

**Independent Auditor's Report
On the Financial Statements of
Asian Consumer Care (Pvt.) Limited
For the period of 01 April 2019 to 31 March 2020**

**Submitted by
Howladar Yunus & Co.
Chartered Accountants**

26 July 2020

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Independent Auditor's Report

To the Shareholders of Asian Consumer Care (Pvt.) Limited

Report on the Audit of the Financial Statements

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Opinion

We have audited the financial statements of Asian Consumer Care (Pvt.) Limited (the "Company"), which comprise the financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31 March 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note- 3.

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 Auditors' 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note- 3, 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. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements.

We 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.

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.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made do 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 statements of financial position and statement of 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.

Chartered Accountants

Dated: Dhaka
26 July 2020

Asian Consumer Care (Pvt.) Limited
Statement of Financial Position
As at 31 March 2020

	Notes	Amount in Taka	
		March 31, 2020	March 31, 2019
Assets			
Non-current assets			
Property, Plant & Equipment	6	530,664,407	494,697,721
Capital Work in Progress		9,991,509	10,498,930
Right of use asset		20,027,222	-
Investment in FDR	7	570,773,818	501,262,152
		1,131,456,956	1,006,458,804
Current assets			
Advances, Deposits & Prepayments	8	35,685,757	81,726,062
Advance Income Tax	9	155,819,839	96,757,771
Inventories	10	220,655,708	206,004,917
Materials in Transit		-	-
Interest Receivable		8,351,611	6,602,466
Trade Receivable	11	34,005,437	107,554,398
Cash & Cash Equivalents	12	37,386,915	70,835,714
		491,905,268	569,481,327
Total assets		1,623,362,223	1,575,940,131
Shareholders' Equity & Liabilities			
Shareholders' Equity			
Share Capital	13	353,341,120	353,341,120
Share Premium	14	126,682,565	126,682,565
Retained Earnings	15	716,516,137	633,539,162
		1,196,539,822	1,113,562,847
Non-current liabilities			
Deferred Tax Liabilities	16	20,849,351	20,446,074
		20,849,351	20,446,074
Current liabilities			
Trade Payable	17	88,357,871	110,709,005
Liabilities and Payables for Expenses	18	136,406,150	171,265,861
Current Tax Liabilities	19	159,587,930	121,174,242
Advance from Customers		21,621,100	38,782,102
		405,973,051	441,931,210
Total Shareholders' Equity & Liabilities		1,623,362,223	1,575,940,131

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

Director

Director

Finance Controller

Signed in terms of our report of same date annexed.

Chartered Accountants

Dated: Dhaka
July 26, 2020

Asian Consumer Care (Pvt.) Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2020

	Notes	Amount in Taka	
		2019-2020	2018-2019
Income			
Revenue	20	1,318,182,180	1,518,966,496
Less: Cost of Sales	21	642,917,916	767,050,501
Gross Profit		675,264,264	751,915,995
Less: Administrative and Selling Expenses	22	594,636,271	592,621,005
Operating Profit for the Year		80,627,994	159,294,990
Add: Other Income	23	35,972,964	36,570,417
Profit before Income Tax		116,600,958	195,865,407
Less: Income Tax Expenses			
Current Tax	24	38,413,688	71,159,542
Deferred Tax		403,276	(102,246)
		38,816,964	71,057,296
Net Profit after Income Tax		77,783,995	124,808,111
Add: Other Comprehensive Income		-	-
Total Comprehensive Income		77,783,995	124,808,111

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

Director



Director



Finance Controller

Signed in terms of our report of same date annexed.

Chartered Accountants

Dated: Dhaka
July 26, 2020

Asian Consumer Care (Pvt.) Limited
Statement of Changes in Equity
For the year ended 31 March 2020

Particulars	Amount in Taka		
	Share Capital	Share Premium	Total
Balance as at 01 April 2018	353,341,120	126,682,565	988,754,736
Prior year adjustment for income tax	-	-	-
Total comprehensive income	-	-	124,808,111
Balance as at 31 March 2019	353,341,120	126,682,565	1,113,562,847
Balance as at 01 April 2019	353,341,120	126,682,565	1,113,562,847
Prior year adjustment for income tax	-	-	5,192,981
Total comprehensive income	-	-	77,783,995
Balance as at 31 March 2020	353,341,120	126,682,565	1,196,539,822

