

**AUDITORS' REPORT AND
FINANCIAL STATEMENTS
OF
PIDILITE SPECIALITY CHEMICALS BANGLADESH PRIVATE LTD.
AS AT AND FOR THE YEAR ENDED 31 MARCH 2015**



AHMED MASHUQUE & CO. *Chartered Accountants.*

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Auditors' report to the shareholders of Pidilite Speciality Chemicals Bangladesh Private Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of **Pidilite Speciality Chemicals Bangladesh Private Ltd.**, which comprise the statement of financial position as at 31 March 2015, and 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, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pidilite Speciality Chemicals Bangladesh Private Ltd. as at 31 March 2015, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the applicable sections of the Companies Act, 1994 and other applicable laws and regulations.

We also report that:

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

Dated
Dhaka

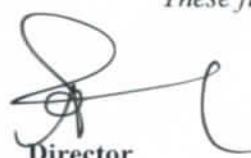
23 APR 2015

Ahmed Mashuque & Co.
Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of financial position
As at 31 March 2015

	Notes	Amount in Taka	
		31-Mar-15	31-Mar-14
Assets			
Property, plant and equipment -Carring value	5	228,325,147	253,433,330
Capital work-in-progress	6	11,120,334	743,424
Non current assets		239,445,481	254,176,754
Inventories	7	93,709,199	100,773,660
Accounts receivable		38,596,393	33,954,604
Investment in FDR		80,000,000	45,000,000
Cash and bank balances	8	18,799,369	4,545,823
Advances, deposits and prepayments	9	50,194,122	41,588,014
Interest receivable		406,215	618,660
Current assets		281,705,298	226,480,762
Total assets		521,150,779	480,657,516
Equity			
Share capital	10	352,677,300	352,677,300
Share money deposits	11	17,337	17,337
Retained earnings		62,496,540	25,418,561
Total equity		415,191,177	378,113,198
Liability			
Deferred tax liabilities	12	28,269,914	12,631,350
Non current liabilities		28,269,914	12,631,350
Provision for Employees' Retirement Gratuity	13	5,725,779	4,244,327
Other liabilities	14	20,941,273	18,803,171
Provision for Workers' Profit Participation and Welfare Fund		3,558,355	2,488,640
Provision for income tax	15	18,579,814	6,774,537
Accounts payables	16	28,884,467	57,602,293
Current liabilities		77,689,688	89,912,968
Total liabilities		105,959,602	102,544,318
Total equity and liabilities		521,150,779	480,657,516

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



Director
 ANP


Director
 Signed in terms of our separate report of even date annexed
 MB


Head of Finance

Dated, **23 APR 2015**
 Dhaka



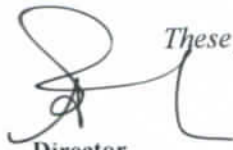

Ahmed Mashuque & Co.
Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2015

	Notes	Amount in Taka	
		From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014
Income			
Sales - net of VAT	17	539,418,283	445,669,523
Less: Expenditure			
Cost of materials	18	331,699,138	269,435,784
Personnel expenses		42,960,437	33,972,881
Operating expenses	19	37,917,852	36,875,614
Administrative expenses	20	19,806,336	16,199,001
Selling and distribution expenses	21	35,606,775	37,036,576
Financial expenses		75,963	48,253
		468,066,501	393,568,109
Net operating profit for the year		71,351,782	52,101,414
Other income		3,373,675	3,911,705
Net profit before contribution to Workers' Profit Participation & Welfare Fund		74,725,457	56,013,119
Workers' participation in profits	22	3,558,355	2,488,640
Net profit before income tax for the year		71,167,102	53,524,479
Income tax expense			
Current tax		18,450,559	7,155,688
Deferred tax		15,638,564	12,631,350
		34,089,123	19,787,038
Net profit after income tax for the year		37,077,979	33,737,441
(Transferred to statement of changes in equity)			

Net profit/(loss) before income tax from sale of imported finished goods and sale of manufactured goods has been shown in attached Annexure 1.

