

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS
OF
PIDILITE SPECIALITY CHEMICALS BANGLADESH PRIVATE LTD.
AS AT AND FOR THE YEAR ENDED 31 MARCH 2021**



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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pidilite Speciality Chemicals Bangladesh Private Ltd., which comprise the statements of financial position as at 31 March 2021, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the audit of the Financial Statements

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

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



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

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

Report on Other Legal and Regulatory Requirements

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 26 April 2021
Dhaka

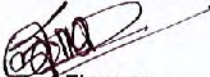
Ahmed Mashuque & Co.
Chartered Accountants

Mashuque Ahmed FCA, Proprietor
Enrolment Number: 690
DVC: 2105030690AS774715

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of financial position
As at 31 March 2021

Particulars	Notes	Amount in Taka	
		31 March 2021	31 March 2020
Assets			
Property, plant and equipment	4	651,670,231	663,169,716
Intangible Assets	5	2,099,025	-
Capital work-in-progress	6	40,302,077	37,537,825
Right to use of assets	7	52,863,914	29,443,351
Investment in shares	8	44,000	44,000
Non current assets		746,979,247	730,194,892
Inventories	9	249,251,890	184,582,442
Goods in transit	10	72,695,178	27,720,522
Accounts receivable	11	218,892,732	370,421,655
Advances, deposits and prepayments	12	65,662,954	41,925,818
Net Advance Income Tax	21	5,264,467	4,283,394
Cash and cash equivalent	13	50,969,603	59,152,546
Current assets		662,736,824	688,086,377
Total assets		1,409,716,071	1,418,281,269
Equity and liabilities			
Equity			
Share capital	14	352,694,500	352,694,500
Retained earnings		595,339,773	530,720,510
Total equity		948,034,273	883,415,010
Liabilities			
Deferred tax liabilities	15	35,191,092	29,310,608
Lease Liability	16	51,053,586	29,526,631
Long term loan	17	90,931,143	209,404,316
Non current liabilities		177,175,821	268,241,555
Employee benefits expenses payable	18	28,899,728	25,820,775
Current portion of long term loan & lease liability	19	37,574,619	57,407,888
Provision for expenses	20	22,360,267	21,513,143
Accounts payable	22	195,671,363	161,882,898
Current liabilities		284,505,977	266,624,704
Total liabilities		461,681,797	534,866,259
Total equity and liabilities		1,409,716,071	1,418,281,269

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



Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated: 26 April 2021
Dhaka


Ahmed Mashuque & Co.
Chartered Accountants
Mashuque Ahmed FCA, Proprietor
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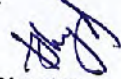
Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive Income
For the year ended 31 March 2021

Particulars	Notes	Amount in Taka	
		1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
Income			
Sales - net of VAT	23	1,271,667,496	1,432,205,066
Other income	24	5,242,909	2,040,248
		1,276,910,405	1,434,245,314
Less: Expenditure		1,137,117,141	1,252,683,476
Cost of materials	25	464,938,846	518,442,023
Changes in inventory of finished goods and working progress	26	266,295,332	300,998,578
Operating expenses	27	26,667,822	27,899,882
Administrative expenses	28	44,068,778	58,670,240
Selling and distribution expenses	29	80,309,858	129,012,113
Employee benefits expenses	30	194,508,442	172,110,679
Depreciation		53,155,681	42,278,479
Amortization		110,475	-
Depreciation of Right to use Lease-CNF WH		3,843,459	-
Depreciation of Right to use Lease-Office		3,218,448	3,271,482
Operating profit for the year		139,793,264	181,561,838
Net Finance income/(expense)	31	(20,984,699)	(17,505,384)
Profit before WPPF provision and income tax for the year		118,808,565	164,056,454
Workers' profit participation fund		5,657,551	7,812,212
Profit before income tax for the year		113,151,014	156,244,242
Income tax expense		46,446,295	57,872,677
Current tax		39,561,702	46,876,333
Deferred tax		6,884,593	10,996,344
Net profit after income tax for the year		66,704,720	98,371,565
(Transferred to statement of changes in equity)			
Other Comprehensive Income/(Loss) :			
Remeasurement of defined benefit plan		(3,089,565)	1,507,145
Tax on Other Comprehensive Income		1,004,109	(527,501)
Total other Comprehensive Income / (Loss), net of tax		(2,085,456)	979,644
Total Comprehensive Income for the year		64,619,263	99,351,209

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

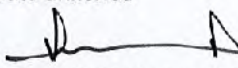

Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated: 26 April 2021
Dhaka


Ahmed Mashuque & Co.
Chartered Accountants

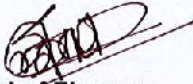
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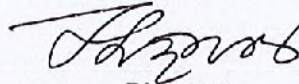


Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of changes in equity
For the year ended 31 March 2021

