

**Reckitt Benckiser (Bangladesh) PLC**

Independent auditor's report and financial statements  
as at and for the year ended 31 December 2024



## Rahman Rahman Huq

Chartered Accountants

9 & 5 Mohakhali C/A

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### Independent Auditor's Report

To the Shareholders of Reckitt Benckiser (Bangladesh) PLC

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Reckitt Benckiser (Bangladesh) PLC (the 'Company'), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at 31 December 2024, 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), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition	
See Note 16 to the financial statements	
The key audit matter	How the matter was addressed in our audit
Revenue recognition has significant and wide influence on financial statements.	Our audit procedures in this area included, among others:
Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Revenue from the sale of goods is recognised when the customer or its agent (Forwarder/CFS) obtains control of that goods at the shipping point.	<ul style="list-style-type: none"> <li>Understanding and evaluating the design and implementation of key internal financial controls related to the Company's revenue recognition and testing the operating effectiveness of such control.</li> </ul>
Revenue is measured at net of Value Added Tax (VAT) and trade spend, customer allowances for credit notes, returns and consumer coupons.	<ul style="list-style-type: none"> <li>Testing the sales transactions recognised shortly before and after the statement of financial position date, including the sales returns and debit notes recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.</li> </ul>
A substantial part of the Company's revenue is derived from a large number of distributors which locate over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, a significant amount of audit work is required.	<ul style="list-style-type: none"> <li>Substantive testing of revenue recorded over the period using sampling techniques, by examining the relevant supporting documents including sales orders, invoices and outbound delivery notes and standard price list of the Company. We also confirmed customer balances at the statement of financial position date.</li> </ul>



**Independent Auditor's Report (continued)**

<b>1. Revenue recognition (continued)</b>	
<b>See Note 16 to the financial statements</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>The Company has reported total revenue of BDT 5,459.23 million (2023: BDT 5,281.57 million) for the year ended 31 December 2024.</p>	<ul style="list-style-type: none"> <li>Substantive procedures to check whether discounts and incentives (offset to revenue) are recognised completely and accurately.</li> <li>We have checked whether there is any unusual transactions in revenue accounts through identifying any debit entries corresponding to revenue entries that were not related to cash and bank, trade receivables or advances from customers.</li> </ul>
<b>2. Existence and valuation of inventory</b>	
<b>See Note 5 to the financial statements</b>	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Company had inventory of BDT 707.5 million (2023: BDT 581.3 million) at 31 December 2024, held in factory, warehouses and distribution centers.</p> <p>There is a risk that the entity's inventory may not be completely or accurately recorded, leading to potential misstatements in the financial statements. Specifically, the inventory may not physically exist, or its condition (such as being obsolete or damaged) may not be properly identified, which could impact its valuation. Additionally, inventory is kept and distributed from different locations across the country, increasing the susceptibility to loss or misappropriation. Moreover, the process of estimating the provision for inventory is judgmental and complex, involving a high level of judgment and some manual processes. These factors create significant challenges in ensuring that the inventory is fairly presented in the financial statements. Therefore, the existence and valuation of inventory are considered a key audit matter.</p>	<p>Our audit procedures were designed to confirm the existence of inventories and to assess the adequacy of the Company's provisions against inventory. These procedures included:</p> <ul style="list-style-type: none"> <li>Evaluating the key controls related to the Company's inventory process and observing the process of management's year-end inventory count.</li> <li>Attending inventory counts to verify the existence and assess the condition of inventory, including identifying obsolete or damaged items, and reconciling the count results with the inventory listings to test the completeness of the data.</li> <li>Assessing the methodology and management judgment used to determine the provision for inventory, recalculating the provision, and comparing the results with management's calculation.</li> </ul>

**Other matter**

The financial statements of the Company as at and for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 March 2024.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.





**Independent Auditor's Report (continued)**

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International 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.

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

As part of an audit in accordance with ISAs, we exercise professional 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





**Independent Auditor's Report (continued)**

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

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

**Report on Other Legal and Regulatory Requirements**

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

- 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.



**Md. Tazul Islam, Partner**  
Enrolment Number: 1296  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Enlistment Number: CAF-001-080

Dhaka, **07 APR 2025**

DVC:

**2504071296AS381535**



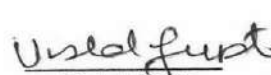
**Reckitt Benckiser (Bangladesh) PLC**  
**Statement of financial position**

<i>In Taka</i>	<i>Note</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Assets</b>			
Property, plant and equipment	3	609,420,973	607,330,849
Right-of-use assets (RoU)	4(A)(i)	102,354,876	142,737,635
Advances, deposits and prepayments	7	28,811,519	25,328,985
Deferred tax assets	23(D)	53,005,051	26,760,604
<b>Non-current assets</b>		<b>793,592,419</b>	<b>802,158,073</b>
Inventories	5	707,506,083	581,307,147
Trade and other receivables	6	128,347,910	135,556,087
Advances, deposits and prepayments	7	26,493,640	53,634,185
Cash and cash equivalents	8	2,202,588,930	2,919,490,457
<b>Current assets</b>		<b>3,064,936,563</b>	<b>3,689,987,876</b>
<b>Total assets</b>		<b>3,858,528,982</b>	<b>4,492,145,949</b>
<b>Equity</b>			
Share capital	9	47,250,000	47,250,000
Retained earnings		1,609,525,709	1,146,708,259
<b>Total equity</b>		<b>1,656,775,709</b>	<b>1,193,958,259</b>
<b>Liabilities</b>			
Employee benefits	10	100,465,789	44,341,842
Lease liabilities	4(A)(iii)	109,141,770	132,646,034
<b>Non-current liabilities</b>		<b>209,607,559</b>	<b>176,987,876</b>
Trade and other payables	11	1,710,925,241	2,479,237,884
Employee benefits	10	10,800,237	5,274,184
Lease liabilities	4(A)(iii)	21,219,179	37,696,760
Current tax liabilities	12	174,239,726	176,835,135
Loans and borrowings	13	69,327,140	30,990,689
Dividend payable	14(B)	-	384,151,964
Unclaimed dividend	14(A)	5,634,191	7,013,198
<b>Current liabilities</b>		<b>1,992,145,714</b>	<b>3,121,199,814</b>
<b>Total liabilities</b>		<b>2,201,753,273</b>	<b>3,298,187,690</b>
<b>Total equity and liabilities</b>		<b>3,858,528,982</b>	<b>4,492,145,949</b>

The annexed notes on pages 9 to 61 are an integral part of these financial statements.

  
**Istiaque Ahmad**  
 Director

  
**Aritra Banerjee**  
 Director and  
 Chief Financial Officer

  
**Vishal Gupta**  
 Managing Director

  
**Md. Nazmul Arefin**  
 Company Secretary

As per our report of same date.



Dhaka, **07 APR 2025**

Auditor  
**Md. Tazul Islam, Partner**  
 Enrolment Number: 1296  
 Rahman Rahman Huq  
 Chartered Accountants  
 KPMG in Bangladesh  
 Firm Enlistment Number: CAF-001-080  
 DVC:

**2504071296AS381535**





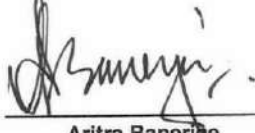
**Reckitt Benckiser (Bangladesh) PLC**  
**Statement of profit or loss and other comprehensive income**


**For the year ended 31 December**

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Revenue	16	5,459,227,005	5,281,570,038
Cost of sales	17	(2,810,315,990)	(2,671,228,513)
<b>Gross profit</b>		<b>2,648,911,015</b>	<b>2,610,341,525</b>
Other income	18	8,448,337	7,433,914
Operating expenses	19	(1,548,916,667)	(1,446,784,683)
Impairment loss on trade receivables	6(A)(ii)	(184,391)	(623,915)
<b>Operating profit</b>		<b>1,108,258,294</b>	<b>1,170,366,841</b>
Finance income	20	51,217,170	27,245,742
Finance costs	21	(80,743,759)	(41,614,445)
<b>Profit before tax and contribution to WPPF</b>		<b>1,078,731,705</b>	<b>1,155,998,138</b>
Contribution to WPPF	22	(51,368,176)	(55,047,530)
<b>Profit before tax</b>		<b>1,027,363,529</b>	<b>1,100,950,608</b>
Income tax expense	23(A)	(275,279,079)	(280,452,819)
<b>Profit for the year</b>		<b>752,084,450</b>	<b>820,497,789</b>
<b>Other comprehensive income</b>			
Remeasurement gain/(loss) of defined benefit plan	10(A)	(36,740,000)	1,400,000
Related tax	23(B)	7,348,000	(280,000)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		<b>(29,392,000)</b>	<b>1,120,000</b>
<b>Total comprehensive income for the year</b>		<b>722,692,450</b>	<b>821,617,789</b>
<b>Earnings per share</b>			
Basic earnings per share (Taka)	24(A)(ii)	159.17	173.65

*The annexed notes on pages 9 to 61 are an integral part of these financial statements.*

  
**Istiaque Ahmad**  
 Director

  
**Aritra Banerjee**  
 Director and  
 Chief Financial Officer

  
**Vishal Gupta**  
 Managing Director

  
**Md. Nazmul Arefin**  
 Company Secretary

As per our report of same date.



Auditor

Dhaka, **07 APR 2025**

**Md. Tazul Islam, Partner**  
 Enrolment Number: 1296  
 Rahman Rahman Huq  
 Chartered Accountants  
 KPMG in Bangladesh  
 Firm Enlistment Number: CAF-001-080

DVC:

**2504071296AS381535**



**Reckitt Benckiser (Bangladesh) PLC**  
**Statement of changes in equity**

**For the year ended 31 December 2024**

<i>In Taka</i>	<i>Note</i>	Attributable to the owners of the Company		
		Share capital	Retained earnings	Total
Balance at 1 January 2023		47,250,000	788,140,470	835,390,470
<b>Total comprehensive income for the year</b>				
Profit for the year 2023		-	820,497,789	820,497,789
Other comprehensive income for the year		-	1,120,000	1,120,000
<b>Total comprehensive income for the year</b>		-	821,617,789	821,617,789
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final dividend for the year 2022	9(C)	-	(463,050,000)	(463,050,000)
<b>Total transactions with owners of the Company</b>		-	(463,050,000)	(463,050,000)
<b>Balance at 31 December 2023</b>		<b>47,250,000</b>	<b>1,146,708,259</b>	<b>1,193,958,259</b>
<b>Balance at 1 January 2024</b>		<b>47,250,000</b>	<b>1,146,708,259</b>	<b>1,193,958,259</b>
<b>Total comprehensive income for the year</b>				
Profit for the year 2024		-	752,084,450	752,084,450
Other comprehensive loss for the year		-	(29,392,000)	(29,392,000)
<b>Total comprehensive income for the year</b>		-	722,692,450	722,692,450
<b>Transactions with owners of the Company</b>				
<b>Contributions and distributions</b>				
Final dividend for the year 2023	9(C)	-	(259,875,000)	(259,875,000)
<b>Total transactions with owners of the Company</b>		-	(259,875,000)	(259,875,000)
<b>Balance at 31 December 2024</b>		<b>47,250,000</b>	<b>1,609,525,709</b>	<b>1,656,775,709</b>

*The annexed notes on pages 9 to 61 are an integral part of these financial statements.*





**Reckitt Benckiser (Bangladesh) PLC**  
**Statement of cash flows**

**For the year ended 31 December**

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		6,605,759,001	6,182,592,980
Payment to suppliers, employees and others		(6,201,215,936)	(4,708,385,821)
Cash generated from operating activities		404,543,065	1,474,207,159
Income tax paid	12	(298,014,648)	(276,109,395)
<b>Net cash generated from operating activities</b>	29	<b>106,528,417</b>	<b>1,198,097,764</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(151,440,941)	(167,384,835)
Proceeds from sale of property, plant and equipment		1,965,910	6,932,777
Income from investment during the year		50,346,851	23,839,117
<b>Net cash used in investing activities</b>		<b>(99,128,179)</b>	<b>(136,612,941)</b>
<b>Cash flows from financing activities</b>			
Dividends paid	14(D)	(646,332,608)	(79,426,526)
Payment of lease liabilities	4(A)(v)	(46,767,275)	(43,366,568)
Increase in loans and borrowings	13	932,757,871	30,990,689
Payments on settlement of loans and borrowings	13	(894,421,420)	-
Finance cost paid		(69,538,333)	(28,420,981)
<b>Net cash used in financing activities</b>		<b>(724,301,765)</b>	<b>(120,223,386)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(716,901,527)</b>	<b>941,261,437</b>
Cash and cash equivalents at 1 January		2,919,490,457	1,978,229,020
Effect of movements in exchange rates on cash held		-	-
<b>Cash and cash equivalents at 31 December</b>		<b>2,202,588,930</b>	<b>2,919,490,457</b>

\*The comparative information of the statement of cash flows of prior year number has been rearranged. See Note 36(i).

The annexed notes on pages 9 to 61 are an integral part of these financial statements.



