotional materials	9,494,293	141,444	-	9,635,737
Delivery expenses	16,823,039	776,680	500,000	18,099,719
Insurance	354,667	5,284	136,308	496,259
Postage	75,739	1,128	29,109	105,976
Travelling and conveyance	11,353,375	169,140	4,363,419	15,885,934
Overseas travelling	320,935	4,781	123,344	449,060
Seminars and company meetings expense	2,395,732	35,691	920,747	3,352,170
Telephone and fax	746,524	11,122	286,910	1,044,555
Sales agents expenses	13,662,924	203,547	5,251,044	19,117,515
Electricity	63,255	942	-	64,197
Security service charges	336,114	5,007	-	341,121
Internet	61,448	915	23,616	85,980
Fuel and petrol	1,032,605	15,383	396,859	1,444,847
	110,157,984	2,167,160	19,520,985	131,846,130
Employee benefits expenses	85,475,750	1,273,396	32,850,720	119,599,866
Depreciation	30,172,219	449,498	154,309	30,776,026
Operating profit for the year	129,233,136	3,661,333	26,580,466	159,474,935
Add: Interest income	105,522	1,572	-	107,094
Less: Interest on overdraft	(29,477)	(439)	-	(29,917)
Profit before income tax for the year	129,309,180	3,662,466	26,580,466	159,552,112