Particulars	<i>Amount In Taka</i>		
	Share capital	Retained earnings	Total
Balance as at 1 April 2019	352,694,500	431,369,301	784,063,801
Addition during the year	-	99,351,209	99,351,209
Balance as at 31 March 2020	352,694,500	530,720,510	883,415,010
Balance as at 1 April 2020	352,694,500	530,720,510	883,415,010
Addition during the year	-	64,619,263	64,619,263
Balance as at 31 March 2021	352,694,500	595,339,773	948,034,273

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


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated: 26 April 2021
Dhaka

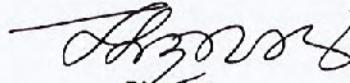


Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of cash flows
For the year ended 31 March 2021

	Amount in Taka	
	31 March 2021	31 March 2020
A. Cash flows from operating activities		
Collection from sales	1,429,238,772	1,278,871,154
Payment to suppliers	(807,089,817)	(760,713,423)
Payment for expenses	(383,838,714)	(378,020,846)
Income tax paid	(40,542,775)	(63,813,367)
Net cash generated from operating activities	197,767,466	76,323,517
B. Cash flows from investing activities:		
Acquisition of fixed assets	(40,712,357)	(140,758,265)
Disposal of assets	125,390	54,200
Investment in shares	-	(44,000)
Capital work-in-progress	(6,176,809)	(184,817,879)
Net cash used in investing activities	(46,763,776)	(325,565,944)
C. Cash flows from financing activities:		
Long term loan received/(payment)	(142,840,268)	265,126,977
Interest paid	(16,346,365)	(14,062,881)
Net cash used in financing activities	(159,186,633)	251,064,097
Net changes in cash and bank balances (A+B+C)	(8,182,943)	1,821,670
Add: Cash and bank balances at the beginning of the year	59,152,546	57,330,876
Cash and bank balances at the end of the year	50,969,603	59,152,546

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


Head of Finance


Director


Director

Signed in terms of our separate report of even date annexed

Dated: 26 April 2021
Dhaka



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 2021

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 # B101 (North), Road #7, 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.

2.00 Basis of preparation

2.01 Statement of compliance

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

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

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

2.02 Reporting period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover period from 01 April 2020 to 31 March 2021 consistently.

2.03 Basis of accounting

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

2.04 Going concern

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

2.05 Basis of measurement

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

2.06 Date of authorisation for issue of financial statements

The Board of Directors has authorised these financial statements on 26 April 2021.

2.07 Directors' responsibility statement

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

2.08 Use of estimates and judgments

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

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

Judgements

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

- | | |
|-----------|-------------------------------|
| Note 3.01 | Property, plant and equipment |
| Note 3.03 | 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 - 18	Employee benefits expenses payable
Note - 20	Provision for expenses
Note - 22	Accounts payable

2.09 Functional and presentation currency

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

3.00 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 Category</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%
Software license	20%
VAT Software	30%

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 Right to use assets and lease liability

The Company is adopted IFRS 16 Leases from 1 April 2019.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.



IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Recognition

A right-of-use asset and a lease liability is recognized by the company at the commencement date.

Measurement

Initial measurement of the right-of-use asset

At the commencement date, the right-of-use asset are measured at cost.

Initial measurement of the lease liability

At the commencement date, the lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease/incremental borrowing rate which is 11.50% for city office and 9% for warehouse.

Subsequent measurement of the right-of-use asset

After the commencement date, the right-of-use asset are measured applying a cost model.

Cost model

To apply a cost model, a lessee shall measure the right-of-use asset at cost:

- a) less any accumulated depreciation and any accumulated impairment losses; and
- b) adjusted for any remeasurement of the lease liability.

The straight-line depreciation is applying as per requirements in IAS 16 Property, Plant and Equipment is applied in depreciating the right-of-use asset.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

IAS 36 Impairment of Assets is applied to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Subsequent measurement of the lease liability

After the commencement date, the lease liabilities are measured by:

- (a) increasing the carrying amount to reflect interest on the lease liability.
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments

Assets type	Agreement period (no of months)	Implicit interest rate/ incremental borrowing rate
Head office	120	11.5%
Warehouse	72	9.0%

3.03 Inventories

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

3.04 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.

3.05 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

During the year ended on 31 March 2021 applicable income tax rate on income of manufacturing operations was 32.5%. Further, 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.

3.06 Revenue recognition

(a) Sales of goods

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 01 January 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

The new standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer, so the concept of control replaces the existing concept of risks and rewards. This standard combines, enhances and replaces specific guidance on recognizing revenue with a single standard. A new five-step process must be applied before revenue from contract with customer can be recognized:

- i). Identify the contracts with customers;
- ii). Identify the separate performance obligation;
- iii). Determine the transaction price of the contract;
- iv). Allocate the transaction price to each of the separate performance obligations; and
- v). Recognize the revenue as each performance obligation is satisfied.