**1. Reporting entity**

**1.01 Company Profile**

Reckitt Benckiser (Bangladesh) PLC ("the Company") is a public limited company which was incorporated on 15 April 1961 in erstwhile East Pakistan (became independent in 1971 as Bangladesh) under the Companies Act 1913 (as amended in 1994) as "Robinson's Foods (Pakistan) Limited". The name of the Company was changed to "Robinson's Foods (Bangladesh) Limited" under a special resolution on 24 August 1972. In 20 March 1986 in an extra-ordinary general meeting the name of the Company was again changed to Reckitt & Colman Bangladesh Limited. Finally, after the merger with Benckiser, in accordance with parent company, the name of the Company was again changed to Reckitt Benckiser (Bangladesh) Limited, under an extra-ordinary general meeting held on 9 November 2000. The name of the company was further changed to Reckitt Benckiser (Bangladesh) PLC as per requirement of the Companies Act 1994 as amended in 2020 which had been granted by RJSC based on the application submitted on 29th September 2021. The Company's shares are listed on Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

Reckitt Benckiser Limited, UK has 82.96% shareholding of the Company, therefore it is the parent and ultimate controlling party of Reckitt Benckiser (Bangladesh) PLC.

The address of the Company's registered office is 58/59 Nasirabad Industrial Area, Chittagong and the corporate office is The Glass House, 9th & 10th floor, Plot # 02, Block # SE (B), 38, Gulshan Avenue, Dhaka-1212.

**1.02 Principal activities and nature of business**

The Company is engaged in manufacturing and marketing of household, toiletries and pharmaceuticals products under the brand name of Harpic, Dettol, Lysol, Trix, Vanish, Veet, Mortein and Mr. Brasso in Bangladesh. The company's manufacturing plant is situated at Nasirabad, Chittagong. The Company sells its products through its sales depots located at Dhaka and Chittagong.

**2. Basis of preparation and significant accounting policies**

**2.01 Statement of compliance and basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

**2.02 Components of the financial statements**

Being the general purpose financial statements, the presentation of these financial statements is in accordance with the guidelines provided by IAS 1: "Presentation of Financial Statements". The financial statements comprise of the following:

- i. Statement of Financial Position, as at 31 December 2024
- ii. Statement of Profit and Loss and Other Comprehensive Income, for the year ended 31 December 2024
- iii. Statement of changes in equity, for the year ended 31 December 2024
- iv. Statement of cash flows, for the year ended 31 December 2024
- v. Notes to the financial statements, comprising a summary of material accounting policies and other explanatory information to the financial statements.





**2.03 Date of authorisation**

This financial statements is authorised for issue by the Company's board of directors on .....

07 APR 2025

**2.04 Reporting period**

The financial statements of the Company cover twelve months period from 1 January to 31 December and is followed consistently.

**2.05 Comparative Information**

Comparative Information has been disclosed for all numerical, narrative and descriptive information, where it is relevant for understanding of the current year financial statements. Where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed in accordance with the requirement of IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors. Comparative figures have been rearranged/reclassified wherever considered necessary, to ensure better comparability with the current year financial statements and to comply with relevant IFRSs.

**2.06 Functional and presentational currency**

The functional currency of Reckitt Benckiser (Bangladesh) PLC is considered to be Taka/Tk./BDT because that is the currency of the primary economic environment in which the Company operates. All amounts have been rounded to the nearest taka, unless otherwise indicated.

**2.07 Use of judgements and estimates**

In preparing these financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively.

**A. Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Lease term: whether the Company is reasonably certain to exercise extension options.
- Provision for inventory obsolescence and impairment loss reversal on trade receivable
- Gratuity
- Useful life of depreciable assets



**2.07 Use of judgements and estimates (continued)**

**B. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at reporting date that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- Note 5 provision for inventory obsolescence;
- Note 16 and Note 11 – revenue recognition: estimate of expected returns;
- Note 4(A)(i) and (iii) - right of use assets and lease liabilities;
- Note 10 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 23(D) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 12 – current tax liabilities;
- Note 2.11 (I) and Note 3– useful life of property, plant and equipment;
- Note 6 (A)- Expected credit loss on trade receivable;
- Note- 30 - Commitments; and
- Note- 31 - Contingent liabilities- likelihood and magnitude of outflow of resources to measure provisions and contingencies

**2.08 Basis of measurement**

The financial statements of the Company have been prepared on historical cost basis except for inventory, trade receivables and net defined benefit (asset)/liability (the fair value of plan assets less the present value of the defined benefit obligation) for which the measurement basis is the fair value.

**2.09 Going concern**

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern.

**2.10 Accrual basis**

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the Company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.





**2.11 Material accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

Set out below is an index of the material accounting policies, the details of which are available on the pages that follow.

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**A. Foreign currency**

Transactions denominated in foreign currencies are translated using exchange rates prevailing at the date of transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

**B. Revenue recognition**

The Company recognises as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, the Company follows the five-step model as below :

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Customers obtain control of goods when the goods are delivered to and have been accepted their premises. Invoices are generated when the goods are dispatched. Net Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.



**2.11 Material accounting policies (continued)**

**B. Revenue recognition (continued)**

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Therefore, net revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of Value Added Tax (VAT), trade spend, customer allowances for credit notes, returns and consumer coupons. The methodology and assumptions used to estimate credit notes, returns and consumer coupons are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Value Added Tax and other sales taxes are also excluded from revenue.

The consideration promised in a contract with a customer may include fixed amounts, variable amounts or both. The Company considers past customary business practices when making this determination. The consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, or other similar items. The Company estimates variable consideration by using the most likely amount, which is the single most likely amount in a range of possible consideration amounts.

**C. Employee benefits**

**i. Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii. Defined contribution plans (provident fund)**

The Company operates a recognised provident fund in which employees contribute 10% of their basic salary and the company also contributes same. The Company has no legal or constructive obligation to pay further amounts. The Fund is managed by a Board of Trustees. Obligations for contributions to the recognised provident fund are recognised in the statement of profit or loss and other comprehensive income in the period during which related services are rendered by employees.

**iii. Defined benefit plans (gratuity)**

The company operates a funded gratuity scheme which has been approved by the National Board of Revenue as a recognized gratuity fund with effect from 04 April 2021. Employee are entitled to gratuity benefit after completion of five years of service with the company based on their last drawn monthly basic salary for every completed year of service. The Company's expense related to gratuity is estimated on a yearly basis and the amount is transferred to the fund and charge to expense of the company.

The calculation of defined benefit obligation was performed this year by a qualified actuarial firm using the Projected Unit Credit (PUC) method to assess the Plan's liabilities. All actuarial gains and losses are recognised immediately in the retained earnings through an account known as the Other Comprehensive Income. Relevant tax impacts of such remeasurements are also recognised immediately in Other Comprehensive Income. The actuarial calculations was performed according to IAS 19 - *Employee benefits*. The company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset) taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.





2.11 Material accounting policies (continued)

C. Employee benefits (continued)

iv. Workers' Profit Participation Fund

The Company operates a Fund for workers as Workers' Profit Participation and Welfare Fund (the "WPPF") and provides for 5% of net profit before charging such expense in accordance with section 234 of Bangladesh Labour Act 2006 (amended in 2013, 2018 and 2022), if any. The Company recognises the contribution to the Fund as short term employee benefits.

The fund is managed by a Board of Trustees and required fund for Workers' Profit Participation and Welfare Fund has been disbursed for the year up to 31 December 2023 to the bank account of the Trustee Board and Government Welfare Fund in compliance with the said Act.

D. Finance income and finance cost

i. Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in statement of profit or loss and other comprehensive income using the effective interest method.

ii. Finance cost

Finance costs comprise interest expense on borrowings and foreign exchange gain or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

E. Income tax

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

i. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Provision for current tax expenses has been made on the basis of Income Tax Act 2023 (as amended up to date). Currently, the applicable tax rate is 20% on taxable profit.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority.

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





2.11 Material accounting policies (continued)

F. Share capital

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

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

G. Dividend distribution

Dividends to the Company's shareholders are recognised as a liability in the period in which the dividends are approved by the company's shareholders at the Annual General Meeting. Interim dividends are recorded in the period in which they are approved and paid. The Company may issue bonus share as a part of stock dividend in any financial year, subject to approval from the board and Company's shareholders at the Annual General Meeting.

H. Inventories

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

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

Inventory in transit represents the cost incurred for the items that were not received up to the date of statement of financial position. Inventory losses and abnormal losses are recognised as expenses.

I. Property, plant and equipment

i. Recognition and measurement

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

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

ii. Subsequent costs

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



2.11 Material accounting policies (continued)

i. Property, plant and equipment (continued)

iii. Derecognition

An asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal. Gains and losses on the disposal of property, plant and equipment are determined by comparing the asset's carrying value with any sale proceeds and are included in the statement of profit or loss and other comprehensive income.

iv. Depreciation

Items of property, plant and equipment are depreciated from the month they are available for use while no depreciation is charged for the month in which an asset is disposed off.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Land is not depreciated except for leasehold land.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

Particulars of Property, plant and equipment	Estimated Useful Life
Leasehold land	The lower of 50 years or the life of the lease
Buildings	5-45 years
Plant and machinery	3-8 years
Furniture, fixtures and equipment	1-5 years
Computers	3 years
Vehicles	4-5 years

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

Property, plant and equipment with a cost of minimum BDT 50,000 are capitalized. Property, plant and equipment with a cost price below BDT 50,000 are fully depreciated in the year of acquisition and charged in the administrative expenses.

v. Impairment

Recognition

Property, plant and equipment is reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be appropriate. Freehold land is reviewed for impairment on an annual basis. If an indication of impairment is identified at any time (not only during the annual review), the Company estimates the asset's recoverable amount. If the recoverable amount is below the asset's carrying amount, the assets are written off to its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

Recoverable amount

The recoverable amount of asset is the greater of fair value less costs to sell or its value in use. The estimated future cash flows are discounted to their present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset to determine the value in use.

Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.





2.11 Material accounting policies (continued)

J. Asset under construction

Asset under construction represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use. Asset under construction is recorded at cost to the extent of expenditure incurred to date of statement of financial position. The amount of asset under construction is transferred to appropriate asset category and depreciated when the asset is completed and commissioned.

K. Financial instruments

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

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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





2.11 Material accounting policies (continued)

K. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets – Business model assessment

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

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

Financial assets – Subsequent measurement and gains and losses

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

Financial assets are derecognised when-

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

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



2.11 Material accounting policies (continued)

K. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

(a) Cash and cash equivalents

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

The Company refrains from using petty cash for day-to-day expenses. Petty expenses are assigned to third party vendors.

(b) Trade and other receivables

Trade and other receivables are recognised initially at the invoice amount when there is no significant financing component. Subsequent to initial recognition they are measured at the remaining amount less expected credit loss at the year end, which is made at the discretion of the management as per the credit policy.

(c) Short term investments

Short term investment consists of fixed deposits with maturity of less than 90 days. The Company has the positive intent and ability to hold FDR to maturity, and such financial assets are carried at amortised cost. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Financial liability

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

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

Financial liabilities include trade and other payables, loans and borrowings etc.

(a) Trade and other payables

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

(b) Loans and borrowings

The Company recognises loans and borrowings when its contractual obligations arising from past events are certain and derecognises when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises loans and borrowings when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

L. Impairment

i. Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Loss (ECL) on:

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

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





**2.11 Material accounting policies (continued)**

**L. Impairment (continued)**

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

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

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

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

**ii. Measurement of ECLs**

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

ECLs are discounted at the effective interest rate of the financial asset.

**M. Leases**

The Company has various lease arrangements for floor spaces at buildings (such as offices and warehouses). Lease terms are negotiated on an individual basis locally and subject to domestic rules and regulations. At the inception of a lease contract, the Company assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for consideration, in which case it is identified as a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

**i. As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**Right-of-use assets**

The Company recognises a right-of-use asset at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. Right-of-use assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.





2.11 Material accounting policies (continued)

M. Leases (continued)

i. As a lessee (continued)

Lease liabilities

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

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Subsequent to initial recognition lease liabilities are increased by the interest costs on the lease liabilities and decreased by lease payments made. Lease liabilities held are remeasured to account for revised future payments.

ii. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases.

Low value leases are those with an underlying asset value of USD 5,000 or less. Low-value leases can either be capitalised in accordance with this policy or expensed as incurred.

Short-term leases are those with a duration (at inception) of 1 year or less. The Company recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

N. 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 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 date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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



**2.11 Material accounting policies (continued)**

**O. Contingencies**

**i. Contingent liability**

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

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

**ii. Contingent asset**

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

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

**P. Earnings per share**

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue.

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

Related disclosure of earnings per share has been provided in Note 24.

**Q. Related party disclosure**

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related disclosures have been provided in note 26.

**R. Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, whose operating results are reviewed regularly by the Company's management committee (being the chief operating decision maker) to make decisions about resources allocated to each segment and assesses its performance, and for which discrete financial information is available.





**2.11 Material accounting policies (continued)**

**S. Statement of Cash Flows**

The statement of cash flows has been prepared in accordance with requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been prepared using the "Direct Method" as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatments of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

A reconciliation of Net operating cash flow in indirect method has also been disclosed in note-29.

**T. Events after the reporting date**

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the Note 37.

