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# ASIAN PAINTS (BANGLADESH) LIMITED

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# Independent Auditors' Report

## To the Shareholders of Asian Paints (Bangladesh) Limited Report on the Financial Statements

We have audited the accompanying financial statements of Asian Paints (Bangladesh) Limited ("the Company") which comprise the statement of financial position as at 31 March 2015, 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 a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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.

### Auditor's 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 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 our 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, we consider 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 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 audit opinion.

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Asian Paints (Bangladesh) Limited as at 31 March 2015 and of 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

In accordance with the Companies Act 1994, 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 account as required by law have been kept by the Company and its subsidiary so far as it appeared from our examination of these books; and
- 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 account.

Dhaka, 23 April 2015

# Statement of financial position

For the year ended 31<sup>st</sup> March, 2015

In Taka	Note	31 March 2015	31 March 2014
<b>Assets</b>			
Property, plant and equipment	5	471,037,767	364,612,317
Intangible assets	6	6,738,986	8,349,820
Deferred tax assets	7	-	19,219,906
Trade and other receivables	9	49,325,714	48,347,060
Advances, deposits and prepayments	10	11,464,828	2,667,000
Non-current assets		<b>538,567,295</b>	<b>443,196,103</b>
Inventories	8	420,696,014	350,894,930
Trade and other receivables	9	398,561,425	269,290,189
Advances, deposits and prepayments	10	90,274,134	119,271,957
Advance income tax	11	77,788,668	87,689,700
Cash and cash equivalents	12	234,898,927	51,673,734
Current assets		<b>1,222,219,168</b>	<b>878,820,510</b>
<b>Total assets</b>		<b>1,760,786,463</b>	<b>1,322,016,613</b>
<b>Equity</b>			
Share capital	13	394,562,700	394,562,700
Retained earnings		50,201,858	(40,057,098)
Total equity		<b>444,764,558</b>	<b>354,505,602</b>
<b>Liabilities</b>			
Deferred tax liabilities	7	8,456,335	-
Lease obligation	14	20,302,024	9,306,352
Inter-company loan	15	194,500,000	194,175,000
Obligation in respect of employee benefits	16	36,692,775	20,301,535
Unearned finance income	17	6,304,091	2,265,454
Non-current liabilities		<b>266,255,225</b>	<b>226,048,341</b>
Bank overdraft	18	52,119,107	29,739,762
Short term loan	19	589,907,258	245,000,000
Trade and other payables	20	335,098,585	363,345,341
Workers' Profit Participation Fund	21	8,076,006	10,210,616
Accrued expenses	22	17,370,944	11,267,908
Provision for income tax	23	41,163,155	78,834,751
Lease obligation	14	6,031,625	3,064,292
Total current liabilities		<b>1,049,766,680</b>	<b>741,462,670</b>
Total liabilities		<b>1,316,021,905</b>	<b>967,511,011</b>
<b>Total equity and liabilities</b>		<b>1,760,786,463</b>	<b>1,322,016,613</b>

The notes on pages 7 to 40 are an integral part of these financial statements.