3.07 Statement of cash flows

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

3.08 Finance costs

Finance costs comprise interest expense on short term borrowings.

3.09 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 Law, 2006 (as amended in 2013).

(d) Insurance Scheme

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

(e) Leave encashment

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

3.10 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.

• **Advances, deposits and prepayments**

Advances

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

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.

3.11 Interest income and expenses

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

3.12 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.

3.13 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.

3.14 Share capital

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

Paid up capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.15 Earning per share

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

Basic earnings

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

Basic earnings per share

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

Diluted earnings per share

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

3.16 Events after the reporting date

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

3.17 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

BDT/USD

Closing rate as at	
31 March 2021	31 March 2020
84.95	84.30

3.18 Comparative information

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

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



4 Property, plant and equipment
For 2021

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2021
	As at 1 April 2020	Addition during the year	Disposal/ Adjustment	As at 31 March 2021	Rate	As at 1 April 2020	Charged during the year	Disposal/ Adjustment	
Freehold land	184,959,523	-	-	184,959,523		-	-	-	184,959,523
Factory buildings	279,549,433	15,802,666	-	295,352,099	5%	55,176,378	14,555,202	-	69,731,580
Machinery and equipment	348,136,601	15,055,403	-	363,202,004	10%	198,458,229	25,445,065	-	223,903,294
Computers	9,541,059	763,975	98,568	10,206,466	30%	6,488,316	1,414,596	83,388	7,819,524
Furniture and fixtures	18,921,760	3,886,066	273,687	22,534,139	10%	5,490,922	1,605,793	29,849	7,067,066
Mechanical office equipment	94,817,304	6,029,077	-	100,846,381	10%	8,293,644	9,663,122	-	17,956,766
Laboratory equipment	8,368,935	368,227	-	8,737,162	10%	7,217,410	471,903	-	7,689,313
As at 31 March 2021	944,294,616	41,915,414	372,255	985,837,775		281,124,900	53,155,681	113,037	334,167,544

Amount in Taka

For 2020

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2020
	As at 1 April 2019	Addition during the year	Disposal/ Adjustment	As at 31 March 2020	Rate	As at 1 April 2019	Charged during the year	Disposal/ Adjustment	
Freehold land	184,959,523	-	-	184,959,523		-	-	-	184,959,523
Factory buildings	111,363,212	168,186,221	-	279,549,433	5%	47,259,150	7,917,228	-	55,176,378
Machinery and equipment	244,692,467	103,444,134	-	348,136,601	10%	172,851,386	25,606,843	-	198,458,229
Computers	7,079,143	2,907,431	445,515	9,541,059	30%	5,936,288	998,543	445,515	6,488,316
Furniture and fixtures	7,789,319	13,148,436	2,015,995	18,921,760	10%	5,032,124	1,439,304	980,506	5,490,922
Mechanical office equipment	4,100,705	90,787,029	70,430	94,817,304	10%	2,687,065	5,671,208	64,629	8,293,644
Laboratory equipment	8,172,494	196,441	-	8,368,935	10%	6,572,056	645,354	-	7,217,410
As at 31 March 2020	568,156,864	378,669,692	2,531,940	944,294,616		240,337,070	42,278,479	1,490,650	281,124,900

5 Intangible Assets
For 2021

Asset Category	Gross Block (Cost)				Amortization				Net Block at 31 March 2021
	As at 1 April 2020	Addition during the year	Disposal/ Adjustment	As at 31 March 2021	Rate	As at 1 April 2020	Charged during the year	Disposal/ Adjustment	
Software license	-	1,609,500	-	1,609,500	20%	-	80,475	-	80,475
VAT Software	-	600,000	-	600,000	30%	-	30,000	-	30,000
As at 31 March 2020	-	2,209,500	-	2,209,500		-	110,475	-	110,475
As at 31 March 2021	-	-	-	1,529,025		-	-	-	570,000
As at 31 March 2021	-	-	-	2,099,025		-	-	-	2,099,025



Amount in Taka
31 March 2021 31 March 2020

6.00 Capital work-in-progress

Opening balance	37,537,825	90,631,374
Addition during the year	6,176,809	184,817,878
Less: Transferred to Property, Plant & Equipment	3,412,557	237,911,427
Closing balance	40,302,077	37,537,825

Assets wise details as follows:

Machinery and equipment	17,490,534	21,423,228
Software	-	250,000
Building- Valuka project	22,811,543	15,864,597
	40,302,077	37,537,825

These expenditures will be capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

7.00 Right to use of assets

The company has already adopted IFRS 16 Leases wef. 1st April 2019 and the below 'Right to use assets' created against lease contracts. Detail requirements described in Note 3.02.

