

Reckitt Benckiser (Bangladesh) Limited

Annual Report and Financial Statements 2018



Healthier lives,
happier homes



HEALTH ▸ HYGIENE ▸ HOME



HEALTH ▸ HYGIENE ▸ HOME

Our vision is a world where people are healthier and live better.

Our Purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes.

	2018 Tk 000's	2017 Tk 000's	Change %
Revenue	3,893,025	3,669,620	+ 6.09
Profit from operation	530,518	599,516	-11.51
Profit before taxation	525,645	542,799	-3.16
Profit after taxation (including other comprehensive income/items)	325,301	374,480	-13.13
Dividend per share	Tk. 70.00	Tk. 79.00	-11.39

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Corporate Profile

BOARD OF DIRECTORS

Mr. Rahul Mathur	Chairperson	(Joined on April 15, 2019)
Mr. Vishal Gupta	Managing Director	
Mr. C.Q.K. Mustaq Ahmed	Independent Director	
Mr. Nazim Uddin Chowdhury	Independent Director	
Mr. Pradeep Krishnamurthi		(Joined on April 15, 2019)
Mr. Sourav Mitra		
Mr. Syed Tanzim Rezwan		
Mr. Salahuddin Mahmud		
Mrs. Mahmuda Khanam		

CHIEF FINANCIAL OFFICER

Mr. Sourav Mitra

COMPANY SECRETARY

Mr. Mohammad Nazmul Arefin

AUDIT COMMITTEE

Mr. C.Q.K. Mustaq Ahmed	Chairperson	(Independent Director)
Mr. Nazim Uddin Chowdhury	Member	(Independent Director)
Mr. Vishal Gupta	Member	
Mr. Sourav Mitra	Member	
Mr. Mohammad Nazmul Arefin	Secretary	

NRC COMMITTEE (Formed in 15 April 2019)

Mr. C.Q.K. Mustaq Ahmed	Chairperson	(Independent Director)
Mr. Rahul Mathur	Member	
Mr. Pradeep Krishnamurthi	Member	
Mr. Mohammad Nazmul Arefin	Secretary	

SHARE COMMITTEE

Mr. Vishal Gupta	Chairperson
Mr. Sourav Mitra	Member
Mr. Mohammad Nazmul Arefin	Secretary

AUDITORS

Rahman Rahman Huq
(Chartered Accountants)

COMPLIANCE AUDITORS (Corporate Governance)

Ahmed Mashuque & Co.
(Chartered Accountants)

BANKERS

Standard Chartered Bank
The Hongkong & Shanghai Banking Corporation Ltd.

Key Operating and Financial Data

	2013	2014	2015	2016	2017	2018
FINANCIAL RESULTS:						
Revenue	2,432,087	2,669,969	2,884,380	3,326,615	3,669,620	3,893,025
Profit before Taxation	209,601	292,347	402,709	458,358	542,799	525,645
Taxation	80,062	114,811	125,196	162,272	161,802	193,872
Profit after Taxation <small>(including other comprehensive income/items)</small>	129,539	177,535	277,514	290,798	374,480	325,301
Dividend	189,000	259,875	307,125	366,188	373,275	330,750

BALANCE SHEET SUMMARY:

Property, Plant & equipment(Including CWIP)	210,493	183,593	169,966	258,755	334,101	413,497
Deferred Tax	5,958	7,966	13,605	26,333	17,706	15,190
Net Current Assets	260,382	70,603	84,749	28,321	43,387	56,070
Provision for Employees' Gratuity	(45,427)	(50,740)	(62,884)	(77,050)	(91,480)	(99,080)
Net Assets	<u>431,406</u>	<u>211,422</u>	<u>205,436</u>	<u>236,359</u>	<u>303,714</u>	<u>385,678</u>

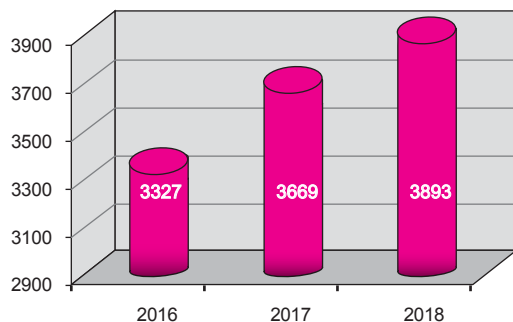
Share Capital	47,250	47,250	47,250	47,250	47,250	47,250
General Reserves & Retained earnings	384,156	164,172	158,186	189,109	256,464	338,428
Shareholders' Funds	<u>431,406</u>	<u>211,422</u>	<u>205,436</u>	<u>236,359</u>	<u>303,714</u>	<u>385,678</u>

STATISTICS :

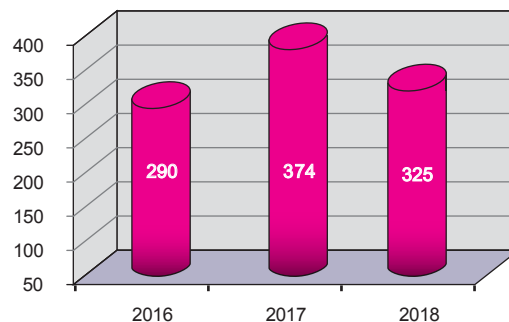
Net assets per share (Taka)	91.30	44.75	43.48	50.02	64.28	81.63
Earning per share (Taka)	27.42	37.57	58.73	62.66	80.63	70.22
Dividend per share (Taka)	40.00	55.00	65.00	77.50	79.00	70.00
Profit before Taxation as % of sales	8.62	10.95	13.96	13.78	14.79	13.50
Return on Capital Employed (%)	30.03	83.97	135.09	123.03	123.30	84.35
Current Ratio (Times)	1.35	1.09	1.12	1.02	1.03	1.04

Key Operating and Financial Data continued

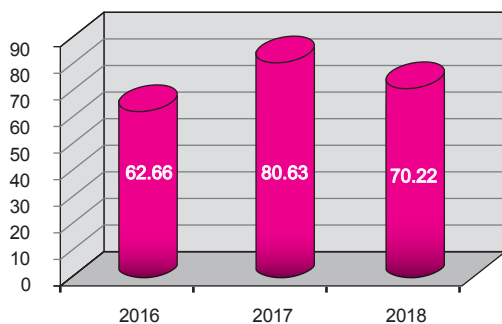
Net Turnover
(Taka in Million)



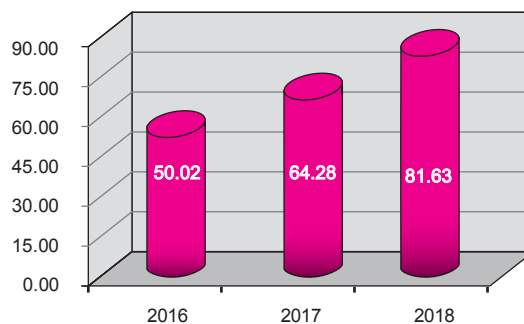
Net Profit
(Taka in Million)



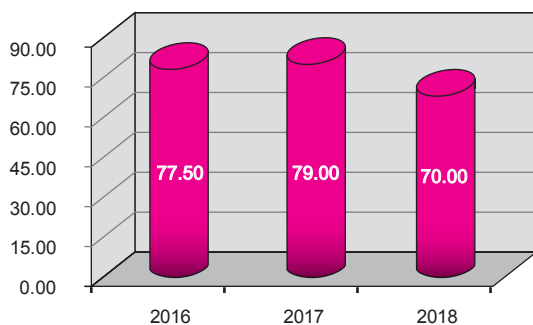
Earnings Per Share
(Taka)



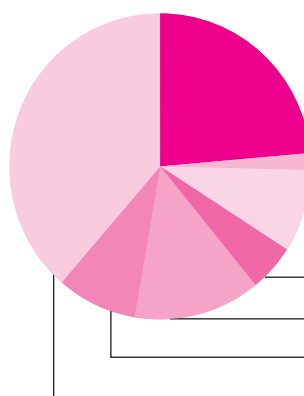
Net Assets per share
(Taka)



Dividend Per Share
(Taka)



Split of Revenue



	2018	2017
Marketing Expenses	23.6%	23.4%
Depreciation and impairment	1.8%	1.3%
Other expenses	8.8%	7.6%
Taxation	5.0%	4.4%
Salaries, wages and benefits	13.5%	11.5%
Profit after tax	8.5%	10.4%
Cost of Materials	38.8%	41.3%

Board Of Directors



Rahul Mathur
Chairperson



Vishal Gupta
Managing Director



Pradeep Krishnamurthi
Director



C.Q.K. Mustaq Ahmed
Independent Director



Nazim Uddin Chowdhury
Independent Director



Sourav Mitra
Director & Chief Financial Officer



Syed Tanzim Rezwan
Director



Mahmuda Khanam
Director



Salauddin Mahmud
Director



Mohammad Nazmul Arefin
Company Secretary

Profile : Board Of Directors

Rahul Mathur (Indian) Chairperson Reckitt Benckiser (Bangladesh) Limited

Rahul Mathur is a Fellow Chartered Certified Accountant (FCCA), and also holds a Bachelor degree of Engineering (BE) in Mechanical. He has over 20 years of experience in industry. Prior to joining RB he has been associated with prominent organisations such as Electrolux and Airtel. He joined Reckitt Benckiser in 2008. In Reckitt Benckiser he has done various roles like Commercial Controller, Regional Supply Controller, Area Financial Controller, Finance Director - Footwear Europe, Finance Director - Thailand, Philippines & Indo-China. During his tenure in RB he has driven Margin improvements, championed complex ERP projects etc. Currently he is Regional Finance Director (Health) of AMESA region.

Pradeep Krishnamurthi (Indian) Director, Reckitt Benckiser (Bangladesh) Limited

Pradeep Krishnamurthi is a Bachelor of Mechanical Engineering from Delhi College of Engineering. He has over 24 years of experience in industry. He has worked with large organisations such as Maruti Suzuki India Limited and Hindustan Unilever prior to joining Reckitt Benckiser in 2011. He has done various roles in Reckitt Benckiser like Supply Director (India), Manufacturing Director-Indonesia and has a stellar record of driving efficiency in the manufacturing setup and executing very large and complex supply projects on time and within budget. Currently he is Manufacturing Director of South Asia. He brings with him an in depth expertise on supply chain and project management.

Vishal Gupta (Indian) Managing Director, Reckitt Benckiser (Bangladesh) Limited

Vishal Gupta is a Master of Business Administration in Management from the University of Delhi, India and Graduate with Bachelor of Mechanical Engineering from the Institute of Technology Delhi, India. He began his career with Reckitt Benckiser India in 1995. He has worked in various assignments across India, Indonesia, United Kingdom and Philippines. He brings with him a wide ranged experience at Reckitt Benckiser from June 1995 to April 2016 in different roles holding in various positions like General Manager, Marketing Director, Sales Director, Marketing/Brand Manager, Regional Sales Manager and so on in different country like Philippines, United Kingdom, Indonesia and India. During his career with Reckitt, he had fostered strong partnership with customers, step-changed the GTM model, created a robust product portfolio and drove digital marketing initiatives that grew the business significantly which was much faster than the market.

Syed Tanzim Rezwan (Bangladeshi) Marketing Director , Reckitt Benckiser Bangladesh

Syed Tanzim Rezwan is a Masters in Business Administration in Marketing, Institute of Business Administration, University of Dhaka. He started his career with Interspeed Rural in 2002 post completion of his Bachelors of Business Administration from IBA, University of Dhaka. He later worked for Berger Paints Bangladesh Ltd. from 2003, before joining Reckitt Benckiser (Bangladesh) Ltd. In 2006 as Brand Manager. He worked in different categories for Reckitt Benckiser (Bangladesh) Ltd. before getting transferred to Reckitt Benckiser Lanka as Head of Marketing in 2011. He moved back to Bangladesh as Marketing Director in 2016. He has undergone several training from domestic and abroad at various specializations.

Mahmuda Khanam (Bangladesh) Government nominated Director

Mahmuda Khanam holds a post graduation degree from University of Dhaka. He has Joined Government Service as a member of BCS in 1985. Now he is working as Joint Secretary in the Ministry of Industries, Dhaka.

Nazimuddin Chowdhury (Bangladesh) Independent Director

Nazimuddin Chowdhury holds a post graduation degree on Financial Management. He has Joined Government Service as a member of BCS in 1986. He has held several important positions like Chief Account Officer (Ministry of Commerce, health, Agriculture and energy), Director Finance (Bangladesh railway), Deputy Secretary, Joint Secretary, Additional Secretary and lastly retired from Secretary, Ministry of Energy and Mineral resource. He has taken part in several trainings & conference both in local and abroad on audit and business communication.

Salahuddin Mahmud (Bangladesh) Government nominated Director

Salahuddin Mahmud holds MSS in International relations in 1983. He has Joined Government Service as a member of BCS in 1986. He has held several important positions like UNO, ADM, Deputy Secretary, Joint Secretary, and Additional Secretary. Now he is working as Additional Secretary in the Ministry of Industries, Dhaka. He has taken part in several trainings namely law & administration (1st), Survey & settlement, executive development program, professional development program, etc.

C. Q. K. Mustaq Ahmed (Bangladeshi) Independent Director

Graduated with Honours in economics from Dhaka University in 1975 and M.A in 1976. He has joined government service as a member of BCS (Admin.) in 1981. He has held several important positions like Assistant Commissioner, Joint secretary, Deputy Secretary, Additional Secretary, Secretary and lastly retired from Senior Secretary, Ministry of Home Affairs in 2015. During his service period he worked under several assignments on Banks and NGO. He has taken part in various training & conference both in local and abroad, lastly he attended Bangladesh- Nepal conference on promotion of trade and investment organised by the Embassy of Bangladesh in Nepal in collaboration with FBCCI, FNCCI and the Nepalese Ministry of Commerce.

Sourav Mitra (Indian) Finance Director

Sourav Mitra is a qualified Chartered Accountant and member of Institute of Chartered Accountants of India. He has almost 19 years of finance management experience in various multinationals and in diverse industries such as consumer durables, engineering, FMCG etc. He also has rich global experience of working with diverse teams in various geographies such as Africa, South East Asia, India etc. He has made significant improvement to several different RB businesses during a rich 10 year association with the group. His vision is to step change the capability of the finance function to become able partners in the organization's growth.

Mohammad Nazmul Arefin (Bangladeshi) Company Secretary

Mohammad Nazmul Arefin is a Graduated in management and an MBA major in finance and has more than 20 years of experience in professional environment as well as industry. He started his career in 1999 in Monico Limited and then to Bangladesh edible oils and then in 2002 he joined in Reckitt Benckiser (Bangladesh) Limited. From 2002 onwards he has held various responsibilities and positions in RB and worked in various functions/positions including management accountant, Finance controller, Supply controller and company secretary. All these assignment were enriched with newer challenges and experience in finance partnership into business growth, compliance, controls were some of other attributes demonstrated by him during his ongoing career with RB.



