Independent Auditor's Report

and Financial Statements

Reckitt Benckiser (Bangladesh) PLC

As at and for the year ended 31 December 2023

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Reckitt Benckiser (Bangladesh) PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Reckitt Benckiser (Bangladesh) PLC (the Company), which comprise the statement of financial position as at 31 December 2023, 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 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

For each matter below our description of how our audit addressed the matter is provided in that context.

1. Revenue recognition See note 2.8 (B) and 16 to the financial statements	
Description of key audit matters	**How the matters were addressed in our audit**
Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Revenue from the sale of goods is recognised when the company has delivered products to customers at the shipping point and control has passed. During the year ended December 31, 2023, the Company has recognised sales of BDT 5,282 million (net). The sales of the Company are derived from a large number of distributors which locate over the country with relatively small	Our audit procedures included the following: 1) We read the Company's revenue recognition policy and assessed its compliance in terms of IFRS 15 'Revenue from contracts with customers'. 2) We understood, evaluated and validated the key controls related to the Company's sales process and tested the operating effectiveness of key controls over sales. 3) We performed substantive testing on revenue recorded throughout the year using sampling techniques to ensure appropriateness of recording revenue by examining the relevant supporting

Main Office: Gulshan Pink City, Level: 7, Plot # 15, Road # 103, Gulshan, Dhaka-1212, Bangladesh; ☎ +880-2-8881824-6, aqasem@aqcbd.com
Chattogram Office: Faruk Mahal (3rd Floor), Plot # 93, Agrabad C/A, Chittagong-4100, Bangladesh; ☎ +880-31-715656, 718066, aqasemctg@aqcbd.com
Tax & Company Affairs Office: Ivory Krishnachura (5th Floor), 3/1-E, Purana Paltan, Dhaka-1000, Bangladesh; ☎ +880-2-9551103, 9584925, aqasemtax@aqcbd.com

amount of transactions. As a result, to obtain sufficient audit evidence, magnitude audit work and resources are required. As it is industry practice, the Company enters into numerous types of commercial arrangements with customers to offer product promotions and discounts. Revenue is measured net off estimated trade spends i.e. rebates and discounts earned on the Company's sales by customers or other parties that purchase the entity's goods. 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. Considering the above factors and the risk associated with revenue recognition, we have determined the same to be a key audit matter.	documents including sales invoices, VAT Challans and truck challans. We also confirmed certain customers' receivable balance at the statement of financial position date, selected on sample basis by considering the amounts outstanding with those customers. 4) We have assessed the completeness and occurrence of trade spend by obtaining supporting documentation or calculation and reviewing the underlying assumptions of estimates approval of same by the management. 5) We selected samples of sales transactions made pre and post year end, agreed the date of transfer of control for the selected sample by testing underlying documents and 6) We have tested sales return transactions recorded throughout the year using sampling techniques to ensure the appropriateness of recording sales return by examining the related supporting documents.
2. Existence and valuation of inventories See note 2.8(G) and 5 to the financial statements	
Description of key audit matters	**How the matters were addressed in our audit**
Inventories represent about 13% of the total assets of the Company, inventories are thus a material item to the financial statements. Inventories are valued at the lower of cost or net realisable values. As such, management is required to make judgements in determining whether inventories are being appropriately valued, and also need to make provision for aged inventories, if required. Due to the value and volume of inventories being held by the company at the reporting date and the complexities involved in the accounting and presentation thereof, Inventories has been considered as a key audit matter.	Our audit procedures included the following: 1) We read the Company's revenue recognition policy and assessed its compliance in terms of IAS 2 'Inventories'. 2) We understood, evaluated and validated the key controls related to the Company's inventory process and tested the operating effectiveness of key controls over inventories. 3) We observed the process of management's year-end inventory count and perform test counts for inventory held by the Company and third party. 4) We verified a sample of inventory items to ensure that costs have been appropriately recorded. 5) We tested on a sample basis the net realisable value by comparing costs to recent selling prices and assessed the reasonableness of any resulting write down of inventory items.

	6) We assessed whether appropriate provisions have been recognised for aged, damaged, slow moving or obsolete inventories by reviewing the age of inventories held and evaluating management's basis for determining the usability of inventories. 7) We performed cut-off tests to determine that the purchases and sales of the inventories have been captured in the correct accounting period.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. 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 judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Company's business.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

DVC: 2403300950AS677895

Dhaka, 28 March 2024

Reckitt Benckiser (Bangladesh) PLC
Statement of financial position

In Taka	*Note*	31 December 2023	31 December 2022
Assets			
Property, plant and equipment	3	**607,330,849**	577,879,851
Right-of-use assets (ROU)	4(A)(i)	**142,737,635**	167,880,361
Deferred tax assets	23(D)	**26,760,604**	-
Non-current assets		**776,829,088**	745,760,212
Inventories	5	**590,999,610**	580,077,952
Trade and other receivables	6	**135,556,087**	60,207,313
Advances, deposits and prepayments	7	**69,270,707**	31,620,751
Cash and cash equivalents	8	**2,919,490,457**	1,978,229,020
Current assets		**3,715,316,861**	2,650,135,036
Total assets		**4,492,145,949**	3,395,895,248
Equity			
Share capital	9	**47,250,000**	47,250,000
Retained earnings		**1,146,708,259**	788,140,470
Total equity		**1,193,958,259**	835,390,470
Liabilities			
Employee benefits	10	**44,341,842**	31,329,682
Lease liabilities	4(A)(ii)	**132,646,034**	150,407,504
Deferred tax Liability	23(D)	-	1,699,732
Non-current liabilities		**176,987,876**	183,436,918
Trade and other payables	11	**2,479,237,884**	2,186,139,227
Employee benefits	10	**5,274,184**	2,925,382
Lease liabilities	4(A)(ii)	**37,696,760**	36,940,131
Current tax liabilities	12	**176,835,135**	143,751,375
UPAS loan	13	**30,990,689**	-
Dividend Payable	14B	**384,151,964**	-
Unclaimed dividend	14	**7,013,198**	7,311,745
Current liabilities		**3,121,199,814**	2,377,067,860
Total liabilities		**3,298,187,690**	2,560,504,778
Total equity and liabilities		**4,492,145,949**	3,395,895,248

The annexed notes are an integral part of these financial statements.

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202

Istiaque Ahmad
Director

Aritra Banerjee
Director & Chief Financial Officer

Motaleb

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Vishal Gupta
Managing Director

Md. Nazmul Arefin
Company Secretary

DVC: 2403300950AS677895

Dhaka, 28 March 2024

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

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

For the year ended 31 December *In Taka*	Note	2023	2022
Revenue	16	**5,281,570,038**	4,969,364,802
Cost of sales	17	**(2,671,228,513)**	(2,684,530,874)
Gross profit		**2,610,341,525**	2,284,833,928
Other income	18	**7,433,914**	2,428,159
Operating expenses	19	**(1,446,784,683)**	(1,299,727,566)
Impairment (loss)/gain reversal on trade receivables	6(A)(i)	**(623,915)**	(18,724)
Operating profit		**1,170,366,841**	987,515,797
Finance income	20	**27,245,742**	10,554,502
Finance costs	21	**(41,614,445)**	(60,566,692)
Profit before contribution to WPPF		**1,155,998,138**	937,503,607
Contribution to WPPF	22	**(55,047,530)**	(44,643,029)
Profit before tax		**1,100,950,608**	892,860,578
Income tax expense	23(A)	**(280,452,819)**	(233,720,971)
Profit for the year		**820,497,789**	659,139,607
Other comprehensive income			
Remeasurement gain/(loss) of defined benefit plan	10(A)	**1,400,000**	10,090,000
Related tax	23(D)	**(280,000)**	(2,270,250)
Other comprehensive income/(loss) for the year, net of tax		**1,120,000**	7,819,750
Total comprehensive income for the year		**821,617,789**	666,959,357
Earnings per share			
Basic earnings per share (Taka)	24(A)	**173.65**	139.50

The annexed notes are an integral part of these financial statements.

As per our report of same date.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202

Istiaque Ahmad
Director

Aritra Banerjee
Director & Chief Financial Officer

Mohammad Motaleb Hossain FCA
Partner
Enrolment Number: 0950

Vishal Gupta
Managing Director

Md. Nazmul Arefin
Company Secretary

DVC: 2403300950AS677895

Dhaka, 28 March 2024

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Reckitt Benckiser (Bangladesh) PLC
Statement of changes in equity

For the year ended 31 December 2023				
In Taka	***Note***	**Share capital**	**Retained earnings**	**Total**
Balance at 1 January 2022		47,250,000	900,806,113	948,056,113
Total comprehensive income for the year				
Profit for the year 2022		-	659,139,607	659,139,607
Other comprehensive income/(loss) for the year		-	7,819,750	7,819,750
Total comprehensive income for the year		-	666,959,357	666,959,357
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2021	*9(C)*	-	(779,625,000)	(779,625,000)
Total transactions with owners of the Company		-	(779,625,000)	(779,625,000)
Balance at 31 December 2022		47,250,000	788,140,470	835,390,470
Balance at 1 January 2023		**47,250,000**	**788,140,470**	**835,390,470**
Total comprehensive income for the year				
Profit for the year 2023		-	**820,497,789**	**820,497,789**
Other comprehensive income/(loss) for the year		-	**1,120,000**	**1,120,000**
Total comprehensive income for the year		-	**821,617,789**	**821,617,789**
Transactions with owners of the Company				
Contributions and distributions				
Final dividend for the year 2022	*9(C)*	-	**(463,050,000)**	**(463,050,000)**
Total transactions with owners of the Company		-	**(463,050,000)**	**(463,050,000)**
Balance at 31 December 2023		**47,250,000**	**1,146,708,259**	**1,193,958,259**

The annexed notes are an integral part of these financial statements.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Reckitt Benckiser (Bangladesh) PLC

Statement of cash flows

For the year ended 31 December *In Taka*	*Note*	2023	2022
Cash flows from operating activities			
Receipts from customers		**6,182,592,980**	5,944,305,812
Payment to suppliers, employees and others		**(4,709,034,793)**	(4,351,948,826)
Cash generated from operating activities		**1,473,558,187**	1,592,356,986
Income tax paid	*12*	**(276,109,395)**	(266,860,619)
Finance Cost		**(28,420,981)**	(41,909,244)
Net cash from operating activities	*29*	**1,169,027,811**	1,283,587,123
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(166,735,863)**	(135,633,308)
Proceeds from sale of property, plant and equipment	*18*	**6,932,777**	4,191,723
Income from investment during the year		**23,839,117**	8,996,252
Net cash used in investing activities		**(135,963,969)**	(122,445,333)
Cash flows from financing activities			
Dividends paid	*14*	**(79,426,526)**	(775,345,911)
Payment of lease liabilities	*4(A)*	**(43,366,568)**	(36,633,173)
Bank Overdraft		**30,990,689**	-
Net cash used in financing activities		**(91,802,405)**	(811,979,084)
Net increase in cash and cash equivalents		**941,261,437**	349,162,706
Cash and cash equivalents at 1 January		**1,978,229,020**	1,629,066,314
Effect of exchange rate changes in cash and cash equivalents		**-**	-
Cash and cash equivalents at 31 December		**2,919,490,457**	1,978,229,020

The annexed notes are an integral part of these financial statements.

A QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

1. Reporting entity

Reckitt Benckiser (Bangladesh) PLC ("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. The name of the company was further changed to Reckitt Benckiser (Bangladesh) PLC as per requirement of the Companies Act 1994 as amended in 2020 which had been granted by RJSC based on the application submitted on 29th September 2021. It is a public limited company and its shares are listed on Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.

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

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

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance and basis of preparation

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

2.2 Components of the financial statements

The financial statements comprise of the following:

i. Statement of Financial Position, as at 31 December 2023

ii. Statement of Profit and Loss and Other Comprehensive Income, for the year ended 31 December 2023

iii. Statement of changes in equity, for the year ended 31 December 2023

iv. Statement of cash flows, for the year ended 31 December 2023

v. Notes to the financial statements

2.3 Date of authorisation

This financial statements is authorised for issue by the Company's board of directors on 28 March 2024.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.4 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.

2.5 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

A. Judgements

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

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

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 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 16 and Note 11 – revenue recognition: estimate of expected returns;
- Note 10 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 23(D) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 05 – provision for inventory obsolescence;
- Note 12 – current tax liabilities; and
- Note 2.8 (H) – useful life of property, plant and equipment.
- Note 6 (A)- Impairment loss/gain on trade receivable .

2.6 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 2.8(C).

2.7 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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies

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

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

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

B. Revenue recognition

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

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

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods is considered as transfer when (or as) the customer obtains control of that goods. Then the Company recognises the net revenue from sale of goods in its financial statements.

Net Revenue is defined as the amount invoiced to external customers during the year and comprises, as required by IFRS 15, gross sales net of trade spend, customer allowances for credit notes, returns and consumer coupons. The methodology and assumptions used to estimate credit notes, returns and consumer coupons are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Value-added tax and other sales taxes are also excluded from revenue.

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 operates a funded gratuity scheme which has been approved by the National Board of Revenue as a recognized gratuity fund with effect from 04 April 2021. Employee are entitled to gratuity benefit after completion of five years of service with the company. The company expense related to gratuity is estimated on a yearly basis and the amount is transferred to the fund and charge to expense of the company.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 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 Act 2023 (as amended up to date). Currently, the applicable tax rate is 20% on taxable profit.

ii. Deferred tax

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

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

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

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

E. Income tax (continued)
***ii.* Deferred tax (continued)**

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.

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

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 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:

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

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

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

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

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

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

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

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)
ii. *Classification and subsequent measurement (continued)*

Financial assets – Business model assessment

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

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

Financial assets – Subsequent measurement and gains and losses

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

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

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

J. Financial instruments (continued)
ii. Classification and subsequent measurement (continued)

(a) Cash and cash equivalents

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

(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.

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.

(a) Trade and other payables

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

K. Impairment

i. Non-derivative financial assets

The Company recognises loss allowances for Expected Credit Loss (ECL) on:
- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

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

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

K. Impairment (continued)

ii. Measurement of ECLs

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

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. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

i. As a lessee

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

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

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

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

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

M. Leases (continued)

i. As a lessee (continued)

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

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

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

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

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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 23.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

2.8 Significant accounting policies (continued)

P. Related party disclosure

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related disclosures have been provided in note 25.

Q. 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.

R. Reporting period

The financial period of the Company covers 12 months period from 1 January to 31 December.

S. 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 35.

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

2.9 Status of Compliance to Accounting Standards

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

Standard Title	Standard No.	Status
Presentation of Financial Statements	IAS 1	Applied
Inventories	IAS 2	Applied
Statement of Cash Flows	IAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8	Applied
Events after the Reporting Period	IAS 10	Applied
Income Taxes	IAS 12	Applied
Property, Plant, and Equipment	IAS 16	Applied
Employee Benefits	IAS 19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS 20	Not applicable
The Effects of Changes in Foreign Exchange Rates	IAS 21	Applied
Borrowing Costs	IAS 23	Not applicable
Related Party Disclosures	IAS 24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS 26	Not applicable
Separate Financial Statements	IAS 27	Not applicable
Investments in Associates and Joint Ventures	IAS 28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS 29	Not applicable
Earnings per Share	IAS 33	Applied
Interim Financial Reporting	IAS 34	Applied
Impairment of Assets	IAS 36	Applied
Provisions, Contingent Liabilities, and Contingent Assets	IAS 37	Applied
Intangible Assets	IAS 38	Not applicable
Investment Property	IAS 40	Not applicable
Agriculture	IAS 41	Not applicable
Share-based Payment	IFRS 2	Not applicable
Business Combinations	IFRS 3	Not applicable
Insurance Contracts	IFRS 4	Not applicable
Non-current Assets Held for Sale and Discontinue Operations	IFRS 5	Not applicable
Exploration and Evaluation of Mineral Resources	IFRS 6	Not applicable
Financial Instruments: Disclosures	IFRS 7	Applied
Operating Segments	IFRS 8	Applied
Financial Instruments	IFRS 9	Applied
Consolidated Financial Statements	IFRS 10	Not applicable
Joint Arrangements	IFRS 11	Not applicable
Disclosure of Interests in Other Entities	IFRS 12	Not applicable
Fair Value Measurement	IFRS 13	Applied
Revenue from Contracts with Customers	IFRS 15	Applied
Leases	IFRS 16	Applied
Insurance Contracts	IFRS 17	Not applicable

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

3. Property, plant and equipment
See accounting policy in Note 2.8(H)

In Taka	2023	2022
i. Cost		
Balance at 1 January	**1,219,951,220**	1,118,773,375
Additions	**200,370,394**	162,989,205
Transfers/capitalised	**(32,939,714)**	(21,561,514)
Disposal/adjustment	**(53,483,981)**	(40,249,845)
Balance at 31 December	**1,333,897,919**	1,219,951,220
ii. Accumulated depreciation		
Balance at 1 January	**642,071,369**	547,589,095
Depreciation for the year	**137,967,239**	130,968,511
Impairment Loss	**-**	1,881,804
Disposal/adjustment	**(53,471,538)**	(38,368,041)
Balance at 31 December	**726,567,070**	642,071,369
Carrying amounts (i-ii)	**607,330,849**	577,879,851

A Reconciliation of carrying amounts is provided in the following note.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

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

A. **Reconciliation of carrying amount**

In Taka	Leasehold land	Buildings	Plant and machinery	Furniture fixtures and equipment	Computers	Vehicles	Under construction	Total
Cost								
Balance at 1 January 2022	209,490	286,412,559	391,461,675	245,220,928	41,900,222	57,031,072	96,537,429	1,118,773,375
Additions	-	18,386,298	93,850,335	32,972,973	1,866,530	15,913,069		162,989,205
Transfers/capitalised	-	-	-	-	-	-	(21,561,514)	(21,561,514)
Disposal/adjustment	-	(448,589)	(18,179,243)	(5,871,197)	(5,605,785)	(10,145,032)	-	(40,249,845)
Balance at 31 December 2022	209,490	304,350,268	467,132,767	272,322,704	38,160,967	62,799,109	74,975,915	1,219,951,220
Balance at 1 January 2023	209,490	304,350,268	467,132,767	272,322,704	38,160,967	62,799,109	74,975,915	1,219,951,220
Additions		9,383,637	14,233,850	13,459,111	8,348,512	25,747,532	129,197,752	200,370,394
Transfers/capitalised							(32,939,714)	(32,939,714)
Disposal/adjustment		(18,011,450)	(5,906,664)	(6,150,099)	-	(23,415,768)		(53,483,981)
Balance at 31 December 2023	**209,490**	**295,722,455**	**475,459,953**	**279,631,716**	**46,509,479**	**65,130,873**	**171,233,953**	**1,333,897,919**
Accumulated depreciation								
Balance at 1 January 2022	209,490	135,880,905	206,228,641	124,532,496	28,321,574	52,415,989	-	547,589,095
Depreciation for the year	-	23,164,656	62,303,535	34,878,743	8,454,845	2,166,733	-	130,968,511
Impairment Loss	-	2	1,830,374	25,539	21,889	4,000	-	1,881,804
Disposal/adjustment	-	(448,587)	(16,348,869)	(5,845,658)	(5,583,896)	(10,141,032)	-	(38,368,041)
Balance at 31 December 2022	209,490	158,596,976	254,013,681	153,591,120	31,214,412	44,445,690	-	642,071,369
Balance at 1 January 2023	209,490	158,596,976	254,013,681	153,591,120	31,214,412	44,445,690		642,071,369
Depreciation for the year		24,078,019	65,693,295	35,391,687	7,210,665	5,593,572		137,967,239
Impairment Loss								-
Disposal/adjustment		(17,926,998)	(6,004,566)	(6,129,206)		(23,410,768)		(53,471,538)
Balance at 31 December 2023	**209,490**	**164,747,997**	**313,702,410**	**182,853,601**	**38,425,078**	**26,628,494**	**-**	**726,567,070**
Carrying amounts								
At 31 December 2022	-	145,753,292	213,119,086	118,731,584	6,946,555	18,353,419	74,975,915	577,879,851
At 31 December 2023	**-**	**130,974,457**	**161,757,543**	**96,778,115**	**8,084,401**	**38,502,379**	**171,233,953**	**607,330,849**