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


 Director
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 Director
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 Head of Finance

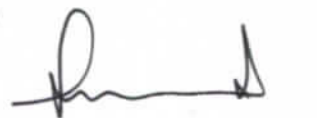
Signed in terms of our separate report of even date annexed

Dated,
Dhaka

23 APR 2015

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 Ahmed Mashuque & Co.
 Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of changes in equity
For the year ended 31 March 2015

Particulars	<i>Amount in Taka</i>			
	Share capital	Share money deposits	Retained earnings	Total
Balance as at 01 April 2013	352,677,300	17,337	37,529,169	390,223,806
Addition during the year	-	-	33,737,441	33,737,441
Interim dividend (Note: 23)	-	-	(45,848,049)	(45,848,049)
Balance as at 31 March 2014	352,677,300	17,337	25,418,561	378,113,197
Balance as at 01 April 2014	352,677,300	17,337	25,418,561	378,113,197
Addition during the year	-	-	37,077,979	37,077,979
Balance as at 31 March 2015	352,677,300	17,337	62,496,540	415,191,176

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


Director
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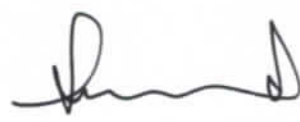

Director
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Head of Finance

Signed in terms of our separate report of even date annexed


Dated,
Dhaka
 23 APR 2015




Ahmed Mashuque & Co.
Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of cash flows
For the year ended 31 March 2015

	Amount in Taka	
	From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014
A. Cash flows from operating activities		
Collection from sales	534,776,493	432,900,646
Payment to suppliers	(353,352,501)	(282,471,860)
Payment for expenses	(116,704,916)	(102,099,048)
Other income	3,586,121	3,430,968
Interest paid	(75,963)	(48,253)
Income tax paid	(6,645,282)	(2,840,620)
Net cash generated from operating activities	61,583,952	48,871,834
B. Cash flows from investing activities:		
Acquisition of fixed assets	(1,953,495)	(3,625,466)
Investment in FDR	(35,000,000)	(15,000,000)
Capital work-in-progress	(10,376,911)	1,529,848
Net cash used in investing activities	(47,330,406)	(17,095,617)
C. Cash flows from financing activities:		
Interim dividend paid	-	(45,848,049)
Net cash used in financing activities	-	(45,848,049)
Net changes in cash and bank balances (A+B+C)	14,253,546	(14,071,832)
Add: Cash and bank balances at the beginning of the year	4,545,823	18,617,655
Cash and bank balances at at the end of the year	18,799,369	4,545,823


Director
 ANP



Director
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Head of Finance

Signed in terms of our separate report of even date annexed

Dated,
Dhaka
 23 APR 2015




Ahmed Mashuque & Co.
Chartered Accountants

Pidilite Speciality Chemicals Bangladesh Private Ltd.
Notes, comprising a summary of significant accounting policies and other explanatory information
As at 31 March 2015 and for the year ended 31 March 2015

1 Company profile

1.01 Legal form

Pidilite Speciality Chemicals Bangladesh Private Ltd. incorporated in Bangladesh as a private limited company on 29th December 2005 having registered office at West Mukterpur, Panchashar, Munshigonj vide registration no. C-60121 (2129)/05.

1.02 Nature of business

The objectives of the Company include manufacturing and marketing of all kinds of dyes and other coloring materials, chemicals and chemical compounds, adhesives etc. and selling those in Bangladesh as well as exporting to other countries. The company commenced its commercial production from October 2009. Besides, the company is also engaged in commercial import and trading of adhesives, coloring materials and allied products since December 2012.

2 Basis of preparation

2.01 Statement of compliance

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

- Bangladesh Financial Reporting Standards (BFRS);
- Bangladesh Accounting Standards (BAS); and
- Interpretations.

2.02 Reporting period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements cover period from 01 April 2014 to 31 March 2015 consistently.