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

Director

Director

Finance Controller

Asian Consumer Care (Pvt.) Limited
Statement of Cash Flows
For the year ended 31 March 2020

Particulars	2020 Taka	2019 Taka
Cash flow from operating activities		
Profit / (Loss) during the year	77,783,996	124,808,111
Depreciation	38,366,004	47,163,106
Increase / (decreases) of current liabilities	(35,554,882)	85,809,949
Increase / (decreases) of current assets	29,293,019	(139,605,369)
Net cash used in Operating Activities	109,888,136	118,175,797
Cash flow from investment activities		
Investment of FDR	(69,511,665)	(125,149,268)
Capital work in Progress	507,421	(6,153,546)
Dispose off / (Addition) of fixed assets	(74,332,690)	(55,312,070)
Net cash used in investing activities (B)	(143,336,934)	(186,614,884)
Cash flow from finance activities		
Cash flow from finance activities	-	-
Net cash from/used in financing activities (C)	-	-
Net increase / decrease in cash and bank balance (A+B+C)	(33,448,798)	(68,439,087)
Opening cash & bank balance	70,835,713	139,274,800
Closing cash & bank balance	37,386,915	70,835,713

Director


Director


Finance Controller

Asian Consumer Care (Pvt.) Limited
Notes, comprising significant accounting policies and other explanatory information
For the year ended 31 March 2020

1 The company and its nature of business

1.01 Legal Form

Asian Consumer Care (Pvt.) Limited incorporated in Bangladesh as a private limited company on 16th July 2003 vide registration no. C-49886 (181)/2003. Registered address of the company is located at Baratia Sutipara, 172 & 173, Kalampur, Dhamrai, Dhaka.

1.02 Nature of business

The main objective of the company is to manufacture and market coconut oil, hair oil, shampoo and other products under the trade mark 'Dabur' or other trade marks sub-licensed to it by DABUR INTERNATIONAL LIMITED, ISLE OF MAN. The company's manufacturing unit is situated at Baratia Sutipara, 172 & 173, Kalampur, Dhamrai, Dhaka, which is engaged in manufacturing of hair oil, tooth paste, shampoo and other consumer goods. Besides, the company is also engaged in trading of FMCG.

2 Basis of preparation of financial statements

2.01 Statement of Compliance

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

- International Financial Reporting Standards;
- International Accounting Standards;
- International Financial Reporting Standards Interpretations; and
- International Accounting Standards Interpretations.

2.02 Reporting Period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover one year from 01 April 2019 to 31 March 2020 consistently.

2.03 Basis of Accounting

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

2.04 Going concern

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

2.05 Basis of Measurement

The financial statements have been prepared under the historical cost convention.

2.06 Functional and presentational currency and level of precision

Transactions denominated in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladesh taka at the exchange rates ruling at the statement of financial position date. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladesh taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the respective head of income/expenses.

2.07 Date of authorisation

The Board of Directors has authorised these financial statements on 26 July 2020.

2.08 Directors' responsibility statement

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

2.09 Use of estimates and judgments

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

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

Judgements

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

Note # 3.01 Depreciation

Assumption and estimation uncertainties

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

Note # 15 Provision for income tax
Note # 14 Liabilities and payables for expenses

3 Significant accounting policies and disclosures

3.01 Property, Plant & Equipment

(a) Recognition and measurement

Property, Plant & Equipment are accounted for according to "IAS 16: Property, Plant and Equipment" at historical cost less accumulated depreciation.

(b) Subsequent cost

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

(c) Depreciation

Assets are depreciated following reducing balance method. Depreciation on assets is charged on day basis of its use or operation. The depreciation rates for the current year are as follows:

<u>Particulars</u>	<u>Rate</u>
Building & Pavement	10.00%
Plant & machinery	13.91%
Office equipment	13.91%
Computer	40.00%
Furniture & fixture	18.10%
Other assets	18.10%
Vehicles	25.89%

(d) Disposal of Property, Plant & Equipment

On disposal of Property, Plant & Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02 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.

(a) Financial assets

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial 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 on a net basis or to realise the asset and settle the liability simultaneously.