B. **Allocation of depreciation and Impairment losses**

	2023			2022
In Taka	Depreciation on RoU Assets	Depreciation on PPE	Total Depreciation	
Cost of sales	462,000	122,989,737	123,451,737	118,626,317
Selling and distribution expenses	27,081,965	5,100,276	32,182,241	28,848,050
Administrative expenses	15,707,176	9,877,226	25,584,402	24,111,419
	43,251,140	137,967,239	181,218,379	171,585,786

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

3. Property, plant and equipment (continued)

C. Under construction

See accounting policy in Note 2.8(I)

In Taka	Furniture fixtures and equipment	Buildings	Plant and machinery	Computers	Total
Cost					
Balance at 1 January 2022	14,109,099	6,725,423	75,702,907	-	96,537,429
Additions	81,179,563	19,805,508	13,081,653	-	114,066,724
Transfers/capitalised	(32,972,973)	(18,386,298)	(84,268,967)	-	(135,628,238)
Balance at 31 December 2022	62,315,689	8,144,633	4,515,593	-	74,975,915
Balance at 1 January 2023	**62,315,689**	**8,144,633**	**4,515,593**	-	**74,975,915**
Additions	**73,996,428**	**26,305,636**	**28,895,689**		**129,197,752**
Transfers/capitalised	**(11,539,842)**	**(9,383,637)**	**(12,016,236)**		**(32,939,714)**
Balance at 31 December 2023	**124,772,274**	**25,066,633**	**21,395,046**	-	**171,233,953**

4. Leases

See accounting policy in Note 2.8(M)

A. Leases as lessee (IFRS 16)

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

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

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

i. Right-of-use assets (ROU)

In Taka	2023	2022
Balance at 1 January	**249,630,048**	243,596,945
Accumulated Depreciation	**(118,243,258)**	(81,749,687)
Additions to right-of-use assets	**18,108,414**	53,071,342
Disposal/adjustment	**(6,757,568)**	(47,038,239)
Balance at 31 December	**142,737,635**	167,880,361

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

4. **Leases (continued)**
A. **Leases as lessee (IFRS 16) (continued)**
i. ***Right-of-use assets (ROU) (continued)***

Reconciliation of carrying amount

In Taka	Corporate	Depot	Other	Total
Cost				
Balance at 1 January 2022	**169,873,170**	68,686,059	5,037,716	243,596,945
Additions		53,071,342	-	53,071,342
Disposal/adjustment		(47,038,239)		(47,038,239)
Balance at 31 December 2022	169,873,170	74,719,162	5,037,716	249,630,048
Balance at 1 January 2023	**169,873,170**	**74,719,162**	**5,037,716**	**249,630,048**
Additions	**1,197,696**	**15,519,500**	**1,391,218**	**18,108,414**
Disposal/adjustment		**(5,661,324)**	**(1,096,244)**	**(6,757,568)**
Balance at 31 December 2023	**171,070,866**	**84,577,338**	**5,332,690**	**260,980,894**
Accumulated depreciation				
Balance at 1 January 2022	34,442,068	51,908,775	1,819,809	88,170,651
Depreciation for the year	14,241,684	25,142,276	1,233,315	40,617,275
Disposal/adjustment		(47,038,239)		(47,038,239)
Balance at 31 December 2022	48,683,752	30,012,812	3,053,124	81,749,687
Balance at 1 January 2023	**48,683,752**	**30,012,812**	**3,053,124**	**81,749,688**
Depreciation for the year	**18,319,003**	**22,371,564**	**2,560,571**	**43,251,138**
Disposal/adjustment		**(5,661,324)**	**(1,096,244)**	**(6,757,568)**
Balance at 31 December 2023	**67,002,755**	**46,723,052**	**4,517,451**	**118,243,258**
Carrying amounts				
At 31 December 2022	121,189,418	44,706,351	1,984,592	167,880,361
At 31 December 2023	**104,068,111**	**37,854,286**	**815,238**	**142,737,635**

ii. ***Lease Liability***

In Taka	2023	2022
Current portion of lease liabilities	**37,696,760**	36,940,131
Non-current portion of lease liabilities	**132,646,034**	150,407,504
	170,342,794	187,347,635

iii. Amounts recognised in profit or loss

In Taka	2023	2022
Leases under IFRS 16		
Interest on lease liabilities	**12,484,730**	13,226,805
	12,484,730	13,226,805

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4. Leases (continued)

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

iv. Amounts recognised in statement of cash flows

In Taka	2023	2022
Total cash outflow for leases	**43,366,568**	36,633,172

v. Extension options

Some property leases contain extension options exercisable by the Company. However, There is no extension option for Head-office lease. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

B. Leases as lessor

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

5. Inventories

See accounting policy in Note 2.8(G)

In Taka	*Note*	2023	2022
Raw and packing materials	*5.(A)*	**272,023,992**	282,729,714
Provision for inventory obsolescence		**(7,702,673)**	(7,336,528)
Net raw and packing materials		**264,321,319**	275,393,186
Finished goods	*5(B)*	**313,571,715**	240,649,529
Provision for inventory obsolescence		**(2,197,005)**	(5,238,328)
Net finished goods		**311,374,710**	235,411,201
Work-in-progress		**2,420,588**	2,191,345
Inventory in transit	*5(C)*	**12,882,993**	67,082,221
		15,303,581	69,273,566
		590,999,610	580,077,952

A. Raw and packing materials

Raw materials	**217,809,498**	225,342,608
Packing materials	**54,214,494**	57,387,106
	272,023,992	282,729,714

B. Finished goods

i. Operational allocation of finished goods

Manufacturing unit	**123,713,411**	135,272,240
Trading unit	**189,858,304**	105,377,289
	313,571,715	240,649,529

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

ii. Business line-wise allocation of finished goods

Business line	Unit of measurement	2023 Quantity Unit	2023 Amount Taka	2022 Quantity Unit	2022 Amount Taka
Household and toiletries	Metric Ton	**734**	**182,209,702**	801	104,149,286
	Thousand Litre	**721**	**111,040,530**	744	118,959,742
	Million No.				
			293,250,232		223,109,028
Pharmaceuticals	Thousand Litre	**39**	**12,824,487**	33	9,550,781
	Million No.	**12**	**5,299,991**	1	2,751,392
			18,124,478		12,302,173
			311,374,710		235,411,201

C. Inventory in transit

In Taka	2023	2022
Raw and packing materials	**9,692,463**	9,246,328
Finished goods	**3,190,530**	57,835,893
	12,882,993	67,082,221

6. Trade and other receivables

In Taka	*Note*	2023	2022
Trade receivables	*6(A)*	**129,232,075**	57,672,823
Other receivables	*6(B)*	**6,324,012**	2,534,490
		135,556,087	60,207,313

A. Trade receivables

Trade receivables		**130,100,412**	57,917,245
Allowance for impairment of trade receivables	*6(A)(i)*	**(868,337)**	(244,422)
		129,232,075	57,672,823

i. Allowance for impairment of trade receivables

Balance at 1 January	**244,422**	225,698
Provision made during the year	**623,915**	18,724
Balance at 31 December	**868,337**	244,422

B. Other receivables

Interest receivables	**5,822,875**	2,416,250
Forfeited amount receivable from Provident Fund	**501,137**	118,240
	6,324,012	2,534,490

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7. Advances, deposits and prepayments

In Taka	2023	2022
Advances		
Advance to suppliers	**36,217,855**	7,693,959
Advance to employees	**19,000**	2,292,075
	36,236,855	9,986,034
Deposits		
Security deposit	**16,473,742**	7,646,295
	16,473,742	7,646,295
Prepayments		
Prepaid insurance	**2,845,087**	2,412,539
Prepaid others	**12,484,944**	-
Prepaid government fees	**369,646**	862,629
Prepaid rent	**860,433**	10,713,255
	16,560,110	13,988,422
	69,270,707	31,620,751

8. Cash and cash equivalents

In Taka	*Note*	2023	2022
Cash at bank	*8(A)*	**2,919,490,457**	1,978,229,020
		2,919,490,457	1,978,229,020

A. Cash at bank

Hong Kong and Shanghai Banking Corporation Limited	**111,306,753**	554,312,707
Standard Chartered Bank	**588,183,704**	523,916,313
Short term deposits*	**2,220,000,000**	900,000,000
	2,919,490,457	1,978,229,020

*As at 31 December 2023, the company had eleven short term deposits with HSBC with maturity of less than three months.