Opening balance	29,443,351	-
Addition during the year	30,747,656	32,714,834
Adjustment for less rent paid for 6 months	265,188	-
Depreciation during the year	7,061,907	3,271,483
Closing balance	52,863,914	29,443,351

8.00 Investment in shares

Nina Percept (Bangladesh) Pvt. Ltd	44,000	44,000
	44,000	44,000

In year 2019, PSCBL has invested as capital contribution of 1% of total shares (i.e. 440 ordinary shares @ 100/- taka each) of Nina Percept (Bangladesh) Pvt. Ltd., a newly setup Limited company, registered in RJSCB under the Companies Act (Act XVIII) of 1994. Nina Percept (Bangladesh) Pvt. Ltd is a subsidiary of Pidlite group and ultimate parent company is Pidlite Industries Limited (PIL), registered in India.

9.00 Inventories

Raw materials	97,461,524	77,602,529
Packing materials	18,142,976	18,050,296
Work in progress	9,489,239	5,988,928
Manufactured finished goods	53,984,084	39,364,316
Imported finished goods	89,074,019	56,445,640
Provision for Raw materials and Packing materials	(1,918,274)	(2,156,760)
Provision for Finished goods	(16,981,678)	(10,712,507)
	249,251,890	184,582,442

10.00 Goods in transit

Raw materials	46,904,614	14,613,811
Packing materials	-	163,333
Finished goods	25,790,564	12,943,378
	72,695,178	27,720,522

11.00 Accounts receivable

Secured accounts receivable	4,899,176	2,680,339
Unsecured accounts receivable	243,484,194	391,844,982
Provision for bad debts	(29,490,638)	(24,103,666)
	218,892,732	370,421,655



		Amount in Taka	
		31 March 2021	31 March 2020
12.00	Advances, deposits and prepayments		
	Advances		
	Advance to employees	4,759,103	6,145,449
	Advance to supplier	7,186,248	600,000
	VAT receivable	14,693,132	6,793,709
	Deposits		
	Security deposit	4,024,000	2,524,000
	Advance against Import Duty	5,916,812	3,449,140
	Import deposit	5,621,147	72,764
	Prepayments		
	Office rent	1,896,682	3,416,674
	Warehouse rent	6,375,000	6,750,000
	Insurance	6,539,652	6,816,795
	Other prepaid and deferred expense for imported materials	8,651,178	5,557,287
		65,662,954	41,925,818
12.01	Security deposit		
	Security deposit to Titas Gas T&D Co. Ltd.	277,500	277,500
	Security deposit to Dhaka Electric Supply Authority(DESA)	240,000	240,000
	Security deposit to REB (Mymenshingh Palli Bidyut Samity)	385,000	385,000
	Bank Guarantee of Titas Gas-Bhaluka	371,500	371,500
	Security deposit to Linde Bangladesh Limited.	20,000	20,000
	Security deposit to City Office and warehouse Rent.	2,730,000	1,230,000
		4,024,000	2,524,000
13.00	Cash and cash equivalents		
	Cash in hand	240,459	749,542
	Cash at bank:		
	Standard Chartered	21,702,322	47,363,243
	Citibank N.A	29,026,822	11,039,761
		50,969,603	59,152,546
14.00	Share capital		
	Authorized		
	50,00,000 ordinary shares of Taka 100 each	500,000,000	500,000,000
	Issued, subscribed and paid-up		
	3,526,945 ordinary shares of Taka 100 each	352,694,500	352,694,500
	Shareholding position of the company is as follows :		
	Pidilite International Pte. Ltd (Singapore)	349,150,500	349,150,500
	Pidilite Middle East Ltd (United Arab Emirates)	3,544,000	3,544,000
		352,694,500	352,694,500
15.00	Deferred tax liabilities		
	Deferred tax has been recognized and measured in accordance with the provision of IAS 12, Income taxes.		
	Deferred tax arrived at as follows:		
		As at 31 March 2021	Taxable/ (deductible) Temporary difference
		Carrying amount	Tax base
	Property, plant and equipment		
	Buildings	225,620,519	130,543,158
	Machinery and equipment	139,298,709	115,570,160
	Computers	2,386,942	2,560,475
	Furniture and fixtures	15,467,073	16,017,260
	Mechanical office equipment	82,889,615	63,616,495
	Laboratory equipment	1,047,850	1,215,631
	Software license	1,529,025	1,215,631
	VAT Software	570,000	300,000
		468,809,733	331,038,811
	Provision for doubtful debts	29,490,638	-
	Net temporary difference		137,770,922
	Tax rate		32.5%
	Deferred tax liability/ expense on temporary difference		108,280,284
			35,191,092



	Amount in Taka	
	31 March 2021	31 March 2020
Change in deferred tax assets and liability		
Opening balance	29,310,608	17,786,764
Provision recognized in Profit & Loss	6,884,593	10,996,344
Provision Recognized in Other Comprehensive Income	(1,004,109)	527,501
Balance as at 31 March - Deferred tax liability	35,191,092	29,310,608