- **Cash & bank balances**

Cash and cash equivalents comprise cash in hand & cash at bank. Cash comprises cash at bank which are available for use by the Company without any restriction.

- **Advances, other receivables & prepayments**

Advances

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

Other receivable

Other receivable is stated net of provisions, if any.

Prepayments

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

- **Accounts receivable**

Accounts receivable is stated net of provisions, if any.

(b) Financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

- **Trade payables**

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

(b) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception date: whether fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

Leased assets are initially recognized as asset of the Company at their fair value at the inception of the lease or, if lower, at the present value of minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a lease obligation. Lease payments are apportioned between finance expenses and reduction of lease obligation so as to achieve a constant rate of interest on the remaining balance of liability. Finance expenses are immediately recognized in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized.

3.03 Share capital

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

3.04 Consideration on credit risk

Management believes that there is no significant consideration of credit risk in the accounts receivable.

3.05 Employees' benefit schemes

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

(a) Workers' profit participation fund (WPPF)

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

(b) Insurance scheme

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

(c) Leave encashment

Permanent employees of the company are entitled to receive leave encashment on unavailed earn leave.

3.06 Revenue recognition

(a) Sales of goods

Sales are recognized at the time of delivery of goods from the company's depots, when risk and reward of ownership of goods are transferred to buyer. Sales are stated net off of returns, discounts and excluding VAT.

(b) Interest income

Interest income is recognized on accrual basis.

3.7 Inventories

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

3.8 Provisions

In accordance with the guidelines as prescribed by "IAS 37: Provisions, Contingent Liabilities and Contingent Assets" provisions are recognised when all the following criteria are met :

- When the company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

3.9 Interest income and expenses

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

3.10 Taxation

The Industrial unit is subject to tax at normal rate less Tax rebate @ 10% as per Para-1 of the S.R.O. 185-law/income tax/2014 dated 01 July 2014 of the Internal Resources Division, Ministry of Finance, Govt. of the People's Republic of Bangladesh as applicable. Advance Income Tax paid at import stage for trading of finished goods are considered as final discharge of Tax liability for such income under section 82(C) of the Income Tax Ordinance 1984. Income tax expenses comprise current and deferred tax. Current tax and deferred tax are recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to an item recognized directly in equity in which case it is recognised in equity.

Current tax

Current tax is 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.

Deferred tax

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

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

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which temporary difference 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.

3.11 Statement of cash flows

Statement of cash flows is prepared in accordance with "IAS 7: Statement of Cash Flow" and cash flow from operating activities has been presented under indirect method.

3.12 Events after the reporting date

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

3.13 Earning per share

The Company calculates its earnings per share in accordance with "IAS 33: Earnings Per Share".

Basic earnings

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

Basic earnings per share

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

3.14 Offsetting

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

3.15 Materiality and aggregation

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

4 Financial risk management policies

The management of the company has the overall responsibility for the establishment and oversight of the company's risk management framework. Financial risk management policies require establishing standard procedures to identify and analyze the main risks to which the company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact.

The company is exposed to credit risk, liquidity risk and market risk.

5 Comparative information /figures

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

6 Adoption of new standards

IFRS 16 'Leases' provides a single lessee accounting model, requiring lessees to record all leases on the statement of financial position, unless the lease term is under 12 months or the underlying asset has a low value. Lessors continue to classify leases as operating or finance.

On April 1, 2019, the Company recognized lease liabilities in relation to leases which had previously been classified as operating leases under the principles of IAS 17 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at April 1, 2019. The Company applied the simplified transition approach and did not restate comparative amounts for the prior year. Right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The Company has elected not to reassess whether a contract entered into before the transition date is, or contains, a lease and relied on its previous assessment.

Leases are recognized at the commencement of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is apportioned between the liability and finance charges using the effective interest method.

Rental obligations, net of finance charges, are included in lease liabilities in the statement of financial position. The property and equipment acquired under leases is depreciated over the shorter of the asset's useful life or the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

- 6 Property, Plant & Equipment
Cost
Less: Accumulated depreciation
WDV

Amount in Taka	
31-Mar-20	31-Mar-19
860,031,029	785,698,339
329,366,622	291,000,618
530,664,407	494,697,721

Property, Plant & Equipment represents the written down value of the capital assets held by the company as on the date of Statement of Financial Position. Detail has been given in Annexure - A.