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9. Share capital

See accounting policy in Note 2.8(F)

In Taka	2023	2022
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

		At 31 December 2023		At 31 December 2022	
Name of the shareholders	Number of shares Unit	Face value Taka	Percentage of holding %	Face value Taka	Percentage of holding %
Parent company					
Reckitt Benckiser Limited, UK	3,919,918	39,199,180	82.96	39,199,180	82.96
Bangladeshi shareholders:					
ICB Unit Fund	3,700	37,000	0.08	37,000	0.08
Investment Corporation of Bangladesh (ICB)	15,774	157,740	0.33	157,740	0.33
ICB Mutual Funds	50	500	0.00	500	0.00
Individuals	276,751	2,767,510	5.86	2,810,510	5.95
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	251,409	2,514,090	5.32	2,471,090	5.23
	4,725,000	47,250,000	100.00	47,250,000	100.00

B. Classification of shareholders by holdings

	At 31 December 2023		At 31 December 2022	
Holdings	Number of holders	Percentage of holdings	Number of holders	Percentage of holdings
Less than 500 shares	2,244	2.00	2,352	2.10
500 to 5,000 shares	66	1.97	73	2.14
5,001 to 10,000 shares	5	0.83	5	0.82
10,001 to 20,000 shares	7	2.13	6	1.87
20,001 to 30,000 shares	1	0.56	1	0.56
30,001 to 40,000 shares	-	-	-	-
40,001 to 50,000 shares	-	-	-	-
50,001 to 100,000 shares	2	3.00	2	3.00
100,001 to 1,000,000 shares	2	6.55	2	6.55
Over 1,000,000 shares	1	82.96	1	82.96
	2,328	100.00	2,442	100.00

C. Dividends

Dividend Approved

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

In Taka	2023	2022
BDT 98 per qualifying ordinary share (2022: BDT 165)	463,050,000	779,625,000
	463,050,000	779,625,000

Proposed dividend

After the reporting date, the following final dividends were proposed by the board of directors. The dividends have not been recognised as liabilities and there are no tax consequences. See Note 36.

In Taka	2023	2022
BDT 55 per qualifying ordinary share (2022: BDT 98)	259,875,000	463,050,000
	259,875,000	463,050,000

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10. Employee benefits

See accounting policy in Note 2.8(C)

The Company introduced planned asset in the defined benefit scheme during 2023. Gratuity fund is administered by a Board of Trustees and Company contributions are invested separately from company assets. The Company is contributing to the fund as prescribed by actuarial valuation report.

In Taka	2023	2022
Fair value of plan assets	**200,996,413**	205,866,413
Defined benefit obligation	**(250,612,439)**	(240,121,477)
Net Defined benefit (obligation)/asset	**(49,616,026)**	(34,255,064)

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.

In Taka	Defined benefit obligation 2023	Defined benefit obligation 2022	Fair value of plan assets 2023	Fair value of plan assets 2022	Net defined (asset)/liability 2023	Net defined (asset)/liability 2022
Balance at 1 January	**240,121,477**	232,301,477	**205,866,413**	134,123,713	**34,255,064**	98,177,764
Included in profit or loss						
Current service cost	**15,230,000**	30,290,000	-	-	**15,230,000**	30,290,000
Past service costs	-	-	-	-	-	-
Interest cost/(income)	**17,570,000**	15,790,000	**16,040,000**	9,670,000	**1,530,000**	6,120,000
	32,800,000	**46,080,000**	**16,040,000**	9,670,000	**16,760,000**	36,410,000
Included in OCI						
Actuarial (gain)/loss arising from:						
Return on plan assets	-	-	**(15,720,000)**	(9,800,000)	**15,720,000**	9,800,000
Financial assumption	-	-	-	-	-	-
Experience adjustment	**(17,120,000)**	(19,890,000)	-	-	**(17,120,000)**	(19,890,000)
	(17,120,000)	**(19,890,000)**	**(15,720,000)**	**(9,800,000)**	**(1,400,000)**	(10,090,000)
Other						
Contribution paid by the employer	-	-	-	89,962,700	-	(89,962,700)
Benefits paid	**(5,189,038)**	(18,370,000)	**(5,190,000)**	(18,090,000)	**962**	(280,000)
	(5,189,038)	**(18,370,000)**	**(5,190,000)**	**71,872,700**	**962**	(90,242,700)
Balance at 31 December	**250,612,439**	**240,121,477**	**200,996,413**	**205,866,413**	**49,616,026**	34,255,064

In Taka	2023	2022
Current portion	**5,274,184**	2,925,382
Non Current portion	**44,341,842**	31,329,682
	49,616,026	**34,255,064**

B. Fair Value of Plan Asset

Plan asset is comprised of the following

	2023	2022
Cash and Cash Equivalents	**200,996,413**	205,866,413
Debt Instrument	-	-
Total	**200,996,413**	205,866,413

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10. Employee benefits (continued)

C. Actuarial assumptions

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

	2023	2022
Financial assumptions:		
Discount rate	**10.00%**	8.00%
Salary escalation rate	**8.50%**	8.50%
Demographic assumptions:		
Withdrawal rate	**20%- 10%**	20%- 10%

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

D. Sensitivity analysis

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 2023		31 December 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	15,340,000	(13,700,000)	15,340,000	(13,700,000)
Future salary growth (1% movement)	15,040,000	(13,690,000)	15,040,000	(13,690,000)

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

E. Significant characteristics of plan

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

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Notes to the financial statements (continued)

11. Trade and other payables

In Taka	*Note*	2023	2022
Trade payables	*11(A)*	**307,564,946**	397,645,541
Other payables	*11(B)*	**2,171,672,939**	1,788,493,686
		2,479,237,884	2,186,139,227

A. Trade payables

Inter-company trade payables	*11(A)(i)*	**29,368,300**	20,541,270
Third party trade payables		**278,196,646**	377,104,271
		307,564,946	397,645,541

i. Inter-company trade payables

Reckitt Benckiser (India) Private Ltd.	**29,368,300**	20,541,270
Reckitt Benckiser Chartres, France	**-**	-
	29,368,300	20,541,270

B. Other payables

Third party other payables	*11(B)(i)*	**1,061,457,662**	934,086,421
Inter-company other payables	*11(B)(ii)*	**1,110,215,277**	854,407,265
		2,171,672,939	1,788,493,686

i. Third party other payables

Various payables and provisions		**909,153,682**	647,557,335
Advance from customers		**54,899,685**	55,506,563
Advance from third parties		**1,099,996**	1,099,996
Withholding tax and VAT payables		**19,512,613**	110,596,147
Worker's profit participation fund	*11(B)(i)(a)*	**14,777,261**	44,643,029
Payable for capital expenditure		**3,508,072**	3,345,351
Return provision		**58,506,353**	71,338,000
		1,061,457,662	934,086,421

a. Worker's profit participation fund

In taka	2023	2022
Opening payable	**44,643,029**	11,961,390
Charge for the year	**55,047,530**	44,643,029
Payment during the year	**(84,913,298)**	(11,961,390)
Closing payable	**14,777,261**	44,643,029

Notes to the financial statements (continued)

11. Trade and other payables (continued)
B. Other payables (continued)

ii. Inter-company other payables

In Taka	*Note*	2023	2022
Payable for technical services fees			
Reckitt and Colman (Overseas) Limited, UK	*11(B)(ii)(a)*	-	-
		-	-
Payable for royalties			
Reckitt Benckiser Health Limited, UK (Agreement dated 01 April 2019)	*11(B)(ii)(a)*	**756,188,690**	588,618,824
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 01 April 2019)	*11(B)(ii)(b)*	**354,026,587**	265,788,441
		1,110,215,277	854,407,265
		1,110,215,277	854,407,265

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

	2023	2022
Balance at 1 January	**588,618,824**	402,929,750
Charge for the year	**194,736,766**	185,689,074
	783,355,590	588,618,824
Paid to Reckitt Benckiser Health Limited, UK	-	-
Write back of Over provision	**(299,607)**	
Write back of unclaimed royalty	**(26,867,293)**	-
AIT on royalty	-	-
Balance at 31 December	**756,188,690**	588,618,824

Year	*Total Revenue as per Financial Statements (A)*	*Revenue generated from the Brand owned by Reckitt Benckiser Health Limited,UK (B)*	*Royalty Amount (C)*	*Write Back of Over calculated Royalty (D)*	*Royalty Amount after adjustment over provision (E=C-D)*	*Royalty Claimed by brand owner and Payable (F)*	*Royalty Write Back (G=C-D-F)*
2020	5,333,883,576	3,581,185,839	*215,116,784*	*245,634*	*214,871,150*	*197,452,668*	**17,418,482**
2021	4,942,046,045	3,129,316,542	*187,812,966*	*53,973*	*187,758,993*	*178,401,041*	**9,357,952**
2022	4,969,364,802	3,094,817,905	*185,689,074*		*185,689,074*	*185,598,215*	**90,859**
2023	5,281,570,038	3,245,612,762	*194,736,765*		*194,736,765*	*194,736,765*	**-**
	20,526,864,461	**13,050,933,048**	**783,355,589**	**299,607**	**783,055,982**	**756,188,689**	**26,867,293**

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

	2023	2022
Balance at 1 January	**265,788,441**	174,393,657
Charge for the year	**98,664,424**	91,394,784
	364,452,865	265,788,441
Paid to Reckitt Benckiser (ENA) B.V., Netherlands	-	-
Write back of unclaimed royalty	**(10,426,278)**	-
AIT on royalty	-	-
Balance at 31 December	**354,026,587**	265,788,441

Year	*Total Revenue as per Financial Statements (A)*	*Revenue generated from the Brand owned by Reckitt Benckiser (ENA) B.V., Netherlands (B)*	*Royalty Amount (C)*	*Write Back of Over calculated Royalty (D)*	*Royalty Amount after adjustment over provision (E=C-D)*	*Royalty Claimed by brand owner and Payable (F)*	*Royalty Write Back (G=C-D-F)*
2020	5,333,883,576	1,752,697,737	*85,687,710*	-	85,687,710	*79,968,668*	**5,719,042**
2021	4,942,046,045	1,812,729,503	*88,705,955*	-	88,705,955	*83,936,502*	**4,769,453**
2022	4,969,364,802	1,874,546,897	*91,394,784*	-	91,394,784	*91,453,623*	**(58,839)**
2023	5,281,570,038	2,035,957,277	*98,664,416*	-	98,664,416	*98,667,794*	**(3,378)**
	20,526,864,461	**7,475,931,414**	**364,452,865**	**-**	**364,452,865**	**354,026,587**	**10,426,278**

iii. **Royalty Expense charged during the year**

	2023	2022
Reckitt Benckiser Health Limited, UK (Agreement dated 01 April 2019)	**194,736,766**	185,689,074
Write back of Over provision	**(299,607)**	
Write back of unclaimed royalty	**(26,867,293)**	-
Reckitt Benckiser (ENA) B.V., Netherlands (Agreement dated 01 April 2019)	**98,664,424**	91,394,784
Write back of unclaimed royalty	**(10,426,278)**	-
	255,808,012	277,083,859