2.03 Basis of accounting

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

2.04 Going concern

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

2.05 Basis of measurement

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

2.06 Use of estimates and judgments

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

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



2.07 Functional and presentation currency

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

2.08 General

Last year's figures have been rearranged, wherever necessary, for better presentation.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation. Cost of an item of property, plant and equipment comprises its net purchase price after deducting trade discount and rebates, import duties, non refundable taxes and any cost that are directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

b) Subsequent cost

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

c) Depreciation

Depreciation on assets is charged from the month in which the asset is brought into use irrespective the date of acquisition under straight-line basis at the following rates:

<u>Assets</u>	<u>Rate</u>
Machinery and Equipment	10%
Factory Building	5%
Vehicles	20%
Computers	30%
Furniture and Fixtures	10%
Mechanical Office Equipment	10%
Laboratory Equipment	10%

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

d) Disposal

On disposal of property, plant and equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income, which is determined with reference to the net book value of the assets and net sales proceeds.



3.02 Inventories

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

3.03 Consideration on credit risk

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

3.04 Provisions

Provisions are recognized in the statement of financial position when the company has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

3.05 Taxation

Income tax expenses comprises current and deferred tax . Current tax and deferred tax is recognised in profit or loss except to the extent that its relates to items recognised directly in equity in which case it is recognized in equity.

Current tax

As per SRO no 172 - Law/Income Tax/2009 dated 30 June 2009, the company is entitled to pay tax at the reduced rate on income of manufacturing operations, prescribed in the said SRO, and accordingly Pidilite Speciality Chemicals Bangladesh Private Ltd. is enjoying this benefit from the assessment year 2010-2011. This benefit was ceased on 30 September 2014. However, during the year ended 31 March 2015 for the first six months (*i. e.* 01 April 2014 to 30 September 2014) applicable income tax rate on income of manufacturing operations was 15% and for the following six months (*i. e.* 01 October 2014 to 31 March 2015) the applicable income tax rate on the same was 35%. Further, income tax on other income and income under section 82(c) has been recognized as per the Income Tax Ordinance, 1984.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.
- temporary differences related to investment in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

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



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

A deferred tax asset is recognized for tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.06 Revenue recognition

(a) Sales of goods

Sales are recognized after confirmation of delivery to the buyer's, when risk and reward of ownership of goods are transferred to the buyer. Sales are stated net of returns and excluding VAT.

(b) Interest income

Interest income is recognized on accrual basis.

3.07 Statement of cash flows

Statement of cash flows is prepared in accordance with BAS-7 "Cash Flow Statement" under direct method.

3.08 Finance costs

Finance costs comprise interest expense on short term borrowings.

3.09 Employees' benefit schemes

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

(a) *Defined contribution plan (provident fund)*

The Company operates contributory provident fund for all its permanent employees, which is a defined contribution plan. The provident fund is administered by the Board of Trustee and is funded by contributions from employees and from the company @ 8.33% of the basic pay. These contributions are invested separately from the Company's business. This fund is recognized by the National Board of Revenue.

(b) *Employees' Retirement Gratuity*

The company provides retirement benefit in the form of gratuity determined by reference to employees' earnings and years of service to each eligible employees at the time of retirement/separation. Gratuity obligation are provided for on the basis of actuarial valuation as at the year end.

(c) *Workers' profit participation fund (WPPF)*

The Company provides 5% of its profit before charging such expense as Workers' Profit Participation and Welfare Fund in accordance with the Bangladesh Labour Act, 2006.

3.10 Financial instruments

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

Financial assets

The company initially recognises receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the company becomes a party to the contractual provisions of the transaction.



The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

- **Accounts receivables**

Accounts receivables are stated net of provisions, if any.

- **Cash and bank balances**

Cash and bank balances consist of cash in hand, bank deposits, which were held and available for use by the company without any restriction.

- **Investment in FDR**

Investment in FDR has been made with the Citi Bank NA and interest on FDR has been accounted on accrual basis considering the time elapsed for the current accounting year.