- 7 Investment in FDR
State Bank of India, Dhaka
HSBC Bank, Dhaka

539,750,068	501,262,152
31,023,750	-
570,773,818	501,262,152

- 8 Advances, deposits & prepayments
Advances:
Advance supplementary duty
Advance to staff
Advance to C & F agent and Suppliers
Deposits:
Bank guarantee margin
Rent
Security service
Prepayments:
Prepaid expenses

702,245	7,585,628
865,652	963,546
26,835,646	38,436,477
376,163	376,163
2,457,780	2,395,730
-	0
4,448,272	31,968,518
35,685,757	81,726,062

- 9 Advance Income Tax
Balance at 1st April
Add: Addition during the year
Less: Adjustment during the year

96,757,771	27,994,241
59,062,068	68,763,529
-	-
155,819,839	96,757,771

- 10 Inventories
Raw materials
Packing materials
Stores and Spares
Finished goods
Work-in-progress
Less: Provision for material written off

76,929,090	67,738,601
48,840,443	46,989,336
509,789	775,109
64,941,791	54,841,059
31,188,535	37,241,502
222,409,648	207,585,607
1,753,940	1,580,689
220,655,708	206,004,917

11 Trade Receivable

International Brands
Rafique Brothers
Bondhon Distribution
Zahir Traders
Gift House
Nexus Sales & Distribution
Rabbit Traders
M/S Maa Enterprise
Seraj Trading
Mahi Enterprise
Joydev Paul & Sons
Siam General Store
Others

Amount in Taka	
31-Mar-20	31-Mar-19
-	51,029
9,652,448	29,831,549
-	308,492
1,049,673	-
-	1,885,868
18,539,707	19,709,603
-	7,599,840
790,166	6,357,301
405,335	7,924,346
-	6,109,874
-	5,747,355
-	3,498,889
3,568,108	18,530,252
34,005,437	107,554,398

12 Cash & Bank Balances

Cash in hand
Cash at bank:
HSBC Bank
Sonali Bank Limited
State Bank of India
CITI Bank N.A
Standard Chartered Bank

84,520	96,723
41,755	-
-	-
442,668	2,913,635
117,891	118,041
36,700,082	67,707,316
37,386,915	70,835,714

13 Share Capital

Authorized Share Capital

50,000,000 Ordinary shares of Tk. 10 each

Issued, Subscribed and Paid-up Share Capital

35,334,112 Ordinary shares of Tk. 10 each

Shareholding position of the company is as follows:

500,000,000	500,000,000
353,341,120	353,341,120

DABUR International Limited
ACI Limited (Ordinary shares)

No. of Shares	Nominal Value in Taka	Nominal Value in Taka
26,853,925	268,539,250	268,539,250
8,480,187	84,801,870	84,801,870
35,334,112	353,341,120	353,341,120

14 Share premium

DABUR International Limited
ACI Limited (Ordinary shares)

No. of Right Shares	2019 Premium	2018 Premium
19,255,750	96,278,750	96,278,750
6,080,763	30,403,815	30,403,815
	126,682,565	126,682,565

		Amount in Taka	
		31-Mar-20	31-Mar-19
15 Retained earnings			
Opening retained earnings		433,874,016	309,065,905
Add: Net profit during the year		77,783,995	124,808,111
		<u>511,658,010</u>	<u>433,874,016</u>
16 Deferred tax liabilities			
Opening balance		20,446,074	20,180,789
Charged during the year		403,276	265,286
Previously overcharged		-	(367,532)
Net Charged during the year in P/L Account		<u>403,276</u>	<u>(102,246)</u>
Closing balance (Note 16.01)		<u>20,849,351</u>	<u>20,446,074</u>

16.01 Computation of deferred tax liabilities

Deferred tax has been recognised and measured in accordance with the provision of "IAS 12: Income Taxes".