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12. Current tax liabilities

In Taka	Note	2023	2022
Balance at 1 January		**143,751,375**	187,205,959
Provision made during the year	23(A)	**309,193,155**	223,406,035
		452,944,530	410,611,994
Payment made under sections 155 and 173		**(199,008,881)**	(194,686,798)
Withholding tax		**(77,100,514)**	(72,173,821)
Payment made during the year		**(276,109,395)**	(266,860,619)
Balance at 31 December		**176,835,135**	143,751,375

13. UPAS loan

In Taka	2023	2022
Balance at 1 January	-	-
Addition during the year	**30,990,689**	-
	30,990,689	-

14. Unclaimed dividend

In Taka		2023	2022
Balance at 1 January	14(a)	**7,311,745**	3,032,656
Addition during the year		**1,775,795**	5,750,359
		9,087,540	8,783,015
Paid during the year		**2,074,342**	1,471,271
Closing as at 31 December		**7,013,198**	7,311,745

A. Unclaimed dividend

In taka	2023	2022
Final 2022	**1,545,852**	-
Final 2021	**3,280,490**	3,347,108
Final 2020	**2,186,856**	2,192,806
Final 2019	-	1,771,831
	7,013,198	**7,311,745**

B. Dividend Payable

In Taka	2023	2022
Balance at 1 January	-	-
Declared Dividend	463,050,000	779,625,000
Transferred to Unclaimed Dividend	1,545,852	3,347,108
Dividend Paid During the Year	77,352,184	776,277,892
Closing as at 31 December	**384,151,964**	-

C. Dividend paid during the year

In taka	2023	2022
Reckitt Benckiser Limited, UK	-	646,786,470
Foreign shareholders	-	646,786,470
ICB Unit Fund	**362,600**	610,500
Investment Corporation of Bangladesh (ICB)	**1,545,852**	2,602,710
Mutual Funds	**4,900**	140,250
Individuals	**28,030,283**	45,743,049
Government of Bangladesh	**17,477,222**	29,425,935
Sadharan Bima Corporation (SBC)	**7,718,382**	12,995,235
Institutions	**22,212,945**	37,973,743
Bangladeshi shareholders	**77,352,184**	129,491,422
Dividend paid in the year	**77,352,184**	776,277,892

D. Payment during the year from unclaimed dividend

In taka	2023	2022
Payment during the year from unclaimed dividend		
Capital Market stabilization fund 2019	**1,755,894**	
Capital Market stabilization fund 2018 & 2019	**37,825**	
Capital Market stabilization fund 2011-2017 & 2018	-	1,196,279
2021 Final	**56,100**	-
2020 Final	**107,147**	-
2019 Final	**80,963**	108,528
2018 Final	**36,414**	109,225
2017 Final	-	57,239
	2,074,342	1,471,271
Payment during the year	**79,426,526**	777,749,163

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15. 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	Manufacturing and Trading of health care products.

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

B. Information about reportable segments

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

2023	Reportable segments			
	Hygiene	Health		
In Taka	Household	Household	Pharmaceutical	Total
Revenue	2,035,957,277	3,051,062,639	194,550,122	5,281,570,038
Cost of sales	(976,681,739)	(1,520,946,928)	(173,599,846)	(2,671,228,513)
Gross profit	1,059,275,538	1,530,115,712	20,950,276	2,610,341,525
Operating expenses				
Administrative expenses	(164,322,361)	(132,482,776)	(30,352,429)	(327,157,566)
Marketing expenses	(225,707,065)	(181,973,399)	(41,690,964)	(449,371,428)
Selling and distribution expenses	(208,165,813)	(167,830,992)	(38,450,872)	(414,447,678)
Impairment loss reversal on trade receivables	(313,376)	(252,655)	(57,884)	(623,915)
	(598,508,615)	(482,539,823)	(110,552,149)	(1,191,600,586)
Profit from operation	460,766,923	1,047,575,889	(89,601,873)	1,418,740,939

2022	Reportable segments			
	Hygiene	Health		
In Taka	Household	Household	Pharmaceutical	Total
Revenue	1,876,290,817	2,943,553,658	149,520,327	4,969,364,802
Cost of sales	(978,064,393)	(1,598,700,112)	(155,106,256)	(2,731,870,761)
Gross profit	898,226,425	1,344,853,546	(5,585,929)	2,237,494,041
Operating expenses				
Administrative expenses	(140,612,362)	(143,807,073)	(19,750,038)	(304,169,473)
Marketing expenses	(167,196,217)	(170,994,912)	(23,483,935)	(361,675,065)
Selling and distribution expenses	(164,942,174)	(168,689,657)	(23,167,339)	(356,799,170)
Impairment loss reversal on trade receivables	(8,656)	(8,852)	(1,216)	(18,724)
	(472,759,409)	(483,500,495)	(66,402,528)	(1,022,662,431)
Profit from operation	425,467,016	861,353,051	(71,988,457)	1,214,831,610

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

15. Operating segments (continued)

C. Reconciliation of information on reportable segments to IFRS measures

In Taka	Note	2023	2022
i. Revenues			
Total revenue for reportable segments	15(B)	**5,281,570,038**	4,969,364,802
Total revenue		**5,281,570,038**	4,969,364,802
ii. Profit before tax			
Total profit before tax for reportable segments	15(B)	**1,418,740,939**	1,214,831,610
Amount not related to reported segments	14(C)(iii)	**(317,790,331)**	(321,971,032)
Total profit before tax		**1,100,950,608**	892,860,578
iii. Amount not related to reportable segments			
Other income	18	**7,433,914**	2,428,159
Royalty	19	**(255,808,012)**	(277,083,859)
Finance income	20	**27,245,742**	10,554,502
Finance costs	21	**(41,614,445)**	(13,226,805)
Contribution to Workers' Profit Participation Fund	22	**(55,047,530)**	(44,643,029)
		(317,790,331)	(321,971,032)

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

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

16. Revenue

See accounting policy in Note 2.8(B)

In Taka	*Note*	2023	2022
Revenue including VAT		**6,216,238,155**	5,846,960,950
VAT		**(934,668,117)**	(877,596,148)
	16(A)	**5,281,570,038**	4,969,364,802

A. Disaggregation of revenue

In Taka	Unit of measurement	2023 Quantity	2023 Amount	2022 Quantity	2022 Amount
Health – Household	Cases	**679,491**	**3,051,062,639**	783,702	2,943,553,658
Health – Pharmaceuticals	Cases	**86,592**	**194,550,122**	92,311	149,520,327
Hygiene	Cases	**1,552,554**	**2,035,957,277**	1,579,532	1,876,290,817
		2,318,638	**5,281,570,038**	2,455,545	4,969,364,802

17. Cost of sales

In Taka	*Note*	2023	2022
Manufacturing unit			
Opening balance of raw and packing materials		**275,393,186**	272,630,865
Purchases during the year		**1,914,703,974**	1,973,357,352
Closing balance of raw and packing materials	5	**(264,321,319)**	(275,393,186)
Materials consumed		**1,925,775,841**	1,970,595,031
Salaries, wages and welfare expenses		**177,100,105**	175,236,327
Outsourced manpower		**67,054,541**	69,027,718
Product testing and laboratory expenses		**2,991,436**	1,003,269
Travelling and conveyance		**10,798,962**	6,331,060
Power, fuel and utilities		**28,252,977**	18,417,144
Vehicle expenses		**423,825**	239,774
Repairs, maintenance and others		**54,867,449**	46,166,951
Rent, rates and taxes		**6,770,945**	4,516,963
Printing, stationery and office supplies		**988,743**	231,872
Insurance		**7,888,661**	6,840,853
Office expenses		**5,430,162**	3,950,676
Safety, health and environment		**18,576,130**	11,293,956
Staff recruitment, training and development expenses		**1,209,810**	652,068
Legal and professional charges		**15,253**	1,460,169
Mobile, telephone and internet		**1,420,952**	1,458,258
Courier expenses		**137,153**	178,780
Depreciation	*3(B)*	**123,451,737**	118,626,317
Bank Charge		**265,667**	41,679
Manufacturing overhead		**507,644,507**	465,673,834
Opening stock of work-in-progress		**2,191,345**	1,207,236
Closing stock of work-in-progress	5	**(2,420,588)**	(2,191,345)
		(229,243)	(984,109)
Cost of production		**2,433,191,105**	2,435,284,756
Opening stock of own manufactured finished goods		**130,033,912**	186,293,149
Closing stock of own manufactured finished goods	*5(B)(i)*	**(126,884,519)**	(130,033,912)
		3,149,392	56,259,237
Cost of sales - manufacturing unit		**2,436,340,497**	2,491,543,994
Trading unit			
Opening stock of finished goods		**105,377,289**	92,061,805
Purchase of finished goods	*17(A)*	**314,000,917**	206,302,364
Closing stock of finished goods	*5(B)(i)*	**(184,490,191)**	(105,377,289)
Cost of sales - trading unit		**234,888,015**	192,986,880
Total cost of sales		**2,671,228,513**	2,684,530,874