**U. Materiality, aggregation and off setting**

Each material item, management considered significant, has been presented separately in the financial statements. Item of dissimilar nature or function are presented separately unless they are immaterial. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**V. Current versus non current classification**

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

An asset is current when

- it is expected to realise the asset, or intended to sell or consume it, in its normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to realise the assets within twelve months after the reporting period; or
- the asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when

- it is expected to be settled in its normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non current assets and liabilities.





## 2.12 Status of Compliance to Accounting Standards

The following accounting standards have been applied in preparing this financial statements

Standard Title	Standard No.	Status
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant, and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Not applicable
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	Not applicable
Separate Financial Statements	IAS 27	Not applicable
Investments in Associates and Joint Ventures	IAS 28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS 29	Not applicable
Earnings per Share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities, and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Not applicable
Investment Property	IAS 40	Not applicable
Agriculture	IAS 41	Not applicable
First-time Adoption of International Financial Reporting	IFRS 1	Not applicable
Share-based Payment	IFRS 2	Not applicable
Business Combinations	IFRS 3	Not applicable
Non-current Assets Held for Sale and Discontinue Operations	IFRS 5	Not applicable
Exploration and Evaluation of Mineral Resources	IFRS 6	Not applicable
Financial Instruments: Disclosures	IFRS 7	Applied
Operating Segments	IFRS 8	Applied
Financial Instruments	IFRS 9	Applied
Consolidated Financial Statements	IFRS 10	Not applicable
Joint Arrangements	IFRS 11	Not applicable
Disclosure of Interests in Other Entities	IFRS 12	Not applicable
Fair Value Measurement	IFRS 13	Applied
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Applied
Insurance Contracts	IFRS 17	Not applicable



**Notes to the financial statements (continued)**

**3. Property, plant and equipment**

See accounting policy in Note 2.11(I).

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
<b>i. Cost</b>		
Balance at 1 January	1,333,897,919	1,219,951,220
Additions	151,048,949	200,370,394
Transfers/capitalised	-	(32,939,714)
Impairment Loss	(32,593,985)	-
Disposal/adjustment	(9,247,690)	(53,483,981)
<b>Balance at 31 December</b>	<b>1,443,105,193</b>	<b>1,333,897,919</b>
<b>ii. Accumulated depreciation</b>		
Balance at 1 January	726,567,070	642,071,369
Depreciation for the year	148,306,618	137,967,239
Impairment Loss	(32,055,909)	-
Disposal/adjustment	(9,133,559)	(53,471,538)
<b>Balance at 31 December</b>	<b>833,684,220</b>	<b>726,567,070</b>
<b>Carrying amounts (i-ii)</b>	<b>609,420,973</b>	<b>607,330,849</b>

A Reconciliation of carrying amounts is provided in Note 3(A).



Notes to the financial statements (continued)

3. Property, plant and equipment (continued)

A. Reconciliation of carrying amount

In Taka	Leasehold land	Buildings	Plant and machinery	Furniture and fixtures and equipment	Computers	Vehicles	Assets under construction	Total
<b>Cost</b>								
Balance at 1 January 2023	209,490	304,350,268	467,132,767	272,322,704	38,160,967	62,799,109	74,975,915	1,219,951,220
Additions	-	9,383,637	14,233,850	13,459,111	8,348,512	25,747,532	129,197,752	200,370,394
Transfers/capitalised	-	-	-	-	-	-	(32,939,714)	(32,939,714)
Disposal/adjustment	-	(18,011,450)	(5,906,664)	(6,150,099)	-	(23,415,768)	-	(53,483,981)
<b>Balance at 31 December 2023</b>	<b>209,490</b>	<b>295,722,455</b>	<b>475,459,953</b>	<b>279,631,716</b>	<b>46,509,479</b>	<b>65,130,873</b>	<b>171,233,953</b>	<b>1,333,887,919</b>
Balance at 1 January 2024	209,490	295,722,455	475,459,953	279,631,716	46,509,479	65,130,873	171,233,953	1,333,887,919
Additions	-	-	-	134,000	6,054,905	8,603,193	136,256,851	151,048,949
Transfers/capitalised	-	11,570,512	50,439,065	55,388,551	-	-	(117,398,128)	-
Impairment loss	-	(2,028,783)	(5,148,131)	(13,368,691)	(12,048,380)	-	-	(32,593,985)
Disposal/adjustment	-	-	(2,200,000)	(3,812,955)	-	(3,234,735)	-	(9,247,690)
<b>Balance at 31 December 2024</b>	<b>209,490</b>	<b>305,264,184</b>	<b>518,550,887</b>	<b>317,972,821</b>	<b>40,515,004</b>	<b>70,499,331</b>	<b>190,092,676</b>	<b>1,443,105,193</b>
<b>Accumulated depreciation</b>								
Balance at 1 January 2023	209,490	158,596,976	254,013,681	153,591,120	31,214,412	44,445,690	-	642,071,369
Depreciation for the year	-	24,078,019	65,693,295	35,391,687	7,210,665	5,593,572	-	137,967,239
Disposal/adjustment	-	(17,926,998)	(6,004,566)	(6,129,206)	-	(23,410,768)	-	(53,471,538)
<b>Balance at 31 December 2023</b>	<b>209,490</b>	<b>164,747,997</b>	<b>313,702,410</b>	<b>182,853,601</b>	<b>38,425,078</b>	<b>26,628,494</b>	<b>-</b>	<b>726,567,070</b>
Balance at 1 January 2024	209,490	164,747,997	313,702,410	182,853,601	38,425,078	26,628,494	-	726,567,070
Depreciation for the year	-	22,035,169	69,668,827	40,049,128	6,095,121	10,458,373	-	148,306,618
Impairment loss	-	(2,027,225)	(5,130,244)	(13,078,549)	(11,819,891)	-	-	(32,065,909)
Disposal/adjustment	-	-	(2,087,889)	(3,812,935)	-	(3,232,735)	-	(9,133,559)
<b>Balance at 31 December 2024</b>	<b>209,490</b>	<b>184,755,941</b>	<b>376,153,104</b>	<b>206,011,245</b>	<b>32,700,308</b>	<b>33,654,132</b>	<b>-</b>	<b>833,684,220</b>
<b>Carrying amounts</b>								
At 1 January 2023	-	145,753,292	213,119,086	118,731,584	6,946,555	18,353,419	74,975,915	577,879,851
At 31 December 2023	-	130,974,458	161,757,543	96,778,115	8,084,401	38,502,379	171,233,953	607,330,849
At 31 December 2024	-	120,508,243	142,397,783	111,961,376	7,815,698	36,645,199	190,092,676	609,420,973

B. Allocation of depreciation and impairment losses

Allocation of depreciation and impairment losses			2024	2023	
			Depreciation on PPE	Impairment loss	Total
In Taka	Note				
Cost of sales	17		130,087,895	228,549	130,316,444
Selling and distribution expenses	19(A)		7,015,885	-	7,015,885
Administrative expenses	19(B)		11,202,838	309,528	11,512,366
			148,306,618	538,077	148,844,695
					137,967,239





**Notes to the financial statements (continued)**

**3. Property, plant and equipment (continued)**

**C. Asset under construction**

See accounting policy in Note 2.11(J).

<i>In Taka</i>	<b>Buildings</b>	<b>Furniture fixtures and equipment</b>	<b>Plant and machinery</b>	<b>Total</b>
<b>Cost</b>				
Balance at 1 January 2023	8,144,633	62,315,689	4,515,593	74,975,915
Additions	26,305,636	73,996,428	28,895,689	129,197,753
Transfers/capitalised	(9,383,637)	(11,539,842)	(12,016,236)	(32,939,715)
<b>Balance at 31 December 2023</b>	<b>25,066,633</b>	<b>124,772,274</b>	<b>21,395,046</b>	<b>171,233,953</b>
Balance at 1 January 2024	25,066,633	124,772,274	21,395,046	171,233,953
Additions	38,660,800	61,012,996	36,583,055	136,256,851
Transfers/capitalised	(11,570,512)	(55,388,551)	(50,439,065)	(117,398,128)
<b>Balance at 31 December 2024</b>	<b>52,156,921</b>	<b>130,396,719</b>	<b>7,539,036</b>	<b>190,092,676</b>

**4. Leases**

See accounting policy in Note 2.11(M).

**A. Leases as lessee (IFRS 16)**

The Company leases distribution centers and head-office. The leases for distribution centers run for a period of 2 - 3 years and head office for a period of 10 years, with an option to renew the lease after that date.

The Company leases sales offices with contract terms of one year. These leases are short-term and leases of low-value items. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Company is a lessee is presented below.

**i. Right-of-use assets (RoU)**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Balance at 1 January	142,737,635	167,880,360
Additions	16,154,108	18,108,416
Depreciation	(41,294,916)	(43,251,141)
Disposal/adjustment	(15,241,951)	-
<b>Balance at 31 December</b>	<b>102,354,876</b>	<b>142,737,635</b>



**Notes to the financial statements (continued)**

**4. Leases (continued)**

**A. Leases as lessee (IFRS 16) (continued)**

**i. Right-of-use assets (RoU) (continued)**

**Reconciliation of carrying amount**

<i>In Taka</i>	<b>Corporate</b>	<b>Depot</b>	<b>Other*</b>	<b>Total</b>
<b>Cost</b>				
Balance at 1 January 2023	169,873,170	74,719,162	5,037,716	249,630,048
Additions	1,197,698	15,519,500	1,391,218	18,108,416
Disposal/adjustment	-	(5,661,324)	(1,096,244)	(6,757,568)
<b>Balance at 31 December 2023</b>	<b>171,070,868</b>	<b>84,577,338</b>	<b>5,332,690</b>	<b>260,980,896</b>
Balance at 1 January 2024	171,070,868	84,577,338	5,332,690	260,980,896
Additions	-	15,902,018	-	15,902,018
Increase/(Decrease) in ROU assets	1,607,237	-	(1,355,147)	252,090
Disposal/adjustment	-	(31,505,996)	-	(31,505,996)
<b>Balance at 31 December 2024</b>	<b>172,678,105</b>	<b>68,973,360</b>	<b>3,977,543</b>	<b>245,629,008</b>
<b>Accumulated depreciation</b>				
Balance at 1 January 2023	48,683,752	30,012,812	3,053,124	81,749,688
Depreciation for the year	18,319,006	22,371,564	2,560,571	43,251,141
Disposal/adjustment	-	(5,661,324)	(1,096,244)	(6,757,568)
<b>Balance at 31 December 2023</b>	<b>67,002,758</b>	<b>46,723,052</b>	<b>4,517,451</b>	<b>118,243,261</b>
Balance at 1 January 2024	67,002,758	46,723,052	4,517,451	118,243,261
Depreciation for the year	17,267,810	23,012,236	1,014,870	41,294,916
Disposal/adjustment	629,501	(15,338,768)	(1,554,778)	(16,264,045)
<b>Balance at 31 December 2024</b>	<b>84,900,069</b>	<b>54,396,520</b>	<b>3,977,543</b>	<b>143,274,132</b>
<b>Carrying amounts</b>				
At 1 January 2023	121,189,418	44,706,350	1,984,592	167,880,360
<b>At 31 December 2023</b>	<b>104,068,110</b>	<b>37,854,286</b>	<b>815,239</b>	<b>142,737,635</b>
<b>At 31 December 2024</b>	<b>87,778,036</b>	<b>14,576,840</b>	<b>-</b>	<b>102,354,876</b>

\*Other lease includes Damage Store and archive center for which the Company has taken lease.

**ii. Allocation of depreciation (RoU assets)**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Cost of sales	1,014,870	462,000
Selling and distribution expenses	23,012,236	27,081,965
Administrative expenses	17,267,810	15,707,176
	<b>41,294,916</b>	<b>43,251,141</b>

**iii. Lease liabilities**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Balance at 1 January	170,342,794	187,347,635
Increase/(Decrease) in lease liabilities	(2,977,901)	13,876,997
Interest on lease liabilities	9,763,331	12,484,730
Payment made during the year	(46,767,275)	(43,366,568)
<b>Balance at 31 December</b>	<b>130,360,949</b>	<b>170,342,794</b>
Current portion of lease liabilities	21,219,179	37,696,760
Non-current portion of lease liabilities	109,141,770	132,646,034
	<b>130,360,949</b>	<b>170,342,794</b>



## Notes to the financial statements (continued)

### 4. Leases (continued)

#### A. Leases as lessee (IFRS 16) (continued)

##### iv. Amounts recognised in profit or loss

<i>In Taka</i>	2024	2023
<b>Leases under IFRS 16</b>		
Interest on lease liabilities	9,763,331	12,484,730
Depreciation on ROU assets	41,294,916	43,251,141
	<b>51,058,247</b>	<b>55,735,871</b>

##### v. Amounts recognised in statement of cash flows

<i>In Taka</i>	2024	2023
<b>Total cash outflow for leases</b>	<b>46,767,275</b>	<b>43,366,568</b>

##### vii. Extension options

Some property leases contain extension options exercisable by the Company. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

#### B. Leases as lessor

The Company does not provide any lease facility to other entity.

### 5. Inventories

See accounting policy in Note 2.11(H).

