

**PIDILITE LANKA (PRIVATE) LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE EIGHT MONTHS PERIOD ENDED**  
**31 MARCH 2016**





**KPMG**  
(Chartered Accountants)  
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## INDEPENDENT AUDITORS' REPORT

### TO THE SHAREHOLDERS OF PIDILITE LANKA (PRIVATE) LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of Pidilite Lanka (Private) Limited, ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the statements of profit or loss and comprehensive income and cash flows for the eight months period then ended, and a summary of significant accounting policies and other explanatory information.

#### Board's Responsibility for the Financial Statements

The Board of Directors ("Board") is responsible for the preparation of these financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standard for Small and Medium-Sized Entities ("SLFRS for SMEs") and for such internal control as Board 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 Sri Lanka Auditing Standards. Those standards require that we comply with 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 auditor's 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 of the financial statements that give a true and fair view 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 Board, 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 audit opinion.

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at March 31, 2016, and of its financial performance and cash flows for the eight months period then ended in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities.



## Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- a) The basis of opinion and scope and limitations of the audit are as stated above.
- b) In our opinion we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Company and the financial statements of the Company, comply with the requirements of section 151 of the Companies Act.

KPMG

CHARTERED ACCOUNTANTS

Colombo

29 April 2016

**PIDILITE LANKA (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 March,

	Note	2016 Rs.
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2	2,914,396
Intangible assets	3	333,500,000
Deferred tax assets	18	492,122
<b>Total non current assets</b>		<b>336,906,518</b>
<b>Current assets</b>		
Inventories	4	87,969,192
Trade receivables	5	148,225,510
Other receivables	6	45,856,161
Amount due from related parties	7	575,616
Cash and cash equivalents	8	8,622,578
<b>Total current assets</b>		<b>291,249,057</b>
<b>Total assets</b>		<b>628,155,575</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	9	303,022,000
Loss for the period		(814,649)
<b>Total equity</b>		<b>302,207,351</b>
<b>Non-current liabilities</b>		
Interest bearing loans and borrowings	10	154,000,000
Employee benefit obligations	11	1,831,860
<b>Total non current liabilities</b>		<b>155,831,860</b>
<b>Current liabilities</b>		
Trade and other payables	12	62,779,073
Statutory payables	13	899,803
Interest bearing loans and borrowings	10	11,000,000
Amount due to related parties	14	68,405,407
Accrued expenses		2,442,650
Bank overdraft	8	24,589,431
<b>Total current liabilities</b>		<b>170,116,364</b>
<b>Total liabilities</b>		<b>325,948,224</b>
<b>Total equity and liabilities</b>		<b>628,155,575</b>

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

I certify that these financial statements are prepared in compliance with the requirements of the Companies Act No. 07 of 2007.



Head of Finance

The Board of Directors is responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SMEs.

Approved and signed for on behalf of the Board:

  
 Director

  
 Director

Colombo  
 29 April 2016

**PIDILITE LANKA (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME**

*For the eight months period ended 31 March,*

	Note	2016 <u>Rs.</u> (8 Months)
Revenue	15	244,781,826
Cost of sales		(186,367,959)
<b>Gross profit</b>		<u>58,413,867</u>
Distribution expenses		(12,339,020)
Administrative expenses		(41,718,394)
<b>Results from operating activities</b>	16	<u>4,356,453</u>
Finance costs	17	(5,663,224)
<b>Loss before tax expense</b>		<u>(1,306,771)</u>
Tax expense	18	492,122
<b>Loss for the period</b>		<u><u>(814,649)</u></u>

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.