Deferred tax liability are arrived at as follows:

	Carrying amount	Tax base	Taxable/ (deductible) Temporary difference
Building & Pavement	162,124,091	149,014,468	13,109,623
Plant & machinery	187,576,696	130,451,720	57,124,976
Computer	2,466,980	2,592,982	(126,001)
Cylinder & Moulds	14,490,982	9,400,949	5,090,033
Office equipment	7,110,270	7,108,735	1,534
Furniture & fixture	12,560,541	18,010,254	(5,449,712)
Vehicles	8,763,027	7,609,637	1,153,390
Provision for gratuity & Leave	-	11,334,267	(11,334,267)
Encashment			
Temporary difference	395,092,587	335,523,012	59,569,575
Applicable tax rate			35%
Deferred tax liability			<u>20,849,351</u>

17 Trade creditors

Creditors- Intercompany	30,799,245	27,472,429
Creditors- Foreign & Services	31,545,978	33,664,427
Creditors- Goods	25,538,378	47,543,704
Creditors- Capital Goods	474,270	2,028,445
	<u>88,357,871</u>	<u>110,709,005</u>

18 Liabilities and payables for expenses

Outstanding expenses (Note-18.01)	84,681,859	123,893,909
Employee benefits expenses (Note-18.02)	28,359,726	32,011,236
Custom clearing A/C	9,735,319	10,545,997
VAT Payable	7,332,847	1,809,041
Income Tax deducted at Source	2,357,043	1,948,080
Lease Liabilities	3,251,864	-
VAT deducted at source	687,492	1,057,597
	<u>136,406,150</u>	<u>171,265,861</u>

		Amount in Taka	
		31-Mar-20	31-Mar-19
18.01 Outstanding expenses			
Administrative expenses		22,151,147	26,476,030
Sales, marketing & distribution expenses		54,564,275	88,664,162
Audit fees		500,000	172,500
Freight clearing & other vendors		7,466,437	8,581,218
		84,681,859	123,893,909
18.02 Employee benefits expenses			
Salary & allowances		11,183,239	10,807,318
Employees gratuity		6,243,000	6,289,145
Workers' Profit Participation and Welfare Fund		5,842,220	9,793,270
Leave encashment		5,091,267	5,121,503
		28,359,726	32,011,236
19 Current tax liabilities			
Provision for income tax			
Balance at 1st April		121,174,242	50,014,700
Add: Provision for the year		38,413,688	71,159,542
Less: Adjusted during the year		-	-
		159,587,930	121,174,242

		Amount in Taka	
		01 April 2019 to 31 March 2020	01 April 2018 to 31 March 2019
20 Revenue			
Gross Sales		1,611,857,688	1,863,206,478
Less : VAT and SD		293,675,508	344,239,982
		1,318,182,180	1,518,966,496
Sale of manufacturing products		1,274,548,338	1,332,126,500
Sale of imported finished goods		43,633,842	186,839,996
		1,318,182,180	1,518,966,496
21 Cost of sales			
Opening Stock		207,585,607	246,475,449
Add: Purchased during the year		622,910,373	689,597,330
Less: Closing Stock		222,409,648	207,585,607
		608,086,332	728,487,173
Add: Factory Overhead (Note: 21.01)		34,831,584	38,563,329
		642,917,916	767,050,501
21.01 Factory overhead			
Factory general expenses		883,052	1,131,153
Power and utility		10,442,758	11,263,648
Insurance		4,532,997	4,466,193
Lab & testing expenses		703,320	632,339
Technical Know-How Fees		12,745,483	14,890,679
Repair & maintenance		5,523,973	6,179,317
		34,831,584	38,563,329
21.01.01 Technical Know-How Fees			
Sale of manufactured goods		1,274,548,338	1,332,126,500
Less: Other adjustment		-	-
Net revenue for royalty purposes		1,274,548,338	1,332,126,500
Royalty @ 1% on the net revenue		12,745,483	14,890,679
22 Administrative and selling expenses			
Salaries and other benefits (Note 22.01)		167,887,405	166,293,366
Selling, administration & general expenses (Note 22.02)		367,019,079	378,647,387
Depreciation		59,729,786	47,680,252
		594,636,271	592,621,005
22.01 Salaries and other benefits			
Salary and allowances		144,293,931	137,213,476
Wages		12,530,097	13,872,257
Staff welfare		2,940,782	3,179,227
Insurance		2,280,375	2,235,134
Workers' Profit Participation and Welfare Fund		5,842,220	9,793,270
		167,887,405	166,293,366