Financial liability

The company initially recognises all financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

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

- **Trade and other payables**

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

3.11 Event after the reporting date

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

3.12 Transactions in foreign currencies

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

4 Comparative

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



5 Property, plant and equipment - Carrying value

Asset Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2015
	As at 01 April 2014	Addition during the year	Disposal/ Adjustment	As at 31 March 2015	As at 01 April 2014	Charged during the year	Disposal/ Adjustment	As at 31 March 2015	
Freehold land	22,230,000	-	-	22,230,000	-	-	-	-	22,230,000
Factory buildings	110,398,796	-	-	110,398,796	19,468,528	5,519,095	-	24,987,623	85,411,173
Vehicles	2,638,800	-	918,800	1,720,000	2,342,920	269,880	918,800	1,694,000	26,000
Machinery and equipment	191,746,390	1,580,107	-	193,326,497	64,648,975	19,002,934	-	83,651,909	109,674,588
Computers	4,456,161	131,057	-	4,587,218	3,293,021	586,808	-	3,879,829	707,390
Furniture and fixtures	5,640,945	152,639	-	5,793,584	1,582,492	571,649	-	2,154,141	3,639,442
Mechanical office equipment	2,905,092	89,692	-	2,994,784	933,605	294,064	-	1,227,669	1,767,115
Laboratory equipment	8,172,494	-	-	8,172,494	2,485,808	817,248	-	3,303,056	4,869,439
As at 31 March 2015	348,188,678	1,953,495	918,800	349,223,373	94,755,348	27,061,678	918,800	120,898,226	228,325,147

Amount in Taka

Assets Category	Gross Block (Cost)				Depreciation				Net Block at 31 March 2014
	As at 01 April 2013	Addition during the year	Adjustment/ Disposal	As at 31 March 2014	As at 01 April 2013	Charged during the year	Adjustment/ Disposal	As at 31 March 2014	
Freehold land	22,230,000	-	-	22,230,000	-	-	-	-	22,230,000
Factory buildings	110,286,280	112,516	-	110,398,796	13,949,091	5,519,437	-	19,468,528	90,930,268
Machinery and equipment	190,106,323	1,640,067	-	191,746,390	45,266,673	19,382,302	-	64,648,975	127,097,415
Vehicles	2,638,800	-	-	2,638,800	1,815,160	527,760	-	2,342,920	295,880
Computers	3,836,129	620,032	-	4,456,161	2,859,622	433,399	-	3,293,021	1,163,140
Furniture and fixtures	5,123,920	517,024	-	5,640,945	1,032,704	549,787	-	1,582,491	4,058,454
Mechanical office equipment	2,679,592	225,500	-	2,905,092	650,162	283,443	-	933,605	1,971,487
Laboratory equipment	7,662,167	510,327	-	8,172,494	1,683,088	802,721	-	2,485,809	5,686,685
As at 31 March 2014	344,563,211	3,625,466	-	348,188,678	67,256,500	27,498,849	-	94,755,348	253,433,329

Amount in Taka

The depreciation charge has been allocated to:

	Amount in Taka	
	31-Mar-15	31-Mar-14
Operating Expenses	25,339,277	25,704,459
Administrative expenses-Manufacturing Account	1,670,957	1,742,993
Administrative expenses-Trading Account	51,444	51,397
	27,061,678	27,498,849



	Amount in Taka	
	31-Mar-15	31-Mar-14
6 Capital work-in-progress		
Machinery and equipment	10,420,509	743,424
Computers	112,320	-
Furniture and fixtures	337,505	-
Mechanical office equipment	250,000	-
	11,120,334	743,424

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

7 Inventories

Raw materials	28,299,628	38,188,827
Packing materials	7,873,438	6,536,530
Work in progress	831,384	855,786
Manufactured finished goods	24,347,704	12,320,001
Imported finished goods	25,364,692	15,886,215
Imported raw material in transit	1,446,400	16,040,577
Imported packing material in transit	-	343,305
Imported finished goods in transit	6,080,954	12,039,823
Provision for damage goods	(535,002)	(1,437,403)
	93,709,199	100,773,661

8 Cash and bank balances

Cash in hand	56,791	117,134
Cash at bank:		
The Hongkong and Shanghai Banking Corporation Limited	1,226,321	1,674,543
Citibank N.A	17,516,257	2,754,146
	18,799,369	4,545,823

9 Advances, deposits and prepayments

Advances

Advance against service	45,771	45,771
Advance to employees	889,163	312,643
VAT current account	9,259,932	7,249,296
Advance income tax (Note # 9.01)	29,913,135	24,398,755