**PIDILITE LANKA (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOW**

*For the eight months period ended 31 March,*

	Note	2016 Rs. (8 Months)
<b>Cash flows from operating activities</b>		
Loss before income tax expense		(1,306,771)
<i>Adjustments for:</i>		
Depreciation for property, plant and equipment		278,192
Amortisation for intangible assets		11,500,000
Provision for retirement benefit obligations		127,275
Provision for damaged stocks		341,922
<b>Operating profit before working capital changes</b>		<u>10,940,618</u>
<b>Changes in :</b>		
Inventories		(88,311,114)
Trade receivables		(148,225,510)
Other receivables		(45,856,161)
Trade and other payables		66,121,526
Amounts due to related parties		69,626,691
<b>Net cash flow (used in)/ generated after working capital changes</b>		<u>(135,703,950)</u>
Gratuity paid		(92,315)
<b>Net cash flows generated from /(used in) operating activities</b>		<u>(135,796,265)</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment		(3,192,588)
Purchase of intangible assets		(345,000,000)
<b>Net cash (used in) investing activities</b>		<u>(348,192,588)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital		303,022,000
Proceeds from loans and borrowings		165,000,000
<b>Net cash generated from /(used in) financing activities</b>		<u>468,022,000</u>
Net (decrease) in cash and cash equivalents		(15,966,853)
<b>Cash and cash equivalents at the end of the year</b>	8	<u>(15,966,853)</u>

The financial statements are to be read in conjunction with the related notes, which form an integral part of these financial statements of the Company.

**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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*For the eight months period ended 31 March 2016*

**1. Accounting policies**

**1.1 Reporting entity**

Pidilite Lanka (Private) Limited, (“the Company”) is a private limited liability company incorporated in Sri Lanka. The registered office of the Company and the principal place of business is situated at 74, 1/1, Orient Building, Dawson Street, Colombo 02.

The company has incorporated on 07<sup>th</sup> August 2015 and its commercial operations have been carried out for over a six months period, commencing from 30<sup>th</sup> September 2015.

**Principle activities and nature of operations**

Principle activity of the company is the sale of manufactured and imported adhesive products to the local market.

**1.2 Basis of preparation**

**(a) Statement of compliance**

The financial statements of the Company comprise the statement of financial position, statement of profit or loss, statement of cash flows, and notes comprising other explanatory information. These statements are prepared in accordance with Sri Lanka Accounting Standards for Small and Medium Sized Entities (SLFRS for SMEs) laid down by Institute of Chartered Accountants of Sri Lanka.

**(b) Basis of measurement**

The financial statements have been prepared on the historical cost conversion.

**(c) Functional and presentation currency**

These financial statements are presented in Sri Lankan Rupees, which is the Company’s functional currency.

**(d) Use of estimates and judgments**

The preparation of financial statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only the financial year or in the period of the revision and future periods if the revision affects both current and future financial years.

**1.3 Significant accounting policies**

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

**(a) Property and equipment**

**Recognition and measurement**

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and bringing the assets to its working condition.



**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

*For the eight months period ended 31 March 2016*

**Recognition and measurement (Contd.)**

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Gains/losses on disposal of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within profit or loss.

**Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Company.

**Depreciation**

Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognised in profit or loss.

The estimated useful lives of property and equipment for the current period are as follows:

	<b>Years</b>
Furniture and fixtures	4
Computers	4
Office Equipments	4

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

**(b) Intangible assets**

**Basis of recognition**

An intangible asset is recognized if it is probable that future economic benefits that are attributable to the assets can be measured reliably in accordance with SLFRS for SMEs on Intangible Assets. Accordingly, these assets are stated in the statement of financial position at cost less accumulated amortization and accumulated impairment losses.

**Subsequent expenditure**

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodying in these assets. All other expenditure is expensed as incurred.

**Amortization**

The useful lives of intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with finite useful life are reviewed at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by adjusting or changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement.

Intangible assets are stated at cost less accumulated amortization. Amortization is done as follows

	<b>Years</b>
Trade mark	10
Commercial & Technical Know-how	10



**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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*For the eight months period ended 31 March 2016*

**(c) Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business. The cost of inventories is based on the weighted average cost principle.

**(d) Impairment of assets**

The carrying amounts of the Company's non financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the estimated recoverable amount of an asset falls below its carrying amount. Impairment losses are recognised in the profit or loss.

**(e) Basic financial instruments**

The Company recognizes all financial instruments under basic financial instruments in accordance with SLFRSs for SMEs. Basic financial instrument are measured at fair value at both initially and subsequently. The gain or losses from fair value is recognized in profit or loss during the period.