Director

Director

As per our report of same date

Dhaka, 23 April 2015

Auditor

Rahman Rahman Haq  
Chartered Accountants

# Statement of Profit or Loss and other comprehensive income

For the year ended 31<sup>st</sup> March

In Taka	Note	2015	2014
Revenue	24	3,280,065,793	2,780,617,819
Cost of sales	25	(2,002,327,446)	(1,699,832,307)
<b>Gross profit</b>		<b>1,277,738,347</b>	<b>1,080,785,512</b>
Other income	26	6,220	837,401
Selling and distribution expenses	27	(851,019,855)	(674,267,592)
Administrative expenses	28	(172,195,149)	(137,478,940)
Foreign exchange gain	29	110,317	4,591,930
<b>Operating profit</b>		<b>254,639,880</b>	<b>274,468,311</b>
Finance income	17	3,925,703	10,226,081
Finance costs	30	(97,045,457)	(80,482,072)
Net finance costs		<b>(93,119,754)</b>	<b>(70,255,991)</b>
<b>Profit before contribution to WPPF</b>		<b>161,520,126</b>	<b>204,212,320</b>
Contribution to WPPF		(8,076,006)	(10,210,616)
<b>Profit before tax</b>		<b>153,444,120</b>	<b>194,001,704</b>
Income tax expense	31	<b>(63,787,980)</b>	<b>(82,767,763)</b>
Profit for the year		<b>89,656,140</b>	<b>111,233,941</b>
<b>Other comprehensive income</b>			
<b>Item that will never be reclassified to profit or loss</b>			
Remeasurement of employee benefits		602,816	-
<b>Total comprehensive income</b>		<b>90,258,956</b>	<b>111,233,941</b>

The notes on pages 7 to 40 are an integral part of these financial statements.

Director

Director

As per our report of same date

Dhaka, 23 April 2015

Auditor

Rahman Rahman Haq  
Chartered Accountants

# Statement of changes in equity

For the year ended 31st March, 2015

In Taka	Share capital	Retained earnings	Total equity
<b>Balance at 1 April 2014</b>	<b>394,562,700</b>	<b>(40,057,098)</b>	<b>354,505,602</b>
Total comprehensive income			
Profit for the year	-	89,656,140	89,656,140
Other comprehensive income	-	602,816	602,816
Total comprehensive income	-	<b>90,258,956</b>	<b>90,258,956</b>
<b>Balance at 31 March 2015</b>	<b>394,562,700</b>	<b>50,201,858</b>	<b>444,764,558</b>

For the year ended 31st March, 2014

<b>Balance at 1 April 2013</b>	<b>394,562,700</b>	<b>(151,291,039)</b>	<b>243,271,661</b>
Total comprehensive income			
Profit for the year	-	111,233,941	111,233,941
Other comprehensive income	-	-	-
Total comprehensive income	-	<b>111,233,941</b>	<b>111,233,941</b>
<b>Balance at 31 March 2014</b>	<b>394,562,700</b>	<b>(40,057,098)</b>	<b>354,505,602</b>

The notes on pages 7 to 40 are an integral part of these financial statements.

# Statement of Cash Flows

For the year ended 31<sup>st</sup> March, 2015

In Taka	Note	2015	2014
Cash flows from operating activities			
Profit before tax		153,444,120	194,001,704
Adjustments for:			
- Depreciation	5	31,467,041	11,740,550
- Amortisation	6	2,656,975	1,566,916
- Actuarial gain		602,816	-
- (Gain)/loss on sale of assets		281,462	(812,888)
- Unrealised foreign exchange (gain)/loss	29	172,990	(2,605,020)
- Net finance costs		93,119,754	70,255,991
		281,745,158	274,147,253
Changes in:			
- Inventories	8	(69,801,084)	(74,939,961)
- Trade and other receivables	9	(130,249,890)	(75,118,929)
- Advances, deposits and prepayments	10	20,199,995	(45,867,348)
- Trade and other payables	20	(28,094,746)	73,713,995
- Workers' Profit Participation Fund	21	(2,134,610)	5,013,596
- Obligation in respect of employee benefits	16	16,391,240	16,998,250
- Accrued expenses	22	(1,048,908)	1,550,558
- Unearned finance income	17	4,038,637	-
Cash generated from operating activities		91,045,792	175,497,414
Interest paid		(89,893,512)	(80,303,914)
Interest received		3,925,703	8,320,463
Income tax paid	11	(63,882,303)	(47,541,732)
Net cash generated from operating activities		(58,804,320)	55,972,231
Cash flows from investing activities			
Acquisition of property, plant and equipment*	5	(120,905,880)	(222,614,324)
Acquisition of intangible assets	6	(1,046,142)	(5,877,367)
Proceeds from sales of assets		1,172,427	1,544,730
Net cash used in investing activities		(120,779,595)	(226,946,961)
Cash flows from financing activities			
Payment of lease obligation	14	(4,477,495)	(2,579,533)
Receipts (repayments) of short term loan	19	344,907,258	(84,000,000)
Net cash from (used in) financing activities		340,429,763	(86,579,533)
Net increase (decrease) in cash and cash equivalents		160,845,848	(257,554,263)
Cash and cash equivalents at 1 April		21,933,972	279,488,235
Cash and cash equivalents at 31 March		182,779,820	21,933,972
Closing cash and cash equivalents have been arrived at as follows			
Cash and cash equivalents	12	234,898,927	51,673,734
Bank overdraft	18	(52,119,107)	(29,739,762)
		<b>182,779,820</b>	<b>21,933,972</b>