Deposits

Time deposit (Note # 9.02)	926,004	1,342,004
Import deposit	552,062	3,033,093

Prepayments

Office rent	1,049,500	130,500
Warehouse rent	3,622,260	1,459,920
Insurance	2,718,326	2,427,014
Other prepaid and deferred expense for materials	1,217,971	1,189,018
	50,194,122	41,588,014

9.01 Advance income tax

Opening balance	24,398,756	16,955,200
Addition during the year	12,159,661	10,284,175
Adjustment during the year	(6,645,282)	(2,840,620)
	29,913,135	24,398,755

9.02 Time deposit

Security deposit to Titas Gas T&D Co. Ltd.	287,844	287,844
Security deposit to Dhaka Electric Supply Authority (DESA)	240,000	240,000
Security deposit for warehouse rent	398,160	398,160
Security deposit for office rent	-	416,000
	926,004	1,342,004



10 Share capital

Authorized share capital:

50,00,000 ordinary shares of Taka 100 each

Issued, subscribed and paid-up capital:

3,526,773 ordinary shares of Taka 100 each

Shareholding position of the company is as follows :

Pidilite International Pte. Ltd (Singapore)
Pidilite Middle East Ltd (United Arab Emirates)

Amount in Taka	
31-Mar-15	31-Mar-14
500,000,000	500,000,000
352,677,300	352,677,300
349,150,500	349,150,500
3,526,800	3,526,800
352,677,300	352,677,300
57	57
17,280	17,280
17,337	17,337

11 Share money deposits

Pidilite International Pte. Ltd (Singapore)
Pidilite Middle East Ltd (United Arab Emirates)

12 Deferred tax liabilities

Deferred tax has been recognised and measured in accordance with the provision of BAS 12 "Income taxes".

Deferred tax is arrived at as follows:

	Carrying amount as at 31 March 2015	Tax base as at 31 March 2015	Taxable/ (deductible) Temporary difference
Property, plant and equipment			
Freehold land	22,230,000	22,230,000	-
Factory buildings	85,411,173	71,706,664	13,704,510
Machinery and equipment	109,674,588	38,181,412	71,493,176
Vehicles	26,000	528,149	(502,149)
Computers	680,920	1,077,671	(396,752)
Furniture and fixtures	3,532,357	3,664,043	(131,685)
Mechanical office equipment	1,682,208	1,187,854	494,354
Laboratory equipment	4,869,439	3,033,932	1,835,507
	228,106,685	141,609,724	86,496,961
Provision for Gratuity of staff (net of payment)			(5,725,779)
Net temporary difference			80,771,182
Tax rate			35%
Deferred tax liability/ expense on temporary difference			28,269,914
Opening balance		12,631,349	-
Provision made during the year		15,638,565	12,631,349
		28,269,914	12,631,349

13 Provision for Employees' Retirement Gratuity

Openning balance
Provision made during the year
Paid to employee during the year

4,244,327	3,410,085
1,495,114	1,319,917
(13,662)	(485,675)
5,725,779	4,244,327



Amount in Taka

31-Mar-15 31-Mar-14

14 Other liabilities

Salary and allowances
Withholding tax & VAT payable
Electricity bill - factory
Gas bill - factory
Cleaning expenses-factory
Promotional expenses
Travelling and conveyance
Warehouse rent
Audit fees
Professional fees
Consumables for lab
Labor charges
Distribution expenses payable
Delivery expenses
Security service
Liability for other expenses
Sample expense
Convention and exhibit expense

2,003,616	884,358
201,768	1,653,971
117,027	79,183
45,062	36,000
21,660	20,016
16,482,642	13,782,614
615,560	609,600
184,210	-
144,200	133,900
160,000	-
78,334	14,800
305,752	199,090
-	140,000
98,470	111,125
197,760	90,627
285,212	122,162
-	315,000
-	610,725
20,941,273	18,803,171

15 Provision for income tax

Opening balance
Provision made during the year
Adjustment during the year

6,774,537	2,459,469
18,450,559	7,155,688
(6,645,282)	(2,840,620)
18,579,814	6,774,537