The Company's basic financial instruments include following:

**(i) Trade and other receivables**

Trade receivables are carried at anticipated realizable value. An estimate is made for bad and doubtful receivables based on a review of all outstanding amounts at the reporting date.

**(f) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, deposits held at call with bank, and investments in money market instruments with a maturity period of less than 3 months.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash in hand and cash with bank

**Cash flow statement**

Cash flow statement has been prepared using the indirect method.

**(g) Liabilities and provisions**

Liabilities are recognized in the statement of financial position when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits. Obligations payable at the demand of the creditors or within one year of the reporting date are treated as current liabilities in the statement of financial position.

Provisions are recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**(h) Taxation**

**i. Income taxation**

The provision for income tax will be based on the elements of income and expenses reported in the financial statements and computed in accordance with the provision of the Inland Revenue Act No.10 of 2006 and its amendments thereto.

**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

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*For the eight months period ended 31 March 2016*

**(h) Taxation (Contd.)**

**ii. Deferred taxation**

Deferred tax is recognized 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, based on the tax rate 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 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.

**(i) Employee benefits**

**(i) Defined benefit plan**

Gratuity is a defined benefit plan. The Company is liable to pay gratuity in terms of the relevant statute. In order to meet this liability, a provision is carried forward in the statement of financial position, equivalent to an amount calculated based on the project unit credit basis using simplifications specified by the Section 28.

Provision is made for retirement gratuity for all employees in respect of gratuity payable under the Payment of Gratuity Act No.12 of 1983. The provision is not externally funded, nor has it been valued by an actuary. This item is grouped under noncurrent liabilities in the statement of financial position.

**(ii) Defined contribution plans**

Obligations to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred. The Company contributes 12% and 3% of gross emoluments of employees as Provident Fund and Trust Fund contribution respectively.

**(j) Revenue recognition**

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns and trade discounts.

**(k) Expenses**

All expenditure incurred in the operations of the business and in maintaining the capital assets in a state of efficiency have been charged to revenue in arriving at the Company's profit or loss for the year.

**(l) Events occurring after the reporting date**

All material post reporting date events have been considered and where appropriate adjustments or disclosures have been made in respective notes to the financial statements.

**(m) Commitments and contingencies**

Contingencies are possible assets or obligations that arise from a past event and would be confirmed only on the occurrence or non-occurrence of uncertain future events, which are beyond the Company's control.



PIDILITE LANKA (PRIVATE) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

As at 31 March,

2 Property, plant and equipment

	Furniture and fixtures <u>Rs.</u>	Office equipment <u>Rs.</u>	Computers <u>Rs.</u>	Total 2016 <u>Rs.</u>
<b>Cost</b>				
Additions during the period	1,620,237	285,726	1,286,625	3,192,588
Disposal/ write off	-	-	-	-
Balance at the end of the year	<u>1,620,237</u>	<u>285,726</u>	<u>1,286,625</u>	<u>3,192,588</u>
<b>Accumulated depreciation</b>				
Charge for the period	161,445	21,166	95,581	278,192
Disposal/ write off	-	-	-	-
Balance at the end of the period	<u>161,445</u>	<u>21,166</u>	<u>95,581</u>	<u>278,192</u>
<b>Carrying amount</b>				
As at 31 March 2016	<u><u>1,458,792</u></u>	<u><u>264,560</u></u>	<u><u>1,191,044</u></u>	<u><u>2,914,396</u></u>

3 Intangible assets

	Commercial and Technical Know-how <u>Rs.</u>	Trademark <u>Rs.</u>	Total 2016 <u>Rs.</u>
<b>Cost</b>			
Additions during the period	69,000,000	276,000,000	345,000,000
Disposal/ write off	-	-	-
Balance at the end of the year	<u>69,000,000</u>	<u>276,000,000</u>	<u>345,000,000</u>
<b>Accumulated amortization</b>			
Charge for the period	2,300,000	9,200,000	11,500,000
Disposal/ write off	-	-	-
Balance at the end of the period	<u>2,300,000</u>	<u>9,200,000</u>	<u>11,500,000</u>
<b>Carrying amount</b>			
As at 31 March 2016	<u><u>66,700,000</u></u>	<u><u>266,800,000</u></u>	<u><u>333,500,000</u></u>