16.00 Lease liability

Opening balance	31,211,858	-
Addition during the year	30,747,656	32,714,834
Less: Adjustment during the year	297,345	-
Less: paid during the year	4,389,530	1,502,976
	57,272,639	31,211,858
Less: Current portion of lease liability	6,219,053	1,685,227
Closing balance	51,053,586	29,526,631

17.00 Long term loan

Standard chartered bank	122,286,709	265,126,977
Less: Current portion of long term loan	31,355,566	55,722,661
	90,931,143	209,404,316

Term loan (TL) of Tk 265 million was taken from Standard Chartered Bank (SCB) during 2019-20 for Civil construction of Bhaluka factory and capital machineries, repayable in Five years including one year moratorium period and interest chargeable quarterly. The initial interest rate varies from 9% to 11.97% in 19-20. After one year of moratorium period, the loan is repayable in 4 years through 16 quarterly installments. Currently as of March'21 average interest rate was reduced to 5.25%. In addition of regular instalment the company also paid principal amount of 100 Mn in December'20 as early settlement. This year company paid Tk. 16.35 million as interest expense and principal amount of Tk. 142.84 mn including early settlement. Remaining TL balance of Tk. 122 mn have to be paid within May'2024. Collateral for the loan from SCB are as follows:

- Hypothecation of plant and machineries, land and building of the company; and
- Personal guarantee of all local directors of the company.

18.00 Employee benefits expenses payable

Employees' Retirement Gratuity	Note:18.01	-	-
Workers' Profit Participation and Welfare Fund		5,657,551	7,812,212
Wages		617,259	20,384
Salary allowances		22,624,918	17,988,179
		28,899,728	25,820,775

18.01 Employees' Retirement Gratuity

Present value of defined benefit obligation	46,486,229	41,466,142
Fair value of plan assets	(46,486,229)	(41,466,142)
	-	-

Movement in the present value of the defined benefit obligation are as follows

Opening balance	41,466,142	35,244,586
Current service cost	7,111,277	6,088,784
Interest cost	3,369,708	2,614,637
Actuarial (Gain) / loss		
Actuarial (gains)/ losses arising from changes in demographic	(700,199)	2,297,780
Actuarial (gains)/ losses arising from changes in financial	4,477,280	(7,287,870)
Actuarial (gains)/ losses arising from changes in experience	(1,236,530)	2,920,404
Benefits paid during the year	(8,001,449)	(412,179)
Acquisition/Divestiture	-	-
	46,486,229	41,466,142



		Amount in Taka	
		31 March 2021	31 March 2020
Movement in the fair value of the plan assets are as follows			
Opening balance		41,466,142	35,244,586
Contributions from employer		9,859,329	4,500,066
Adjustment for opening fair value		-	-
Expected Return on Plan Assets		3,711,220	2,696,213
Actuarial (Gain) / loss		(549,013)	(562,543)
Return on plan assets		-	-
Benefits paid during the year		(8,001,449)	(412,179)
Acquisition/Divesliture		-	-
		46,486,229	41,466,142
i) Net Benefit (Asset)/Liability			
Defined benefit obligation		46,486,229	41,466,142
Fair value of plan assets		46,486,229	41,466,142
Net Benefit (Asset)/Liability		-	-
ii) Total expenses recognized in the statement of profit and			
Current Service cost		7,111,277	6,088,784
Interest cost on benefit obligation (net)		-	(79,536)
Total expenses recognized in the statement of profit and loss		7,111,277	6,009,248
iii) Re-measurement effects recognized in other			
Actuarial (gains)/ losses arising from changes in demographic		(700,199)	2,297,780
Actuarial (gains)/ losses arising from changes in financial		4,477,280	(7,287,870)
Actuarial (gains)/ losses arising from changes in experience		(1,236,530)	2,920,404
Return on plan asset		549,013	562,543
Recognized in other comprehensive income		(3,089,564)	1,507,143
Actual return on plan assets		-	-
Assumptions employed for the valuations are as follows			
	%	%	
Expected rate of salary increase Year 1	8.00	8.70	
Expected rate of salary increase Year 2 to thereafter	7.00	8.70	
Discount rate	6.06	8.95	
19.00 Current portion of long term loan & lease liability			
Standard chartered bank		31,355,566	55,722,861.00
Lease Liability		6,219,053	1,685,227.00
		37,574,619	57,407,888
20.00 Provision for expenses			
Professional fees		115,000	115,000
Security service		113,526	243,500
Utilities		198,828	267,099
Advertising		5,774,322	7,023,961
Sales agent expenses		-	391,863
Travelling and conveyance		3,006,488	1,059,600
Audit fees		1,427,500	412,500
Interest expense		-	7,166,824
Freight outward		8,380,837	3,614,098
Petrol and oil		258,100	304,650
Telephone		69,300	-
Withholding income tax and VAT payable		764,267	434,462
Other expenses		2,252,099	479,586
		22,360,267	21,513,143
21.00 Net Advance Income Tax			
Provision for income tax (21.01)		42,039,288	48,968,939
Advance income tax (21.02)		(47,303,755)	(53,252,333)
		(5,264,467)	(4,283,394)
21.01 Provision for income tax			
Opening balance		48,968,939	62,589,901
Provision made during the year		39,561,702	46,876,333
Adjustment during the year		(46,491,353)	(60,497,295)
		42,039,288	48,968,939