Notice Of Annual General Meeting

Our Vision is a world where people are healthier and live better. Our Purpose is to make a difference by giving people innovative solutions for healthier lives and happier homes.



HEALTH ▸ HYGIENE ▸ HOME

Reckitt Benckiser (Bangladesh) Limited
Corporate Office: Plot-2(B), Block-SEC, Road-138, Gulshan-1, Dhaka-1212
Registered Office: 58/59, Nasirabad I/A, Chittagong-4209

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 58th **Annual General Meeting** of Reckitt Benckiser (Bangladesh) Limited will be held at Chittagong Boat Club Convention Center, Chittagong Boat Club, Ghat No: 11, East Patenga, Chattogram on Thursday, 30th May, 2019 at 11.00 a.m. to transact the following business:

AGENDA

1. To confirm the Minutes of the 57th Annual General Meeting held on 25th June 2018.
2. To receive and adopt the Financial Statements as on and for the year ended 31 December 2018 together with the Auditors' and Directors' Report thereon.
3. To approve Dividend as recommended by the Board.
4. To elect Directors.
5. To appoint Auditors for the year 2019 and to fix their remuneration.

By order of the Board

Mohammad Nazmul Arefin
Company Secretary

Dhaka, Dated: 15 May 2019

Notes:

1. 8th May 2019 was the RECORD DATE. Shareholders whose name appeared in the Shares Register of the Company or in the Depository Register on that date will be eligible to attend the AGM.
2. A Member entitled to attend and vote at the Annual General Meeting may appoint another Member of the company as Proxy to attend and vote instead of him/her. A Form of Proxy must be stamped and submitted at the Company's Corporate Office not less than 72 hours before the time fixed for the meeting.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের পুনর্নির্দেশনা নং: এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪

তারিখ : অক্টোবর ২৪, ২০১৩ইং অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

CHAIRPERSON'S STATEMENT



2018 was a reasonably good year for RB (Bangladesh) being able to continue in its growth path despite considerable external challenges

Rahul Mathur

Chairperson

Dear Shareholders

It gives me great pleasure to welcome you all to the 58th Annual General Meeting of your Company. I would like to thank the Board of Directors for electing me as the Chairperson.

THE MARKET AND COMPETITIVE ENVIRONMENT

In 2018, the company faced stiff competition in all major segments and categories that it operates in. However, despite all the challenges, your Company was able to outperform the competition by following smart marketing and distribution strategies. I'm very pleased to share that your company has continued to increase market shares in bar soap category and is still holding the No. 1 position in toilet cleaner category in Bangladesh.

BUSINESS PERFORMANCE

This year, your Company achieved 6.1% growth in sales, with a turnover of Tk.3,893 M. This growth was driven by brands across the portfolio. The company also continued to expand gross profit ratio by 1.6% vs previous year.

DIVIDEND

The Board is pleased to recommend a final cash dividend of Tk.70/= per share amounting to Tk.331 million for the year 2018.

SOCIAL RESPONSIBILITY

Last year, we informed you about a national campaign called 'Porichonno Bangladesh' run by your company to create awareness of hygiene and cleanliness among all citizens of Bangladesh. I'm pleased to inform you that the campaign has been running successfully and we have seen a lot of engagement not only from general citizens but also from various Non Governmental organisations and also local Government authorities. I'm very proud to inform you that during one such activity carried out jointly with Dhaka South Municipal Corporation we were able to achieve a Guinness book record on 13th of April 2018 for "Most number of people sweeping the floor" under the banner of "Dettol Porichonno Bangladesh". The key objective of the above campaign was to create awareness about community hygiene among the masses. We've continued our efforts in this regard and have also tied up with Bangladesh Scouts which will help us spreading this campaign far and wide across Bangladesh. We are very passionate about this campaign and we sincerely believe that behaviours can be influenced by sustained awareness campaigns. We also request all of you to join hands with us in this campaign and lets pledge for a Porichonno Bangladesh.

FUTURE OUTLOOK

Your Company continues to invest strongly behind its key brands so that they continue to outperform the market and the competition. The company is also investing heavily in upgrading the manufacturing and sourcing capabilities to ensure that the production facilities in Bangladesh are of the highest global standards. In terms of challenges, the company is keenly observing adverse pressures of the foreign exchange depreciation in Bangladesh.

THANKS

Finally, I would like to take this opportunity to thank all our honorable shareholders and all our business partners and other stakeholders for their continued support and all our employees for their hard work and commitment. I would also like to record my appreciation for my colleagues on the Board for their advice and guidance and the various regulatory bodies of Bangladesh Government for the co-operation extended to us.

Rahul Mathur

Chairperson

Report of The Directors

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to submit the audited financial statements of the Company for the year ended 31 December 2018 and report that:

PRINCIPAL ACTIVITIES

There was no major change in the principal activity of the Company. Your Company continued manufacturing and marketing of Household, Toiletries, Pharmaceuticals and food products. Your company also continued to invest heavily behind the major brands like Dettol, Harpic, Lizol and Veet thus driving business growth.

INDUSTRY OUTLOOK

Industry outlook was stable for most part of the year. However depreciation of currency and liquidity in the Foreign exchange market has been a cause of concern. Due to appropriate investment strategies and activities behind key brands, your Company was able to hold the business on stable growth path.

BUSINESS HIGHLIGHTS

In 2018, your Company achieved 6.1% growth vs previous year with a turnover of Tk.3,893 Million. This growth was mainly driven by Dettol, Harpic and Gaviscon. We also managed to expand our gross profit ratio by 1.6% vs previous year.

Cash and cash equivalents (including fixed deposits investment with bank) increased by 235 Million at the end of 2018, as it stood at Tk.950 Million against Tk.714 Million at the end of 2017.

COST OF GOOD SOLD, GROSS PROFIT MARGIN, NET PROFIT MARGIN

By maintaining an efficient supply infrastructure we've managed to expand gross profit margin to 54.90% versus 53.27% in the previous year, despite severe pressure of currency depreciation and rise in International prices of some key raw materials during the year. Net profit for the year is lower than last year as 2017 profit included a one time extra ordinary write back of technical services fees of 68 million.

RELATED PARTY TRANSACTIONS

During the year the company made transaction with related parties which includes key management personnel, parent's entity and inter group entity. This is mainly for salaries & benefits, dividend and technical services fees, seller-buyer transaction and support services.

The detail statement on transaction, nature & amount etc. are showing in note no.26 of Financial Statements.

SEGMENT WISE PERFORMANCE

The company has two reportable segments based on two strategic business divisions i.e. Household & toiletries and Pharmaceutical's. Detail information reportable for each reportable segment has been shown in note no. 6 of Financial Statements.

RISK AND CONCERNS

Depreciation pressure on Bangladeshi Taka and increasing prices of key raw materials in the International market has impacted our profitability in 2018 and will most likely continue to impact in the coming year as well.

EXTRA-ORDINARY GAIN OR LOSS

In 2018 there was no significant extra ordinary gain or losses in the business.

Report of The Directors

continued

SIGNIFICANT VARIANCE BETWEEN QUARTERLY AND ANNUAL FINANCIAL PERFORMANCE

Annual Earning per share in 2018 is Tk. 70.22 decreased versus last year of Tk 80.63 as in 2017 there was an extraordinary write back of Tk 68 million on account of non-repatriable technical service fees. During the year average earning per share per quarter was Tk. 17.56.

SUMMARY OF FINANCIALS

We are pleased to present the following summarized financials of the Company before you:

Particulars	2018 Taka
Profit before taxation (including other comprehensive income/items)	519,172,443
Less: Taxation	(193,871,699)
Profit after taxation (including other comprehensive income/items)	325,300,744
Add: Un-appropriated profit from previous year (2017)	256,464,942
Profit available for appropriation	581,765,686
Less: Final cash dividend paid @ Tk.51.50 (i.e. 515%) per share for 2017	(243,337,500)
Total profit available for appropriation	338,428,186
Appropriation:	
Proposed Final dividend @ Tk.70/- (i.e. 700%) per share for 2018	(330,750,000)
Un-appropriated profit*	7,678,186

*after recognition of dividend in the period of appropriation

DIVIDEND

The Board is pleased to recommend final cash dividend of Tk.70/= (700 %) per share amounting to Tk. 330 million for the year 2018, (2017: Tk.79 per share i.e. amounting to Tk.373 Million), this is fully out of the profit from current year of 2018.

EARNINGS PER SHARE

The earnings per share numbers are provided on pages 10, 21 & 34.

CORPORATE GOVERNANCE

We would like to confirm that:

- The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.

Report of The Directors

continued

- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) Minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;
- g) There are no significant doubts upon the Company's ability to continue as a going concern.
- h) Significant deviations from last year's operating results of the Company have been highlighted in the report and reasons there of have been explained.
- i) Key operating and financial data of preceding five years have been provided on page 2.
- j) During the year four Board meetings were held and the attendance by each director is given on page 76.
- k) The pattern of shareholding is provided on pages 41 & 76.
- l) A management discussion and analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with brief discussion of changes in the financial statements, is provided on page 13 & 14.
- m) Declaration or certification by the CEO and the CFO to the Board as required under condition no. 3(3) of Corporate Governance Code; is provided on page 65 & 66.
- n) In accordance with the requirement of the Securities and Exchange Commission, "Compliance of conditions of Corporate Governance Code as required under condition no. 9 " is provided on page 69.
- o) During the year the company did not pay any remuneration to its non whole time Directors including Independent Director. Only meeting attendance fees, however, at approved scales were paid to selective non whole time directors.

DIRECTORS

Following were members of the Board of Directors of the Company during 2018:

- | | |
|------------------------------|--|
| 1. Mr. Anupam Jain | Chairman |
| 2. Mr. Nitish Kapoor | Ex-Chairman (Resigned on 27 March 2018) |
| 3. Mr. Vishal Gupta | Managing Director |
| 4. Mr. Parag Agarwal | |
| 5. Mr. Sourav Mitra | CFO and Director |
| 6. Mr. M. Jahangir Kabir | Independent Director (Expired on 19 June 2018) |
| 7. Mr. C.Q.K. Mustaq Ahmed | Independent Director |
| 8. Mr. Nazim Uddin Chowdhury | Independent Director (Joined on 9 August 2018) |
| 9. Mr. Shahidul Islam | (Ceased on 26 July 2018) |
| 10. Mr. Salahuddin Mahmud | (Joined on 26 July 2018) |
| 11. Mr. Mahmud Hasan Khan | (Resigned on 30 April 2018) |
| 12. Mr. Syed Tanzim Rezwana | (Joined on 30 April 2018) |
| 13. Mrs. Mahmuda Khanam | |

Report of The Directors

continued

During the year of 2018, Mr. Nitish Kapoor, Mr. Mahmud Hasan Khan and Mr. Shahidul Islam resigned from the Board of Directors on 27 March 2018, 30 April 2018 and 26 July 2018 respectively. Mr. Syed Tanzim Rezwan and Mr. Salahuddin Mahmud joined as Director to the Board on 30 April 2018 and 26 July 2018 respectively. Mr. M. Jahangir Kabir expired on 19 June 2018 and in place of him Mr. Nazim Uddin Chowdhury joined as Independent Director on 9 August 2018 and require to the approval in the 58th Annual General Meeting.

The brief resume of directors, expertise, and directorship to other Company (If any) provided on page 5.

ELECTION OF DIRECTORS

As per Article 118A of the Articles of Association of the Company, Mr. Salahuddin Mahmud, Mrs. Mahmuda Khanam and Mr. Syed Tanzim Rezwan will retire from the Board of Directors and being eligible offer themselves for re-election.

Mr. Rahul Mathur has been inducted in to the Board on 15 April 2019 in place of Mr. Anupam Jain and also appointed as Chairperson of the Board on the same date. Mr. Pradeep Krishnamurthi has been appointed as Director in place of Mr. Parag Agarwal with effect from 15 April 2019.

The elections of new Directors are subject to approval in the 58th Annual General Meeting.

AUDITORS

The retiring auditors of the Company, M/s Rahman Rahman Huq, Chartered Accountants, have expressed their willingness to continue in office and being eligible, offer themselves for reappointment, subject to shareholders' approval in the 58th Annual General Meeting.

CERTIFICATION UNDER COMPLIANCE OF CORPORATE GOVERNANCE

During the year 2018, M/s. Ahmed Mashuque & Co., Chartered accountants, have certified the Compliance of the Company under corporate Governance code.

The retiring firm M/s. Ahmed Mashuque & Co., Chartered accountants have expressed their willingness to continue in office offer themselves for reappointment, subject to shareholders' approval in the 58th Annual General Meeting.

ACKNOWLEDGEMENT

The Board of Directors reiterate their sincere appreciation and gratitude to all honorable shareholders, business partners, customers, suppliers and other stakeholders in the Company for their confidence and support.

The Directors also take this opportunity to acknowledge with great appreciation the dedication and hard work of the employees which has been the driving force behind the sustained results of the Company.


 Salahuddin Mahmud
 Director


 C.Q.K. Mustaq Ahmed
 Independent Director


 Sourav Mitra
 Director


 Vishal Gupta
 Managing Director

Management's Discussion and Analysis

According to the clause no. 5 (XXV) of notification no. BSEC/CMRRCD/2006 158/207/Admin/80 dated June 3, 2018, detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements are as follows:

Accounting policies and estimation:

We followed International Financial Reporting Standards (IFRSs) and the Companies Act, 1994 in preparation of financial statements. These financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, the Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Rules 1987;
- ii. The Income Tax ordinance, 1984; and
- iii. The Value Added Tax Act, 1991;

In preparing financial statements, management has made judgments, estimates and assumptions that affect the application of 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. Revisions to estimates are recognized prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in note 27:

Changes in accounting policies and estimation and its effect:

In 2018, there is no such impact in the financial performance or results and financial position as well as cash flows for any changes in accounting policies and estimation.

Comparative analysis of financial performance of preceding five years:

In 2018 the Company achieved 6.1% growth vs previous year with a turnover of Taka 3,893 million. We also managed to expand our gross profit ratio by 1.6% vs previous year. By maintaining an efficient supply infrastructure we've managed to expand gross profit margin to 54.90% versus 53.27% in the previous year, despite severe pressure of currency depreciation and rise in International prices of some key raw materials during the year. Net profit for the year is lower than last year as 2017 profit included a onetime extra ordinary write back of technical services fees of 68 million.