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

17. Cost of sales (continued)
A. Cost of sales - trading unit

In Taka	Unit of measurement	Opening Stock Quantity	Opening Stock Value	Purchase Quantity	Purchase Value	Closing Stock Quantity	Closing Stock Value	Cost of Sales - Trading Unit Quantity	Cost of Sales - Trading Unit Value
Household and toiletries	Metric Ton	99.22	77,333,380	198	255,925,584	121	134,636,057	176.41	198,622,907
	Thousand Litre	52.81	25,292,517	70	49,623,493	55.18	44,554,143	67.59	30,361,867
	Million No.	0.66	2,751,392					0.66	2,751,392
Pharmaceuticals	Million No.		-	15	8,451,840	12	5,299,991	3.27	3,151,849
Total for the year 2023			**105,377,289**		**314,000,917**		**184,490,191**		**234,888,015**
Household and toiletries	Metric Ton	93.63	65,109,891	127.72	155,782,563	99.22	77,333,380	122.12	143,559,074
	Thousand Litre	18.10	22,496,530	56.79	46,475,933	52.81	25,292,517	22.08	43,679,946
	Million No.	0.39	2,404,458	1.56	4,043,868	0.66	2,751,392	1.30	3,696,934
Pharmaceuticals	Million No.	5.95	2,050,926	-	-		-	5.95	2,050,926
Total for the year 2022			92,061,805		206,302,364		105,377,289		192,986,880

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

17. Cost of sales (continued)

B. Raw and packing materials consumed

In Taka	Unit of measurement	Opening stock		Purchase		Closing stock		Consumption	
		Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Various raw material	Metric Ton	1,017.29	221,660,664	11,717.11	1,377,343,152	1,136.72	197,666,044	11,597.68	1,401,337,772
Blow moulding and injection	Thousand Pcs	3,476.11	21,747,674	68,018.10	287,023,298	5,197.54	24,790,291	66,296.66	283,980,681
Boxes solid board and corrugated	Thousand Pcs	6,832.96	15,998,871	49,721.86	166,885,149	5,227.19	19,695,765	51,327.63	163,188,255
Others		13,130.67	15,985,977	50,478.14	83,452,376	9,633.89	22,169,219	53,974.92	77,269,134
Total for the year 2023			275,393,186		1,914,703,974		264,321,319		1,925,775,841
Various raw material	Metric Ton	1,164.78	213,323,208	12,069.26	1,439,491,885	1,017.29	221,660,664	12,216.75	1,431,154,429
Blow moulding and injection	Thousand Pcs	5,807.28	22,018,305	59,253.04	273,704,930	3,476.11	21,747,674	61,584.22	273,975,561
Boxes solid board and corrugated	Thousand Pcs	5,683.04	13,124,617	60,345.61	169,594,852	6,832.96	15,998,871	59,195.69	166,720,598
Others		13,258.18	24,164,735	55,870.65	90,565,685	13,130.67	15,985,977	55,998.15	98,744,443
Total for the year 2022			272,630,865		1,973,357,352		275,393,186		1,970,595,031

C. Percentage of raw materials and packing materials consumed

-

In Taka	Note	2023 %	2023 Amount	2022 %	2022 Amount
Raw materials	17(D)	73%	1,401,337,772	73%	1,431,154,429
Packing materials	17(D)	27%	524,438,068	27%	539,440,602
		100%	1,925,775,841	100%	1,970,595,031
Local materials consumed		29%	552,125,791	28%	552,125,791
Imported materials consumed		71%	1,373,650,050	72%	1,418,469,240
		100%	1,925,775,841	100%	1,970,595,031

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

17. Cost of sales (continued)
D. Analysis of material consumed

In Taka	*Note*	2023	2022
Raw material			
soap noodles		813,317,977	1,004,336,240
Bis/2 hydroxy ethyl oleylamine*		-	14,225,047
Pine oil 85%min bp		38,952,717	53,168,066
Pcmx		34,281,455	33,518,073
Hydrochloric acid		37,299,021	35,224,325
Snowfresh 228093 d		14,135,248	14,555,686
Labsa		32,784,021	20,655,495
Color pigment yellow		6,027,616	6,937,321
Granular soday dyed		8,521,543	7,279,831
Galaxy mw 257		10,598,889	10,563,541
Texapon als is t		12,739,624	14,362,009
Isopropyl alcohol		14,156,952	10,330,643
Na lauryl ether		12,476,539	12,405,356
Castor oil		7,502,069	4,667,395
Challenge 157708 b		845,639	3,741,233
Lemon grass oil		8,788,782	6,125,891
Dolomite bd for harpic total		18,392,586	12,167,846
Alkyl trimethyl amonium.chlord		-	8,448,864
Citrusgrove 14mpc rta-001863 1*		-	3,909,853
Benzalkonium chloride soln.80%*		10,892,159	9,371,081
Alkylamine Ethoxylate/Ta 20		75,817,405	69,247,239
Alkyl Trimeth Ammon Chlor/Ttac		43,506,247	39,105,072
Arcticool+ Mod2 Bs Tth 1966037		4,427,199	8,231,310
Propylene Glycol Codex		9,710,287	8,459,240
PINE OIL 50%**		18,012,950	-
CITRUSGROVE 20M1 MPC T15146063**		10,060,361	-
SODA ASH LIGHT BD**		9,494,589	-
GLYCERINE-PHARMA**		9,326,638	-
CHLOROXYLENOL (PCMX)/Brown**		8,267,972	-
FRESHNESS MATTERS 94**		7,082,514	-
COCO AMIDO PROPYL BETAINE**		5,485,289	-
DYE ACID BLUE 93**		4,802,785	-
DEEP GREEN SPELLS TSG14-07765**		4,604,049	-
Others		109,026,650	20,117,772
		1,401,337,772	1,431,154,429

* This Item has been discontinued
** New Formula has been introduced

Packing material			
Skillet		79,281,324	93,332,724
Outer and cartons		90,761,546	94,070,721
Plastic container		233,557,959	230,022,091
Label		41,270,533	38,214,310
Polybag /HDPE		29,740,976	29,336,797
Cap		36,267,939	32,016,543
Others		13,557,790	22,447,417
		524,438,068	539,440,602
		1,925,775,841	1,970,595,031

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

18. Other income

In Taka	*Note*	2023	2022
Profit/(loss) on sale of property, plant and equipment		**6,932,777**	2,309,919
Other income-Forfeited amount Provident Fund		**501,137**	118,240
		7,433,914	2,428,159

19. Operating expenses

In Taka		2023	2022
Selling and distribution expenses	*19(A)*	**414,186,856**	356,799,170
Administrative expenses	*19(B)*	**327,418,388**	304,169,473
Royalties	*11(B)(iii)*	**255,808,012**	277,083,859
Marketing expenses	*19(C)*	**449,371,428**	361,675,065
		1,446,784,683	1,299,727,566

A. Selling and distribution expenses

Salaries, wages and welfare expenses		**212,398,014**	174,349,272
Outsourced manpower		**32,196,061**	15,797,801
Carriage outwards		**68,582,912**	63,225,821
Depot expenses		**23,063,127**	29,945,279
Vehicle expenses		**3,246,305**	3,077,943
Printing, stationery and office supplies		**804,594**	311,157
Conveyance, staff meal, travel accommodation		**22,389,416**	24,632,278
Power, fuel and utilities		**3,465,629**	4,166,437
Sales office rent and expenses		**1,692,143**	1,298,919
Insurance		**9,912,310**	6,764,498
Depreciation	*3(B)*	**32,182,241**	28,848,050
Staff recruitment, training and development expenses		**-**	157,663
Repairs, maintenance and others		**5,404**	16,667
Mobile, telephone and internet		**2,913,485**	2,973,851
Courier expenses		**1,175,388**	623,410
Safety, health and environment		**-**	159,830
Others		**159,828**	450,295
		414,186,856	356,799,170

B. Administrative expenses

Salaries, wages and welfare expenses		**221,538,544**	211,024,950
Outsourced manpower		**12,556,578**	8,707,910
Non-executive directors fee		**476,668**	573,331
Mobile, telephone and internet		**5,667,395**	2,727,886
Courier expenses		**3,339,033**	1,148,239
Vehicle expenses		**375,345**	219,230
Conveyance, staff meal, travel accommodation		**6,471,710**	3,354,574
Power, fuel and utilities		**2,856,891**	2,370,635
Corporate office expenses		**9,144,857**	17,668,819
Repairs, maintenance and others		**3,413,267**	1,505,170
Legal and professional charges	*19(B)(i)*	**10,281,018**	12,523,813
Printing, stationery and office supplies		**4,827,380**	3,833,243
Subscriptions		**439,467**	437,300
Staff recruitment, training and development expenses		**1,213,715**	1,187,605
Entertainment		**-**	119,791
AGM expenses		**109,081**	292,667
Bank charge		**788,873**	1,666,388
Insurance		**3,606,644**	2,725,700
Depreciation	*3(B)*	**25,584,402**	24,111,419
Corporate Social Responsibility		**3,501,243**	6,771,028
Others		**11,226,276**	1,199,775
		327,418,388	304,169,473

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

19. Net operating expenses (continued)

B. Administrative expenses (continued)

i. Legal and professional charges

In Taka	*Note*	2023	2022
Audit fee		**1,445,858**	1,327,562
Tax services		**-**	490,553
Legal consultancy		**4,732,512**	7,157,116
Other consulting fees		**4,102,648**	3,548,582
		10,281,018	12,523,813

C. Marketing expenses

In Taka	2023	2022
Media and advertisement	**364,140,502**	280,983,207
Consumer marketing	**44,482,142**	71,611,378
Market research	**40,748,783**	9,080,480
	449,371,428	361,675,065

20. Finance income

In Taka	2023	2022
Interest income	**27,245,742**	10,554,502
	27,245,742	10,554,502

21. Finance costs

In Taka	2023	2022
Interest expense on lease liabilities	**12,484,730**	13,226,805
Interest on UPAS loan	**7,774,954**	-
Realized exchange (gain)/loss	**20,646,027**	41,909,244
Unrealized exchange (gain)/loss	**708,735**	5,430,643
	41,614,445	60,566,692