Amount in Taka

31 March 2021 31 March 2020

21.02 Advance income tax

Opening balance
Addition during the year
Adjustment during the year

53,252,333	49,936,261
40,542,775	63,813,367
(46,491,353)	(60,497,295)
47,303,755	53,252,333

22.00 Accounts payable

A. J. R. Transport Agency Ltd>
Adex Corporation Ltd.
Ahmed Mashuque & Co.
Akros Trading Co., Ltd.
Al-Ham Printing & Can Manufacture
Amarama Engineers
Asian Solvochem Pvt. Ltd.
Atandra Energy Pvt. Ltd.
Ayzo International FZE
Badal And Company
Bandhon Enterprise
Bhuiyan Metal Works
Comilla Plastic Industry
Creative Packaging Industry
Dak System Inc.
Dhaka Metal Box
Engineers Solution & Ideas
Fair Deal-Expenses
Fortune Cargo Services
Ghorashal Containers Ltd.
Ghorashal Multilayer Plastic Packaging Ltd.
Haresh Petrochem Private Ltd.
Holoplus Techno Systems Ltd.
I R Limited
Impress Apparel Machines Pvt. Ltd.
Industrial Controls
J. Zimmer Maschinenbau Gmbh
Jm Enterprise
JMF Synthetics India Pvt. Ltd.
Juthi Enterprise
K. S. Printing & Packaging
Kashpia Printing & Packaging Ind.
Ketan Chemicals Corporation
Komal Scientific Co.
Link3 Technologies Ltd.
Masud Glass House
Mediacom Limited
Myth Limited
New Super Sign
Nur-E-Midina Transport Agency
Osource (India) Pvt. Ltd.
Padma Cans And Closures Ltd.
Padma Lamitube Ltd.
Pidilite Industries Ltd.
Pragati Insurance Ltd.
Prismtech Packaging Solution Pvt. Ltd.
Q Pail Limited
R.B. Electronic & Engineering Pvt. Ltd.
Rains.Com
Ratul Chemical
Revathi Electronics And Controls
Ricasil Industries

762,899	713,820
290,978	290,978
107,750	315,000
-	14,483,975
428,509	928,970
-	968,539
-	2,153,227
-	336,718
-	3,633,500
7,851,268	8,486,889
193,123	80,426
1,137,010	970,573
1,856,209	818,689
2,749,275	2,234,662
-	1,334,800
518,258	-
-	250,000
2,397,744	1,521,179
478,316	41,000
279,817	63,927
91,131	121,590
2,453,781	2,714,865
31,105	65,125
4,079,103	4,178,597
-	99,705
-	356,520
-	1,595,790
64,212	15,591
-	427,782
1,902,672	161,685
522,584	137,644
184,981	463,120
503,390	476,101
-	2,739,371
25,285	32,572
-	156,605
12,652,301	-
-	1,223,875
26,215	101,115
-	331,700
204,984	203,325
4,827,463	1,412,458
720,847	557,470
126,724,362	83,847,772
917,194	744,410
-	585,494
1,292,017	1,415,003
-	820,345
1,778,458	815,178
95,035	42,372
-	108,752
-	659,212



Amount in Taka

31 March 2021 31 March 2020

Accounts payable

	31 March 2021	31 March 2020
Rototech Industries	-	613,808
Rupali Rent-A-Car	51,060	233,333
Ruptex	778,077	455,250
Sarker Steel Limited	-	1,613,337
Sears Construction & Engineers Ltd.	-	5,667,000
Shanghai Gather Power Industry Co. Ltd.	-	635,660
SKB Storage Industries Snd. Bhd.	-	377,445
Systemanatech (I) Pvt. Ltd.	-	2,666,019
The Care Pack Ltd.	2,873,777	3,097,341
Xclusive Can Limited.	94,519	207,355
Z. R. Enterprise	117,339	55,789
Zonayed Enterprise	305,287	22,546
Abdullah & Sons	35,550	-
BASF India Limited	1,727,964	-
Buhler Asia Pte Ltd.	577,013	-
Datafort Limited	10,368	-
Hr Printing	4,727	-
Indinex Pvt. Ltd.	252,147	-
Jony Transport & Trading	865,100	-
Mbt Trade International	123,625	-
Mpd Industries Pvt. Ltd.	1,331,794	-
Mymensingh Palli Bidyut Samity-2	199,068	-
One Travels	67,437	-
Pan M Tech Ltd.	5,000	-
Petrochem Middle East Fze	3,961,493	-
Pidilite Lanka (Private) Limited	954,349	-
Pirujpur Rent-A-Car	213,322	-
Pon Pure Chem (P) Ltd.	1,330,419	-
Radical International-Vendor	55,890	-
Rahman Accessories	117,520	-
Rak Security Services	348,537	-
Rupali Scientific Stores	850	-
Sincos Engineers Limited	21,952	-
Super Petrochemical Limited	239,479	-
S. R. Parcel Services Ltd.	30,519	-
Vasambika	829,107	-
	195,671,363	161,882,898