\*During the year the Company acquired motor vehicles through finance lease Tk 18,440,500.

The notes on pages 7 to 40 are an integral part of these financial statements.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 1. Reporting entity

### 1.1 Company profile

Asian Paints (Bangladesh) Limited ("the Company") was incorporated as a Private Limited Company on 4 October 2000, under the Companies Act 1994. Authorised share capital of the Company is Tk 450,000,000 divided into 4,500,000 ordinary shares of Tk 100 each against which Tk 394,562,700 has been issued and paid up. The Company is a subsidiary of Asian Paints (International) Limited, a registered company in Mauritius. The ultimate parent of the Company is Asian Paints Ltd, a Registered Company in India. The head office of the Company is situated at Road no. 30, House no. 428/A, New DOHS, Mohakhali, Dhaka and the manufacturing plant is located at Gazipur. The commercial production was started from 1 September 2002.

### 1.2 Nature of business

The principal activities of the Company are production, manufacture, refining, development, processing or otherwise, purchasing, acquiring, importing, exporting, selling, distributing and dealing in all kinds of paints, varnishes and allied products. The Company has nine sales depots in Dhaka, Chittagong, Comilla, Khulna, Sylhet, Bogra, Mymensingh and Barisal.

## 2. Basis of accounting

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) and the Companies Act, 1994.

The title and format of the financial statements follow the requirements of BFRSs which are to some extent different from the requirements of Companies Act, 1994; however, such differences are not material. Moreover, BFRSs titles and format give a better presentation to the shareholders in the view of management.

### Authorisation for issue

This financial statements have been authorised for issue by the Board of Directors of the Company on 23 April 2015.

Details of the Company's accounting policies are included in note 38.

## 3. Functional and presentation currency

The financial statements are presented in Bangladesh Taka (Tk/BDT), which is the Company's functional currency. All financial information presented in Tk/BDT has been rounded off to the nearest Tk/BDT.

## 4. Use of estimates and judgments

The preparation of these financial statements, in conformity with the BFRSs, requires management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of the assets, liabilities, income and expenses.

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

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 5 Property, plant and equipment
- Note 6 Intangible assets
- Note 7 Deferred tax assets/(liabilities)
- Note 8 Inventories
- Note 9 Trade receivables
- Note 16 Obligation in respect of employee benefits
- Note 23 Provision for income tax
- Note 34 Contingencies and commitments

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 5. Property, plant and equipment

See accounting policy in note 38(a)