2016  
Rs.

4 Inventories

Raw materials	7,074,213
Work in progress	5,272,623
Finished goods	64,428,421
Packing materials	11,535,857
	<u>88,311,114</u>
(-) Provision for damaged stock	(341,922)
	<u><u>87,969,192</u></u>

5 Trade Receivables

Trade Receivables	<u>148,225,510</u>
	<u><u>148,225,510</u></u>
5.1 Trade receivables outstanding for a period less than six months	148,225,510
Trade receivables outstanding for a period exceeding six months	-
	<u><u>148,225,510</u></u>



**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

<i>As at 31 March,</i>	<b>2016</b>
	<b><u>Rs.</u></b>
<b>6 Other receivables</b>	
Advances	3,352,553
Pre-payments	376,594
VAT receivables	42,030,107
Miscellaneous	96,907
	<u><b>45,856,161</b></u>
<b>7 Amount due from related parties</b>	
Macbertan (Private) Limited	<u><b>575,616</b></u>
<b>8 Cash and cash equivalents</b>	
Cash at bank	8,485,290
Cash in hand	137,288
	<u><b>8,622,578</b></u>
Bank overdraft (6.1)	(24,589,431)
	<u><b>(15,966,853)</b></u>
8.1 Bank Over draft facility of Rs.67,000,000 was obtained from Standard Chartered Bank secured with a corporate guarantee from Pidilite Industries Limited for USD 2,410,000/- and mortgage bond over stocks and debtors for Rs.152,000,0000/-.	
<b>9 Stated capital</b>	
2,386,000 Ordinary Shares	<u><b>303,022,000</b></u>
	<u><b>303,022,000</b></u>
<b>10 Interest bearing loans and borrowings</b>	
Loans obtained during the period	165,000,000
Repayments during the period	-
Balance at the end of the period	<u><b>165,000,000</b></u>
Due after one year	<b>154,000,000</b>
Due within one year	<b>11,000,000</b>
10.1 The company has obtained a term loan amounting to Rs.165,000,000/- from Standard Chartered Bank during the period which carry interest rate of 1 month SLIBOR + 0.8%.Loan is repayable in equal quarterly installments after a grace period of one year.	
<b>11 Employee benefit obligations</b>	
Balance at the beginning of the period	-
Charge for the period	127,275
Gratuity transfers from inter company	1,796,900
Payments made during the period	(92,315)
Balance at the end of the period	<u><b>1,831,860</b></u>
11.1 Provision has been made for retiring gratuity for all employees. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service. The liability is calculated based on the gratuity formula method.	
<b>12 Trade and other payables</b>	
Trade payables	54,590,564
Other payables	8,188,509
	<u><b>62,779,073</b></u>

**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

*For the eight months period ended 31 March,*

2016

Rs.

**13 Statutory payables**

EPF/ETF payable	231,194
PAYE payable	97,963
Stamp duty payable	23,125
Income tax payables	-
NBT payable	547,521

**899,803**

**14 Amount due to related parties**

Pidilite Industries Limited	67,492,317
Pidilite Speciality Chemicals Bangladesh (Pvt) Ltd	913,090

**68,405,407**

	2016 USD	2016 Rs.
Other Receivables	(19,215)	(2,726,225)
Import Creditors	453,632	66,508,553
Other Payable	31,192	4,623,079
	<b>465,609</b>	<b>68,405,407</b>

*For the eight months period ended 31 March,*

2016

Rs.