		Amount in Taka	
		1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
23.00 Sales - net of VAT			
Local sales		855,385,645	987,467,067
Export sales		37,565,169	18,290,261
Sale of imported finished goods		378,716,682	426,447,738
		1,271,667,496	1,432,205,066
24.00 Other income			
Gain/(Loss) on sale of assets		(133,828)	(987,090)
Foreign exchange gain/(Loss)		2,583,094	(242,120)
Refund from PF Forfeiture Account		235,276	-
Sale of scrap		2,558,367	3,269,458
		5,242,909	2,040,248
25.00 Cost of materials			
Raw materials consumed	Note: 25.01	338,102,691	348,933,173
Packing materials consumed	Note: 25.02	126,836,155	169,508,850
Cost of materials		464,938,846	518,442,023
25.01 Raw materials consumed			
Opening stock		77,602,529	60,016,843
Purchase during the year		357,961,687	366,518,859
Less: Closing stock		(97,461,524)	(77,602,529)
		338,102,691	348,933,173
25.02 Packing materials consumed			
Opening stock		18,050,296	15,695,461
Purchase during the year		126,928,835	171,863,684
Less: Closing stock		(18,142,976)	(18,050,296)
		126,836,155	169,508,850
26.00 Changes in inventory of finished goods and working progress			
Cost of imported finished goods	Note: 26.01	271,770,297	301,341,344
Opening work-in-progress		7,551,262	2,327,830
Opening finished goods		39,364,317	34,965,165
Closing work-in-progress		(9,489,239)	(7,551,262)
Closing finished goods		(53,984,084)	(39,364,317)
Damage and obsolete materials		11,082,779	9,279,818
		266,295,332	300,998,578
26.01 Cost of imported finished goods			
Opening stock		56,445,640	55,383,588
Purchase during the year		304,398,677	302,403,396
Closing stock		(89,074,020)	(56,445,640)
		271,770,297	301,341,344
27.00 Operating expenses			
Travelling and conveyance		1,029,083	1,328,335
Rent others - Rented Vehicle		2,558,793	2,519,884
Repairs and maintenance		1,936,883	2,152,454
Consumable materials		1,748,895	2,130,117
Conventions, seminars and company meetings expense		168,720	412,246
Fuel and petrol		2,846,538	2,968,535
Stationery and office supplies		273,928	443,510
Security service charges		2,514,993	2,852,325
Cleaning expenses		427,831	451,529
Telephone and fax		156,631	130,715
Internet expenses		232,443	218,111
Electricity charges		3,772,769	3,489,607
Gas charges		438,277	549,231
Entertainment		719,902	966,029
Insurance		6,843,204	5,241,998
Testing and certification expenses		253,811	72,656
Factory staff health check up expense		-	259,555
Environment & Safety		568,206	961,985
Office maintenance and supplies		176,915	751,060
		26,667,822	27,899,882