16 Accounts payables

Ahmed Mashuque & Co.
 Abdullah & Sons
 Adel Enterprise
 Accurate Business Promotion Ltd.
 Akhter Cans
 Ata Husain Khan Limited.
 Akros Trading Co., Ltd.
 Black Rose Industries Ltd.
 Badal And Company
 Celanese Pte Ltd.
 Creative Packaging Industry
 E. I. Dupont De Nemours And Co. Incc
 Eyestopper Limited
 Fair Deal - Expenses
 G. Mamuji Packaging Industries Pvt. Ltd.
 Ghorashal Multilayer Plastic Packaging Ltd.
 Haks Industries Ltd.
 Henan Harvest International Co., Ltd.
 I R Limited
 I Positive Communications Ltd.
 Indinex Pvt. Ltd.
 Juthi Enterprise
 Jhumur Plastic Printing Plant
 Link3 Technologies Ltd.
 Movilink
 Pragati Insurance Ltd.
 Pidilite Industries Ltd.
 Precious Plasto Packing Pvt. Ltd
 Padma Lamitube Ltd.
 Padma Cans And Closures Ltd.
 Sincos Engineers Limited
 Sunflower Tape Industries
 S. P. Enterprise
 Si Group India Ltd.
 Texcom International
 Z. R. Enterprise
 Care Packages Industry
 Q Pail Limited
 Ruhani International Agency Ltd.
 Ahk Rent-A-Car
 Mehedi Enterprise
 One Travels
 J. M. Enterprise
 Haque & Company (Drycell) Ltd.
 Fair Deal
 Zhejiang Jiuerjiu Chemicals Co., Ltd.

Amount in Taka
 31-Mar-15 31-Mar-14

	31-Mar-15	31-Mar-14
	143,750	(21,250)
	(1,163,437)	-
	-	75,740
	270,167	108,236
	-	10,298
	-	722,603
	-	2,629,200
	-	3,599,500
	(2,931,033)	(2,417,460)
	-	15,819,020
	644,492	657,481
	-	3,349,100
	-	(2,400,000)
	-	748,155
	-	343,305
	219,650	219,650
	-	448,971
	8,527,728	-
	1,961,630	2,938,239
	-	(100,000)
	-	254,281
	771,339	87,373
	15,595	15,595
	24,000	24,000
	700,596	(155,100)
	487,796	388,497
	16,464,585	24,605,828
	-	155,310
	432,810	559,293
	590,386	541,846
	-	19,560
	-	62,400
	83,145	-
	-	1,154,188
	-	39,087
	139,454	-
	384,560	116,609
	320,908	-
	35,500	-
	51,600	48,070
	49,450	45,980
	138,824	-
	59,180	-
	39,475	-
	422,317	-
	-	2,908,688
	28,884,467	57,602,293



	Amount in taka	
	From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014
17 Sales - net of VAT		
Local Sales	436,512,291	379,527,212
Export sales	1,325,279	483,426
Sale of imported finished goods	101,580,713	65,658,884
	539,418,283	445,669,523
18 Cost of materials		
Raw materials consumed (Note 18.01)	196,330,871	158,763,411
Packing materials consumed (Note 18.02)	70,922,194	61,210,232
Cost of imported finished goods (Note 18.03)	77,976,973	52,187,377
Opening work-in-progress	855,786	768,711
Opening finished goods	12,320,001	13,394,922
Closing work-in-progress	(831,384)	(855,786)
Closing finished goods	(24,347,704)	(12,320,001)
Recovery of cost	(1,527,599)	(3,713,082)
Cost of production	331,699,138	269,435,784
18.01 Raw materials consumed		
Opening stock	38,188,827	22,426,898
Add: Purchased during the year	186,441,671	174,525,341
Less: Closing stock	28,299,628	38,188,827
	196,330,871	158,763,411
18.02 Packing materials consumed		
Opening stock	6,536,530	6,796,736
Add: Purchased during the year	72,259,103	60,950,026
Less: Closing stock	7,873,438	6,536,530
	70,922,194	61,210,232
18.03 Cost of imported finished goods		
Opening stock	15,886,215	7,982,359
Add: Purchased during the year	87,455,450	60,091,232
Less: Closing stock	25,364,692	15,886,215
	77,976,973	52,187,377