**15 Revenue**

Sales	250,382,648
Sales returns	(5,600,822)
	<b>244,781,826</b>

**16 Profit from operating activities**

The above is stated after charging all expenditure including the following;

License fees	4,234,581
Depreciation	278,192
Amortization	11,500,000
Auditor's remuneration	120,000
Staff cost (Note 16.1)	14,475,344

**16.1 Staff cost**

Staff salary	7,931,088
Bonus	1,700,418
Terminal benefits	1,165,459
Allowances and other benefits	3,678,379
	<b>14,475,344</b>

**17 Finance expense**

Bank OD interest	105,946
Interest on borrowings	4,333,368
Interest for corporate gurantee	472,860
Exchange loss	751,050
	<b>5,663,224</b>

**PIDILITE LANKA (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

*For the eight months period ended 31 March,*

2016

Rs.

**18 Income tax expense**

**Income tax expense**

Current period (18.1)

Origination of temporary differences (18.2)

492,122

492,122

In terms of the Inland Revenue Act No. 10 of 2006 and subsequent amendments thereto, the Company is liable for taxation at the rate of 28% on its taxable profits.

**18.1 Tax reconciliation statement**

Profit before taxation	(1,306,771)
Add.: Disallowable expenses	<u>13,251,559</u>
	11,944,788
Less :Allowable expenses	<u>(35,333,251)</u>
Statutory loss from business	<u>(23,388,463)</u>
Income tax @ 28%	<u>-</u>

**18.2 Deferred taxation**

Deferred tax assets	7,061,690
Deferred tax liabilities	<u>(6,569,568)</u>
Net deferred tax assets	<u>492,122</u>

**Recognized deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following :

	Assets	Liabilities	Net
	31 March 2016	31 March 2016	31 March 2016
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
Property, plant and equipments	-	462,744	(462,744)
Intangible assets	-	23,000,000	(23,000,000)
Employee benefits	1,831,860	-	1,831,860
Tax loss	23,388,463	-	23,388,463
Net tax assets	<u>25,220,323</u>	<u>23,462,744</u>	<u>1,757,579</u>
			<u>492,122</u>

**Deferred tax assets at 28%**

Deferred tax assets have been recognized in respect of these items because Management is of the view that future taxable profits will be available against which the Company can utilize the benefits there from.



**NOTES TO THE FINANCIAL STATEMENTS**

*For the eight months period ended 31 March,*

**19 Related party transactions**

**19.1 Transactions with related parties**

Name of the Related Party	Nature of transaction	Transaction	
		amount 2016 Rs.	as at 31.03.16 Rs.
Macbertan (Private) Limited	Trade purchases	(45,876,814)	
	Shared cost	(7,386,208)	
	Other purchases	(589,246)	575,616
	Settlements	52,630,984	
	Gratuity receivables	1,796,900	
Pidilite Speciality Chemicals Bangladesh (Pvt) Ltd	Trade purchases	(1,513,028)	
	Settlements	604,159	(913,090)
	Un-realised exchange loss	(4,221)	
Pidilite Industries Limited	Trade purchases	(106,325,735)	
	Settlements	40,959,767	
	Interest for corporate gurantee	(472,860)	
	SAP lisencc fees	(4,143,556)	(67,492,317)
	Other receivables	2,726,225	
	Un-realised exchange loss	(236,158)	

**20 Transactions with key management personnel**

The key management personnel of the company are the Board of Directors of the company. The Company has not paid any compensation to Directors during the period .

**21 Litigations and claims**

There are no litigations or claims against the Company as at the reporting date.

**22 Capital commitments**

The Company does not have any other significant capital commitemtnets other than mentioned in Note (22.1) outstanding as at the reporting date which require adjustments to or disclosure in the financial statements.

2016  
Rs.

**22.1 Operating Lease**

Charge during the year	392,000
Due less than 1 year	280,000
Due over 1 year to 5 year	-
Due later than 5 years	-
	<u>280,000</u>

**23 Contingent liabilities**

The company's contingent liabilities as at the reporting date were as follows:

	2016 Rs.
Shipping guarantee	57,069,385
Acceptances	7,057,300
Ordinary letter of credit	811,635
	<u>64,938,320</u>

**24 Events occurring after the reporting date**

There were no material events occurring after the reporting date which require adjustments to or disclosures in the financial statements

**25 Directors' responsibility**

The directors are responsible for the preparation and presentation of these financial statements in accordance with SLFRS for SME.