	Amount in Taka	
	1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
	28.00 Administrative expenses	
Insurance	1,107,929	1,509,523
Recruitment expenses	10,781	160,725
Travelling and conveyance	1,802,279	2,058,886
Overseas travelling	30,014	307,425
Office rent	-	379,225
Rent others - Rented Vehicle	600,835	606,050
Repairs and maintenance	386,734	520,077
Fuel and petrol	696,311	904,704
License, registration and membership	1,125,562	1,233,586
Audit fees	1,247,500	247,500
Audit fees for PF, GF & WPPF	90,000	90,000
Professional fees	1,568,553	1,648,756
Stationeries	332,135	515,116
Postage	102,812	116,786
Telephone and fax	357,212	332,757
Internet expenses	225,000	256,273
Data processing services charges	2,308,662	3,358,283
Electricity bill	236,803	361,470
Books and periodicals	3,400	22,149
Royalty	23,066,522	26,325,432
Land tax and rates	-	7,200
Board Meeting attendance fee	115,000	68,000
Entertainment	412,200	785,948
Bank charges	1,662,372	1,358,276
Office maintenance and supplies	1,193,190	1,502,184
Bad debts	5,386,972	13,993,909
	44,068,778	58,670,240
29.00 Selling and distribution expenses		
Sample expense	1,348,294	874,433
Convention and exhibit expense	2,538,067	15,227,041
Advertising	16,567,489	24,713,460
Sales promotion expenses	6,403,986	13,706,908
Warehouse rent	1,093,828	2,625,192
Printing and press advertising	5,400,585	12,315,958
Delivery expenses	21,118,222	24,770,533
Insurance	899,741	920,007
Postage	219,664	177,201
Travelling and conveyance	14,841,909	19,685,918
Overseas travelling	23,297	506,086
Seminars and company meetings expense	805,936	4,826,970
Telephone and fax	2,040,379	1,510,719
Sales agents expenses	5,021,320	4,616,963
Electricity	101,822	118,459
Security service charges	568,200	491,139
Internet	86,352	93,370
Fuel and petrol	1,230,767	1,831,756
	80,309,858	129,012,113
30.00 Employee benefits expenses		
Salary and allowances	178,648,875	157,058,014
Wages	6,583,256	7,110,910
Employees' retirement gratuity	6,769,764	6,007,211
Group insurance	2,468,807	1,791,958
Employee training	37,740	142,586
	194,508,442	172,110,679



		Amount in Taka	
		1 April 2020 to 31 March 2021	1 April 2019 to 31 March 2020
31.00 Net Finance income/(expense)			
	Interest expense	(16,346,365)	(13,820,761)
	Interest Income	799,444	-
	Interest cost on Lease Liability-Office	(5,207,171)	(3,684,623)
	Interest cost on Lease Liability-CNF WH	(230,607)	-
		(20,984,699)	(17,505,384)
32.00 Basic earnings per share (EPS)			
	Profit after tax	66,704,720	98,371,565
	Number of shares	3,526,945	3,526,945
	Basic EPS	18.91	27.89
33.00 Particulars of employee			
	Nationality:		
	Bangladeshi	183	184
	Non-Bangladeshi	1	2
		184	186
	Salary range:		
	Monthly Taka 3,000 or above	184	186
	Monthly below Taka 3,000	-	-
		184	186

34.00 Related party transaction

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

Name of the related party transaction	Nature of transaction	Relationship	Transaction during the year		Amount due/(receivable) as at 31 March 2020
			Transaction value	Amount due/(receivable)	
Pidilite Industries Ltd., India	Purchase of finished goods	Parent company through wholly owned subsidiaries	195,090,792	8,400,512	11,214,979
	Purchase of raw and packing materials		156,012,932	63,072,174	20,438,354
	Royalties		23,066,521	49,391,953	48,289,542
	Expenses against service		1,960,630	5,859,724	3,358,283
	Fixed assets		-	-	546,614
Pidilite Lanka (Private) Limited	Purchase of finished goods	Subsidiaries of Parent company through wholly owned subsidiaries	954,349	954,349	-
			377,085,224	127,678,711	83,847,772

35.00 Capital expenditure commitment

There is no such commitment as at 31 March 2021

36.00 Contingent Liability

The company has filed appeal at Commissioner of Taxes (Appeal) against the order of the Deputy Commissioner of Taxes on the matter of income tax assessments for the assessment year 2015-2016, 2018-2019 and 2019-2020. 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.



37.00 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 2021	As at 31 March 2020
Accounts receivables	218,892,732	370,421,655
Advances, deposits and prepayments (except receivable from Govt.)	50,969,822	35,132,109
Bank balances (except cash in hand) Note # 12	50,729,144	58,403,004
	320,591,698	463,956,768

b) Ageing of accounts receivables

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

Due below six months	223,576,349	229,005,209
Due over six months	24,807,021	12,306,056
	248,383,370	241,311,265

• 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 :

Current liabilities	As at 31 March 2021				
	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits expenses	28,899,728	(28,899,728)	(28,899,728)		-
Current portion of long term loan & lease liability	37,574,619	(37,574,619)	(2,959,629)	(2,801,469)	(31,813,521)
Provision for expenses	22,360,267	(22,360,267)	(22,360,267)		-
Current tax liabilities	-	-	-		-
Accounts payables	195,671,363	(195,671,363)	(195,671,363)		-
	284,505,977	(284,505,977)	(249,890,986)	(2,801,469)	(31,813,521)



As at 31 March 2020					
Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Employee benefits expenses	25,820,775	(25,820,775)	(25,820,775)		-
Current portion of long term	57,407,888	(57,407,888)	(6,869,166)	(18,013,698)	(32,525,023)
Provision for expenses	38,896,366	(38,896,366)	(38,896,366)		-
Current tax liabilities	-	-	-		-
Accounts payables	161,882,898	(161,882,898)	(161,882,898)		-
	284,007,927	(284,007,927)	(233,469,205)	(18,013,698)	(32,525,023)

• **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.