22. Contribution to WPPF

In Taka	2023	2022
Profit before contribution to WPPF	**1,155,998,138**	937,503,607
Applicable contribution rate	**5%**	5%
	55,047,530	44,643,029

The Company contributes 5% of the profit before tax after charging such expense as contribution to WPPF. See Note 2.8(C)(iv)

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

23. Income tax expense

See accounting policy in Note 2.8(E)

A. Amounts recognised in profit or loss

In Taka	*Note*	2023	2022
Current tax expense			
Current year		**309,193,155**	223,406,035
		309,193,155	223,406,035
Deferred tax (income)/expense			
Origination/(reversal) of temporary differences	*23(D)*	**(28,740,336)**	10,314,936
		(28,740,336)	10,314,936
Tax expense on continuing operations		**280,452,819**	233,720,971

B. Amounts recognised in OCI

	2023			2022		
In Taka	**Before tax**	**Tax (expense) benefit**	**Net of tax**	**Before tax**	**Tax (expense) benefit**	**Net of tax**
Items that will not be reclassified to profit or loss						
Remeasurement of defined benefit plan	**1,400,000**	**(280,000)**	**1,120,000**	10,090,000	(2,270,250)	7,819,750
	1,400,000	**(280,000)**	**1,120,000**	10,090,000	(2,270,250)	7,819,750

C. Reconciliation of effective tax rate

In Taka	2023		2022	
Profit before tax		**1,100,950,608**		892,860,578
Tax using the Company's tax rate	**20.00%**	**220,190,122**	22.50%	200,893,630
Factors affecting the tax charge for current period:				
Excess/(deficit) of accounting depreciation over fiscal depreciation	**1.38%**	**15,192,391**	0.73%	6,487,640
Excess/(deficit) of rental payment over expenses under IFRS-16	**0.00%**	**(42,333)**	0.43%	3,872,454
Under provision considered for earlier year	**2.33%**	**25,639,055**	-3.10%	(27,689,850)
Provision for stock obsolescence and Impairment (loss)/gain reversal on trade receivables	**-0.08%**	**(854,663)**	0.09%	804,329
Inadmissible expenses as per income tax act 2023	**1.39%**	**15,261,870**	0.79%	7,083,040
Excess of gratuity provision over payment of gratuity	**-0.30%**	**(3,352,000)**	-1.60%	(14,319,608)
Excess of technical services fee over payment of technical services fee/royalty	**3.38%**	**37,158,713**	5.18%	46,274,398
Movement of temporary differences: as above	**-2.61%**	**(28,740,336)**	1.16%	10,314,936
	25.47%	**280,452,819**	26.18%	233,720,971

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

23. **Income tax expense (continued)**

D. **Movement in deferred tax balances**

2023 *In Taka*	**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	(16,671,596)	25,834,359	-	9,162,763	9,162,763	
Employee benefits	7,707,389	2,495,816	(280,000)	9,923,205	9,923,205	-
Trade and other receivables	54,995	118,672	-	173,667	173,667	-
Inventories	2,829,343	(849,407)	-	1,979,936	1,979,936	-
RoU assets- Impact of IFRS 16	(37,773,081)	9,225,554	-	(28,547,527)	-	(28,547,527)
Lease liabilities- Impact of IFRS 16	42,153,217	(8,084,658)	-	34,068,559	34,068,559	-
Net deferred tax	(1,699,733)	28,740,336	(280,000)	26,760,604	55,308,130	(28,547,527)

2022 *In Taka*	**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	(15,123,319)	(1,548,277)	-	(16,671,596)	-	(16,671,596)
Employee benefits	22,089,997	(12,112,358)	(2,270,250)	7,707,389	7,707,389	-
Trade and other receivables	50,782	4,213	-	54,995	54,995	-
Inventories	2,020,801	808,542	-	2,829,343	2,829,343	-
RoU assets- Impact of IFRS 16	(34,970,916)	(2,802,165)	-	(37,773,081)	-	(37,773,081)
Lease liabilities- Impact of IFRS 16	36,818,109	5,335,109	-	42,153,218	42,153,218	-
Net deferred tax assets (liabilities)	10,885,454	(10,314,936)	(2,270,250)	(1,699,732)	52,744,945	(54,444,677)

24. **Earnings per share**

A. **Basic earnings per share**

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

i. ***Profit attributable to ordinary shareholders (basic)***

In Taka	*Note*	2023	2022
Net profit after tax for the year, attributable to the owners of the company		820,497,789	659,139,607
Profit/(loss) attributable to ordinary shareholders		820,497,789	659,139,607

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

Issued ordinary shares at 31 December	9(A)	4,725,000	4,725,000
Weighted-average number of ordinary shares at 31 December		4,725,000	4,725,000
Basic earnings per share (EPS)		173.65	139.50

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

25. Financial instruments - Fair values and risk management

A. Accounting classifications and fair values

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

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

		Carrying amount						
In Taka	*Note*	Fair value-hedging instruments	Mandatorily at FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
31 December 2023								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	-	135,556,087	-	135,556,087
Cash and cash equivalents	8	-	-	-	-	2,919,490,457	-	2,919,490,457
		-	-	-	-	3,055,046,544	-	3,055,046,544
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	-	(2,479,237,884)	(2,479,237,884)
		-	-	-	-	-	(2,479,237,884)	(2,479,237,884)
31 December 2022								
Financial assets not measured at fair value								
Trade and other receivables	6	-	-	-	-	60,207,313	-	60,207,313
Cash and cash equivalents	8	-	-	-	-	1,978,229,020	-	1,978,229,020
		-	-	-	-	2,038,436,333	-	2,038,436,333
Financial liabilities not measured at fair value								
Trade and other payables	11	-	-	-	-	-	(2,186,139,227)	(2,186,139,227)
		-	-	-	-	-	(2,186,139,227)	(2,186,139,227)

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

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

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

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

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

i. *Risk management framework*

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

ii. *Credit risk*

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, receivables are grouped according to their risk profile, i.e. their legal status, financial condition, aging profile etc. 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.

(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:

In Taka	*Note*	2023	2022
Trade and other receivables	*6*	**135,556,087**	60,207,313
Cash and cash equivalents	*8*	**2,919,490,457**	1,978,229,020
		3,055,046,544	2,038,436,333

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

B. Financial risk management (continued)

(a.1) Trade and other receivables

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

In Taka	*Note*	2023	2022
Trade receivables	*6*	**130,100,412**	57,917,245
Interest receivables	*6(B)*	**5,822,875**	2,416,250
Inter-company receivables	*6(B)(i)*	**-**	-
		135,923,287	60,333,495

The aging of trade receivables at 31 December

Past due 1-30 days	**116,326,153**	57,927,909
Past due 31-60 days	**13,076,187**	181,434
Past due 61-90 days	**361,653**	-
Past due 91-180 days	**336,420**	-
Past due over 180 days	**-**	-
	130,100,412	58,109,343

The aging of interest receivables at 31 December

Past due 1-30 days	**5,822,875**	2,416,250
Past due 31-60 days	**-**	-
Past due 61-90 days	**-**	-
Past due 91-180 days	**-**	-
Past due over 180 days	**-**	-
	5,822,875	2,416,250

(a.2) Cash and cash equivalents

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

In Taka	*Note*	2023	2022
Cash in hand	*8*	**-**	-
Cash at bank	*8(A)*	**2,919,490,457**	1,978,229,020
		2,919,490,457	1,978,229,020

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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

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

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

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

Exposure to liquidity risk

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

			Contractual cash flows					
In Taka	*Note*	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
31 December 2023								
Non-derivative financial liabilities								
Third party trade payables	*11(A)*	**278,196,646**	**(278,196,646)**	**(278,196,646)**	**-**	**-**	**-**	**-**
Inter-company trade payables	*11(A)*	**29,368,300**	**(29,368,300)**	**(29,368,300)**	**-**	**-**	**-**	**-**
Third party other payables	*11(B)*	**1,061,457,662**	**(1,061,457,662)**	**(1,054,145,917)**	**(7,311,745)**	**-**	**-**	**-**
Inter-company other payables	*11(B)*	**1,110,215,277**	**(1,110,215,277)**	**-**	**(1,110,215,277)**	**-**	**-**	**-**
Lease liabilities	*4(A)*	**170,342,794**	**(170,342,794)**	**17,899,104**	**19,797,656**	**22,807,192**	**82,682,753**	**27,156,088**
		2,649,580,678	**(2,649,580,678)**	**(1,343,811,758)**	**(1,097,729,366)**	**22,807,192**	**82,682,753**	**27,156,088**
31 December 2022								
Non-derivative financial liabilities								
Third party trade payables	*11(A)*	377,104,271	(377,104,271)	(377,104,271)	-	-	-	-
Inter-company trade payables	*11(A)*	20,541,270	(20,541,270)	(20,541,270)	-	-	-	-
Third party other payables	*11(B)*	934,086,421	(934,086,421)	(931,053,765)	(3,032,656)	-	-	-
Inter-company other payables	*11(B)*	854,407,265	(854,407,265)	-	(854,407,265)	-	-	-
Lease liabilities	*4(A)*	187,347,635	(187,347,635)	(19,246,711)	(17,693,420)	(36,259,001)	(61,681,795)	(52,466,708)
		2,373,486,862	(2,373,486,862)	(1,347,946,017)	(875,133,341)	(36,259,001)	(61,681,795)	(52,466,708)

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

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

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

(a) Currency risk

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

(b) Exposure to currency risk

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

	31 December 2023				31 December 2022			
	BDT	**USD**	**EUR**	**GBP**	**BDT**	**USD**	**EUR**	**GBP**
Foreign currency denominated assets								
Receivables due from related parties	-	-	-	-	-	-	-	-
Total assets	-	-	-	-	-	-	-	-
Foreign currency denominated liabilities								
Trade payables due to related parties	**(29,368,300)**	**(268,045)**	-	-	(21,026,203)	(203,603)	-	-
Total liabilities	**(29,368,300)**	**(268,045)**	-	-	(21,026,203)	(203,603)	-	-
Net exposure	**(29,368,300)**	**(268,045)**	-	-	(21,026,203)	(203,603)	-	-

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

	2023	**2022**
Average rate		
USD	**107.96**	93.24
EUR	**116.78**	98.28
GBP	**134.30**	115.30
Year end spot rate		
USD	**109.56**	103.27
EUR	**120.93**	110.48
GBP	**139.49**	124.78

(d) Market risk-interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. Other than UPAS loan, all payables of the company are interest free. Therefore no interest rate risk arises for the company as at 31 December 2023.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

26. Related parties

A. Parent and ultimate controlling party

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

B. Transactions with key management personnel

i. Key management personnel compensation

Key management personnel compensation comprised the following.