Amount in Taka	
From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014

19 Operating expenses

Employee training & recruitment expenses	26,350	-
Travelling and conveyance	178,080	52,569
Bus rental expenses	1,487,197	1,383,818
Repairs and maintenance	1,108,723	885,475
Consumable materials	1,092,081	839,238
Conventions, seminars and company meetings expense	145,577	126,459
Fuel and petrol	665,663	754,577
Stationery and office supplies	216,556	211,024
Security service charges	1,186,560	1,094,613
Cleaning expenses	269,782	233,156
Telephone and fax	147,500	147,920
Internet expenses	133,176	124,096
Electricity charges	1,811,758	1,485,062
Gas charges	450,940	456,066
Entertainment	463,027	308,264
Insurance	2,705,195	2,609,903
Testing & certification expenses	53,360	68,300
Group insurance	349,191	321,736
Office maintenance & supplies	87,859	68,879
Depreciation	25,339,277	25,704,459
	37,917,852	36,875,614



20 Administrative expenses

Employees' Retirement Gratuity
Group insurance
Business interruption insurance
Employee training & recruitment expenses
Travelling and conveyance
Office rent
Bus rental expenses
Repairs and maintenance
Fuel and petrol
License & registration
Duties and membership
Audit fees
Professional fees
Stationeries
Postage
Telephone and fax
Internet expenses
Data processing services charges
Electricity bill
Books and periodicals
Vehicles insurance
Royalty
Technical know-how fees
Land tax & rates
Motor vehicle tax
Gift expenses
Entertainment
Bank charges
Depreciation
Office maintenance & supplies

Amount in taka

From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014
--	--

1,544,075	1,319,917
110,436	104,770
1,108,899	1,014,243
44,971	465,373
960,578	367,443
873,135	856,800
87,900	6,900
121,818	148,878
840,114	794,475
389,823	196,964
80,000	36,000
144,200	133,900
853,168	1,020,918
177,432	169,846
187,166	106,814
189,208	183,434
154,203	137,389
691,626	142,716
68,094	68,071
6,875	8,585
41,238	30,119
6,308,971	4,092,184
2,244,828	1,682,738
2,314	2,314
22,850	31,059
2,542	8,829
215,183	232,855
245,949	759,980
1,722,401	1,794,390
366,339	281,097
19,806,336	16,199,001



Amount in taka	
From 1 April 2014 to 31 March 2015	From 1 April 2013 to 31 March 2014

21 Selling and distributing expenses

Sample expense	124,384	302,284
Convention and exhibit expense	5,085,751	5,332,458
Trade print advertising	2,489,527	3,307,314
TV & radio advertising	147,175	400,000
Sales promotion expenses	13,680,898	12,291,716
Insurance	17,558	97,376
Warehouse rent	1,117,294	867,984
Literature and promotional materials	3,832,257	4,649,182
Delivery expenses	2,960,948	2,444,743
Repairs and maintenance	1,800	119,950
Postage	53,630	19,750
Travelling and conveyance	4,710,128	5,465,487
Seminars and company meetings expense	189,393	370,104
Telephone and fax	387,705	429,553
Group insurance	384,500	387,897
Fuel and petrol	423,827	550,779
	35,606,775	37,036,576

22 Workers' Profit Participation and Welfare Fund

3,558,355	2,488,640
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As per Labor Act 2006 (under chapter 15), the company has made the provision of 5% on profit before tax to Workers' Profit Participation and Welfare Fund for the year ended 31 March 2015.

23 Interim Dividend

-	45,848,049
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For the year ended 31 March 2015, the company has not declared any dividend. For the year ended 31 March 2014, the company declared interim cash dividend based on half yearly financial statements ended 30 September 2013 @ Tk. 13 per share amounting to total Tk. 45,848,049 only against 3,526,773 nos. paid up equity Shares of Tk. 100/- each. Subsequently, the cash dividend paid on 30 March 2014 after complying all local regulations.