In Taka	Land and land development	Building	Plant and machinery	Furniture and fixtures	Office equipment	Color World Machines	Motor vehicle	Under construction (Note 5.2)	Total
<b>Cost</b>									
Balance at 1 April 2013	11,171,550	44,567,929	86,687,395	12,707,848	13,286,261	5,717,094	12,433,658	58,687,194	245,258,929
Additions	-	-	-	1,204,752	974,980	1,283,380	8,344,400	218,456,012	230,263,524
Transfers	-	-	62,336,387	-	-	-	-	(62,336,387)	-
Disposals	-	-	-	(85,739)	-	-	(2,388,809)	-	(2,474,548)
<b>Balance at 31 March 2014</b>	<b>11,171,550</b>	<b>44,567,929</b>	<b>149,023,782</b>	<b>13,826,861</b>	<b>14,261,241</b>	<b>7,000,474</b>	<b>18,389,249</b>	<b>214,806,819</b>	<b>473,047,905</b>
Balance at 1 April 2014	11,171,550	44,567,929	149,023,782	13,826,861	14,261,241	7,000,474	18,389,249	214,806,819	473,047,905
Additions	-	-	-	10,386,351	8,183,374	249,075	18,984,500	101,543,080	139,346,380
Transfers	-	218,707,134	97,642,765	-	-	-	-	(316,349,899)	-
Disposals	-	-	(6,911,620)	(465,212)	-	-	-	-	(7,376,832)
<b>Balance at 31 March 2015</b>	<b>11,171,550</b>	<b>44,567,929</b>	<b>142,112,162</b>	<b>23,748,000</b>	<b>22,444,615</b>	<b>7,249,549</b>	<b>37,373,749</b>	<b>-</b>	<b>605,017,453</b>
<b>Accumulated depreciation</b>									
Balance at 1 April 2013	-	7,519,858	63,423,719	7,557,168	9,084,343	5,297,560	5,555,096	-	98,437,744
Depreciation for the year	-	891,359	5,452,203	1,009,151	1,117,950	257,227	3,012,660	-	11,740,550
Adjustment for disposal/transfers	-	-	-	(77,134)	-	-	(1,665,572)	-	(1,742,706)
<b>Balance at 31 March 2014</b>	<b>-</b>	<b>8,411,217</b>	<b>68,875,922</b>	<b>8,489,185</b>	<b>10,202,293</b>	<b>5,554,787</b>	<b>6,902,184</b>	<b>-</b>	<b>108,435,588</b>
Balance at 1 April 2014	-	8,411,217	68,875,922	8,489,185	10,202,293	5,554,787	6,902,184	-	108,435,588
Depreciation for the year	-	4,652,141	17,951,563	2,873,274	324,284	405,204	5,260,575	-	31,467,041
Adjustment for disposal/transfers	-	-	(5,658,923)	(264,020)	-	-	-	-	(5,922,943)
<b>Balance at 31 March 2015</b>	<b>-</b>	<b>13,063,358</b>	<b>81,168,562</b>	<b>11,098,439</b>	<b>10,526,577</b>	<b>5,959,991</b>	<b>12,162,759</b>	<b>-</b>	<b>133,979,686</b>
Carrying amounts									
Balance at 31 March 2014	11,171,550	36,156,712	80,147,860	5,337,676	4,058,948	1,445,687	11,487,065	214,806,819	364,612,317
<b>Balance at 31 March 2015</b>	<b>11,171,550</b>	<b>31,504,571</b>	<b>60,943,600</b>	<b>12,649,561</b>	<b>11,918,038</b>	<b>1,289,558</b>	<b>25,210,990</b>	<b>-</b>	<b>471,037,767</b>
<b>5.1 Allocation of depreciation</b>									
In Taka								2015	2014
Manufacturing expenses (90%)								28,320,337	10,566,495
Administrative expenses (7%)								2,202,693	821,838
Selling and distribution expenses (3%)								944,011	352,217
								31,467,041	11,740,550



# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 5.2 Under construction (item transferred to property, plant and equipment)

See accounting policy in note 38(b)

### 31 March 2015

In Taka	Opening balance	Addition	Transfer	Closing balance
Building	109,992,427	101,543,080	(218,707,134)	(7,171,627)
Plant and machinery	104,814,392	-	(97,642,765)	7,171,627
<b>Total</b>	<b>214,806,819</b>	<b>101,543,080</b>	<b>(316,349,899)</b>	<b>-</b>

### 31 March 2014

In Taka	Opening balance	Addition	Transfer	Closing balance
Building	58,687,194	51,305,233	-	109,992,427
Plant and machinery	-	167,150,779	(62,336,387)	104,814,392
<b>Total</b>	<b>58,687,194</b>	<b>218,456,012</b>	<b>(62,336,387)</b>	<b>214,806,819</b>