	2014	2015	2016	2017	2018
FINANCIAL RESULTS:					
Revenue	2,669,969	2,884,380	3,326,615	3,669,620	3,893,025
Profit before Taxation	292,347	402,709	458,358	542,799	525,645
Taxation	114,811	125,196	162,272	161,802	193,872
Profit after Taxation (including other comprehensive income/items)	177,535	277,514	290,798	374,480	325,301

Management's Discussion and Analysis

continued

BALANCE SHEET SUMMARY:

	2014	2015	2016	2017	2018
Property, Plant & equipment (Including CWIP)	183,593	169,966	258,755	334,101	413,497
Deferred Tax	7,966	13,605	26,333	17,706	15,190
Net Current Assets	70,603	84,749	28,321	43,387	56,070
Provision for Employees' Gratuity	(50,740)	(62,884)	(77,050)	(91,480)	(99,080)
Net Assets	211,422	205,436	236,359	303,714	385,678

STATISTICS :

	2014	2015	2016	2017	2018
Net assets per share (Taka)	44.75	43.48	50.02	64.28	81.63
Earning per share (Taka)	37.57	58.73	62.66	80.63	70.22
Dividend per share (Taka)	55.00	65.00	77.50	79.00	70.00
Profit before Taxation as % of sales	10.95	13.96	13.78	14.79	13.50
Return on Capital Employed (%)	83.97	135.09	123.03	123.30	84.35
Current Ratio (Times)	1.09	1.12	1.02	1.03	1.04

Financial and economic scenario of the country

Economic scenario and Industry was stable for most part of the year. However depreciation of currency and liquidity in the Foreign exchange market has been a cause of concern. Due to appropriate investment strategies and activities behind key brands, the Company was able to hold the business on stable growth path.

Risks and concerns

Depreciation pressure on Bangladeshi Taka and increasing prices of key raw materials in the International market has impacted our profitability in 2018 and will most likely continue to impact in the coming year as well.

For Reckitt Benckiser (Bangladesh) Limited

Vishal Gupta

Vishal Gupta
Managing Director

Auditors' Report to the Shareholders



Rahman Rahman Huq
Chartered Accountants
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Dhaka 1212, Bangladesh

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Independent auditor's report

To the Shareholders of Reckitt Benckiser (Bangladesh) Limited Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and 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.

Revenue recognition - sales of goods	
See Note 7 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue recognition has significant and wide influence on financial statements.</p> <p>Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised when the Company has delivered products to the customers at the shipping point and control has passed. The sales of the Company are derived from a large number of distributors which locate over the country with relatively small amount transactions. As a result, to obtain sufficient audit evidence, magnitude audit work and resource is required.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through cash receipts and customers' outstanding balances. - We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers.

Rahman Rahman Huq, a partnership firm registered in Bangladesh and a member firm of the KPMG network of independent member firms affiliated with KPMG International cooperative ("KPMG International"), a Swiss entity.

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Rahman Rahman Huq
Chartered Accountants

Independent auditor's report (continued)

Revenue recognition - sales of goods (continued)	
See Note 7 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<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>We focused on the proper cut-off of sales to the Company customers due to the fact that the documents of confirming the acceptance of the products were provided by numerous customers based in different locations. There is a risk of differences between the timing of acceptance of the products by the Company customers and when revenue was recorded. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<ul style="list-style-type: none"> - We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed certain customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amounts outstanding with those customers. - Furthermore, we tested the sales transactions recognized shortly before and after the balance sheet date, including the sales returns recorded after that date, to examine whether sales transactions were recorded in the correct reporting periods.
Recognition of deferred tax assets	
See Note 14(D) to the financial statements	
<p>The Company has recognised deferred tax assets for deductible temporary differences that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is in part dependent on the Company's ability to generate future taxable profits sufficient to utilise deductible temporary differences.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - using our own tax specialists to evaluate the tax strategies that the Company expects will enable the successful recovery of the recognised deferred tax assets taking into account the Company's tax position and our knowledge and experience of the application of relevant tax legislation; - assessing and evaluating the prospective profits by evaluating historical and projected growth rates to assume that it will be sufficient to recover deductible temporary differences; and - evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.
Tax provisioning	
See Note 14 to the financial statements	
<p>At year end the Company reported total income tax expense of BDT 193 million. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties, and requires specific knowledge and competencies.</p>	<p>In this area our audit procedures included:</p> <ul style="list-style-type: none"> - use of our own local tax specialists to assess the Company's tax computation; - to analyse and challenge the assumptions used to determine tax provisions based on our knowledge and experiences of the application of the local legislation. - considering the adequacy of the Company's disclosures in respect of tax.



Rahman Rahman Huq
Chartered Accountants

Independent auditor's report (continued)

Valuation of inventory	
See Note 17 to the financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Inventory is carried in the Financial Statements at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result there is a risk that the carrying value of inventory exceeds its net realisable value.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> - corroborating on a sample basis that items on the stock ageing listing by items were classified in the appropriate ageing bracket; - assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the Directors on the extent to which old inventory can be sold through various channels; - considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current year; and - we have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.
Employee benefits	
See Note 22 to the financial statements	
<p>The Company maintain defined benefit obligation. At 31 December 2018, the Company recorded net defined benefit obligation of BDT 99 million out of which BDT 95 million is in non-current liabilities and BDT 4 million is in current liabilities.</p> <p>Key assumptions applied under IAS 19 have a significant impact on the defined benefit obligations, pension costs incurred and equity. The accounting requires the company to make assumptions regarding parameters such as the discount rate, the rate of benefit increase and future mortality rates.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> - evaluating the assumptions and the methodologies used by the company; - testing the disclosure of the employee benefits-gratuity as per IAS 19; and - the impact of IAS 19 on the statement of financial position and statement of profit or loss and other comprehensive income has been disclosed appropriately.
Litigation and contingent liabilities	
See Note 32 to the financial statements	
<p>In the normal course of business, potential exposures may arise from general legal proceedings, product liability, guarantees, government investigations and environmental issues. Whether there is a liability which is inherently uncertain, the amounts involved are potentially significant and the application of accounting standards to determine the amount, if any, to be provided as a liability, is inherently subjective.</p>	<p>Our audit procedures included, on all significant legal cases:</p> <ul style="list-style-type: none"> - assessing of correspondence with the Company's external counsel accompanied by discussion and formal confirmations from that counsel. - analysing correspondence with regulators, and monitored external sources of information. - assessing whether the Company's disclosures detailing significant legal proceedings adequately disclose the potential liabilities of the Company.



Rahman Rahman Huq
Chartered Accountants

Independent auditor's report (continued)

Other Matter

The financial statements of the Company for the year ended 31 December 2017, were audited by another auditor who expressed an unmodified opinion on those statements on 30 April 2018.

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 auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are 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 judgment 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.



Rahman Rahman Huq
Chartered Accountants

Independent auditor's report (continued)

- 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.

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 Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. M Mehedi Hasan.

Rahman Rahman Huq
Dhaka, 15 April 2019

Statement of financial position

In Taka	Note	31 December 2018	31 December 2017
Assets			
Property, plant and equipment	16	413,497,375	334,101,173
Deferred tax assets	14(D)	15,190,498	17,706,037
Non-current assets		428,687,873	351,807,210
Inventories	17	301,129,697	274,725,678
Trade and other receivables	18	84,863,618	130,441,911
Advances, deposits and prepayments	19	47,754,330	66,362,936
Cash and cash equivalents	20	949,871,155	714,326,806
Current assets		1,383,618,800	1,185,857,331
Total assets		1,812,306,673	1,537,664,541
Equity			
Share capital	21	47,250,000	47,250,000
Retained earnings		338,428,187	256,464,942
Total equity		385,678,187	303,714,942
Liabilities			
Employee benefits - gratuity	22(A)	95,320,000	87,820,000
Non-current liabilities		95,320,000	87,820,000
Trade and other payables	23	1,196,913,294	1,053,308,281
Employee benefits - gratuity	22(A)	3,760,000	3,660,000
Current tax liabilities	24	130,635,192	89,161,318
Current liabilities		1,331,308,486	1,146,129,599
Total liabilities		1,426,628,486	1,233,949,599
Total equity and liabilities		1,812,306,673	1,537,664,541

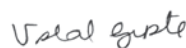
The notes on pages 24 to 64 are an integral part of these financial statements.



Salauddin Mahmud
Director



Sourav Mitra
Director &
Chief Financial Officer



Vishal Gupta
Managing Director



Md. Nazmul Arefin
Company Secretary

As per our report of same date.



Rahman Rahman Huq
Auditor
Chartered Accountants
KPMG in Bangladesh

Dhaka, 15 April 2019

Statement of profit or loss and other comprehensive income

For the year ended 31 December

In Taka	Note	2018	2017
Revenue	7	3,893,024,596	3,669,620,066
Cost of sales	8	(1,755,638,024)	(1,714,693,581)
Gross profit		2,137,386,572	1,954,926,485
Other income	9	3,853,354	2,036,479
Net operating expenses	10	(1,611,421,261)	(1,397,446,823)
Impairment loss reversal on trade receivables	18(A)(i)	699,211	-
Profit from operation		530,517,876	559,516,141
Finance income	11	21,409,314	10,423,783
Profit before contribution to WPPF		551,927,190	569,939,924
Contribution to WPPF	13	(26,282,247)	(27,139,996)
Profit before tax		525,644,943	542,799,928
Income tax expense	14	(193,871,698)	(161,802,151)
Profit for the year		331,773,245	380,997,777
Other comprehensive income/(loss)	15	(6,472,500)	(6,517,500)
Total comprehensive income		325,300,745	374,480,277
Earnings per share			
Basic earnings per share (Taka)	12	70.22	80.63

The notes on pages 24 to 64 are an integral part of these financial statements.



Salauddin Mahmud
Director



Sourav Mitra
Director &
Chief Financial Officer



Vishal Gupta
Managing Director



Md. Nazmul Arefin
Company Secretary

As per our report of same date.



Auditor
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh

Dhaka, 15 April 2019

Statement of changes in equity

For the year ended 31 December 2018			
In Taka	Share capital	Retained earnings	Total
Balance as at 1 January 2017	47,250,000	189,109,665	236,359,665
Total comprehensive income for the year			
Profit for the year 2017		380,997,777	380,997,777
Other comprehensive income for the year		(6,517,500)	(6,517,500)
Total comprehensive income for the year		374,480,277	374,480,277
Transactions with owners of the Company			
Contributions and distributions			
Final dividend for the year 2016		(177,187,500)	(177,187,500)
Interim dividend for the year 2017		(129,937,500)	(129,937,500)
Total transactions with owners of the Company		(307,125,000)	(307,125,000)
Balance as at 31 December 2017	47,250,000	256,464,942	303,714,942
Balance as at 1 January 2018	47,250,000	256,464,942	303,714,942
Total comprehensive income for the year			
Profit for the year 2018		331,773,245	331,773,245
Other comprehensive income for the year		(6,472,500)	(6,472,500)
Total comprehensive income for the year		325,300,745	325,300,745
Transactions with owners of the Company			
Contributions and distributions			
Final dividend for the year 2017		(243,337,500)	(243,337,500)
Total transactions with owners of the Company		(243,337,500)	(243,337,500)
Balance as at 31 December 2018	47,250,000	338,428,187	385,678,187

The notes on pages 24 to 64 are an integral part of these financial statements.

Statement of cash flows

For the year ended 31 December			
<i>In Taka</i>	<i>Note</i>	2018	2017
Cash flows from operating activities			
Receipts from customers		4,059,529,689	3,663,942,684
Payment to suppliers, employees and others		(3,203,341,849)	(2,964,726,537)
Payment for technical services fee	23(B)(ii)(a)(a.1)	(97,917,000)	(88,521,000)
Cash generated from operating activities		758,270,840	610,695,147
Income tax paid	24	(147,724,785)	(169,513,647)
Net cash from operating activities	30	610,546,055	441,181,500
Cash flows from investing activities			
Purchase of property, plant and equipment		(157,682,875)	(202,765,266)
Proceeds from disposal of property, plant and equipment		4,212,400	2,038,706
Income from investment during the year		22,207,228	9,645,033
Net cash used in investing activities		(131,263,247)	(191,081,527)
Cash flows from financing activities			
Dividend paid		(243,738,459)	(305,167,501)
Net cash used in financing activities		(243,738,459)	(305,167,501)
Net (decrease)/increase in cash and cash equivalents		235,544,349	(55,067,528)
Cash and cash equivalents at 1 January		714,326,806	769,394,334
Cash and cash equivalents at 31 December		949,871,155	714,326,806

The notes on pages 24 to 64 are an integral part of these financial statements.

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

1. Reporting entity

Reckitt Benckiser (Bangladesh) Limited (the 'Company') 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. It is a public limited company and its shares are listed on Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The address of the Company's registered office is 58/59 Nasirabad Industrial Area, Chittagong.

The Company is engaged in manufacturing and marketing of household and toiletries, pharmaceuticals and food products.

2 Statement of compliance and basis of preparation

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities.

As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

- i. Bangladesh Securities and Exchange Rules 1987;
- ii. The Income Tax ordinance, 1984; and
- iii. The Value Added Tax Act, 1991;

Details of the Company's accounting policies, including changes during the year, if any, are included in Notes 40.

These financial statements are authorised for issue by the Company's board of directors on 15 April 2019.

3. Functional and presentational currency

These financial statements are presented in Taka/Tk./BDT, which is the Company's functional currency. All amounts have been rounded to the nearest taka, unless otherwise indicated.

4. Uses of judgements and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of 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. Revisions to estimates are recognised prospectively.

Notes to the financial statements (continued)

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 note:

- Note 27: Operating lease

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2018 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes.

- Note 22(B) - measurement of defined benefit obligations: key actuarial assumptions;
- Note 14(D) - recognition of deferred tax assets: availability of future taxable profit against which carry forward tax losses can be used;
- Note 17 - inventories;
- Note 24 - current tax liabilities;
- Note 40(H) - useful life of property, plant and equipment.

5 Changes in significant accounting policies

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company has initially adopted IFRS 15 Revenue from Contracts with Customers (see A) and IFRS 9 Financial Instruments (see B) from 1 January 2018.

There is no impact on financial statements on initial apply of the standards. (see A and B below)

A. IFRS 15 Revenue from Contracts with Customers

"IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations."

The Company has adopted IFRS 15 Revenue from Contracts with Customers retrospectively to each prior period presented in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors from 1 January 2018. The adoption of this standard had no impact on the Company's financial statements.

B. IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 *Financial Instruments: Recognition and Measurement*.

As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses. Consequently, the Company reclassified impairment losses amounting to Taka 699 thousand 'impairment loss reversal on trade receivables' in the statement of profit or loss and OCI for the year ended 31 December 2018.

i. Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, FVOCI and FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Notes to the financial statements (continued)

5. Changes in significant accounting policies (continued)

B. IFRS 9 Financial Instruments (continued)

i. Classification and measurement of financial assets and financial liabilities (continued)

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

For an explanation of how the company classifies and measures financial instruments and accounts for related gains.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements.