<i>In Taka</i>	Note	2024	2023
Raw and packing materials	5(A)	301,045,486	272,023,992
Provision for inventory obsolescence		(10,212,480)	(7,702,673)
<b>Net raw and packing materials</b>		<b>290,833,006</b>	<b>264,321,319</b>
Finished goods	5(B)	313,964,378	313,571,715
Provision for inventory obsolescence		(5,102,312)	(2,197,005)
<b>Net finished goods</b>		<b>308,862,066</b>	<b>311,374,710</b>
Work-in-progress		2,364,221	2,420,588
Inventory in transit	5(C)	105,446,790	3,190,530
		107,811,011	5,611,118
		<b>707,506,083</b>	<b>581,307,147</b>

#### A. Raw and packing materials

Raw materials	246,621,865	217,809,498
Packing materials	54,423,621	54,214,494
	<b>301,045,486</b>	<b>272,023,992</b>

#### B. Finished goods

##### i. Operational allocation of finished goods

Manufacturing unit	134,825,238	123,713,411
Trading unit	179,139,140	189,858,304
	<b>313,964,378</b>	<b>313,571,715</b>





Notes to the financial statements (continued)

5. Inventories (continued)  
B. Finished goods (continued)

ii. Business line-wise allocation of finished goods

Business line	Unit of measurement	2024		2023	
		Quantity Unit	Amount Taka	Quantity Unit	Amount Taka
Household and toiletries	Metric Ton	662	241,488,224	734	182,209,702
	Thousand Litre	739	60,321,357	721	111,040,530
			301,809,581		293,250,232
Pharmaceuticals	Thousand Litre	40	6,614,332	39	12,824,487
	Million No.	3	438,153	12	5,299,991
			7,052,485		18,124,478
			308,862,066		311,374,710

C. Inventory in transit

In Taka	2024	2023
Raw and packing materials	105,446,790	-
Finished goods	-	3,190,530
	105,446,790	3,190,530

6. Trade and other receivables  
See accounting policy in Note 2.11(K)(ii)(b).

In Taka	Note	2024	2023
Trade receivables	6(A)	121,654,716	129,232,075
Other receivables	6(B)	6,693,194	6,324,012
		128,347,910	135,556,087

A. Trade receivables

Trade receivables	6(A)(i)	122,707,444	130,100,412
Expected credit loss	6(A)(ii)	(1,052,728)	(868,337)
		121,654,716	129,232,075

i. Channel wise trade receivable

Traditional trade	82,847,057	97,208,974
Modern Trade	19,674,728	17,732,462
Ecommerce	16,196,507	11,489,020
Institution	3,989,152	3,669,956
	122,707,444	130,100,412

ii. Expected credit loss

Balance at 1 January	868,337	244,422
Net Provision made during the year	184,391	623,915
Balance at 31 December	1,052,728	868,337

B. Other receivables

Interest receivables	6,693,194	5,822,875
Forfeited amount receivable from provident fund	-	501,137
	6,693,194	6,324,012



## 7. Advances, deposits and prepayments

<i>In Taka</i>	2024	2023
<b>Advances</b>		
Advance to suppliers	6,280,279	36,217,855
Advance to employees	1,674,792	19,000
Advance for raw materials and packing materials	7,511,412	9,692,463
	<b>15,466,483</b>	<b>45,929,318</b>
<b>Deposits</b>		
Security deposit	16,473,742	16,473,742
	<b>16,473,742</b>	<b>16,473,742</b>
<b>Prepayments</b>		
Prepaid insurance	7,445,057	2,845,087
Prepaid others	15,919,877	12,484,944
Prepaid government fees	-	369,646
Prepaid rent	-	860,433
	<b>23,364,934</b>	<b>16,560,110</b>
	<b>55,305,159</b>	<b>78,963,170</b>
Current	26,493,640	53,634,185
Non-current	28,811,519	25,328,985
<b>Balance at 31 December</b>	<b>55,305,159</b>	<b>78,963,170</b>

## 8. Cash and cash equivalents

<i>In Taka</i>	Note	2024	2023
Bank balances	8(A)	2,202,588,930	2,919,490,457
		<b>2,202,588,930</b>	<b>2,919,490,457</b>

## A. Bank balances

Hong Kong and Shanghai Banking Corporation Limited (HSBC)	212,591,557	179,587,124
Standard Chartered Bank	369,497,373	519,903,333
CitiBank N.A.	500,000	-
Short term deposits*	1,620,000,000	2,220,000,000
	<b>2,202,588,930</b>	<b>2,919,490,457</b>

\*As at 31 December 2024, the Company has six short term deposits with HSBC with maturity of less than three months (90 days) with an average interest rate of 4.38%.



**Notes to the financial statements (continued)**

**9. Share capital**

See accounting policy in Note 2.11(F).

**Issued, subscribed and paid up**

<i>In Taka</i>	2024	2023
130,000 ordinary shares of Taka 10 each fully paid up in cash	1,300,000	1,300,000
20,000 ordinary shares of Taka 10 each fully paid up in other than cash	200,000	200,000
4,575,000 ordinary shares of Taka 10 each fully paid bonus share	45,750,000	45,750,000
<b>In issue at 31 December - fully paid</b>	<b>47,250,000</b>	<b>47,250,000</b>

**Authorised**

25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000
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**A. Position of shareholding**

<i>Name of the shareholders</i>	<b>Number of shares</b> <i>Unit</i>	<b>At 31 December 2024</b>		<b>At 31 December 2023</b>	
		<b>Face value</b> <i>Taka</i>	<b>Percentage of holding</b> <i>%</i>	<b>Face value</b> <i>Taka</i>	<b>Percentage of holding</b> <i>%</i>
<b>Parent company</b>					
Reckitt Benckiser Limited, UK	3,919,918	39,199,180	82.96	39,199,180	82.96
<b>Bangladeshi shareholders:</b>					
ICB Unit Fund	3,700	37,000	0.08	37,000	0.08
Investment Corporation of Bangladesh (ICB)	15,774	157,740	0.33	157,740	0.33
ICB Mutual Funds	50	500	0.00	500	0.00
Individuals	239,322	2,393,220	5.07	2,767,510	5.86
Government of Bangladesh	178,339	1,783,390	3.77	1,783,390	3.77
Sadharan Bima Corporation (SBC)	79,059	790,590	1.67	790,590	1.67
Other institutions	288,838	2,888,380	6.11	2,514,090	5.32
	<b>4,725,000</b>	<b>47,250,000</b>	<b>100</b>	<b>47,250,000</b>	<b>100</b>

**B. Classification of shareholders by holdings**

<i>Holdings</i>	<b>At 31 December 2024</b>		<b>At 31 December 2023</b>	
	<b>Number of holders</b>	<b>Percentage of holdings</b>	<b>Number of holders</b>	<b>Percentage of holdings</b>
Less than 500 shares	1,993	1.83	2,244	2.00
500 to 5,000 shares	56	1.44	66	1.97
5,001 to 10,000 shares	6	0.95	5	0.83
10,001 to 20,000 shares	7	2.09	7	2.13
20,001 to 30,000 shares	1	0.56	1	0.56
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	1	1	-	-
50,001 to 100,000 shares	2	3.00	2	3.00
100,001 to 1,000,000 shares	2	6.17	2	6.55
Over 1,000,000 shares	1	82.96	1	82.96
	<b>2,069</b>	<b>100</b>	<b>2,328</b>	<b>100</b>

**C. Dividends**

**Approved dividend**

The following final dividends were approved by the Company for the year.

<i>In Taka</i>	2024	2023
BDT 55 per qualifying ordinary share (2023: BDT 98)	259,875,000	463,050,000
	<b>259,875,000</b>	<b>463,050,000</b>

**Proposed dividend**

After the reporting date, the following final dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences. See Note 37.

<i>In Taka</i>	2024	2023
BDT 333 per qualifying ordinary share (2023: BDT 55)	1,573,425,000	259,875,000
	<b>1,573,425,000</b>	<b>259,875,000</b>





**10. Employee benefits**

See accounting policy in Note 2.11(C).

The Company introduced planned asset in the defined benefit scheme during 2021. Gratuity fund is administered by a Board of Trustees and Company's contributions are invested separately from company assets. The Company is contributing to the fund as prescribed by actuarial valuation report.

	31 December 2024	31 December 2023
<i>In Taka</i>		
Fair value of plan assets	191,828,546	200,996,413
Defined benefit obligation	(303,094,572)	(250,612,439)
<b>Net Defined benefit obligation</b>	<b>(111,266,026)</b>	<b>(49,616,026)</b>

**A. Movement in net defined benefit asset and liability**

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/liability	
<i>In Taka</i>	2024	2023	2024	2023	2024	2023
Balance at 1 January	250,612,439	240,121,477	200,996,413	205,866,413	49,616,026	34,255,064
<b>Included in profit or loss</b>						
Current service cost	20,800,000	15,230,000	-	-	20,800,000	15,230,000
Past service costs	-	-	-	-	-	-
Interest cost/(income)	24,590,000	17,570,000	20,480,000	16,040,000	4,110,000	1,530,000
	45,390,000	32,800,000	20,480,000	16,040,000	24,910,000	16,760,000
<b>Included in OCI</b>						
Actuarial (gain)/loss arising from:						
Return on plan assets	-	-	(20,480,000)	(15,720,000)	20,480,000	15,720,000
Financial assumption	1,370,000	-	-	-	1,370,000	-
Experience adjustment	14,890,000	(17,120,000)	-	-	14,890,000	(17,120,000)
	16,260,000	(17,120,000)	(20,480,000)	(15,720,000)	36,740,000	(1,400,000)
<b>Other</b>						
Contribution paid by the employer	-	-	-	-	-	-
Benefits paid	(9,167,867)	(5,189,038)	(9,167,867)	(5,190,000)	-	962
	(9,167,867)	(5,189,038)	(9,167,867)	(5,190,000)	-	962
<b>Balance at 31 December</b>	<b>303,094,572</b>	<b>250,612,439</b>	<b>191,828,546</b>	<b>200,996,413</b>	<b>111,266,026</b>	<b>49,616,026</b>
<i>In Taka</i>					2024	2023
Current portion					10,800,237	5,274,184
Non-current portion					100,465,789	44,341,842
					111,266,026	49,616,026

**B. Fair Value of Plan Asset**

Plan asset is comprised of the following:

	31 December 2024	31 December 2023
Debt instrument	-	-
Cash and cash equivalents	191,828,546	200,996,413
	191,828,546	200,996,413



## 10. Employee benefits (continued)

## C. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	2024	2023
<b>Financial assumptions:</b>		
Discount rate	12.50%	10.00%
Salary escalation rate	16%(9.5% thereafter)	8.50%
<b>Demographic assumptions:</b>		
Withdrawal rate	20%- 10%	20%- 10%

Assumptions regarding future mortality have been used based on published statistics and mortality tables. As there is no published mortality table in Bangladesh and hence the Indian Assured Life Mortality rate (2006-08) ultimate based on the mortality experience of assured lives in India is being used as a reasonable approximation. The current longevities underlying the values of the defined obligations at the reporting date was adopted from Indian Life Mortality table.

## D. Sensitivity analysis of significant actuarial assumptions

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(14,330,000)	15,700,000	15,340,000	(13,700,000)
Future salary growth (1% movement)	15,890,000	(14,730,000)	15,040,000	(13,690,000)

Although the analysis does not take of full distribution of cash flows expected under the plan, it does provide an approximation of sensitivity of the assumptions shown.