## 6. Intangible assets

See accounting policy in note 38(c)

In Taka	Software	Total
<b>Cost</b>		
Balance at 1 April 2013	10,431,939	10,431,939
Additions	-	-
Transfer	5,877,367	5,877,367
Disposals	-	-
<b>Balance at 31 March 2014</b>	<b>16,309,306</b>	<b>16,309,306</b>

Balance at 1 April 2014	16,309,306	16,309,306
Additions	1,046,142	1,046,142
Transfer	-	-
Disposals	-	-
<b>Balance at 31 March 2015</b>	<b>17,355,448</b>	<b>17,355,448</b>

### Accumulated amortisation

Balance at 1 April 2013	6,392,570	6,392,570
Additions	1,566,916	1,566,916
Disposals/transfer	-	-
<b>Balance at 31 March 2014</b>	<b>7,959,486</b>	<b>7,959,486</b>

Balance at 1 April 2014	7,959,486	7,959,486
Additions	2,656,976	2,656,976
Disposals/transfer	-	-
<b>Balance at 31 March 2015</b>	<b>10,616,462</b>	<b>10,616,462</b>

### Carrying amount

Balance at 31 March 2014	8,349,820	8,349,820
<b>Balance at 31 March 2015</b>	<b>6,738,986</b>	<b>6,738,986</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 6.1 Allocation of amortisation

In Taka	2015	2014
Manufacturing expenses (90%)	2,391,278	1,410,224
Administrative expenses (7%)	185,988	109,684
Selling and distribution expenses (3%)	79,709	47,007
	2,656,975	1,566,916

## 7. Deferred tax assets/(liabilities)

See accounting policy in note 38(m)

### 31 March 2015

In Taka	Carrying amount on reporting date	Tax base	Deductible /(taxable) temporary difference
Property, plant and equipment excluding land	463,409,920	306,807,347	(156,602,573)
Provision for trade receivables	(57,315,993)	-	57,315,993
Provision for inventories	(13,881,790)	-	13,881,790
Provision for gratuity	(20,155,743)	-	20,155,743
Provision for leave encashment	(16,537,032)	-	16,537,032
Provision for royalty*	(24,551,059)	-	24,551,059
Net temporary difference			(24,160,956)
Applicable tax rate			35.00%
Deferred tax liabilities			(8,456,335)

### 31 March 2014

In Taka	Carrying amount on reporting date	Tax base	Deductible /(taxable) temporary difference
Property, plant and equipment excluding land	146,628,673	87,245,478	(59,383,195)
Provision for trade receivables	(43,914,427)	-	43,914,427
Provision for inventories	(9,751,803)	-	9,751,803
Provision for gratuity	(10,266,856)	-	10,266,856
Provision for leave encashment	(10,034,679)	-	10,034,679
Provision for royalty*	(36,668,514)	-	36,668,514
Net temporary difference			51,253,084
Applicable tax rate			37.50%
Deferred tax assets			19,219,906

\* Restricted to assumed tax relief on royalty.

## 7.1 Deferred tax (expense)/income

In Taka	2015	2014
Deferred tax assets/(liabilities) at the end of the year	(8,456,335)	19,219,906
Deferred tax assets at the beginning of the year	19,219,906	23,052,138
<b>Deferred tax (expense)/income</b>	<b>(27,676,241)</b>	<b>(3,832,232)</b>
Deferred tax expense resulting from reduction in tax rate	(1,281,327)	-
Deferred tax expense related to the origination and reversal of temporary differences	(26,394,914)	(3,832,232)
Deferred tax expense recognised	(27,676,241)	(3,832,232)

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 8. Inventories

See accounting policy in note 38(f)

In Taka	Note	2015	2014
Raw materials	8.1	177,936,247	129,849,263
Packing materials	8.2	9,716,847	10,890,346
Finished goods	8.3	203,955,507	119,912,485
Work-in-process	8.4	4,698,011	5,243,028
Goods in transit		24,389,402	84,999,808
		<b>420,696,014</b>	<b>350,894,930</b>