In taka	Note	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial assets					
Trade and other receivables	Loans and receivables	Amortised cost	Amortised cost	130,441,911	130,441,911
Cash and cash equivalents	Loans and receivables	Amortised cost	Amortised cost	714,326,806	714,326,806
Total financial assets				844,768,717	844,768,717
Financial liabilities					
Trade and other payables	Other financial liabilities	Other financial liabilities	Other financial liabilities	1,053,308,281	1,053,308,281
				1,053,308,281	1,053,308,281

- a) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. No material impact to the primary financial statements has arisen on the adoption of IFRS 9 and the Company has not restated prior periods on adoption of IFRS 9.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 on transition to IFRS 9 on 1 January 2018.

In Taka	IAS 39 carrying amount at 31 December 2017	Remeasurement	IFRS 9 carrying amount at 1 January 2018
Financial Assets			
Trade and other receivables			
Brought forward: Loans and receivables	130,441,911	-	
Remeasurement		-	
Carried forward: Amortised cost			130,441,911
Cash and cash equivalents			
Brought forward: Loans and receivables	714,326,806	-	
Remeasurement		-	
Carried forward: Amortised cost			714,326,806
Total amortised cost	844,768,717	-	844,768,717

Notes to the financial statements (continued)

5. Changes in significant accounting policies (continued)

B. IFRS 9 Financial Instruments (continued)

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 – see Note 40(K)(i).

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of the lifetime expected loss provision for all trade receivables. Credit risk is minimised due to the quality and short-term nature of the Company's trade receivables as well as the fact that the exposure is spread over a large number of customers.

As detailed in note 5, no material impact to the primary financial statements has arisen on the adoption of IFRS 9 and the Company has not restated prior periods on adoption of IFRS 9. The movements in the expected loss allowance are analysed as follows:

In Taka	2018
At 1 January	1,541,209
Charged to the income statement	(699,211)
Amounts written off during the year	-
At 31 December	841,998

6. Operating segments

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	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.

Notes to the financial statements (continued)

6. Operating segments (continued)

B. Information about reportable segments (continued)

2018 <i>In taka</i>	Reportable segments		
	Household and toiletries	Pharmaceuticals	Total
Revenue	3,581,332,097	311,692,499	3,893,024,596
Cost of sales	(1,603,843,978)	(151,794,046)	(1,755,638,024)
Gross profit	1,977,488,119	159,898,453	2,137,386,572
Operating expenses			
Administrative expenses	(200,812,463)	(15,943,954)	(216,756,417)
Marketing expenses	(844,636,060)	(73,016,504)	(917,652,564)
Selling and distribution expenses	(262,396,577)	(19,964,473)	(282,361,050)
Impairment loss reversal on trade receivables	649,773	49,438	699,211
	(1,307,195,327)	(108,875,493)	(1,416,070,820)
Profit from operation	670,292,792	51,022,960	721,315,752

2017 <i>In taka</i>	Reportable segments		
	Household and toiletries	Pharmaceuticals	Total
Revenue	3,418,611,868	251,008,198	3,669,620,066
Cost of sales	(1,589,863,210)	(124,830,371)	(1,714,693,581)
Gross profit	1,828,748,658	126,177,827	1,954,926,485
Operating expenses			
Administrative expenses	(174,484,535)	(12,811,354)	(187,295,889)
Marketing expenses	(800,837,658)	(58,800,713)	(859,638,371)
Selling and distribution expenses	(219,340,469)	(16,104,857)	(235,445,326)
	(1,194,662,662)	(87,716,924)	(1,282,379,586)
Profit from operation	634,085,996	38,460,903	672,546,899

C. Reconciliation of information on reportable segments to IFRS measures

<i>In Taka</i>	<i>Note</i>	2018	2017
Total revenue for reportable segments	6(B)	3,893,024,596	3,669,620,066
Revenue for other segments		-	-
Elimination of inter-segment revenue		-	-
Total revenue		3,893,024,596	3,669,620,066
ii. Profit before tax			
Total profit before tax for reportable segments	6(B)	721,315,752	672,546,899
Profit before tax for other segments		-	-
Elimination of inter-segment profit		-	-
Amount not related to reported segments		(195,670,809)	(129,746,971)
Total profit before tax		525,644,943	542,799,928
iii. Amount not related to reportable segments			
Other income	9	3,853,354	2,036,479
Technical services fee	10	(194,651,230)	(115,067,237)
Finance income	11	21,409,314	10,423,783
Contribution to Workers' Profit Participation Fund	13	(26,282,247)	(27,139,996)
		(195,670,809)	(129,746,971)

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.

Notes to the financial statements (continued)

7. Revenue

See accounting policies in Note 40(B).

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Revenue including VAT		4,497,433,981	4,240,847,226
VAT		(604,409,385)	(571,227,160)
	7(A)	3,893,024,596	3,669,620,066

A. Disaggregation of revenue

Taka/Qty	Unit of measurement	2018		2017	
		Quantity	Amount	Quantity	Amount
Household & toiletries	Cases	2,032,921	3,581,332,097	2,079,593	3,418,611,868
Pharmaceuticals	Cases	161,794	311,692,499	133,048	251,008,198
		2,194,714	3,893,024,596	2,212,642	3,669,620,066

8. Cost of sales

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Manufacturing unit			
Opening balance of raw and packing materials		186,250,504	157,040,517
Purchases during the year		1,148,608,963	632,761,748
Closing balance of raw and packing materials	17	(174,816,109)	(186,250,504)
Materials consumed		1,160,043,358	603,551,761
Salaries, wages and welfare expenses		183,934,294	157,820,904
Product testing and laboratory expenses		2,104,329	4,006,252
Exchange (gain)/loss		4,831,212	-
Travelling and conveyance		2,927,281	3,689,660
Power, fuel and utilities		21,202,486	15,248,736
Vehicle expenses		84,305	43,926
Repairs, maintenance and others		42,550,681	20,555,458
Rent, rates and taxes		3,394,248	4,087,607
Printing, stationery and office supplies		2,711,019	1,360,254
Insurance		3,753,537	3,676,915
Office expenses		4,386,516	7,960,618
Depreciation	16(B)	61,488,731	39,577,400
Manufacturing overhead		333,368,639	258,027,730
Opening stock of work-in-progress		3,472,103	6,641,219
Closing stock of work-in-progress	17	(1,355,345)	(3,472,103)
		2,116,758	3,169,116
Cost of production		1,495,528,755	864,748,607
Opening stock of own manufactured finished goods		39,101,746	62,471,684
Closing stock of own manufactured finished goods		(61,796,301)	(39,101,746)
Cost of sales-manufacturing unit		1,472,834,200	888,118,545
Trading unit			
Opening stock of finished goods		17,748,718	22,851,736
Purchase of finished goods		317,210,909	821,472,018
Closing stock of finished goods		(52,155,803)	(17,748,718)
Cost of sales - trading unit		282,803,824	826,575,036
Total cost of sales		1,755,638,024	1,714,693,581

Notes to the financial statements (continued)

8. 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 & toiletries	Metric Ton	23	10,064,377	494	260,214,244	48.54	41,690,276	468	228,588,345
	Thousand Litre	7	1,498,290	16	8,253,905	0.49	395,067	23	9,357,128
	Million No.	-	-	0.136	2,654,835	0.04	2,042,379	0	612,456
Pharmaceuticals	Million No.	4	2,562,732	11	9,092,884	3	2,445,587	12	9,210,029
	Thousand Litre	15.14	3,623,319	116	36,995,041	14.85	5,582,494	116	35,035,866
	Metric Ton	-	-	-	-	-	-	-	-
Total for the year 2018			17,748,718		317,210,909		52,155,803		282,803,824
Total for the year 2017			22,851,736		821,472,018		17,748,718		826,575,036

B. Raw and packing materials consumed

In Taka	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost
Various Raw Material	Metric Ton	1,473	159,746,315	10,195	757,274,896	1,269	147,081,721	10,307	769,939,490
Blow Moulding & Injection	Thousand Pcs	3,071	11,640,102	39,042	180,275,522	2,157	8,556,830	39,652	183,358,794
Boxes solid board & Corrugated	Thousand Pcs	3,335	5,334,910	57,541	122,835,215	3,353	7,181,929	56,255	120,988,197
Others		12,865	9,529,177	70,255	88,223,330	7,481	11,995,629	69,961	85,756,877
Total for the year 2018		20,744	186,250,504	177,033	1,148,608,963	14,260	174,816,109	176,175	1,160,043,358
Total for the year 2017			157,040,517		632,761,748		186,250,504		603,551,761

C. Percentage of raw materials and packing materials consumed

In Taka	Note	2018		2017	
		%	Amount	%	Amount
Raw materials	8(D)	66%	769,939,490	51%	306,250,027
Packing materials	8(D)	34%	390,103,868	49%	297,301,734
Local materials consumed		100%	1,160,043,358	100%	603,551,761
Imported materials consumed		33%	386,472,012	47%	284,277,030
		67%	773,571,346	53%	319,274,731
		100%	1,160,043,358	100%	603,551,761

Notes to the financial statements (continued)

8. Cost of sales (continued)

D. Analysis of material consumed

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Raw material			
Soap Noodles		444,426,444	55,581,455
BIS/2 Hydroxy Ethyl Oleylamine		45,670,201	46,127,683
Cetyl Trimethyl Amm. Chloride		36,395,351	35,811,636
Pine Oil 85%min BP		44,047,581	30,957,646
PCMX		30,451,975	24,545,885
Hydrochloric acid		19,962,068	17,033,777
Snowfresh 228093 D		17,452,705	1,849,326
Frosty Int		3,293,605	465,286
LABSA		15,191,906	9,400,159
Climbazole		6,319,392	-
Color Pigment Yellow		3,530,487	3,813,770
Granular Soda Dyed		4,766,982	5,074,292
Galaxy MW 257		7,682,429	5,882,474
CX-140		6,955,628	7,651,799
Texapon Als IS T		7,773,393	4,810,079
Isopropyl Alcohol		7,352,340	5,582,759
Na Lauryl Ether		7,247,567	4,988,189
Castor Oil		5,065,936	4,210,286
Pamplozest		4,914,779	3,655,128
Perfume jasmina		473,504	1,276,681
Esbiothrin TG		-	5,685,901
Tamarind powder		-	869,927
Phenol crystal		-	12,021
Others		50,965,217	30,963,868
		769,939,490	306,250,027
Packing material			
Skillet		77,600,534	17,188,692
Outer and cartons		43,387,662	39,686,954
Plastic container		160,201,982	156,098,785
Coil stand		-	1,224,747
Label		44,881,589	35,645,802
Polybag /HDPE		27,460,050	8,580,212
Cap		23,156,811	22,212,933
Others		13,415,240	16,663,609
		390,103,868	297,301,734
		1,160,043,358	603,551,761

E. Value of imports - at cost and freight basis

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Raw and packing materials and finished goods for re-sale		739,210,589	740,559,763
Capital goods		91,586,253	117,110,322
		830,796,842	857,670,085

Notes to the financial statements (continued)

8. Cost of sales (continued)

F. Statement of production

i. Own manufacture

Line of business	Unit of measurement	Installed capacity shift single basis	Multiple shifts as applicable		Percentage increase/ (decrease)
			2018	2017	
Household & toiletries	Thousand Litre	5,730	6,688	6,688	0%
	Million No.	410	202	202	0%
	Metric Ton	3,360	10,080	10,080	0%
Pharmaceuticals	Million Tablets	32	-	32	-100%
	Thousand Litre	220	323	323	0%
Total	Million Tablets	32	33	33	0%
	Metric Ton	3,360	10,080	10,080	0%
	Thousand Litre	5,950	7,011	7,011	0%
	Million No.	410	202	202	0%

* Disprin manufacturing plant was discontinued in 2018.

ii. Joint venture manufactures - including imports for re-sale

Household	Million No.	10	10	0%
	Metric Ton	-	5,194	(100.00)
	Thousand Litre	569	569	0%
Total	Million No.	10	10	0%
	Metric Ton	-	5,194	-100%
	Thousand Litre	569	569	0%

Reckitt Benckiser (Bangladesh) Limited started its own manufacturing of Dettol soap from 2018. Earlier, it was used to get manufactured by a contract Packer.

9. Other (income)/loss

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Loss/(profit) on sale of property, plant and equipment		(3,853,354)	(2,036,479)
		(3,853,354)	(2,036,479)

10. Net operating expenses

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Selling and distribution expenses	10(A)	282,361,050	235,445,326
Administrative expenses	10(B)	216,756,417	187,295,889
Technical services fees		194,651,230	115,067,237
Marketing expenses	10(C)	917,652,564	859,638,371
		1,611,421,261	1,397,446,823

Notes to the financial statements (continued)

10. Net operating expenses (continued)

A. Selling and distribution expenses

In Taka	Note	For the year ended 31 December	
		2018	2017
Salaries, wages and welfare expenses		179,197,229	127,807,039
Carriage outwards		41,612,947	48,816,555
Depot expenses		27,872,948	22,276,319
Entertainment		10,445	12,742
Vehicle expenses		8,618,998	8,627,183
Printing and stationery		854,440	356,874
Travelling		16,172,750	18,385,833
Sales office expenses		2,094,400	2,728,908
Insurance		450,795	1,212,803
Depreciation	16(B)	5,466,098	5,173,340
Others		10,000	47,730
		282,361,050	235,445,326

B. Administrative expenses

In Taka	Note	For the year ended 31 December	
		2018	2017
Salaries, wages and welfare expenses		161,242,632	134,766,968
Non-executive directors fee		318,750	441,250
Trademarks and patents		72,000	1,489,618
Communication		5,706,794	5,125,204
Vehicle expenses		1,090,121	1,124,495
Travelling		2,299,535	2,426,997
Corporate office expenses		19,044,820	20,624,095
Repairs and maintenance		5,061,139	4,634,877
Legal and professional charges	10(B)(i)	11,788,041	6,589,787
Printing and stationery		2,732,255	2,317,236
Subscriptions		209,550	333,800
Staff recruitment, training and development expenses		678,196	28,405
Entertainment		86,594	321,158
AGM expenses		410,044	1,174,479
Bank charges		1,079,326	983,911
Insurance		479,882	237,231
Depreciation	16(B)	4,394,352	4,576,937
Others		62,386	99,441
		216,756,417	187,295,889

i. Legal and professional charges

In Taka	Note	For the year ended 31 December	
		2018	2017
Audit related expenses:			
Audit fee		951,720	1,299,996
Tax services		996,300	988,827
		1,948,020	2,288,823
Legal fees:			
Legal consultancy		3,484,652	2,172,163
Other consulting fees		6,355,369	2,128,801
		9,840,021	4,300,964
		11,788,041	6,589,787

Notes to the financial statements (continued)

10. Net operating expenses (continued)

C. Marketing expenses

In Taka	Note	For the year ended 31 December	
		2018	2017
Media		274,427,517	246,437,734
Consumer marketing		107,879,698	104,455,659
Market research		2,810,634	3,429,549
Trade marketing		532,534,715	505,315,429
		917,652,564	859,638,371

11. Finance income

In Taka	Note	For the year ended 31 December	
		2018	2017
Interest income		21,409,314	10,423,783
		21,409,314	10,423,783

12. 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)

In Taka	Note	2018	2017
Net profit after tax for the year, attributable to the owners of the company		331,773,245	380,997,777
Profit/(loss) attributable to ordinary shareholders		331,773,245	380,997,777

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

	Note	2018	2017
Issued ordinary shares as at 31 December	21(A)	4,725,000	4,725,000
Weighted-average number of ordinary shares 31 December		4,725,000	4,725,000
Basic earnings per share (EPS)		70.22	80.63

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 these years.