## E. Significant characteristics of plan

Plan sponsor	: Reckitt Benckiser (Bangladesh) PLC
Nature of benefits	: Final salary defined benefit plan
Risks associated with the plan	: Plan sponsor bears all the risks associated with the plan
Vesting criteria	: 5 years; not applicable in case of death or disability, while in service; more than 6 months service is considered as a complete year of service
Applicable salary	: Last drawn monthly basic salary
Maximum limit of benefit paid	: No upper limit on benefit
Basis of gratuity	: Accrued benefit
Normal retirement age	: 60 years
Benefit calculation	
Service up to ten years	: 1 x Salary x (Number of completed years of service)
Service beyond ten years	: 1.50 x Salary x (Number of completed years of service)



Notes to the financial statements (continued)

11. Trade and other payables

See accounting policy in Note 2.11(K)(ii)

<i>In Taka</i>	<i>Note</i>	31 December 2024	31 December 2023
Trade payables	11(A)	353,505,676	307,564,946
Other payables	11(B)	1,357,419,565	2,171,672,939
		<b>1,710,925,241</b>	<b>2,479,237,884</b>

A. Trade payables

Inter-company trade payables	11(A)(i)	13,634,858	29,368,300
Third party trade payables		339,870,818	278,196,646
		<b>353,505,676</b>	<b>307,564,946</b>

i. Inter-company trade payables

Reckitt Benckiser (India) Private Ltd.		13,634,858	29,368,300
		<b>13,634,858</b>	<b>29,368,300</b>

B. Other payables

Third party other payables	11(B)(i)	1,054,960,952	1,061,457,662
Inter-company other payables	11(B)(ii)	302,458,613	1,110,215,277
		<b>1,357,419,565</b>	<b>2,171,672,939</b>

i. Third party other payables

Various payables and provisions		858,079,890	909,153,682
Advance from customers		65,626,548	54,899,685
Advance from third parties		1,099,996	1,099,996
Withholding tax and VAT payables		9,082,367	19,512,613
Worker's profit participation fund	11(B)(i)(a)	39,986,796	14,777,261
Payable for capital expenditure		2,667,217	3,508,072
Return provision		78,418,138	58,506,353
		<b>1,054,960,952</b>	<b>1,061,457,662</b>

a. Worker's profit participation fund

<i>In taka</i>		2024	2023
Balance at 1 January		14,777,261	44,643,029
Charge for the year	22	51,368,176	55,047,530
Payment during the year		(26,158,641)	(84,913,298)
<b>Balance at 31 December</b>		<b>39,986,796</b>	<b>14,777,261</b>





Notes to the financial statements (continued)

11. Trade and other payables (continued)

B. Other payables (continued)

ii. Inter-company other payables

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Payable for royalties</b>			
Reckitt Benckiser Health Limited, UK (Agreement dated 1 April 2019)	11(B)(ii)(a)	195,481,130	756,188,690
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 1 April 2019)	11(B)(ii)(b)	106,977,483	354,026,587
		<b>302,458,613</b>	<b>1,110,215,277</b>

a. Payable for royalties - Reckitt Benckiser Health Limited, UK for the Brand Dettol, Veet, Gaviscon

Balance at 1 January	756,188,690	588,618,824
Charge for the year	195,481,130	194,736,766
	951,669,820	783,355,590
Paid to Reckitt Benckiser Health Limited, UK	(680,569,819)	-
AIT on royalty	(75,618,871)	-
Write back of overprovision	-	(299,607)
Write back of unclaimed royalty	-	(26,867,293)
<b>Balance at 31 December</b>	<b>195,481,130</b>	<b>756,188,690</b>

<i>Year</i>	<i>Total Revenue as per Financial Statements</i>	<i>Revenue for owned Brand of Reckitt Benckiser Health Limited, UK</i>	<i>Royalty Amount</i>	<i>Royalty Claimed and Payable</i>	<i>Royalty Write Back</i>
2024	5,459,227,005	3,258,018,815	195,481,130	195,481,130	-
	5,459,227,005	3,258,018,815	195,481,130	195,481,130	-

b. Payable for royalties - Reckitt Benckiser (ENA) B.V., Netherlands for the Brand Harpic, Airwick, Cherry, Lizol, Brasso, Mortein, Trix, Vanish, Airwick.

Balance at 1 January	354,026,587	265,788,441
Charge for the year	106,977,483	98,664,424
	461,004,070	364,452,865
Paid to Reckitt Benckiser (ENA) B.V., Netherlands	(318,623,929)	-
AIT on royalty	(35,402,658)	-
Write back of unclaimed royalty	-	(10,426,278)
<b>Balance at 31 December</b>	<b>106,977,483</b>	<b>354,026,587</b>

<i>Year</i>	<i>Total Revenue as per Financial Statements</i>	<i>Revenue for owned Brand of Reckitt Benckiser (ENA) B.V., Netherlands</i>	<i>Royalty Amount</i>	<i>Royalty Claimed and Payable</i>	<i>Royalty Write Back</i>
2024	5,459,227,005	2,201,208,190	106,977,483	106,977,483	-
	5,459,227,005	2,201,208,190	106,977,483	106,977,483	-

iii. Royalty Expense charged during the year

Reckitt Benckiser Health Limited, UK (Agreement dated 01 April 2019)	195,481,130	194,736,766
Write back of overprovision	-	(299,607)
Write back of unclaimed royalty	-	(26,867,293)
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 01 April 2019)	106,977,483	98,664,424
Write back of unclaimed royalty	-	(10,426,278)
	<b>302,458,613</b>	<b>255,808,012</b>



**Notes to the financial statements (continued)**

**12. Current tax liabilities**

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Balance at 1 January		176,835,135	143,751,375
Provision made during the year	23(A)	294,175,528	309,193,155
		471,010,663	452,944,530
Advance tax paid u/s 154 of ITA 2023		(169,000,000)	(138,690,585)
Tax Paid u/s 173 of ITA, 2023		(41,277,955)	(60,318,296)
Advance tax paid u/s 120 of ITA 2023		(74,265,781)	(68,688,912)
Advance tax paid u/s 89 of ITA 2023		(2,211,637)	(2,389,206)
Tax deducted at source u/s 102		(10,209,275)	(4,877,471)
Advance tax paid for motor vehicles u/s 153 of ITA, 2023		(1,050,000)	(1,144,925)
Adjustment during the year		1,243,711	-
Payment made during the year		(296,770,937)	(276,109,395)
<b>Balance at 31 December</b>		<b>174,239,726</b>	<b>176,835,135</b>

**13. Loans and borrowings**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Balance at 1 January	30,990,689	-
Addition during the year	932,757,871	30,990,689
Paid during the year	(894,421,420)	-
<b>Balance at 31 December</b>	<b>69,327,140</b>	<b>30,990,689</b>

**14. Unclaimed dividend**

<i>In Taka</i>		<b>2024</b>	<b>2023</b>
Balance at 1 January	14(A)	7,013,198	7,311,745
Addition during the year		926,637	1,775,795
		7,939,835	9,087,540
Paid during the year		(2,305,644)	(2,074,342)
<b>Balance at 31 December</b>		<b>5,634,191</b>	<b>7,013,198</b>

**A. Unclaimed dividend**

<i>In taka</i>	<b>2024</b>	<b>2023</b>
Final 2023	926,637	-
Final 2022	1,504,202	1,545,852
Final 2021	3,203,352	3,280,490
Final 2020	-	2,186,856
	5,634,191	7,013,198

**B. Dividend Payable**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Balance at 1 January	384,151,964	-
Declared Dividend	259,875,000	463,050,000
Transferred to Unclaimed Dividend	-	(1,545,852)
Dividend Paid During the Year	(644,026,964)	(77,352,184)
<b>Balance at 31 December</b>	<b>-</b>	<b>384,151,964</b>



Notes to the financial statements (continued)

14. Unclaimed dividend (continued)

C. Dividend paid during the year

<i>In taka</i>	2024	2023
Reckitt Benckiser Limited, UK	599,747,454	-
Foreign shareholders	599,747,454	-
ICB Unit Fund	203,500	362,600
Investment Corporation of Bangladesh (ICB)	867,570	1,545,852
Mutual Funds	321,585	4,900
Individuals	22,371,250	28,030,283
Government of Bangladesh	9,808,645	17,477,222
Sadharan Bima Corporation (SBC)	4,331,745	7,718,382
Institutions	6,375,215	22,212,945
Bangladeshi shareholders	44,279,510	77,352,184
Dividend paid during the year	644,026,964	77,352,184

D. Payment during the year from unclaimed dividend

<i>In taka</i>	2024	2023
Payment during the year from unclaimed dividend		
Capital Market stabilization fund 2020	2,121,406	-
Capital Market stabilization fund 2019	-	1,755,894
Capital Market stabilization fund 2018 & 2019	-	37,825
2022 Final	41,650	-
2021 Final	77,138	56,100
2020 Final	65,450	107,147
2019 Final	-	80,963
2018 Final	-	36,414
	2,305,644	2,074,342
Total dividend paid during the year	646,332,608	79,426,526





# Notes to the financial statements (continued)

## 15. Operating segments

See accounting policy in Note 2.11(R)

### A. Basis for segmentation

The Company has following two strategic divisions, which are its reportable segments. These divisions offer different products and are managed separately because they require different technology and marketing strategies.

The following summary describes the operations of each reportable segment.

Reportable segments	Operations
Household and toiletries	Manufacturing and trading of hygiene and home care products.
Pharmaceuticals	Manufacturing and Trading of health care products.

These two reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal reporting structure. For each of the strategic business units, the management committee reviews internal management report on at least a monthly basis. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Company's Management Committee. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### B. Information about reportable segments

Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

2024 In Taka	Reportable segments			
	Hygiene Household	Health Household	Pharmaceuticals	Total
Revenue	2,201,208,190	3,049,731,362	208,287,453	5,459,227,005
Cost of sales	(1,078,891,973)	(1,548,637,878)	(182,786,139)	(2,810,315,990)
Gross profit	1,122,316,217	1,501,093,484	25,501,314	2,648,911,015
Operating expenses				
Administrative expenses	(135,871,002)	(176,969,159)	(21,366,040)	(334,206,201)
Marketing expenses	(188,936,473)	(246,085,832)	(29,710,711)	(464,733,016)
Selling and distribution expenses	(181,938,075)	(236,970,565)	(28,610,197)	(447,518,837)
Impairment loss on trade receivables	(74,964)	(97,639)	(11,788)	(184,391)
	(506,820,514)	(660,123,195)	(79,698,736)	(1,246,642,445)
Profit from operation	615,495,703	840,970,289	(54,197,422)	1,402,268,570

2023 In Taka	Reportable segments			
	Hygiene Household	Health Household	Pharmaceuticals	Total
Revenue	2,035,957,277	3,051,062,639	194,550,122	5,281,570,038
Cost of sales	(976,681,739)	(1,520,946,928)	(173,599,846)	(2,671,228,513)
Gross profit	1,059,275,538	1,530,115,711	20,950,276	2,610,341,525
Operating expenses				
Administrative expenses	(164,453,365)	(132,588,396)	(30,376,627)	(327,418,388)
Marketing expenses	(225,707,065)	(181,973,399)	(41,690,964)	(449,371,428)
Selling and distribution expenses	(208,034,810)	(167,725,372)	(38,426,674)	(414,186,856)
Impairment loss on trade receivables	(313,376)	(252,655)	(57,884)	(623,915)
	(598,508,616)	(482,539,822)	(110,552,149)	(1,191,600,586)
Profit from operation	460,766,922	1,047,575,889	(89,601,873)	1,418,740,939



Notes to the financial statements (continued)

15. Operating segments (continued)

C. Reconciliation of information on reportable segments to IFRS measures

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>i. Revenues</b>			
Total revenue for reportable segments	15(B)	5,459,227,005	5,281,570,038
Revenue for other segments		-	-
Elimination of inter-segment revenue		-	-
<b>Total revenue</b>		<b>5,459,227,005</b>	<b>5,281,570,038</b>
<b>ii. Profit before tax</b>			
Total profit before tax for reportable segments	15(B)	1,402,268,570	1,418,740,939
Profit before tax for other segments		-	-
Elimination of inter-segment profit		-	-
Amount not related to reported segments		(374,905,041)	(317,790,331)
<b>Total profit before tax</b>		<b>1,027,363,529</b>	<b>1,100,950,608</b>
<b>iii. Amount not related to reportable segments</b>			
Other income	18	8,448,337	7,433,914
Royalty	11(B)(iii)	(302,458,613)	(255,808,012)
Finance income	20	51,217,170	27,245,742
Finance costs	21	(80,743,759)	(41,614,445)
Contribution to Workers' Profit Participation Fund	22	(51,368,176)	(55,047,530)
		<b>(374,905,041)</b>	<b>(317,790,331)</b>

Considering the current size and operations of the Company, segmental assets and liabilities are not considered to be critical for regular review by the management.

Accordingly no disclosure is made regarding the segmental assets and liabilities.

16. Revenue

See accounting policy in Note 2.11(B).

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Revenue including VAT		6,433,937,986	6,216,238,155
VAT		(974,710,981)	(934,668,117)
<b>Revenue net of VAT</b>	<b>16(A)</b>	<b>5,459,227,005</b>	<b>5,281,570,038</b>

A. Disaggregation of revenue-Segment wise

<i>In Taka</i>	Unit of measurement	2024		2023	
		Quantity	Amount	Quantity	Amount
Health – Household	Cases	671,631	3,049,731,362	679,491	3,051,062,639
Health – Pharmaceuticals	Cases	83,349	208,287,453	86,592	194,550,122
Hygiene	Cases	1,625,819	2,201,208,190	1,552,554	2,035,957,277
		<b>2,380,799</b>	<b>5,459,227,005</b>	<b>2,318,638</b>	<b>5,281,570,038</b>

B. Disaggregation of revenue-Business activity wise

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Manufacturing unit	4,952,816,867	4,763,448,018
Trading unit	506,410,138	518,122,021
	<b>5,459,227,005</b>	<b>5,281,570,038</b>