24 Basic earnings per share (EPS)

Profit after tax
Number of shares
Basic EPS



37,077,979	33,737,441
3,526,773	3,526,773
10.51	9.57

31-Mar-15

31-Mar-14

25 Particulars of employee

Nationality:

Bangladeshi
Non-Bangladeshi

77	74
1	-
<u>78</u>	<u>74</u>

Salary range:

Monthly Taka 3,000 or above
Monthly below Taka 3,000

78	74
-	-
<u>78</u>	<u>74</u>

26 Related party transaction

During the year, the company carried out several number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, Nature of those transactions and their total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosure.

Name of the related party transaction	Nature of transaction	Relationship	Transaction during the year 14-15	
			Transaction value	Amount due
Pidilite Industries Ltd., India	Raw and packing materials	Parent company through wholly owned subsidiaries	33,717,391	3,561,097
	Finished goods		55,089,353	3,325,455
	Technical fee		2,348,625	2,348,625
	Royalties		6,567,564	6,567,564
	Expenses against service		661,844	661,844



Pidilite Speciality Chemicals Bangladesh Private Ltd.
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2015

Annexure I

	Amount in Taka		
	Sales of manufactured goods	Trading of imported finished goods	Total
Total Sales - net of VAT	437,837,570	101,580,713	539,418,283
Less: Expenditure			
Cost of materials	253,722,165	77,976,973	331,699,138
Personnel expenses	36,935,761	6,024,676	42,960,437
Operating expenses	37,917,852	-	37,917,852
Administrative expenses			
Employees' Retirement Gratuity	1,517,450	26,625	1,544,075
Group insurance	91,305	19,131	110,436
Business interruption insurance	893,271	215,628	1,108,899
Employee training & recruitment expenses	44,971	-	44,971
Travelling and conveyance	838,977	121,601	960,578
Office rent	873,135	-	873,135
Bus rental expenses	87,900	-	87,900
Repairs and maintenance	121,818	-	121,818
Fuel and petrol	840,114	-	840,114
License & registration	331,123	58,700	389,823
Duties and membership	80,000	-	80,000
Audit fees	144,200	-	144,200
Professional fees	853,168	-	853,168
Stationeries	165,743	11,689	177,432
Postage	178,546	8,620	187,166
Telephone and fax	186,408	2,800	189,208
Internet expenses	145,233	8,970	154,203
Data processing services charges	691,626	-	691,626
Electricity bill	65,706	2,388	68,094
Books and periodicals	6,875	-	6,875
Vehicles insurance	41,238	-	41,238
Royalty	6,308,971	-	6,308,971
Technical know-how fees	2,244,828	-	2,244,828
Land tax & rates	2,314	-	2,314
Motor vehicle tax	22,850	-	22,850
Gift expenses	2,542	-	2,542
Entertainment	186,504	28,679	215,183
Bank charges	231,596	14,353	245,949
Depreciation	1,670,957	51,444	1,722,401
Office maintenance & supplies	347,520	18,819	366,339
	19,216,889	589,447	19,806,336
Selling and distributing expenses			
Sample expense	85,397	38,987	124,384
Convention and exhibit expense	4,276,480	809,271	5,085,751
Trade print advertising	2,489,527	-	2,489,527
TV & radio advertising	147,175	-	147,175
Sales promotion expenses	10,772,085	2,908,813	13,680,898
Insurance	17,558	-	17,558
Warehouse rent	184,210	933,084	1,117,294
Literature and promotional materials	2,370,441	1,461,816	3,832,257
Delivery expenses	2,692,921	268,027	2,960,948
Repairs and maintenance	1,800	-	1,800
Postage	53,630	-	53,630
Travelling and conveyance	4,677,908	32,220	4,710,128
Seminars and company meetings expense	189,393	-	189,393
Telephone and fax	381,305	6,400	387,705
Group insurance	384,500	-	384,500
Fuel and petrol	423,827	-	423,827
	29,148,157	6,458,618	35,606,775
Financial expenses	75,963	-	75,963
Net operating profit for the year	60,820,784	10,530,998	71,351,782