13. Contribution to WPPF

In Taka	Note	For the year ended 31 December	
		2018	2017
Profit before contribution to WPPF		551,927,190	569,939,924
Applicable contribution rate		5%	5%
Amount of contribution to WPPF		26,282,247	27,139,996

The Company contributes 5% of the profit before tax after charging such expense as contribution to WPPF.

Notes to the financial statements (continued)**14. Income tax expense**

See accounting policy in Note 40(E)

A. Amounts recognised in profit or loss

<i>In Taka</i>	Note	For the year ended 31 December	
		2018	2017
Current tax expense			
Current year	24	189,198,659	153,175,187
Prior years excess provision reversed		-	-
		189,198,659	153,175,187
Deferred tax (income)/expense			
Origination/(Reversal) of temporary differences	14(D)	4,673,039	8,626,964
		4,673,039	8,626,964
Tax expense on continuing operations		193,871,698	161,802,151

B. Amounts recognised in OCI

Remeasurements of defined benefit liability (asset)			
Income tax expense presented in Profit or Loss		-	-

C. Reconciliation of effective tax rate

<i>In Taka</i>	2018		2017	
Profit before tax		525,644,943		542,799,928
Income tax using tax rate	25.00%	131,411,236	25.00%	135,699,982
Factors affecting the tax charge for current period:				
Excess of accounting depreciation over fiscal depreciation	0.63%	3,329,601	-1.40%	(7,594,546)
Provision for stock obsolescence	0%	-	-0.66%	(3,594,131)
Non deductible expenses	5.91%	31,040,265	3.19%	17,308,953
Excess of gratuity provision over payment of gratuity	-0.05%	(257,500)	0.66%	3,607,500
Excess of technical services fee over payment of technical services fee	7.26%	38,140,768	3.30%	17,910,811
Excess of accounting profit over fiscal tax profit on property, plant and equipment	-0.14%	(714,282)	0.00%	-
Allowable deductions	-2.62%	(13,751,429)	-1.87%	(10,163,382)
Required/ (reversal) of prior year's tax provision	0.00%	-	0.00%	-
Movement of temporary differences: as above	0.89%	4,673,039	1.99%	10,799,464
	36.88%	193,871,698	30.21%	163,974,651

Notes to the financial statements (continued)

14. Income tax expense (continued)

D. Movement in deferred tax balances

2018	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
Property, plant and equipment	(12,988,391)	(258,323)	-	(13,246,714)	-	(13,246,714)
Employee benefits - gratuity	22,870,000	(257,500)	2,157,500	24,770,000	24,770,000	-
Provision for bad debt allowance	-	210,500	-	210,500	210,500	-
Provision for inventory obsolescence	7,824,428	(4,367,716)	-	3,456,712	1,237,655	-
Net deferred tax assets (liabilities)	17,706,037	(4,673,039)	2,157,500	15,190,498	26,218,155	(13,246,714)
2017						
Property, plant and equipment	(4,348,058)	(8,640,333)	-	(12,988,391)	-	(12,988,391)
Employee benefits - gratuity	19,262,500	1,435,000	2,172,500	22,870,000	22,870,000	-
Provision for inventory obsolescence	11,418,559	(3,594,131)	-	7,824,428	7,824,428	-
Net deferred tax assets (liabilities)	26,333,001	(10,799,464)	2,172,500	17,706,037	30,694,428	(12,988,391)

15. Other comprehensive income/(loss), net of tax

<i>In Taka</i>	For the year ended 31 December	
	2018	2017
Remeasurement of defined benefit liability	8,630,000	8,690,000
Related tax credit	(2,157,500)	(2,172,500)
	6,472,500	6,517,500

Notes to the financial statements (continued)

16. Property, plant and equipment

See accounting policies in Note 40(H)

A. Reconciliation of carrying amount

<i>In Taka</i>	Leasehold land	Buildings	machinery and fixtures and equipment	Plant and fixtures and equipment	Furniture Computers	Vehicles	Under construction	Total
Cost								
Balance at 1 January 2017	209,490	185,888,585	209,038,028	80,585,942	32,627,543	49,018,251	111,787,753	669,155,592
Additions	-	-	690,800	2,316,349	1,788,766	11,355,317	108,592,750	124,743,982
Transfers/capitalised	-	43,155,850	85,441,634	36,037,401	-	-	(164,634,885)	-
Disposal/adjustment	-	-	(30,957,294)	(12,455,991)	(2,731,067)	(5,565,540)	-	(51,709,892)
Balance at 31 December 2017	209,490	229,044,435	264,213,168	106,483,701	31,685,242	54,808,028	55,745,618	742,189,682
Balance at 1 January 2018	209,490	229,044,435	264,213,168	106,483,701	31,685,242	54,808,028	55,745,618	742,189,682
Additions	-	-	-	1,129,088	4,167,735	1,958,913	143,848,693	151,104,429
Transfers/capitalised	-	15,780,686	29,072,887	22,295,502	-	-	(67,149,075)	-
Disposal/adjustment	-	-	(78,580,360)	(1,305,859)	-	-	-	(79,886,219)
Balance at 31 December 2018	209,490	244,825,121	214,705,695	128,602,432	35,852,977	56,766,941	132,445,236	813,407,892
Accumulated depreciation								
Balance at 1 January 2017	209,490	103,480,365	174,965,493	66,578,106	27,811,705	37,355,316	-	410,400,475
Depreciation for the year	-	10,850,990	21,161,495	7,194,378	3,652,198	6,468,616	-	49,327,677
Disposal/adjustment	-	-	(30,957,195)	(12,387,916)	(2,730,992)	(5,563,540)	-	(51,639,643)
Balance at 31 December 2017	209,490	114,331,355	165,169,793	61,384,568	28,732,911	38,260,392	-	408,088,509
Balance at 1 January 2018	209,490	114,331,355	165,169,793	61,384,568	28,732,911	38,260,392	-	408,088,509
Depreciation for the year	-	14,449,008	28,920,531	18,136,742	3,069,467	6,773,433	-	71,349,181
Disposal/adjustment	-	-	(78,580,035)	(947,138)	-	-	-	(79,527,173)
Balance at 31 December 2018	209,490	128,780,363	115,510,289	78,574,172	31,802,378	45,033,825	-	399,910,517
Carrying amounts								
At 1 January 2017	-	82,408,220	34,072,535	14,007,836	4,815,838	11,662,935	111,787,753	258,755,117
At 31 December 2017	-	114,713,080	99,043,375	45,099,133	2,952,331	16,547,636	55,745,618	334,101,173
At 31 December 2018	-	116,044,758	99,195,406	50,028,260	4,050,599	11,733,116	132,445,236	413,497,375

B. Allocation of depreciation

<i>In Taka</i>	2018	2017
Cost of sales	61,488,731	39,577,400
Selling and distribution expenses	5,466,098	5,173,340
Administrative and general expenses	4,394,352	4,576,937
	71,349,181	49,327,677

Notes to the financial statements (continued)

16. Property, plant and equipment (continued)

C. Under construction

See accounting policy in Note 40(I)

<i>In Taka</i>	Furniture fixtures and equipment	Buildings	Plant and machinery	Total
Cost				
Balance at 1 January 2018	7,697,450	13,494,987	34,553,181	55,745,618
Additions	21,186,630	27,217,761	95,444,302	143,848,693
Capitalisation to assets	(22,295,502)	(15,780,686)	(29,072,887)	(67,149,075)
Balance at 31 December 2018	6,588,578	24,932,062	100,924,596	132,445,236
Balance at 1 January 2017	-	22,371,651	89,416,102	111,787,753
Additions	43,734,851	34,279,186	30,578,713	108,592,750
Capitalisation to assets	(36,037,401)	(43,155,850)	(85,441,634)	(164,634,885)
Balance at 31 December 2017	7,697,450	13,494,987	34,553,181	55,745,618

17. Inventories

See accounting policy in Note 40(G)

<i>In Taka</i>	Note	As at 31 December	
		2018	2017
Raw and packing materials	17(A)	179,766,729	212,620,466
Provision for inventory obsolescence		(4,950,620)	(26,369,962)
Net raw and packing materials		174,816,109	186,250,504
Finished goods		122,828,330	56,850,464
Provision for inventory obsolescence		(8,876,226)	(4,927,750)
Net finished goods	17(B)	113,952,104	51,922,714
Work-in-progress		1,355,345	3,472,103
Inventory in transit	17(C)	11,006,139	33,080,357
		12,361,484	36,552,460
		301,129,697	274,725,678

A. Raw and packing materials

Raw materials	152,032,341	172,887,145
Packing materials	27,734,388	39,733,321
	179,766,729	212,620,466

B. Finished goods

i. Operational allocation of finished goods

Manufacturing unit	61,796,301	39,101,746
Trading unit	52,155,803	17,748,718
	113,952,104	56,850,464

Notes to the financial statements (continued)

17. Inventories (continued)

ii. Business line-wise allocation of finished goods

Business line	Unit of measurement	2018		2017	
		Quantity Unit	Amount Taka	Quantity Unit	Amount Taka
Household and toiletries	Metric Ton	534	74,553,727	545	23,452,700
	Thousand Litre	346	22,420,304	378	19,702,586
	Million No.	0	2,042,379	60	4,963,633
			99,016,410		48,118,919
Pharmaceuticals	Thousand Litre	50	12,490,107	19	4,351,802
	Million No.	3	2,445,587	19	4,379,743
			14,935,694		8,731,545
			113,952,104		56,850,464

C. Inventory in transit

<i>In Taka</i>	2018	2017
Raw and packing materials	1,566,110	8,919,383
Finished goods	9,440,029	24,160,974
	11,006,139	33,080,357

18. Trade and other receivables

<i>In Taka</i>	Note	As at 31 December	
		2018	2017
Trade receivables	18(A)	81,090,165	127,260,928
Other receivables	18(B)	3,773,453	3,180,983
		84,863,618	130,441,911

A. Trade receivables

Trade receivables		81,932,163	128,802,137
Provision for bad debt allowance	18(A)(i)	(841,998)	(1,541,209)
		81,090,165	127,260,928

i. Provision for bad debt allowance

Balance at 1 January		1,541,209	89,330
Provision made during the year		(699,211)	1,451,879
Balance at 31 December		841,998	1,541,209

B. Other receivables

Intercompany receivables	18(B)(i)	3,244,284	1,853,900
Interest receivables		529,169	1,327,083
		3,773,453	3,180,983

Notes to the financial statements (continued)

18. Trade and other receivables (continued)

i. Intercompany receivables

<i>In Taka</i>	<i>Note</i>	As at 31 December	
		2018	2017
PT. Reckitt Benckiser Indonesia		-	-
Reckitt Benckiser Corporate Services Limited		523,192	-
Reckitt Benckiser India Limited		2,721,092	1,853,900
		3,244,284	1,853,900

19. Advances, deposits and prepayments

A. Advances

Advance to suppliers	8,812,046	11,360,129
Advance to employees	2,835,636	3,959,840
	11,647,682	15,319,969

B. Deposits

Security deposit	1,056,000	1,056,000
VAT current account	1,194,636	(1,262,298)
	2,250,636	(206,298)

C. Prepayments

Prepaid insurance	2,159,800	1,875,988
L/C margin held	-	15,383,656
Prepaid others	1,298,492	-
Prepaid government fees*	13,227,964	10,256,681
Prepaid rent	17,169,756	23,732,940
	33,856,012	51,249,265
	47,754,330	66,362,936

* Prepaid government fees includes Taka 1,983,526 (2017: Taka 1,562,149) for claiming VAT refund and Taka 3,944,343 (2017: 3,944,343) for claiming duty drawback refund for exporting goods on which VAT was paid at the time of import.

20. Cash and cash equivalents

Cash in hand		195,007	200,517
Cash at bank	20(A)	949,676,148	714,126,289
		949,871,155	714,326,806

A. Cash at bank

Hong Kong and Shanghai Banking Corporation Limited	50,096,546	74,416,067
Standard Chartered Bank	399,579,602	289,710,222
Short term deposits*	500,000,000	350,000,000
	949,676,148	714,126,289

*As at 31 December 2018, the company had two short term deposits with HSBC with maturity of less than three months.

Notes to the financial statements (continued)

21. Share capital

See accounting policy in Note 40(F)

<i>In Taka</i>	As at 31 December	
	2018	2017
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
In issue at 31 December - fully paid	47,250,000	47,250,000
Authorised		
25,000,000 ordinary shares of Taka 10 each	250,000,000	250,000,000

A. Position of shareholding

<i>Name of the shareholders</i>	At 31 December 2018			At 31 December 2017	
	Number of shares Unit	Face value Taka	Percentage of holding %	Face value Taka	Percentage of holding %
Parent company					
Reckitt Benckiser plc, UK	3,919,918	39,199,180	82.96	39,199,180	82.96
Bangladeshi shareholders:					
ICB Unit Fund	25,600.00	256,000	0.54	452,200	0.96
Investment Corporation of Bangladesh (ICB)	43,064	430,640	0.91	550,330	1.16
ICB Mutual Funds	300	3,000	0.01	3,000	0.01
Individuals	265,750	2,657,500	5.62	2,178,310	4.61
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	212,970	2,129,700	4.51	2,293,000	4.85
	4,725,000	47,250,000	100	47,250,000	100

B. Classification of shareholders by holdings

<i>Holdings</i>	At 31 December 2018		At 31 December 2017	
	Number of holders	Percentage of holdings	Number of holders	Percentage of holdings
Less than 500 shares	2,059	2.75	1,242	1.77
500 to 5,000 shares	80	1.89	85	2.40
5,001 to 10,000 shares	3	0.47	8	1.22
10,001 to 20,000 shares	3	0.95	2	0.56
20,001 to 30,000 shares	1	0.54	0	0.00
30,001 to 40,000 shares	0		1	0.68
40,001 to 50,000 shares	1	0.91	0	0.00
50,001 to 100,000 shares	2	3.00	3	4.17
100,001 to 1,000,000 shares	2	6.52	2	6.24
Over 1,000,000 shares	1	82.96	1	82.96
	2,152	100	1,344	100.00

Notes to the financial statements (continued)

22. Employee benefits

See accounting policy in Note 40(C)

<i>In Taka</i>	2018	2017
Net defined benefit asset	-	-
Total employee benefit asset	-	-
Net defined benefit liability	99,080,000	91,480,000
Total employee benefit liabilities	99,080,000	91,480,000

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.