22.02 Selling, administration & general expenses

Amount in Taka	
01 April 2019 to 31 March 2020	01 April 2018 to 31 March 2019
2,525,237	7,612,043
6,688,200	6,672,825
2,028,000	2,028,000
642,150	982,428
222,752	348,520
2,142,139	2,302,873
2,806,120	3,381,734
500,000	282,667
352,333	135,131
7,751,196	7,328,684
2,660,693	2,744,570
2,350,619	2,267,765
1,651,576	3,963,862
95,752	65,465
21,945,651	20,313,179
1,661,918	1,895,838
(400)	-
270,512,342	306,087,805
35,834,483	4,726,411
450,200	752,771
1,041,192	1,219,148
2,187,366	2,287,171
15,000	-
275,853	-
678,708	1,248,499
367,019,079	378,647,387

23 Other income

Interest income
Scrap Sales

35,714,975	33,604,147
257,990	2,966,270
35,972,964	36,570,417

24 Current tax

Profit before income tax
Income tax during the year
Adjusted during the year

116,600,968	195,865,407
38,413,688	71,159,542
-	-
38,413,688	71,159,542

Tax rate for the private entity is 35% of profit before tax.

25 Basic earnings per share (EPS)

Profit after tax
Number of shares
Basic EPS

Amount in Taka	
2019-2020	2018-2019
77,783,995	124,808,111
35,334,112	35,334,112
2.20	3.53

26 Particulars of employee

Nationality:
Bangladeshi
Non-Bangladeshi

121	115
4	7
125	122

27 Capacity utilization

Installed capacity (in Kg)
Utilized capacity (in Kg)
Percentage of utilization (%)

775,331	775,331
508,313	557,678
66%	72%

28 Information relating to consumption of materials

	2019-2020		2018-2019	
	Quantity Kg/Pcs	Value Taka	Quantity Kg/Pcs	Value Taka
Raw materials	3,688,661	402,193,855	2,329,560	390,675,146
Packing materials	49,060,257	205,409,348	51,832,497	247,187,965

29 Value of import calculated on CIF basis

	2019-2020		2018-2019	
	Foreign currency (in USD)	Equivalent Taka	Foreign currency (in USD)	Equivalent Taka
Raw materials	3,087,398	261,203,956	3,534,545	296,226,644
Packing materials	171,143	14,432,455	237,007	19,865,746
Finished Goods	194,767	16,495,611	117,266	9,835,205
Capital machinery	602,723	50,359,565	143,025	11,988,826
Spare parts	6,396	540,420	-	-
Other	-	-	-	-
	4,062,427	343,032,007	4,031,843	337,916,420

30 Related party disclosures

(a) Related party transactions

During the year, the company made a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions, their total value and closing balance have been set out in accordance with the provisions of "IAS 24: Related Party Disclosures".

Name of the party	Relationship	Nature of Transaction	Purchase during the year	Paid during the year	Outstanding amount	
					31-Mar-20	31-Mar-19
Dabur India Limited	Ultimate Holding Company	Purchase of goods	146,598,402	143,716,861	-	-
Dabur Nepal Private Limited	Fellow Subsidiary Company	Purchase of goods	14,250,261	11,646,965	1,579,695	143,234
Dabur International Limited	Holding Company	Technical Know-How Fees	12,745,483	10,843,393	27,754,706	28,330,487
			173,594,146	166,207,220	29,334,401	28,473,721

(b) Compensation of Key Management Personnel

The following disclosures are made in accordance with the provisions of "IAS 24: Related Party Disclosures", in respect of the compensation of key management personnel. Under "IAS 24 (Paragraph 9): Key Management Personnel" are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. The remuneration to the Key Management Personnel is set out below.