	2023		2022	
In Taka	Managing Director	Directors and management	Managing Director	Directors and management
Remuneration, bonus and other benefits	82,863,784	438,987,842	55,509,625	380,698,067
Housing rental	-	75,163,523	-	76,874,148
Leave passage	-	11,336,207	-	13,286,328
Medical	-	19,317,285	-	17,877,284
Short-term employee benefits	82,863,784	544,804,857	55,509,625	488,735,828
Gratuity provision	-	21,506,268	-	37,331,903
Provident fund	-	21,108,772	-	19,529,048
Post-employment benefits	-	42,615,039	-	56,860,951
	82,863,784	587,419,896	55,509,625	545,596,778
Number	1	207	1	202

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

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

C. Other related party transactions

In Taka	*Note*	Nature of Relationship	Transaction values for the year ended 31 December 2023	2022	Balance outstanding as at 31 December 2023	2022
Parent of the Company						
Dividend paid						
Reckitt Benckiser Limited, UK	*14(B)*	Reckitt Benckiser Parent Company	-	646,786,470	-	-
Fellow subsidiaries of the Company						
Import of finished goods						
Reckitt Benckiser (India) private Ltd.		Reckitt Benckiser Group Company	88,749,662	47,712,105	29,853,233	20,541,270
Reckitt Benckiser Health Ltd., UK		Reckitt Benckiser Group Company	2,316,728	1,719,003	-	-
Reckitt Benckiser Bahrain WLL		Reckitt Benckiser Group Company	-	3,609,411	-	-
Reckitt Benckiser Chartres, France		Reckitt Benckiser Group Company	-	3,300,654	-	-
Royalties						
Reckitt Benckiser Health Limited, UK		Reckitt Benckiser Group Company	194,736,766	185,689,074	756,188,690	588,618,824
Reckitt Benckiser (ENA) B.V., Netherlands		Reckitt Benckiser Group Company	98,664,424	91,394,784	354,026,587	265,788,441
Systems support services						
Reckitt Benckiser Corporate Services Limited, UK		Reckitt Benckiser Group Company	-	1,768,300	-	-

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

No such transactions/contact has occured during the year.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

27. Net asset value per share

In Taka	2023	2022
Net Asset	**1,193,958,259**	835,390,470
Weighted average number of ordinary shares outstanding during the year	**4,725,000**	4,725,000
Net asset value per share	**252.69**	176.80

28. Net operating cash flow per share

In Taka	2023	2022
Net operating cash flow	**1,169,027,811**	1,283,587,123
Weighted average number of ordinary shares outstanding during the year	**4,725,000**	4,725,000
Net operating cash flow per share	**247.41**	271.66**

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

29. Reconciliation of net operating cash flow

In Taka	Note	2023	2022
Profit before tax		**1,100,950,608**	892,860,578
Adjustment for:			
- Depreciation and impairment loss	3(B)	**181,218,379**	173,467,590
- (Gain)/Loss on sale of property, plant and equipment	18	**(7,433,914)**	(2,428,159)
- Impairment loss reversal on trade receivables	6	**623,915**	18,724
- Finance costs	21	**40,905,711**	55,136,050
- Finance income	20	**(27,245,742)**	(10,554,502)
		1,289,018,957	1,108,500,281
Changes in:			
- Inventories		**(10,921,658)**	4,745,635
- Trade and other receivables		**(75,348,775)**	8,799,279
- Advances, deposits and prepayments		**(37,649,955)**	14,026,737
- Trade and other payables		**293,098,657**	520,207,755
- Employee benefits		**15,360,962**	(63,922,700)
Cash generated from operating activities		**1,473,558,187**	1,592,356,986
Income tax paid	12	**(276,109,395)**	(266,860,619)
Finance Cost		**(28,420,981)**	(41,909,244)
Net cash generated by operating activities		**1,169,027,811**	1,283,587,123

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

30. Commitments

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

A. Capital expenditure commitment

In Taka	2023	2022
Financial expenditures - outstanding purchase orders	**68,211,659**	123,143,415
	68,211,659	123,143,415

31. Contingent liabilities

There are contingent liabilities of Taka 14,064,559 (2022: Taka 39,495,729) on account of bank guarantees, acceptance trust receipt under letter of credit and Taka 563,782,231.7(2022: Taka 603,297,693) on account of ordinary letter of credit issued by Standard Chartered Bank and HSBC in favour of the Company.

Out of Taka 14,064,559,Taka 860,659.5 for shipping guarantees (2022: Taka 31,519,979) and Taka 13,203,899.93 for guarantees (2022: Taka 7,975,750) on behalf of Reckitt Benckiser (Bangladesh) PLC.

Import bills/bills receivable Taka 13,165,412 (2022: Taka 140,067,712) have been issued by SCB and HSBC on behalf of Reckitt Benckiser (Bangladesh) PLC.

In Taka	2023	2022
Guarantees issued by the Company's scheduled bankers to third parties on counter - indemnities given by the Company	**13,203,900**	7,975,750
Irrevocable letter of credit opened by the scheduled banks net of on account payment	**194,336,712**	376,738,381
	207,540,612	384,714,131

32. Number of employees

The company employed 286 (2022: 281) 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.

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS

Notes to the financial statements (continued)

33. Remittance made in foreign currency (FC)

Currency	2023 FC	2023 Taka	2022 FC	2022 Taka
Reckitt Benckiser Health Limited,Uk (GBP)	-	-	-	-
Reckitt Benckiser (ENA) B.V., The Netherland (GBP)	-	-	-	-
Reckitt Benckiser Limited,UK (GBP)	-	-	4,729,124	582,107,823
Mobisy Technologies Private Limited (USD)	14,704	1,543,657	22,055	2,069,532
Willis Tower Wattson India Private Limited (USD)	1,800	192,672	1,800	156,150
Total	**16,504**	**1,736,329**	4,752,979	584,333,505

34. Receipt in foreign currency (FC)

Currency	Nature of receipt	2023 FC	2023 Taka	2022 FC	2022 Taka
Reckitt Benckiser Corporate Services Ltd. (USD)	System Support Service	-	-	19,504	1,768,300
Reckitt Benckiser Corporate Services Ltd.(GBP)	System Support Service	-	-	-	
Total		-	-	19,504	1,768,300

35. Production capacity

Line of business	Unit of measurement	Installed capacity for the year 2023	Production for the year 2022
Household & toiletries	Thousand Litre	**37,306**	37,306
	Metric Ton	**16,316**	16,316
Pharmaceuticals	Thousand Litre	**1,806**	1,806
Pharmaceuticals			
Total	**Thousand Litre**	**39,112**	39,112
	Metric Ton	**16,316**	16,316

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

36. Events after the reporting date

For the year 2023, the Board of Directors recommended a final dividend of Taka 55 per share amounting to Taka 259,875,000 at the board meeting held on 28 March 2024.

Above recommended dividend represents 31.67% of net profit after tax of the Company for the income year ended 31 December 2023. As a result, the Company shall not be attracted any tax liability as per section 22 of Income Tax Act 2023.

There is no any other significant events after balance sheet date that may affect financial statements of the Company for the year ended 31 December 2023

37. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; the Company has not early adopted the new or amended standards in preparing these financial statements. However, this has no financial impact on the financial position of the Company during the year.

Part A: New standards

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

The objective of IFRS S1 General Requirements for Disclosure of Sustainability related Financial Information is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

These sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

An entity shall apply this Standard for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

IFRS S2 Climate-related Disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity.

These climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

An entity shall apply this Standard for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The Company's commitment to sustainability and climate stewardship is reflected in the notable achievements outlined in the 2023 report. We are proud to report a substantial 4.42% increase in energy savings compared to the previous year, consolidating a remarkable 70.31% improvement since 2015. Furthermore, our efforts in water conservation have yielded an impressive 8.3% reduction from 2022 levels, contributing to a cumulative 32.63% decrease since 2015. Additionally, our proactive measures have led to an 8.52% reduction in greenhouse gas emissions compared to 2022, marking a significant 81.55% reduction from 2015 levels. These milestones underscore our unwavering dedication to mitigating environmental impact, advancing sustainability initiatives, and creating awareness, demonstrating the Company's role as a responsible corporate citizen committed to a greener future.

A. QASEM & CO. GULSHAN DHAKA. CHARTERED ACCOUNTANTS

Part B: Standard effective annual reporting periods beginning on or after 1 January 2023.

IFRS 17 Insurance Contracts

An entity shall apply IFRS 17 for annual reporting periods beginning on or fter 1 January 2023. If an entity applies IFRS 17 earlier, it shall disclose that fact.

It is anticipated that this new standard will not materially affect the Company's financial statements or performance.

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

- Amendments to IFRS 17
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) — Application of the exception and disclosure of that fact
- Non-current Liabilities with Covenants (Amendments to IAS 1)

38. Comparative information

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

A. QASEM & CO. GULSHAN DHAKA CHARTERED ACCOUNTANTS