<i>In Taka</i>	Defined benefit obligation		Fair value of plan assets		Net defined (asset)/liability	
	2018	2017	2018	2017	2018	2017
Balance at 1 January	91,480,000	77,050,000	-	-	91,480,000	77,050,000
Included in profit or loss						
Current service cost	10,695,221	8,018,282	-	-	10,695,221	8,018,282
Past service costs	-	-	-	-	-	-
Interest cost/(income)	7,620,000	6,440,000	-	-	7,620,000	6,440,000
	18,315,221	14,458,282	-	-	18,315,221	14,458,282
Included in OCI						
Actuarial (gain)/loss arising from:					8,630,000	8,690,000
Return on plan assets	-	-	-	-	-	-
financial assumption	-	-	-	-	-	-
experience adjustment	8,630,000	8,690,000	-	-	-	-
	26,945,221	23,148,282	-	-	26,945,221	23,148,282
Other						
Contribution paid by the employer						
Benefits paid	(19,345,221)	(8,718,282)	-	-	(19,345,221)	(8,718,282)
	(19,345,221)	(8,718,282)	-	-	(19,345,221)	(8,718,282)
Balance at 31 December	99,080,000	91,480,000	-	-	99,080,000	91,480,000
<i>In Taka</i>					2018	2017
Current portion					3,760,000	3,660,000
Non Current portion					95,320,000	87,820,000
					99,080,000	91,480,000

B. Actuarial assumptions

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

	2018	2017
Financial assumptions:		
Discount rate	8.5%	8.5%
Salary escalation rate		
- for first year	8.0%	8.0%
- thereafter	7.5%	7.5%
Demographic assumptions:		
Attrition rate	2%	2%

Notes to the financial statements (continued)

22. Employee benefits (continued)

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.

C. Sensitivity analysis

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 2018		31 December 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(9,940,000)	11,870,000	(9,950,000)	11,800,000
Future Salary growth (1% movement)	11,870,000	(10,120,000)	11,810,000	(10,120,000)

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.

23. Trade and other payables

<i>In Taka</i>	Note	2018	2017
Trade payables	23(A)	161,903,457	222,328,135
Other payables	23(B)	1,035,009,837	830,980,146
		1,196,913,294	1,053,308,281

A. Trade payables

Intercompany trade payables	23(A)(i)	2,642,994	12,449,539
Third party trade payables		159,260,463	209,878,596
		161,903,457	222,328,135

i. Intercompany trade payables

Reckitt Benckiser (India) Ltd.	-	9,513,704
Reckitt Benckiser Pakistan	2,642,994	-
Reckitt Benckiser Healthcare UK Ltd.	-	2,935,835
	2,642,994	12,449,539

Notes to the financial statements (continued)

23. Trade and other payables (continued)

B. Other payables

Third party other payables	23(B)(i)	656,877,604	549,582,143
Intercompany other payables	23(B)(ii)	378,132,233	281,398,003
		1,035,009,837	830,980,146

i. Third party other payables

Payable for employee remuneration and expenses		569,487,812	474,003,973
Advance from third parties		1,099,996	1,099,996
Withholding tax and VAT payables		8,880,294	10,163,334
Worker's profit participation fund	13	26,282,247	27,139,996
Payable for capital expenditure		12,779,513	19,357,959
Return provision		31,448,933	8,457,487
Unclaimed dividend	23(B)(i)(a)	6,898,809	9,359,398
		656,877,604	549,582,143

a. Unclaimed dividend

In taka	Note	As at 31 December	
		2018	2017
Final 2017		-	-
2017 Interim		526,746	2,677,346
2016 Final		636,746	673,403
2015 2nd Interim		254,998	246,710
2016 1st Interim		637,878	631,078
2015 1st Interim		752,863	744,575
2014 Final		154,190	158,296
2014 2nd Interim		513,572	521,753
2014 1st Interim		1,367,432	1,361,244
2013 Final		1,036,632	1,333,631
2012 Final		448,778	447,428
2011 Final		237,432	235,632
2011 Interim		331,542	328,302
		6,898,809	9,359,398

b. Dividend paid during the year

Reckitt Benckiser plc, UK	201,875,777	254,794,670
Foreign shareholders	201,875,777	254,794,670
ICB Unit Fund	1,996,810	2,454,163
Investment Corporation of Bangladesh (ICB)	2,835,794	3,577,145
Mutual Funds	2,260,181	2,199,977
Individuals	11,827,490	14,368,275
Government of Bangladesh	9,184,459	11,592,035
Sadharan Bima Corporation (SBC)	4,056,089	5,119,335
Institutions	9,300,900	13,019,400
Bangladeshi shareholders	41,461,723	52,330,330
Dividend declared and paid in the year	243,337,500	307,125,000

Notes to the financial statements (continued)

23. Trade and other payables (continued)

<i>In Taka</i>	Note	As at 31 December	
		2018	2017
Payment during the year from unclaimed dividend			
2017 Interim		2,338	-
2016 Final		36,656	-
2016 Interim		5,100	574,770
2015 2nd Interim		1,913	25,500
2015 Interim		11,263	52,275
2014 Final		8,075	11,532
2014 2nd Interim		14,134	8,925
2014 1st Interim		4,950	17,325
2013 Final		309,600	16,920
2012 Final		4,050	5,400
2011 Final		1,800	2,880
2011 Interim		1,080	4,320
		400,959	719,847
Declared dividend remains unclaimed		-	(2,677,346)
Payment during the year from unclaimed dividend		243,738,459	305,167,501

ii. Intercompany other payables

<i>In Taka</i>	Note	As at 31 December	
		2018	2017
Reckitt and Colman Overseas Limited, UK - Payable for technical services fee	23(B)(ii)(a)	378,132,233	281,398,003
		378,132,233	281,398,003

a. Payable for technical services fee

Balance as at 1 January		281,398,003	254,851,766
Charge for the year @ 5% of net turnover		194,651,230	183,481,003
Write back of unapproved portion of technical services fee		-	(68,413,766)
Net Charge for the year		194,651,230	115,067,237
Paid during the year	23(B)(ii)(a)(a.1)	(97,917,000)	(88,521,000)
Balance as at 31 December		378,132,233	281,398,003

a.1. Paid during the year

Paid to Reckitt and Colman Overseas Limited, UK		(63,646,050)	(57,538,650)
VAT on technical services fee		(14,687,550)	(13,278,150)
AIT on technical services fee		(19,583,400)	(17,704,200)
		(97,917,000)	(88,521,000)

24. Current tax liabilities

Balance as at 1 January		89,161,318	105,499,778
Provision made during the year		189,198,659	153,175,187
		278,359,977	258,674,965
Payment made under sections 64 and 74		(105,093,880)	(128,148,117)
Withholding tax		(42,630,905)	(41,365,530)
Payment made during the year		(147,724,785)	(169,513,647)
Balance as at 31 December		130,635,192	89,161,318

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, where applicable, 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.

In Taka	Note	Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	Carrying amount				Fair value
					FVOCI equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	
31 December 2018									
Financial assets measured at fair value									
	18	-	-	-	84,863,618	-	-	84,863,618	84,863,618
	20	-	-	-	949,871,155	-	-	949,871,155	949,871,155
		-	-	-	1,034,734,773	-	-	1,034,734,773	1,034,734,773
Financial liabilities measured at fair value									
	23	-	-	-	-	1,196,913,294	-	1,196,913,294	1,196,913,294
		-	-	-	-	-	-	1,196,913,294	1,196,913,294
31 December 2017									
Financial assets measured at fair value									
	18	-	-	-	130,441,911	-	-	130,441,911	130,441,911
	20	-	-	-	714,326,806	-	-	714,326,806	714,326,806
		-	-	-	844,768,717	-	-	844,768,717	844,768,717
Financial liabilities measured at fair value									
	23	-	-	-	-	1,053,308,281	-	1,053,308,281	1,053,308,281
		-	-	-	-	-	-	1,053,308,281	1,053,308,281

Notes to the financial statements (continued)

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

B. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

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.

i. 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. Trade and other receivables are mainly related to the interest receivables and other fees.

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

i. (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. (a.1) Financial assets

<i>In Taka</i>	<i>Note</i>	2018	2017
Trade and other receivables	18	84,863,618	130,441,911
Cash and cash equivalents	20	949,871,155	714,326,806
		1,034,734,773	844,768,717

i. (a.2) Aging of financial assets

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

Aging of trade and other receivables

<i>In Taka</i>	<i>Note</i>	2018	2017
Interest receivables	18(B)	529,169	1,327,083
Intercompany receivables	18(B)(i)	3,244,284	1,853,900
		3,773,453	3,180,983

Notes to the financial statements (continued)

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

B. Financial risk management (continued)

a) The aging of interest receivables at the end of the reporting year was:

Past due 30 days	529,169	1,327,083
Past due 31-60 days	-	-
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	-	-
	529,169	1,327,083

b) The aging of intercompany receivables at the end of the reporting year was:

Past due 30 days	523,192	215,093
Past due 31-60 days	-	1,638,807
Past due 61-90 days	-	-
Past due 91-180 days	-	-
Past due over 180 days	2,721,092	-
	3,244,284	1,853,900

i. (a.3) Aging of cash and cash equivalents

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

Cash in hand		195,007	200,517
Cash at bank	20(A)	949,676,148	714,126,289
Cash and cash equivalents		949,871,155	714,326,806

The cash and cash equivalents: Cash at bank are held with HSBC and SCB 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.

ii. 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 other 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.

Typically, the company ensures that it has sufficient cash and cash equivalents 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 parent company in the form of shareholder's loan/capital contribution.

Notes to the financial statements (continued)

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

B. Financial risk management (continued)

The followings are the contractual maturities of financial liabilities :

<i>In Taka</i>	Note	Carrying amount	Maturity period	Nominal interest rate	Expected cash flows	6 months or less	6-12 months	1-2 years	2-5 years
As at 31 December 2018									
Third party trade payables	23(A)	159,260,463	1 month	N/A	(159,260,463)	(159,260,463)	-	-	-
Trade payables due to related parties	23(A)(i)	2,642,994	1 month	N/A	(2,642,994)	(2,642,994)	-	-	-
Third party other payables	23(B)(i)	656,877,604	12 months	N/A	(656,877,604)	(649,978,795)	(6,898,809)	-	-
Intercompany other payables	23(B)(ii)	378,132,233	12 months	N/A	(378,132,233)	-	(378,132,233)	-	-
		1,196,913,294			(1,196,913,294)	(811,882,252)	(385,031,042)	-	-
As at 31 December 2017									
Third party trade payables	23(A)	209,878,596	1 month	N/A	(209,878,596)	(209,878,596)	-	-	-
Trade payables due to related parties	23(A)(i)	12,449,539	1 month	N/A	(12,449,539)	(12,449,539)	-	-	-
Third party other payables	23(B)(i)	549,582,143	12 months	N/A	(549,582,143)	(540,222,745)	(9,359,398)	-	-
Intercompany other payables	23(B)(ii)	281,398,003	12 months	N/A	(281,398,003)	-	(281,398,003)	-	-
		1,053,308,281			(1,053,308,281)	(762,550,880)	(290,757,401)	-	-

Notes to the financial statements (continued)

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

B. Financial risk management (continued)

iii. Market risk

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

iii. (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.

iii. (b) Exposure to currency risk

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

	As at 31 December 2018			As at 31 December 2017		
	USD	EUR	GBP	USD	EUR	GBP
Foreign currency denominated assets						
Trade receivables due from related parties	38,782	-	-	22,597	-	-
Other receivables	-	-	-	-	-	-
Total assets	38,782	-	-	22,597	-	-
Foreign currency denominated liabilities						
Trade payables due to related parties	31,595	-	-	115,150	-	26,296
Other payables	-	-	-	-	-	-
Total liabilities	31,595	-	-	115,150	-	26,296
Net exposure	7,187	-	-	(92,553)	-	(26,296)

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

	2018	2017
Average rate		
USD	83.89	80.83
EUR	99.07	91.26
GBP	111.99	104.18
Year end spot rate		
USD	83.65	82.62
EUR	95.93	99.15
GBP	106.69	111.64

iii. (d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. All payables of the company are interest free. Therefore no interest rate risk arises for the company as at 31 December 2018.

Notes to the financial statements (continued)

26. Related parties

A. Parent and ultimate controlling party

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

B. Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised the following.

<i>In Taka</i>	2018		2017	
	Managing Director	Directors and managers	Managing Director	Directors and managers
Remuneration, bonus and other benefits	45,606,041	256,373,691	35,998,069	174,458,996
Housing rental	-	57,655,909	-	53,367,499
Leave passage	-	7,599,873	-	6,896,700
Medical	-	2,078,053	-	3,211,445
Short-term employee benefits	45,606,041	323,707,526	35,998,069	237,934,640
Gratuity provision	-	15,249,667	-	20,204,735
Provident fund	-	11,752,234	-	10,057,572
Post-employment benefits	-	27,001,901	-	30,262,307
	45,606,041	350,709,427	35,998,069	268,196,947
Number	1	97	1	87

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

<i>In Taka</i>	Transaction values for the		Balance outstanding as at 31 December	
	2018	2017	2018	2017
Transaction with parent company				
Technical services fee				
Reckitt and Colman Overseas Limited, UK	194,651,230	115,067,237	378,132,233	281,398,003
Dividend paid				
Parent of the company - Reckitt Benckiser plc, UK	201,875,777	254,794,670	-	-
	396,527,007	369,861,907	378,132,233	281,398,003

Notes to the financial statements (continued)

26. Related parties (continued)

C. Other related party transactions (continued)

<i>In Taka</i>	Transaction values for the		Balance outstanding as at 31 December	
	2018	2017	2018	2017
Intercompany payables				
Import of raw materials and finished products				
Reckitt Benckiser (India) Ltd.	52,204,009	48,691,497	-	9,513,704
Reckitt Benckiser Healthcare UK	24,506,754	17,394,639	-	2,935,835
Reckitt Benckiser Pakistan	5,030,305	-	2,642,994	-
Reckitt Benckiser Healthcare India	-	1,056	-	-
RB Thailand	-	815,175	-	-
LRC Products Ltd. UK	-	4,338,591	-	-
SSL Manufacturing (Thailand) Ltd.	-	831,583	-	-
	81,741,068	72,072,541	2,642,994	12,449,539
Intercompany receivables				
Sale of goods				
Reckitt Benckiser (India) Limited	3,290,198	1,853,900	2,721,092	1,853,900
	3,290,198	1,853,900	2,721,092	1,853,900
Systems support services				
Reckitt Benckiser Corporate Services Ltd.	3,165,758	2,609,771	523,192	-
	3,165,758	2,609,771	523,192	-

27. Operating leases

See accounting policy in Note 40(M)

A. Leases as lessee

The company leases a number of warehouses, house and office facilities under operating leases. The leases typically run for a period of 1-5 years, with an option to renew after that date.