**Notes to the financial statements (continued)**

**17. Cost of sales**

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Manufacturing unit</b>			
Opening balance of raw and packing materials		264,321,319	275,393,186
Purchases during the year (including standard variance adjustment)	17.01	2,048,334,156	1,914,703,974
Closing balance of raw and packing materials	5	(290,833,006)	(264,321,319)
<b>Materials consumed</b>		<b>2,021,822,469</b>	<b>1,925,775,841</b>
Salaries and wages expenses		204,192,835	173,757,887
Staff welfare expenses		3,469,906	3,342,218
Outsourced manpower		47,044,270	67,054,541
Product testing and laboratory expenses		4,106,337	2,991,436
Travelling and conveyance		3,456,298	8,936,229
Overseas travelling expenses		175,868	1,862,733
Power, fuel and utilities		31,153,045	28,252,977
Vehicle expenses		-	423,825
Impairment loss on property, plant and equipment	3(B)	228,549	-
Repairs, maintenance and others		46,472,902	54,867,449
Rent, rates and taxes		9,487,148	6,770,945
Printing, stationery and office supplies		1,741,879	988,743
Insurance		9,596,905	7,888,661
Office expenses		6,273,382	5,430,162
Safety, health and environment		24,163,002	18,576,130
Staff recruitment, training and development expenses		30,815	1,209,810
Legal and professional charges		-	15,253
Mobile, telephone and internet		2,494,496	1,420,952
Courier expenses		251,033	137,153
Depreciation-Owned asset	3(B)	130,087,895	122,989,737
Depreciation-RoU asset	4(A)(ii)	1,014,870	462,000
Bank Charge		6,264	265,667
<b>Manufacturing overhead</b>		<b>525,447,699</b>	<b>507,644,507</b>
Opening stock of work-in-progress		2,420,588	2,191,345
Closing stock of work-in-progress	5	(2,364,221)	(2,420,588)
		56,367	(229,243)
<b>Cost of production</b>		<b>2,547,326,535</b>	<b>2,433,191,105</b>
Opening stock of own manufactured finished goods		126,884,519	130,033,912
Closing stock of own manufactured finished goods	5(B)	(132,667,012)	(126,884,519)
		(5,782,492)	3,149,393
<b>Cost of sales - manufacturing unit</b>		<b>2,541,544,043</b>	<b>2,436,340,498</b>
<b>Trading unit</b>			
Opening stock of finished goods		184,490,191	105,377,289
Purchase of finished goods (including standard variance adjustment)	17.02	260,476,810	314,000,917
Closing stock of finished goods	5(B)	(176,195,054)	(184,490,191)
<b>Cost of sales - trading unit</b>		<b>268,771,947</b>	<b>234,888,015</b>
<b>Total cost of sales</b>		<b>2,810,315,990</b>	<b>2,671,228,513</b>
<b>17.01 Purchase during the year (including standard variance adjustment)</b>			
Purchase during the year		1,967,870,004	1,865,761,341
Carriage inwards		43,219,569	44,449,218
Other third Party material purchase for end consumer		21,650,309	13,253,030
Other standard variance		15,594,274	(8,759,615)
<b>Total</b>		<b>2,048,334,156</b>	<b>1,914,703,974</b>
<b>17.02 Purchase of finished goods (including standard variance adjustment)</b>			
Purchase of finished goods		254,297,848	306,664,742
Other standard variance		6,178,962	7,336,175
<b>Total</b>		<b>260,476,810</b>	<b>314,000,917</b>





Notes to the financial statements (continued)

17. Cost of sales (continued)

A. Cost of sales - trading unit

In Taka	Unit of measurement	Opening Stock		Purchase		Closing Stock		Cost of Sales - Trading Unit	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Household and toiletries	Metric Ton	121	134,636,057	198	220,984,170	124	150,631,066	195	201,791,175
	Thousand Litre	55	44,554,143	57	39,492,640	35	25,125,786	77	62,118,983
	Million No.	-	-	-	-	-	-	-	-
Pharmaceuticals	Million No.	12	5,299,991	-	-	4	438,202	8	4,861,789
<b>Total for the year 2024</b>			<b>184,490,191</b>		<b>260,476,810</b>		<b>176,195,054</b>		<b>268,771,947</b>
Household and toiletries	Metric Ton	99	77,333,380	198	255,925,584	121	134,636,057	176	198,622,907
	Thousand Litre	53	25,292,517	70	49,623,493	55	44,554,143	68	30,361,867
	Million No.	1	2,751,392	-	-	-	-	1	2,751,392
Pharmaceuticals	Million No.	-	-	15	8,451,840	12	5,299,991	3	3,151,849
	Thousand Litre	-	-	-	-	-	-	-	-
	Metric Ton	-	-	-	-	-	-	-	-
<b>Total for the year 2023</b>			<b>105,377,289</b>		<b>314,000,917</b>		<b>184,490,191</b>		<b>234,888,015</b>

B. Raw and packing materials consumed

In Taka	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Various raw material	Metric Ton	1,136.72	197,666,044	11,912.63	1,443,069,129	1,097.27	241,914,949	11,952.08	1,398,820,224
Blow moulding and injection	Thousand Pcs	5,197.54	24,790,291	66,053.10	275,643,356	5,448.55	21,794,819	65,802.09	278,638,828
Boxes solid board and corrugated	Thousand Pcs	5,227.19	19,695,765	53,259.78	149,738,257	5,750.04	12,042,038	52,736.93	157,391,984
Packaging-Others	Thousand Pcs	9,633.89	22,169,219	58,791.45	99,419,262	8,572.47	15,081,200	59,852.87	106,507,281
Others		-	-	-	80,464,152	-	-	-	80,464,152
<b>Total for the year 2024</b>			<b>264,321,319</b>		<b>2,048,334,156</b>		<b>290,833,006</b>		<b>2,021,822,469</b>
Various raw material	Metric Ton	1,017.29	221,660,664	11,717.11	1,377,343,152	1,136.72	197,666,044	11,597.68	1,401,337,772
Blow moulding and injection	Thousand Pcs	3,476.11	21,747,674	68,018.10	287,023,298	5,197.54	24,790,291	66,296.67	283,980,681
Boxes solid board and corrugated	Thousand Pcs	6,832.96	15,998,871	49,721.86	166,885,149	5,227.19	19,695,765	51,327.63	163,188,255
Others		13,130.67	15,985,977	50,478.14	83,452,376	9,633.89	22,169,219	53,974.92	77,269,134
<b>Total for the year 2023</b>			<b>275,393,186</b>		<b>1,914,703,974</b>		<b>264,321,319</b>		<b>1,925,775,841</b>



Notes to the financial statements (continued)

17. Cost of sales (continued)

C. Percentage of raw materials and packing materials consumed

In Taka	Note	2024		2023	
		%	Amount	%	Amount
Raw materials	17(D)	73%	1,479,284,376	73%	1,401,337,772
Packing materials	17(D)	27%	542,538,093	27%	524,438,068
		100%	2,021,822,470	100%	1,925,775,841
Local materials consumed		30%	598,227,146	29%	552,125,791
Imported materials consumed		70%	1,423,595,323	71%	1,373,650,050
		100%	2,021,822,469	100%	1,925,775,841



Notes to the financial statements (continued)

17. Cost of sales (continued)

D. Analysis of material consumed

<i>In Taka</i>	<i>Note</i>	<i>2024</i>	<i>2023</i>
<b>i. Raw material</b>			
Soap noodles		857,559,644	813,317,977
Pine oil 85%min bp		33,451,810	38,952,717
Pcmx		18,953,728	34,281,455
Hydrochloric acid		38,728,901	37,299,021
Snowfresh 228093 d		-	14,135,248
Labsa		29,949,619	32,784,021
Color pigment yellow		7,863,149	6,027,616
Granular soday dyed		9,912,492	8,521,543
Galaxy mw 257		5,107,651	10,598,889
Texapon als is t		11,956,841	12,739,624
Isopropyl alcohol		15,471,617	14,156,952
Na lauryl ether		12,096,261	12,476,539
Castor oil		8,628,499	7,502,069
Challenge 157708 b		-	845,639
Lemon grass oil		11,759,971	8,788,782
Dolomite bd for harpic total		18,245,328	18,392,586
Benzalkonium Chloride Soln.80%		10,326,044	10,892,159
Alkylamine Ethoxylate/TA 20		74,465,829	75,817,405
Alkyl Trimeth Ammon Chlor/Ttac		40,046,540	43,506,247
Arcticool+ Mod2 Bs Tth 1966037		5,273,945	4,427,199
Propylene Glycol Codex		12,848,076	9,710,287
Pine Oil 50%		17,498,372	18,012,950
Citrusgrove 20M1 Mpc T15146063		12,910,982	10,060,361
Soda Ash Light Bd		8,052,412	9,494,589
Glycerine-Pharma		6,854,600	9,326,638
Chloroxylonol (Pcmx)/Brown		23,556,470	8,267,972
Freshness Matters 94		4,604,536	7,082,514
Coco Amido Propyl Betaine		5,636,060	5,485,289
Dye Acid Blue 93		5,114,926	4,802,785
Deep Green Spells Tsg14-07765		6,580,347	4,604,049
Elsa Bs H Tt 21 M3 Moc		23,416,010	-
Trilon M		4,922,945	-
Talc - Cosmetic Grade - B'Desh		4,620,155	-
Fir. Floral Complete Mocg		4,577,846	-
Methyl Salicylate		4,532,398	-
Alkylethoxylate C12-14/Galaxy		4,166,271	-
Arcticgreen Hrb 02 Bs Tt		3,776,858	-
Glycerin Cp		3,601,860	-
Tri Ethanol Amine (BD)		3,340,610	-
Floral Spring Tox Ok		3,227,526	-
Titanium Di Oxide.		3,024,866	-
Lemon Zest 169352		2,862,907	-
Others		99,759,474	109,026,650
		<b>1,479,284,376</b>	<b>1,401,337,772</b>





**Notes to the financial statements (continued)**

**17. Cost of sales (continued)**

**D. Analysis of material consumed (continued)**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
<b>ii. Packing material</b>		
Skillet	77,666,643	79,281,324
Outer and cartons	74,809,365	90,761,546
Plastic container	247,757,436	233,557,959
Label	42,708,646	41,270,533
Polybag /HDPE	30,483,912	29,740,976
Cap	39,420,971	36,267,939
Others	29,691,120	13,557,790
	<b>542,538,093</b>	<b>524,438,068</b>
<b>Total material consumption (i+ii)</b>	<b>2,021,822,470</b>	<b>1,925,775,841</b>

**E. Statement of production**

**i. Own manufactured**

Line of business	Unit of measurement	Installed capacity shift single basis	Multiple shifts as applicable		Percentage increase/ (decrease)
			2024	2023	
Household and toiletries	Thousand Litre	17,692	42,575	37,306	14%
	Million No.	-	-	-	0%
	Metric Ton	5,439	16,316	16,316	0%
Pharmaceuticals	Million No.	-	-	-	0%
	Thousand Litre	604	1,806	1,806	0%
Total	Million Tablets	-	-	-	0%
	Metric Ton	5,439	16,316	16,316	0%
	Thousand Litre	18,296	44,381	39,112	14%
	Million No.	-	-	-	0%

**ii. Imports for re-sale**

Total business	Million No.	-	15	-100%
	Metric Ton	198	198	0%
	Thousand Litre	57	70	-18%



Notes to the financial statements (continued)

18. Other income

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Profit/(loss) on sale of property, plant and equipment		1,963,890	6,932,777
Income from sale of scrap		6,272,040	-
Forfeited amount provident fund		212,407	501,137
		<b>8,448,337</b>	<b>7,433,914</b>

19. Operating expenses

<i>In Taka</i>		<b>2024</b>	<b>2023</b>
Selling and distribution expenses	19(A)	447,518,837	414,186,856
Administrative expenses	19(B)	334,206,201	327,418,388
Royalties	11(B)(iii)	302,458,613	255,808,012
Marketing expenses	19(C)	464,733,016	449,371,428
		<b>1,548,916,667</b>	<b>1,446,784,683</b>

A. Selling and distribution expenses

Salaries and wages expenses		246,380,857	212,398,014
Staff welfare expenses		74,132	-
Outsourced manpower		20,563,124	32,196,061
Carriage outwards		70,384,968	68,582,912
Depot expenses		27,521,325	23,063,127
Vehicle expenses		3,148,949	3,246,305
Printing, stationery and office supplies		428,045	804,594
Conveyance, staff meal, travel accommodation		25,032,711	21,963,267
Overseas travelling expenses		111,466	426,149
Power, fuel and utilities		4,210,528	3,465,629
Sales office rent and expenses		2,012,835	1,692,143
Insurance		10,053,198	9,912,310
Depreciation-Owned asset	3(B)	7,015,885	5,100,276
Depreciation-RoU asset	4(A)(ii)	23,012,236	27,081,965
Staff recruitment, training and development expenses		-	-
Repairs, maintenance and others		-	5,404
Mobile, telephone and internet		3,367,590	2,913,485
Courier expenses		1,036,159	1,175,388
Bank Charge		1,073,496	-
Others		2,091,333	159,828
		<b>447,518,837</b>	<b>414,186,856</b>



**Notes to the financial statements (continued)**

**B. Administrative expenses**

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Salaries and wages expenses		233,914,422	220,757,901
Staff welfare expenses		653,535	780,643
Outsourced manpower		7,379,005	12,556,578
Non-executive directors fee		439,998	476,668
Mobile, telephone and internet		2,577,841	5,667,395
Courier expenses		589,060	3,339,033
Repairs, maintenance and others-Vehicle		354,965	375,345
Impairment loss on property, plant and equipment	3(B)	309,528	-
Conveyance, staff meal, travel accommodation		4,997,480	4,131,824
Overseas travelling expenses		2,271,739	2,339,887
Power, fuel and utilities		2,852,389	2,856,891
Corporate office expenses		9,316,658	9,144,857
Repairs, maintenance and others		5,467,477	3,413,267
Legal and professional charges	19(B)(i)	10,859,876	10,281,018
Printing, stationery and office supplies		5,850,323	4,827,380
Subscriptions		410,467	439,467
Staff recruitment, training and development expenses		276,916	1,213,715
Entertainment		-	-
AGM expenses		329,167	109,081
Bank charge		3,048,987	788,873
Insurance		1,423,343	3,606,644
Depreciation-Owned asset	3(B)	11,202,838	9,877,226
Depreciation-RoU asset	4(A)(ii)	17,267,810	15,707,176
Corporate Social Responsibility expenses		9,697,080	3,501,243
Others		2,715,297	11,226,276
		<b>334,206,201</b>	<b>327,418,388</b>