Name of the Key Management Personnel	Relationship	Nature of transaction	Transaction value	Paid during the year	Outstanding amount	
					31-Mar-20	31-Mar-19
Mr. Brajesh Kumar	Director	Short-term employee benefits	10,645,353	10,645,353		
		Post-employment benefits	-	-		
Mr. Rakesh Kumar Agrawal	Director	Short-term employee benefits	5,323,802	5,323,802	-	-
		Post-employment benefits	-	-	-	-
			15,969,155	15,969,155	-	-

Amount in Taka

	31-Mar-20	31-Mar-19
31 Contingent Liability	-	-
VAT authority	-	-
Letter of credit	32,623,340	84,860,212
Disputes pending with judicial authorities	224,973,383	225,540,771
	257,596,723	310,400,983

31 Contingent Liability

VAT authority

Letter of credit

Disputes pending with judicial authorities

32 Capital expenditure commitment

Estimated Amount of contract remaining to be executed on Capital Account Tk.22,597,575.

33 Operating leases - Leases as lessee

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

During the period an amount of Taka 9,020,400 was recognised as an expense in statement of profit or loss and other comprehensive income in respect of operating leases which is as follows:

Amount in Taka

	2019-2020	2018-2019
Godown rent	6,688,200	6,672,825
Guest house rent	2,332,200	2,332,199
	9,020,400	9,005,024

34 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The company has exposure to the following risks from its use of financial instruments:

- Credit risks
- Liquidity risks
- Market risk

- Credit risk

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

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

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

a) Exposure to credit risk

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

Advances, deposits & prepayments
Investment in FDR
Interest receivable
Bank balances(except cash in hand)

Amount in taka	
31-Mar-20	31-Mar-19
35,309,594	81,349,899
570,773,818	501,262,152
8,351,611	6,602,466
37,302,395	70,738,991
651,737,419	659,953,508

b) Ageing of accounts receivables

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

Invoiced 0 to 30 days
Invoiced 31 to 60 days
Invoiced 61 to 90 days
Invoiced 91 to 210 days
Invoiced 211 and above

22,919,749	95,102,890
489,136	5,403,951
10,126,438	421,838
470,114	6,625,719
-	-
34,005,437	107,554,398

• **Liquidity risk**

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

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

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

The following are the contractual maturities of financial liabilities :

March 31, 2020					
Current liabilities	Carrying amount	Contractual cash flows	3 months or less	3-6 months	6-12 months
Trade payable	88,357,871	(88,357,871)	(88,357,871)	-	-
Liabilities and payables for expenses	136,406,150	(136,406,150)	(136,406,150)	-	-
Current tax liabilities	159,587,930	(159,587,930)	-	-	(159,587,930)
Advance from customers	21,621,100	(21,621,100)	(21,621,100)	-	-
	405,973,051	(405,973,051)	(246,385,121)	-	(159,587,930)

• **Market risk**

Market risk is the risk that any change in market conditions, such as foreign exchange rates, interest rates and commodity prices that will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable level.

Currency risk

Transaction risk

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

Interest rate risk

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

Aialon Consumer Care (Pvt.) Limited
Schedule of Property, Plant & Equipment
As at 31 March 2020

Particulars	Cost		Depreciation		Written down value	
	Balance as at 01.04.2019	Addition during the year	Adjustment during the year	Charged during the year	Balance as at 31.03.2020	Written down value as at 31.03.2020
Freehold land	117,848,128	-	17,723,692	-	135,571,820	135,571,820
Building & Pavement	313,354,018	2,367,591	(17,723,692)	17,773,304	335,873,825	335,873,825
Plant & machinery	279,436,752	59,210,080	(5,043,586)	24,793,888	353,603,246	353,603,246
Computer	10,619,390	1,594,712	(953,597)	1,146,007	11,260,505	11,260,505
Cylinder & Moulds	18,612,123	10,074,721	(2,979,511)	2,434,646	25,707,332	25,707,332
Office equipment	8,467,032	3,211,756	(374,700)	876,500	11,304,088	11,304,088
Furniture & fixture	24,245,728	3,029,651	(3,135,926)	2,403,334	24,139,453	24,139,453
Vehicles	13,115,169	7,348,796	(17,296)	689,041	20,146,669	20,146,669
Sub Total	785,698,339	86,837,307	(12,504,617)	50,116,719	840,031,029	840,031,029
Capital work-in-progress	10,498,930	90,334,021	(90,841,442)	-	9,991,509	9,991,509
Right of use asset	29,640,289	-	-	9,613,067	20,027,222	20,027,222
Grand Total	796,197,269	177,171,328	(103,346,059)	59,729,786	940,055,916	940,055,916