During the year an amount of Taka 28,604,579 (2017: Taka 25,287,958) was recognised as an expense in profit or loss in respect of operating leases.

i. Future minimum lease payments

At 31 December, the future minimum lease payments under non-cancellable leases were receivable as follows:

<i>In Taka</i>	Note	2018	2017
Less than one year		29,444,346	26,595,540
Between two and five years		15,979,425	24,340,425
More than five years		-	-
		45,423,771	50,935,965

ii. Amounts recognized in profit or loss

<i>In Taka</i>	2018	2017
Lease expense	28,604,579	25,287,958
Contingent rent expense	-	-
Sub-lease income	-	-

Notes to the financial statements (continued)

28. Net asset value per share

<i>In Taka</i>	Note	2018	2017
Net Asset		385,678,187	303,714,942
Weighted average number of ordinary shares outstanding during the year		4,725,000	4,725,000
Net asset value per share		81.63	64.28

29. Net operating cash flow per share

Net operating cash flow	610,546,055	441,181,500
Weighted average number of ordinary shares outstanding during the year	4,725,000	4,725,000
Net operating cash flow per share	129.22	93.37

30. Reconciliation of net operating cash flow:

Profit before tax	525,644,943	542,799,928
Adjustment for:		
- Depreciation & Amortization	71,349,181	49,327,677
- (Gain)/Loss on sale of fixed assets	(3,853,354)	(2,036,479)
- Bad debts	(699,211)	1,451,879
- Finance income	(21,409,314)	(10,423,783)
	571,032,245	581,119,222
Changes in:		
- Inventories	(26,404,019)	21,003,932
- Trade and other receivables	45,578,293	(114,030,452)
- Advances, deposits and prepayments	18,608,606	8,801,680
- Trade and other payables	150,485,715	108,060,764
- Employee benefits	(1,030,000)	5,740,000
Cash generated from operating activities	758,270,840	610,695,146
Income tax paid	(147,724,785)	(169,513,647)
Net cash generated by operating activities	610,546,055	441,181,499

31. Commitments

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

A. Capital expenditure commitment

<i>In Taka</i>	2018	2017
Financial expenditures - outstanding purchase orders	12,734,680	68,337,000
	12,734,680	68,337,000

32. Contingent liabilities

There are contingent liabilities of Taka 74,833,620 (2017: Taka 113,493,340) on account of bank guarantees, acceptance trust receipt under letter of credit and Taka 210,255,506 (2017: Taka 169,886,681) on account of ordinary letter of credit issued by Standard Chartered Bank in favour of the company.

Out of Taka 8,502,588, Taka 7,544,501 for bank guarantees (2017: Taka 4,139,712) and Taka 958,087 for performance bond guarantees (2017: Taka 29,690,318) on behalf of Reckitt Benckiser (Bangladesh) Limited.

Notes to the financial statements (continued)

32. Contingent liabilities (continued)

There is a documentary credit of Taka 17,286,332 (2017: Taka 40,246,627) and import bills/bills receivable Taka 6,931,362 (2017: Taka 4,176,045) have been issued by SCB & HSBC on behalf of Reckitt Benckiser (Bangladesh) Limited.

<i>In Taka</i>	2018	2017
Guarantees issued by the Company's scheduled bankers to third parties on counter - indemnities given by the Company	8,502,588	33,830,030
Irrevocable letter of credit opened by the scheduled banks net of on account payment	300,804,231	293,972,663
	309,306,819	327,802,693

33. Number of employees

The company employed 211 (2017: 195) 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.

34. Events after the reporting date

For the year 2018, the Board of Directors recommended a final dividend of Taka 70 per share amounting to Taka 330,750,000 at the board meeting held on 15 April 2019.

35. Remittance made in foreign currency (FC)

<i>Currency</i>	2018		2017	
	FC	Taka	FC	Taka
Dividend paid to Reckitt Benckiser Plc, UK (GBP)	1,684,169.4	181,688,199	2,087,923.7	229,315,203
Reckitt and Colman Overseas Ltd. (GBP)	537,097.5	63,646,050	569,407.7	57,538,650
Tower Wattson India Private Limited (USD)	1,600.0	134,240	1,600.0	130,880

36. Receipt in foreign currency (FC)

<u>Name of customer/vendor</u>		2018		2017	
<i>Currency</i>	Nature of receipt	FC	Taka	FC	Taka
Reckitt Benckiser Corporate Services Ltd. (USD)	System Support Service	18,865	1,582,180	25,840	2,091,389
Total		18,865	1,582,180	25,840	2,091,389

Notes to the financial statements (continued)

37. Production capacity

Line of business	Unit of measurement	Installed capacity for the year 2018	Production for the year 2018
Household & toiletries	Thousand Litre	17,189	10,396
	Metric Ton	10,080	4,915
Pharmaceuticals	Thousand Litre	2,914	995
Total	Thousand Litre Metric Ton	20,103 10,080	11,391 4,915

38. Basis of measurement

The financial statements of the Company have been prepared on historical cost basis except for net defined benefit (asset)/liability for which the measurement basis is the fair value of plan assets less the present value of the defined benefit obligation, as explained in Note 40(C).

39. Standards issued but not yet effective

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) has adopted International Financial Reporting Standards issued by the International Accounting Standards Board as IFRSs. As the ICAB previously adopted such standards as Bangladesh Financial Reporting Standards without any modification, this adoption does not have any impact on the financial statements of the Company for annual periods beginning on or after 1 January 2018.

A number of new standards are effective for annual periods beginning after 1 January 2018 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Of those standards that are not yet effective, IFRS 16 is expected to have a material impact on the Company's financial statements in the period of initial application.

A. IFRS 16 Leases

The Company is required to adopt IFRS 16 Leases from 1 January 2019. The Company has assessed the estimated impact that initial application of IFRS 16 will have on its financial statements, as described below. The actual impacts of adopting the standard on 1 January 2019 may change because:

- the new accounting policies are subject to change until the Company presents its first financial statements that include the date of initial application.

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

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

Notes to the financial statements (continued)

39. Standards issued but not yet effective (continued)

A. IFRS 16 Leases (continued)

i. Leases in which the Company is a lessee

The Company will recognise new assets and liabilities for its operating leases of 1 corporate office, 3 warehouses and 8 sales offices. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability.

Based on the information currently available, the Company estimates that it will recognise additional lease liabilities of Taka 37,667,582 as at 1 January 2019

ii. Transition

The Company plans to apply IFRS 16 initially on 1 January 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

40. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

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

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Notes to the financial statements (continued)

40. Significant accounting policies (continued)

A. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year which is adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on retranslation are recognised in the profit or loss.

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, this standard establishes a five-step model as follows:

- 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. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

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. Obligations for contributions to the recognised provident fund are recognised in profit or loss in the period during which related services are rendered by employees.

iii. Defined benefit plans (gratuity)

The Company's net obligation in respect of defined plans is calculated separately for each plan by estimating benefit that employees have earned in the current period, discounting that amount and deducting the fair value of any plan assets.

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

C. Employee benefits (continued)

iii. Defined benefit plans (gratuity) (continued)

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 recognized immediately in the retained earnings through an account known as the Other Comprehensive Income and Expenses. 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 recognized in profit or loss.

iv. Workers' Profit Participation Fund

Workers' Profit Participation Fund (the "WPPF") also qualifies as defined contribution plan. The Company is required to provide 5% of net profit before tax after charging such expense in accordance with Bangladesh Labour Act 2006 (amended in 2013), if any.

D. Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues 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 Ordinance 1984 (as amended up to date). Currently, the applicable tax rate is 25% 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.

Notes to the financial statements (continued)

40. Significant 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 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.

G. Inventories

Category	Basis of valuation	Principle
Raw and packing materials	At the lower of cost or net realisable value	Weighted average
Finished goods	At the lower of cost or net realisable value	Weighted average
Work in progress	At standard cost comprising the procurement value of material, direct labour and appropriate production of overhead expenses.	
Inventory in transit	At cost comprising invoice value plus other charges incurred thereon.	

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the above and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In 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 to 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.

H. Property, plant and equipment

i. Recognition and measurement

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.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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 servicing of the property, plant and equipment are recognised in profit or loss as incurred.

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

H. Property, plant and equipment (continued)

iii. 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. Leased 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. 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:

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 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.

I. Asset under construction

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

J. 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.

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement

Financial assets – Policy applicable from 1 January 2018

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.

Financial assets – Business model assessment: Policy applicable from 1 January 2018

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;

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

J. Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

- 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: Policy applicable from 1 January 2018

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

(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.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

ii. Financial liability

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

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

Financial liabilities include trade and other payables etc.

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

J. Financial instruments (continued)

ii. Financial liability (continued)

(a) Trade and other payables

The Company recognises a trade and intercompany 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.

K. Impairment

i. Financial assets

The Company recognises loss allowances for ECLs 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.

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.

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.

L. 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.

M. Operating lease

All the lease transactions have been classified based on the extent to which risks and rewards incidental to ownership of the assets lie with the lessor or lessee. According to this classification, all the company's lease transactions have been identified as operating lease as per International Accounting Standard 17-Leases based on the substance of the transactions, not merely on the legal form.

Notes to the financial statements (continued)

40. Significant accounting policies (continued)

N. 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.

O. 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.

Related disclosure of earnings per share has been provided in Note 12.

P. 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.

Q. 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 34.

41. 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.

Reckitt Benckiser (Bangladesh) Limited

Declaration by CEO and CFO

Date: 15 April 2019

The Board of Directors
Reckitt Benckiser (Bangladesh) Limited
Gulshan-1, Dhaka-1212

Subject: Declaration on Financial Statements for the year ended on 31 December 2018

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 10 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of Reckitt Benckiser (Bangladesh) Limited for the year ended on 31 December 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

Reckitt Benckiser (Bangladesh) Limited
Declaration by CEO and CFO
continued

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2018 and that to the best of our knowledge and belief:
- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Vishal Gupta

Vishal Gupta
Managing Director
Date: 15 April 2019



Sourav Mitra
Chief Financial Officer (CFO)
Date: 15 April 2019

Report of the Audit Committee For the year ended 31 December 2018

Audit Committee of Reckitt Benckiser (Bangladesh) Limited, a sub-committee of the Board of Directors, supports the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good control monitoring system within the business.

Composition of the Audit Committee:

The Audit Committee, appointed by and responsible to the Board of Directors, comprises 5 members and the Company Secretary as the Secretary of the Audit Committee, Out of them, two members are independent Non Executive Directors and the Committee is chaired by one of two independent Non Executive Directors. Chief Financial Officer is also member of the Audit Committee.

Role of the Audit Committee:

The Audit Committee's role flows directly from the Board and the Committee reports regularly to the Board on its activities. The Committee's main responsibilities consist of:

- Reviewing the annual, half-yearly and quarterly financial statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board;
- Reviewing the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Codes of Conduct;
- Monitoring and reviewing the arrangements for ensuring the objectivity and effectiveness of the external and internal audit functions;
- Reviewing the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards, regulatory and financial reporting requirements, examining audit findings and material weaknesses and monitoring implementation of audit action plans;
- Recommending to the Board the appointment, reappointment or removal of the external auditors;
- Performing other activities as and when requested by the board of directors.

Meetings and Attendance:

During the year of 2018, a total of 3 (Three) meetings were held. The attendance of the members at these meetings were as follows:

Name of Members	Category	Number of meetings held	Meetings attended	Remarks
Mr. M. Jahangir Kabir	(Independent Non-Executive Director)	2	1	leave granted and passed away on 19 June 2018, this casual vacancy has been filled up by Mr. Nazimuddin Chowdhury on 9 August 2018 but thereafter no meeting held of the Audit Committee
Mr. Vishal Gupta (Managing Director)	Member	3	3	
Mr. Parag Agarwal	Member	3	-	Mr. Mohammad Redwanul Islam attended 3 Meeting of the committee as alternate of Mr. Parag Agarwal
Mr. C.Q.K. Mustaq Ahmed	Chairperson (Independent Non-Executive Director)	3	3	-
Mr. Sourav Mitra	Member/CFO	3	3	-
Mr. Mohammad Nazmul Arefin	Secretary	3	3	-

Report of the Audit Committee For the year ended 31 December 2018

Major activities of the Audit Committee carried out during the year:

- Reviewed the quarterly, half yearly, and annual financial statements for the year ended 31 December 2018 along with receiving the statutory audit report and raising necessary questions on statutory auditors in case of doubts;
- Approved the internal audit plan for 2018, monitored progress and effected revisions when necessary;
- Discussed internal audit reports and findings in detail with members of the management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans;
- The committee reviewed the effectiveness of the internal financial controls, procedures and reviewed external audit report.
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors;
- Review of financial and accounting matters as reported by the Chief Financial Officer on the financial performance and accounting treatment of the company;
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).
- Conducted a meeting with the statutory auditors for review of the annual financial statements.
- Reviewed the Management's Discussion and Analysis.
- Reviewed statement of all related party transactions submitted by the management.
- Reviewed Management Letters issued by statutory auditors.
- Reviewed current year audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors.

There are no significant breaches of control which is came to notice of the audit committee while reviewed. Therefore, the committee is of the opinion that adequate controls and procedures are in place to provide reasonable assurance that the company's assets are safeguarded and that the financial position of the company is adequately managed.

On behalf of the Audit Committee



C.Q.K. Mustaq Ahmed
Chairperson
Audit Committee

Dated: 15 April 2019

Report to the Shareholders of Reckitt Benckiser (Bangladesh) Limited on Compliance on the Corporate Governance Code

[Certificate as per condition No. 1(5) (xxvii) of BSEC Corporate Governance Code]

We have examined the compliance status to the Corporate Governance Code by **Reckitt Benckiser (Bangladesh) Limited** for the year ended on December 31, 2018. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission excepting a partial non-compliance in respect to condition no. 3(1) of referred notification which is relating to appointment of Head of Internal Audit and Compliance (HIAC), and a non-compliance in respect to condition no. 6 of referred notification which is relating to Constitution, Responsibility and Roles of Nomination and Remuneration Committee (NRC) which is independent and responsible or accountable to the board and to the shareholders.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.