**i. Legal and professional charges**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Audit fee	1,600,000	1,445,858
Legal consultancy	5,289,105	4,732,512
Other consulting fees	3,970,771	4,102,648
	<b>10,859,876</b>	<b>10,281,018</b>

**C. Marketing expenses**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Media and advertisement	411,692,655	393,313,607
Consumer marketing	36,352,153	30,865,367
Market research	11,352,975	11,575,678
Free sample	4,717,469	13,616,775
Others	617,764	-
	<b>464,733,016</b>	<b>449,371,428</b>

**D. Promotional expenses**

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Promotional expenses	9,285,680	45,203,622
	<b>9,285,680</b>	<b>45,203,622</b>





Notes to the financial statements (continued)

20. Finance income

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Interest on short term deposits		51,217,170	27,245,742
		<b>51,217,170</b>	<b>27,245,742</b>

21. Finance costs

<i>In Taka</i>		<b>2024</b>	<b>2023</b>
Interest on lease liabilities	4(A)(iii)	9,763,331	12,484,730
Interest on loans and borrowings		18,946,374	7,774,954
Interest on net benefit obligation	10(A)	4,110,000	-
Realized exchange (gain)/loss		48,138,808	20,646,026
Unrealized exchange (gain)/loss		(214,754)	708,735
		<b>80,743,759</b>	<b>41,614,445</b>

22. Contribution to WPPF

<i>In Taka</i>	<b>2024</b>	<b>2023</b>
Profit before contribution to WPPF	1,078,731,705	1,155,998,138
Applicable contribution rate	5%	5%
	<b>51,368,176</b>	<b>55,047,530</b>

The Company contributes 5% of the net profit before charging such expense as contribution to WPPF. See Note 2.11(C)(iv)



Notes to the financial statements (continued)

23. Income tax expense

See accounting policy in Note 2.11(E).

A. Amounts recognised in profit or loss

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
<b>Current tax expense</b>			
Provision during the year		294,175,528	309,193,155
		<b>294,175,528</b>	<b>309,193,155</b>
<b>Deferred tax (income)/expense</b>			
Origination/(reversal) of temporary differences	23(D)	(18,896,449)	(28,740,336)
		<b>(18,896,449)</b>	<b>(28,740,336)</b>
<b>Tax expense on continuing operations</b>		<b>275,279,079</b>	<b>280,452,819</b>

B. Amounts recognised in OCI

<i>In Taka</i>	<b>2024</b>			<b>2023</b>		
	<b>Before tax</b>	<b>Tax (expense) benefit</b>	<b>Net of tax</b>	<b>Before tax</b>	<b>Tax (expense) benefit</b>	<b>Net of tax</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurement of defined benefit plan	(36,740,000)	7,348,000	(29,392,000)	1,400,000	(280,000)	1,120,000
	<b>(36,740,000)</b>	<b>7,348,000</b>	<b>(29,392,000)</b>	<b>1,400,000</b>	<b>(280,000)</b>	<b>1,120,000</b>

C. Reconciliation of effective tax rate

<i>In Taka</i>	<b>2024</b>		<b>2023</b>	
Profit before tax		1,027,363,529		1,100,950,608
	<b>Rate</b>	<b>Amount</b>	<b>Rate</b>	<b>Amount</b>
Tax using the Company's tax rate	20.00%	205,079,928	20.00%	220,190,122
<b>Factors affecting the tax charge for current period:</b>				
Excess/(deficit) of accounting depreciation over fiscal depreciation	1.43%	14,672,953	1.38%	15,192,391
Excess/(deficit) of rental payment over expenses under IFRS-16	0.08%	858,194	0.00%	(42,333)
Under provision considered for earlier year	0.00%	-	2.33%	25,639,055
Provision for stock obsolescence and Impairment (loss)/gain reversal on trade receivables and PPE	0.12%	1,227,516	-0.08%	(854,663)
Inadmissible expenses as per income tax act 2023	2.67%	27,410,485	1.39%	15,261,870
Excess of gratuity provision over payment of gratuity	0.48%	4,982,000	-0.30%	(3,352,000)
Excess of technical services fee over payment of technical services fee/royalty	3.89%	39,944,452	3.38%	37,158,713
Movement of temporary differences: as above	-1.84%	(18,896,449)	-2.61%	(28,740,336)
	<b>26.83%</b>	<b>275,279,079</b>	<b>25.47%</b>	<b>280,452,819</b>



Notes to the financial statements (continued)

23. Income tax expense (continued)  
D. Movement in deferred tax balances

2024	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	9,162,763	12,757,315	-	21,920,078	21,920,078	-
Employee benefits	9,923,205	4,982,000	7,348,000	22,253,205	22,253,205	-
Trade and other receivables	173,667	36,879	-	210,546	210,546	-
Inventories	1,979,936	1,083,022	-	3,062,958	3,062,958	-
Unrealised foreign exchange gain/(loss)	-	(42,951)	-	(42,951)	-	(42,951)
Right of Use assets- Impact of IFRS 16	(28,547,527)	8,076,552	-	(20,470,975)	-	(20,470,975)
Lease liabilities- Impact of IFRS 16	34,068,558	(7,996,368)	-	26,072,190	26,072,190	-
<b>Net deferred tax assets /(liabilities)</b>	<b>26,760,602</b>	<b>18,896,449</b>	<b>7,348,000</b>	<b>53,005,051</b>	<b>73,518,977</b>	<b>(20,513,926)</b>

2023	Net balance at 1 January	Recognised in profit or loss	Recognised in OCI	Balance as at 31 December		
				Net	Deferred tax assets	Deferred tax liabilities
<i>In Taka</i>						
Property, plant and equipment	(16,671,596)	25,834,359	-	9,162,763	9,162,763	-
Employee benefits	7,707,389	2,495,816	(280,000)	9,923,205	9,923,205	-
Trade and other receivables	54,995	118,672	-	173,667	173,667	-
Inventories	2,829,343	(849,407)	-	1,979,936	1,979,936	-
Right of Use assets- Impact of IFRS 16	(37,773,081)	9,225,554	-	(28,547,527)	-	(28,547,527)
Lease liabilities- Impact of IFRS 16	42,153,217	(8,084,658)	-	34,068,559	34,068,559	-
<b>Net deferred tax assets /(liabilities)</b>	<b>(1,699,733)</b>	<b>28,740,336</b>	<b>(280,000)</b>	<b>26,760,603</b>	<b>55,308,130</b>	<b>(28,547,527)</b>

E. Uncertainty over income tax expense

As of the balance sheet date, the Company is under tax audit for the assessment year 2022-2023, which remains open for review by the tax authorities. No formal claim or demand has been raised regarding the income tax expense for the audited period. However, the Company believes its provision for tax liabilities is adequate for the open tax years.

24. Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

<i>In Taka</i>	Note	2024	2023
Net profit after tax for the year, attributable to the owners of the company		752,084,450	820,497,789
Profit/(loss) attributable to ordinary shareholders		752,084,450	820,497,789

ii. Weighted-average number of ordinary shares (basic)

Issued ordinary shares at 31 December	9(A)	4,725,000	4,725,000
Weighted-average number of ordinary shares at 31 December		4,725,000	4,725,000
<b>Basic earnings per share (EPS)</b>		<b>159.17</b>	<b>173.65</b>

Weighted average number of ordinary shares was not changed during the current and prior year.

B. Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during current and prior year.





Notes to the financial statements (continued)

25 Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

Further, for the current year the fair value disclosure of lease liabilities is also not required.

		Carrying amount						
		Fair value- hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
In Taka	Note							
31 December 2024								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	-	128,347,910	-	128,347,910
Cash and cash equivalents	8	-	-	-	-	2,202,588,930	-	2,202,588,930
		-	-	-	-	2,330,936,840	-	2,330,936,840
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	-	(1,710,925,241)	(1,710,925,241)
		-	-	-	-	-	(1,710,925,241)	(1,710,925,241)
31 December 2023								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	-	135,556,087	-	135,556,087
Cash and cash equivalents	8	-	-	-	-	2,919,490,457	-	2,919,490,457
		-	-	-	-	3,055,046,544	-	3,055,046,544
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	-	(2,479,237,884)	(2,479,237,884)
		-	-	-	-	-	(2,479,237,884)	(2,479,237,884)

The Company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, and trade and other payables because their carrying amounts are a reasonable approximation of fair values.



**25 Financial instruments - Fair values and risk management (continued)****B. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- Risk management framework ((see (B)(i)));
- Credit risk (see (B)(ii));
- Liquidity risk (see (B)(iii)); and
- Market risk (see (B)(iv)).

**i. Risk management framework**

The Company's 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.

**ii. 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 ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, aging profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers. Other receivables are mainly related to the interest receivables.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**(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:

<i>In Taka</i>	<i>Note</i>	31 December 2024	31 December 2023
Trade and other receivables	6	128,347,910	135,556,087
Cash and cash equivalents	8	2,202,588,930	2,919,490,457
		<b>2,330,936,840</b>	<b>3,055,046,544</b>



Notes to the financial statements (continued)

25 Financial instruments - Fair values and risk management (continued)  
 B. Financial risk management (continued)  
 (a.1) Trade and other receivables

The exposure to credit risk for Trade and other receivables at the end of the reporting year by external and intercompany was:

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Trade receivables	6	121,654,716	129,232,075
Interest receivables	6(B)	6,693,194	5,822,875
		<b>128,347,910</b>	<b>135,054,950</b>

The aging of trade receivables at 31 December 2024

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2024.

	Gross carrying amount	Weighted Average loss rate	Loss allowance	Credit impaired
Past due 1-30 days	114,682,937	0.50%	(467,291)	No
Past due 31-60 days	7,616,224	2.50%	(190,406)	No
Past due 61-90 days	13,949	5.00%	(697)	No
Past due 91-120 days	-	10.00%	-	No
Past due over 120 days	394,334	100.00%	(394,334)	No
	<b>122,707,444</b>		<b>(1,052,728)</b>	

The credit loss allowance is calculated using fixed percentage linked to the period-end ageing profile. An adjustment is applicable for customers for which bank guarantees are received for recovering a specific amount.

The aging of trade receivables at 31 December 2023

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2023.

	Gross carrying amount	Weighted Average loss rate	Loss allowance	Credit impaired
Past due 1-30 days	116,326,153	0.50%	(522,931)	No
Past due 31-60 days	13,076,187	2.50%	(293,683)	No
Past due 61-90 days	361,653	5.00%	(18,083)	No
Past due 91-120 days	336,420	10.00%	(33,642)	No
Past due over 120 days	-	100.00%	-	N/A
	<b>130,100,412</b>		<b>(868,339)</b>	

The aging of interest receivables at 31 December

	<b>2024</b>	<b>2023</b>
Past due 1-30 days	1,044,444	5,822,875
Past due 31-60 days	3,448,750	-
Past due 61-90 days	2,200,000	-
Past due 91-120 days	-	-
Past due over 120 days	-	-
	<b>6,693,194</b>	<b>5,822,875</b>

(a.2) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents at the end of the reporting year was:

<i>In Taka</i>	<i>Note</i>	<b>2024</b>	<b>2023</b>
Bank balances	8(A)	2,202,588,930	2,919,490,457
		<b>2,202,588,930</b>	<b>2,919,490,457</b>

Cash at bank are held with HSBC, SCB and Citibank N.A. which are rated ST-1 & AAA based on ratings by Credit Rating Agency of Bangladesh (CRAB) and Credit Rating Information and Services Limited (CRISL) respectively.