Ahmed Mashuque & Co.
Chartered Accountants

Date: April 15, 2019
Place: Dhaka, Bangladesh

Status of compliance of Securities and Exchange Commission

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission:

Status of compliance for the year ended 31st December 2018 with conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance status (Put \checkmark in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1	Board of Directors			
1. (1)	Board's Size The number of Board Directors should not be less than 5 (five) and more than 20 (twenty).	\checkmark		9 (Nine) Board member including 2 (two) independent Directors
1. (2)	Independent Directors			
(a)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	\checkmark		There are two independent directors in the Board
(b)	Purpose of Clause "Independent Director":			
(b) (i)	Who either does not hold any share or holds less than 1% shares to the total paid-up shares of the company;	\checkmark		
(b) (ii)	Who is not a sponsor of the company and is not connected with the companies any sponsor or director or nominee director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding Entities who holds one percent (1%) or more share of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	\checkmark		
(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years.	\checkmark		
(b) (iv)	Who does not have any other relationship whether pecuniary or otherwise, with the company or its subsidiary/ associated companies.	\checkmark		
(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	\checkmark		
(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	\checkmark		
(b) (vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	\checkmark		
(b) (viii)	Who is not an independent director in more than 5 (five) listed companies.	\checkmark		
(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI).	\checkmark		
(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	\checkmark		
(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	\checkmark		
(d)	The post of independent director(s) can not remain vacant for more than 90 (ninety) days.	\checkmark		
(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	\checkmark		
1. (3)	Qualification of Independent Director (ID)			
(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	\checkmark		
(b)	Independent director shall have following qualifications:			
(b) i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	\checkmark		
(b) ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or			
(b) iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or			
(b) iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			
(b) v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			
(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)			
(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.	None		
1. (4)	Duality Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or the Chief Executive Officer of the companies shall be filled by different individuals.	\checkmark		

Status of compliance of Securities and Exchange Commission

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
I.(5)	The Directors' Report to Shareholders			
(i)	Industry outlook and possible future development in the industry.	✓		
(ii)	Segment-wise or product-wise performance.	✓		
(iii)	Risks and concerns.	✓		
(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
(v)	Discussion on continuity of any Extra-Ordinary gain or loss.	None		
(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		Explanation given in note no. 26 of the Financial statements
(vii)	Utilization of proceeds from public issues, rights issues and / or through any others instruments.	N/A		
(viii)	An explanation if the financial result deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.	N/A		
(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	None		
(x)	Remuneration to directors including independent directors.	None		No remuneration are to be paid to its non whole time Directors
(xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
(xii)	Proper books of account of the issuer company have been maintained.	✓		
(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		
(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		
(xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	None		
(xviii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	N/A		Dividend has been recommended for the year ended 31 December 2018
(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	N/A		No bonus share or stock dividend has been declared as interim dividend during the year 2018
(xxii)	The total number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
(xxiii)	The pattern of shareholdings and name wise details disclosing the aggregate number of shares:			
(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	✓		
(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details).	✓		
(xxi) c)	Executives (top five salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance).	✓		
(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		
(xxiv)	Appointment/Reappointment of Directors:			
(xxiv) a)	A brief resume of the director.	✓		
(xxiv) b)	Nature of his/her expertise in specific functional areas.	✓		
(xxiv) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		
(xxv) a)	accounting policies and estimation for preparation of financial statements;	✓		

Status of compliance of Securities and Exchange Commission

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
(xxv) b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
(xxv) c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
(xxv) d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
(xxv) e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
(xxv) f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
(xxv) g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1.(6)	Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1.(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer:			
(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	Under process
(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		✓	Under process
2.	Governance of Board of Directors of Subsidiary Company			
(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	N/A		
(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	N/A		
(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	N/A		
(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	N/A		
(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	N/A		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
(1)	Appointment:			
(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		Appointment of Head of Internal Audit and Compliance is under process
(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		Appointment of Head of Internal Audit and Compliance is under process
(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	N/A		
(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		Roles, responsibilities and duties for Head of Internal Audit and Compliance is under process
(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	None		
(2)	Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:	✓		Appointment of Head of Internal Audit and Compliance is under process
(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		

Status of compliance of Securities and Exchange Commission

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
4.	Board of Directors' Committee: For ensuring good governance in the company, the Board shall have at least following subcommittees: (i) Audit Committee; and (ii) Nomination and Remuneration Committee.	✓		Formation of NRC committee is under process
5	Audit Committee			
	(1) Responsibility to the Board of Directors			
	(a) The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
	(b) The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
	(c) The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
	(2) Constitution of the Audit Committee			
	(a) The Audit Committee shall be composed of at least 3 (three) members.	✓		
	(b) The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
	(c) All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
	(d) When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	None		
	(e) The company secretary shall act as the secretary of the Committee.	✓		
	(f) The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
	(3) Chairperson of the Audit Committee			
	(a) The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.	✓		
	(b) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
	(c) Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		
	(4) Meeting of the Audit Committee			
	(a) The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	✓		Three Audit Committee meeting were held during the year 2018
	(b) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
	(5) Role of Audit Committee			
	(a) Oversee the financial reporting process.	✓		
	(b) Monitor choice of accounting policies and principles.	✓		
	(c) Monitor internal Audit and Compliance process	✓		
	(d) Oversee hiring and performance of external auditors	✓		
	(e) hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
	(f) Review along with the management, the annual financial statements before submission to the board for approval.	✓		
	(g) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
	(h) Review the adequacy of internal audit function.	✓		
	(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
	(j) Review statement of significant related party transactions submitted by the management.	✓		
	(k) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
	(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
	(m) oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		

Status of compliance of Securities and Exchange Commission

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
(6)	Reporting of the Audit Committee			
(a)	Reporting to the Board of Directors			
(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:			
(ii) (a)	Report on conflicts of interests.	None		
(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.	None		
(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.	None		
(ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately.	None		
(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	None		
(7)	Reporting to the Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	Nomination and Remuneration Committee (NRC)			
(1)	Responsibility to the Board of Directors			
(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;		✓	Under process
(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		✓	Under process
(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b).		✓	Under process
(2)	Constitution of the NRC			
(a)	The Committee shall comprise of at least three members including an independent director;		✓	Under process
(b)	All members of the Committee shall be non-executive directors;		✓	Under process
(c)	Members of the Committee shall be nominated and appointed by the Board;		✓	Under process
(d)	The Board shall have authority to remove and appoint any member of the Committee;		✓	Under process
(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		✓	Under process
(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		✓	Under process
(g)	The company secretary shall act as the secretary of the Committee;		✓	Under process
(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		✓	Under process
(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		✓	Under process
(3)	Chairperson of the NRC			
(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		✓	Under process
(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;		✓	Under process
(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders.		✓	Under process
(4)	Meeting of the NRC			
(a)	The NRC shall conduct at least one meeting in a financial year;		✓	Under process
(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	Under process
(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		✓	Under process
(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		✓	Under process

Status of compliance of Securities and Exchange Commission

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
(5)	Role of the NRC			
(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	Under process
(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
(i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	Under process
(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	Under process
(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		✓	Under process
(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	Under process
(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	Under process
(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		✓	Under process
(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	Under process
(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		✓	Under process
(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	Under process
7.	External /Statutory Auditors			
(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:			
(i)	Appraisal or valuation services or fairness opinions.	✓		
(ii)	Financial information systems design and implementation.	✓		
(iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
(iv)	Broker-dealer services.	✓		
(v)	Actuarial services.	✓		
(vi)	Internal audit services.	✓		
(vii)	Any other service that the Audit Committee determines.	✓		
(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
(ix)	any other service that creates conflict of interest.	✓		
(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8.	Maintaining a website by the Company.-			
(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
(2)	The company shall keep the website functional from the date of listing.	✓		
(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
(1)	The company shall obtain a certificate from a practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
(3)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

For and on behalf of the Board of Directors

Vishal Gupta
Vishal Gupta
Managing Director

Dated: Dhaka, April 15, 2019

Attendance At Board Meetings During The Year Ended 31 December 2018

Name of Directors	Number of meetings held whilst a board member	Meetings attended	Remarks
Mr. Nitish Kapoor (Ex-Chairperson)	1	1	Mr. Syed Tanzim Rezwan attended 1 meeting of the Board as alternate Director of Mr. Nitish Kapoor & resigned on 27 March 2018
Mr. Anupam Jain (Chairperson)	3	2	Ms. Afreen Huda attended 2 meeting of the Board as alternate Director of Mr. Anupam Jain and leaves granted.
Mr. Vishal Gupta	4	4	
Mr. Parag Agarwal	4	4	Mr. Mohammad Redwanul Islam attended 4 Meetings of the Board as alternate Director of Mr. Parag Agarwal and leaves granted.
Mr. Mahmud Hasan Khan	2	1	Leave granted and resigned from the Board on 30 April 2018
Mr. Sourav Mitra	4	4	
Mr. Shahidul Islam	2	1	leave granted & ceased from the Board on 26 July 2018
Mr. Salahuddin Mahmud	2	2	Joined on 26 July 2018
Mrs. Mahmuda Khanam	4	2	leaves granted
Mr. Syed Tanzim Rezwan	2	2	Joined on 30 April 2018
Mr. C.Q.K. Mustaq Ahmed (Independent Director)	4	4	
Mr. M. Jahangir Kabir (Independent Director)	2	2	Passed away on 19 June 2018
Mr. Nazim Uddin Chowdhury (Independent Director)	1	1	Joined on 9 August 2018

Pattern Of Shareholding As At 31 December 2018

Shareholders' Category	No. of Shareholders	No. of Shares held
a) Parent / Subsidiary / Associated Companies and other related parties Reckitt Benckiser PLC, United Kingdom - Parent Company	1	3,919,918
b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children	Nil	Nil
c) Top five Executives	Nil	Nil
d) Shareholders holding 10% or more voting interest Reckitt Benckiser PLC, United Kingdom	1	3,919,918

RECKITT BENCKISER (BANGLADESH) LIMITED

Registered Office: 58/59 Nasirabad Industrial Area, Chittagong - 4209
Corporate Office: House-2(B), Block-SE(C), Road-138, Gulshan-1, Dhaka-1212

PROXY FORM

I/we, the undersigned being a Member of the above named Company appoint

Mr./Mrs./Miss _____
of _____

(Folio no./ BO ID no. _____) as my/ our proxy to vote and act for me/ us, and on my/ our behalf, at the 58th Annual General Meeting of the Company to be held at Chittagong Boat Club Convention Center, Chittagong Boat Club, Ghat No: 11, East Patenga, Chattogram on Thursday, 30th May, 2019 at 11.00 a.m. and at any adjournment thereof.

Dated this _____ day of _____ 2019.

Signature of the Proxy

Revenue
Stamp
Tk. 20/-

Signature of the Shareholder (s)

Signature of the Witness

Name of the Shareholder (s)

Folio no. /BO ID no. _____

Note:

According to the Articles of Association of the Company, Proxy can only be given to a person who is a Member (shareholder) of the Company, The Proxy Form, duly stamped, must reach the Registered Office / Corporate Office of the Company not less than 72 hours before the time fixed for the meeting.

RECKITT BENCKISER (BANGLADESH) LIMITED

Registered Office: 58/59 Nasirabad Industrial Area, Chittagong - 4209
Corporate Office: House-2(B), Block-SE(C), Road-138, Gulshan-1, Dhaka-1212

ATTENDANCE SLIP

(Shareholders attending the Meeting in person or by proxy are requested to complete the Attendance Slip and deposit the same at the entrance of the meeting hall)

I hereby record my presence at the 58th Annual General Meeting (AGM) of Reckitt Benckiser (Bangladesh) Limited being held at Chittagong Boat Club Convention Center, Chittagong Boat Club, Ghat No: 11, East Patenga, Chattogram on Thursday, 30th May, 2019 at 11.00 a.m.

Signature of the Proxy

Signature of the Shareholder

Name of the Proxy

Name of the Shareholder (s)

Folio no. /BO ID no. _____

Folio no. /BO ID no. _____

**PLEASE NOTE THAT ACCOMMODATION FOR CHILDREN &
NON MEMBERS WILL NOT BE AVAILABLE AT THE AGM**

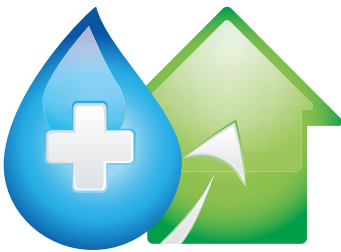


HEALTH



Good health is the key to happiness

Reckitt Benckiser Health brands provide trusted, innovative solutions that help people live healthier, more fulfilling lives.



HYGIENE HOME



Hygiene is the foundation of healthy living while home is the center of family life

Reckitt Benckiser Hygiene Home brands promote home hygiene to create a safe haven for you and your family.

COMPANY OFFICES

REGISTERED OFFICE

58/59 Nasirabad Industrial Area
Chittagong – 4209
Bangladesh

CORPORATE OFFICE

House – 2(B), Block – SE(C)
Road – 138, Gulshan – 1
Dhaka – 1212

FACTORY

58/59 Nasirabad Industrial Area
Chittagong – 4209
Bangladesh

DHAKA DEPOT

R.S Plot No-415 & 455, Moza-Khadun,
Tarabo Pourasava, Ward No. 5,
Rupgonj, Rupshi-1460, Narayanganj

CHITTAGONG DEPOT

Ruby Gate, 1123 Nasirabad Industrial
Area, P.s-Baizid, Dis.
Chittagong

KUSHTIA DEPOT

Vill- Jugia (Kanabil More).
P.O-Jagati, Upozila- Kushtia, Kushtia
Kushtia

SALES OFFICE, KHULNA

Plot No: 30,
Mujgunni Main Road
Sonadanga, Khulna

SALES OFFICE, BOGRA

House No.17, Nishindara
Upashahar Housing State
Main Road, Bogra

SALES OFFICE, BARISHAL

803, Rosarium
West College Avenue
C&B Road, Word 21,
Barisal

SALES OFFICE, RAJSHAHI

House No.483
Block B, Sector 1
Upashahar Housing Estate
Rajshahi

SALES OFFICE, COMILLA

Shaplin, House No - 6,
Block - K, Section - 1,
Housing Estate, Comilla

SALES OFFICE, SYLHET

House No -77, Nobarrun R/A
Sonarpara, Shibgonj
Sylhet

SALES OFFICE, NARAYANGONJ

Lutfu Tower (9th Floor)
Chasharamore,
Narayanganj

SALES OFFICE, GAZIPUR

House No. 126/2,
Lalmatia, Uttar Sayabithy
Joydevpur, Gazipur

Reckitt Benckiser (Bangladesh) Limited

Registered office : 58/59 Nasirabad Industrial Area, Chittagong-4209, Bangladesh

Corporate Office : Plot-2(B), Block-SE(C), Road-138, Gulshan-1, Dhaka-1212, Bangladesh

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