Notes to the financial statements (continued)

25 Financial instruments - Fair values and risk management (continued)

B. Financial risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient cash and cash equivalents to meet expected operational expenses for periods which the Company thinks appropriate. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted such as natural disasters. Moreover, the Company may also get support from the parent in the form of shareholder's loan/capital contribution to ensure payment of obligation in the event that there is insufficient cash to make the required payment.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

			Contractual cash flows					
<i>In Taka</i>	<i>Note</i>	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<b>31 December 2024</b>								
<b>Non-derivative financial liabilities</b>								
Third party trade payables	11(A)	339,870,818	(339,870,818)	(339,870,818)	-	-	-	-
Inter-company trade payables	11(A)	13,634,858	(13,634,858)	(13,634,858)	-	-	-	-
Third party other payables	11(B)	1,054,960,952	(1,054,960,952)	(1,054,960,952)	-	-	-	-
Inter-company other payables	11(B)	302,458,613	(302,458,613)	-	(302,458,613)	-	-	-
Loans and borrowings	13	69,327,140	(69,327,140)	(69,327,140)	-	-	-	-
Lease liabilities	4(A)(iii)	130,360,949	(130,360,949)	(9,997,351)	(11,221,828)	(25,500,995)	(83,640,775)	-
		1,910,613,330	(1,910,613,330)	(1,487,791,119)	(313,680,441)	(25,500,995)	(83,640,775)	-
<b>31 December 2023</b>								
<b>Non-derivative financial liabilities</b>								
Third party trade payables	11(A)	278,196,646	(278,196,646)	(278,196,646)	-	-	-	-
Inter-company trade payables	11(A)	29,368,300	(29,368,300)	(29,368,300)	-	-	-	-
Third party other payables	11(B)	1,061,457,662	(1,061,457,662)	(1,054,145,917)	(7,311,745)	-	-	-
Inter-company other payables	11(B)	1,110,215,277	(1,110,215,277)	-	(1,110,215,277)	-	-	-
Loans and borrowings	13	30,990,689	(30,990,689)	(30,990,689)	-	-	-	-
Lease liabilities	4(A)(iii)	170,342,794	(170,342,794)	(17,899,104)	(19,797,656)	(22,807,192)	(82,682,753)	(27,156,088)
		2,680,571,367	(2,680,571,367)	(1,410,600,656)	(1,137,324,678)	(22,807,192)	(82,682,753)	(27,156,088)



## Notes to the financial statements (continued)

### 25 Financial instruments - Fair values and risk management (continued)

#### B. Financial risk management (continued)

##### iv. Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – 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 parameters, while optimising the return.

##### (a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings incurred in foreign currencies. The Company's foreign currency transactions are denominated in USD, EUR and GBP.

##### (b) Exposure to currency risk

The company's exposure to foreign currency risk was as follows based on notional amounts:

	31 December 2024				31 December 2023			
	BDT	USD	EUR	GBP	BDT	USD	EUR	GBP
<b>Foreign currency</b>								
Receivables due from related	-	-	-	-	-	-	-	-
<b>Total assets</b>	-	-	-	-	-	-	-	-
<b>Foreign currency</b>								
Trade payables due to related	(13,634,858)	(114,050)	-	-	(29,368,300)	(268,045)	-	-
<b>Total liabilities</b>	(13,634,858)	(114,050)	-	-	(29,368,300)	(268,045)	-	-
<b>Net exposure</b>	(13,634,858)	(114,050)	-	-	(29,368,300)	(268,045)	-	-

##### (c) The following significant exchange rates have been applied during the year

	2024	2023
<b>Average rate</b>		
USD	115.43	107.96
EUR	124.87	116.78
GBP	147.53	134.30
<b>Year end spot rate</b>		
USD	119.55	109.56
EUR	123.82	120.93
GBP	149.63	139.49

##### (d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Other than UPAS loan, all payables of the company are interest free. UPAS loans are denominated at variable interest rate, i.e. SOFR+4% as at the reporting date. The variable interest rate on UPAS loans exposes the company to the risk of increased interest payments in the event of rising interest rates. However, the Company has not entered into any agreement involving derivative instrument at the reporting date.

	31 December 2024	31 December 2023
<b>Fixed rate instruments</b>	<b>BDT</b>	<b>BDT</b>
<b>Financial assets</b>		
Fixed deposit receipts	1,620,000,000	2,220,000,000
<b>Financial liabilities</b>		
<b>Variable rate instruments</b>		
<b>Financial assets</b>		
<b>Financial liabilities</b>		
UPAS loans	69,327,140	30,990,689
Interest payable	304,502	2,757,653



## Notes to the financial statements (continued)

### 26. Related parties

#### A. Parent and ultimate controlling party

Reckitt Benckiser Limited, UK has 82.96% shareholding of the Company. As a result, the parent and ultimate controlling party of the Company is Reckitt Benckiser Limited, UK.

#### B. Transactions with key management personnel

##### i. Key management personnel compensation

Key management personnel compensation comprised the following.

In Taka	2024		2023	
	Managing Director	Directors and management	Managing Director	Directors and management
Remuneration, bonus and other benefits	65,797,932	64,021,041	78,018,784	45,580,671
Housing rental	4,845,000	3,688,351	4,845,000	2,628,480
Leave passage	-	1,151,655	-	484,000
Medical	-	336,774	-	240,000
<b>Short-term employee benefits</b>	<b>70,642,932</b>	<b>69,197,821</b>	<b>82,863,784</b>	<b>48,933,151</b>
Gratuity provision	-	1,602,922	-	1,110,356
Provident fund	-	1,696,147	-	1,332,427
<b>Post-employment benefits</b>	<b>-</b>	<b>3,299,069</b>	<b>-</b>	<b>2,442,783</b>
	<b>70,642,932</b>	<b>72,496,890</b>	<b>82,863,784</b>	<b>51,375,934</b>
Number	1	4	1	3

Compensation for Reckitt's key management personnel includes salaries, non-cash benefits and contributions to a post-employment defined benefit plan and provident fund. These expenses are included in operating expenses.

Managing director and certain managers are provided with Company's car, subject to certain limit.

#### C. Other related party transactions

In Taka	Note	Relationship	Transaction value for the year ended 31 December		Balance outstanding as at 31 December	
			2024	2023	2024	2023
<b><u>Parent of the Company</u></b>						
<b><i>Dividend</i></b>						
Reckitt Benckiser Limited, UK	14(B)	Parent Company	215,592,300	384,151,964	-	384,151,964
<b><u>Fellow subsidiaries of the Company</u></b>						
<b><i>Import of finished goods</i></b>						
Reckitt Benckiser (India) private Ltd.		Group Company	84,971,769	88,749,662	13,634,858	29,853,233
Reckitt Benckiser Health Ltd., UK		Group Company	-	2,316,728	-	-
<b><i>Royalties</i></b>						
Reckitt Benckiser Health Limited, UK		Group Company	195,481,130	194,736,766	195,481,130	756,188,690
Reckitt Benckiser (ENA) B.V., Netherlands		Group Company	106,977,483	98,664,424	106,977,483	354,026,587

#### D. Significant contract where the Company is party and wherein Directors have interest

No such transactions/contact has occurred during the year.





Notes to the financial statements (continued)

27. Net asset value per share

	31 December 2024	31 December 2023
<i>In Taka</i>		
Net Asset	1,656,775,709	1,193,958,259
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net asset value per share	350.64	252.69

28. Net operating cash flow per share

	2024	2023
<i>In Taka</i>		
Net operating cash flow	106,528,417	1,198,097,764
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net operating cash flow per share*	22.55	253.57
Net operating cash flow per share (Published)	22.55	247.41

\* Previous Year Numbers have been rearranged to give appropriate visibility of the operations

The Company has made overdue royalty payments to Reckitt Benckiser Health Limited, UK and Reckitt Benckiser (ENA) B.V., Netherlands for the period from 2020-2023 (four calendar years) amounting to BDT 1,110Mn. Therefore, net operating cash has gone down to BDT 22.55 per share.

29. Reconciliation of net operating cash flow

<i>In Taka</i>	Note	2024	*Rearranged 2023
Profit before tax		1,027,363,529	1,100,950,608
Adjustment for:			
- Depreciation	3(B) & 4(A)(ii)	189,601,535	181,218,379
- Impairment on Property, plant & equipment	17 & 19	538,077	-
- (Gain)/Loss on sale of property, plant and equipment	18	(1,963,890)	(7,433,914)
- Impairment loss on trade receivables	6	184,391	623,915
- Finance costs	21	76,848,513	40,905,710
- Finance income	20	(51,217,170)	(27,245,742)
		1,241,354,985	1,289,018,956
Changes in:			
- Inventories		(126,198,936)	(10,921,658)
- Trade and other receivables		8,078,496	(71,942,149)
- Advances, deposits and prepayments		23,658,011	(37,649,955)
- Trade and other payables		(765,859,491)	290,341,004
- Employee benefits		23,510,000	15,360,962
Cash generated from operating activities		404,543,065	1,474,207,159
Income tax paid	12	(298,014,648)	(276,109,395)
Net cash generated from operating activities		106,528,417	1,198,097,764



**Notes to the financial statements (continued)****30. Commitments**

At 31 December, there were some outstanding purchase orders for the company for capital expenditures.

**A. Capital expenditure commitment**

	31 December 2024	31 December 2023
<i>In Taka</i>		
Financial expenditures - outstanding purchase orders	97,478,681	68,211,659
	<b>97,478,681</b>	<b>68,211,659</b>

**31. Contingent liabilities**

There are contingent liabilities of Taka 17,145,267 at 31 December 2024 (2023: Taka 14,064,559) on account of bank guarantees, acceptance trust receipt under letter of credit and Taka 498,792,829 (2023: Taka 563,782,231) on account of ordinary letter of credit issued by Standard Chartered Bank and HSBC in favour of the Company.

Out of Taka 17,145,267, Taka 3,941,367 for shipping guarantees (2023: Taka 860,659) and Taka 13,203,900 for bank guarantees (2023: Taka 13,203,900) on behalf of Reckitt Benckiser (Bangladesh) PLC.

Import bills/bills receivable Taka 125,249,947 (2023: Taka 13,165,412) have been issued by SCB and HSBC on behalf of Reckitt Benckiser (Bangladesh) PLC.

<i>In Taka</i>	2024	2023
Guarantees issued by the Company's scheduled bankers to third parties on counter - indemnities given by the Company	13,203,900	13,203,900
Irrevocable letter of credit opened by the scheduled banks net of on account payment	239,329,235	194,336,712
	<b>252,533,135</b>	<b>207,540,612</b>

**32. Number of employees**

The company employed 332 (2023: 330) permanent employees and a varying number of casual and temporary employees as required. All permanent employees receive total remuneration in excess of Taka 36,000 per annum.



Notes to the financial statements (continued)

33. Remittance made in foreign currency (FC)

Currency	2024		2023	
	FC	Taka	FC	Taka
Reckitt Benckiser Health Limited,Uk (GBP)	4,567,666	680,569,819	-	-
Reckitt Benckiser (ENA) B.V., The Netherland (GBP)	2,588,809	318,623,929	-	-
Reckitt Benckiser Limited,UK (GBP)	3,340,178	539,772,709	-	-
Mobisy Technologies Private Limited (USD)	23,498	2,702,571	14,704	1,543,657
Willis Tower Wattson India Private Limited (USD)	1,600	188,800	1,800	192,672
<b>Total</b>	<b>10,521,751</b>	<b>1,541,857,828</b>	<b>16,504</b>	<b>1,736,329</b>

34. Receipt in foreign currency (FC)

Currency	Nature of receipt	2024		2023	
		FC	Taka	FC	Taka
Reckitt Benckiser Corporate Services Ltd. (USD)	System Support Service	-	-	-	-
Reckitt Benckiser Corporate Services Ltd.(GBP)	System Support Service	-	-	-	-
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

35. Production capacity

Line of business	Unit of measurement	Installed capacity for the year 2024	Percentage of Capacity Utilisation for the year 2024	Installed capacity for the year 2023	Percentage of Capacity Utilisation for the year 2023
Household & toiletries	Thousand Litre	42,575	31.6%	37,306	39.1%
	Metric Ton	16,316	44.5%	16,316	34.8%
Pharmaceuticals	Thousand Litre	1,806	40.5%	1,806	37.6%
<b>Total</b>	Thousand Litre	44,381	32.0%	39,112	39.0%
	Metric Ton	16,316	44.5%	16,316	34.8%





## Notes to the financial statements (continued)

### 36. Rearrangement of comparative information

To enable comparison, certain relevant balances concerning to the previous year have been rearranged and reclassified whenever considered necessary to correspond to current year's presentation.

#### i. Rearrangement in statement of cash flows

Comparatives for December 31, 2023 financial statements has been reclassified for interest payments in statement of cash flows from operating activities to financing activities. The financial information has been updated as follows:

	Amount in BDT		
	As previously reported	Adjustments for reclassification	As reclassified
<b>31 December 2023</b>			
<b>Cash Flows from operating activities</b>			
Payment to suppliers, employees and others	(4,709,034,793)	648,972	(4,708,385,821)
Finance cost paid	(28,420,981)	28,420,981	-
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	(166,735,863)	(648,972)	(167,384,835)
<b>Cash flows from financing activities</b>			
Payment of interest on UPAS loan	-	(28,420,981)	(28,420,981)
<b>Net cash generated from operating activities</b>	<b>1,169,027,811</b>	<b>29,069,953</b>	<b>1,198,097,764</b>
<b>Net operating cash flow per share (par value BDT 10 each) (BDT)</b>	<b>247.41</b>	<b>6.16</b>	<b>253.57</b>

### 37. Events after the reporting date

For the year 2024, the Board of Directors recommended a final dividend of Taka 333 per share amounting to Taka 1,573,425,000 at the board meeting held on April 07, 2025.

Above recommended dividend has been declared out of the accumulated profit as of 31 December 2024 of the Company. As a result, the Company shall not be attracted to any tax liability as per section 22 of Income Tax Act 2023.

There is no material events after balance sheet date that may affect financial statements of the Company for the year ended 31 December 2024.



**38. Standards issued but not yet effective**

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; the Company has not early adopted the new or amended standards in preparing these financial statements. However, this has no financial impact on the financial position of the Company during the year.

**Part A: New standards**

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

**Part B: The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.**

- Amendments to IFRS 17
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)
- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