### 8.1 Raw materials

In Taka	2015	2014
Raw materials	184,456,591	136,470,991
Provision for obsolescence	(6,520,344)	(6,621,728)
	<b>177,936,247</b>	<b>129,849,263</b>

### 8.2 Packing materials

In Taka	2015	2014
Packing materials	10,290,906	11,142,332
Provision for obsolescence	(574,059)	(251,986)
	<b>9,716,847</b>	<b>10,890,346</b>

### 8.3 Finished goods

In Taka	2015	2014
Locally manufactured finished goods	208,617,660	122,482,756
Color World Machines	1,950,642	196,401
	<b>210,568,302</b>	<b>122,679,157</b>
Provision for obsolescence	(6,612,795)	(2,766,672)
	<b>203,955,507</b>	<b>119,912,485</b>

### 8.4 Work-in-process

In Taka	2015	2014
Work-in-process	4,872,603	5,354,445
Provision for obsolescence	(174,592)	(111,417)
	<b>4,698,011</b>	<b>5,243,028</b>

### 8.5 Movement in provision for inventories

In Taka	2015	2014
Opening balance at 1 April	9,751,803	10,461,640
Provision made (reversed) during the year	4,129,987	(709,837)
	<b>13,881,790</b>	<b>9,751,803</b>
Stock write off during the year	-	-
<b>Closing balance at 31 March</b>	<b>13,881,790</b>	<b>9,751,803</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 9. Trade and other receivables

See accounting policy in note 34(e)

In Taka	Note	2015	2014
Trade receivables	9.1	432,728,263	298,720,389
Rebate receivable from E.I. DuPont India Private Limited*		11,689,779	17,698,994
Rebate receivable from Crystal*		3,469,097	1,217,866
		<b>447,887,139</b>	<b>317,637,249</b>
Non-current		49,325,714	48,347,060
Current		398,561,425	269,290,189
		<b>447,887,139</b>	<b>317,637,249</b>

\*Rebate receivable from E.I. DuPont India Private Limited and Crystal as the raw material supplier offers "Annual Incentive Program" which is payable as percentage of net invoice value of quantity purchased by the Company.

## 9.1 Trade receivables

In Taka	Note	2015	2014
Trade receivables - manufactured finished goods		412,025,972	272,761,369
Trade receivables - Color World Machines		78,018,284	69,873,447
		<b>490,044,256</b>	<b>342,634,816</b>
Provision for trade receivables - manufactured finished goods	9.2	(57,315,993)	(43,914,427)
		<b>432,728,263</b>	<b>298,720,389</b>

## 9.2 Movement in provision for trade receivable-manufactured finished goods

In Taka	2015	2014
Opening balance at 1 April	43,914,427	32,085,190
Provision made during the year for manufactured finished goods	13,478,117	11,829,237
	<b>57,392,544</b>	<b>43,914,427</b>
Bad debt write off during the year	(76,551)	-
<b>Closing balance at 31 March</b>	<b>57,315,993</b>	<b>43,914,427</b>

## 9.3 Trade receivables were aged as below:

In Taka	2015	2014
Below six months	387,516,908	196,980,260
Over six months	102,527,348	145,654,556
	<b>490,044,256</b>	<b>342,634,816</b>

## 10. Advances, deposits and prepayments

In Taka	Note	2015	2014
<b>Advances</b>			
Advance to employees		2,031,478	3,273,422
Advance to Suppliers against materials and services		26,914,987	75,464,207
Others		1,420,887	1,940,495
		<b>30,367,352</b>	<b>80,678,124</b>
<b>Deposits</b>			
Security deposit for rent		2,933,432	2,667,000
Rural Electrification Board		1,639,000	1,639,000
		<b>4,572,432</b>	<b>4,306,000</b>
<b>Prepayments</b>			
Prepaid rent		18,810,000	9,314,660
VAT and supplementary duty	10.1	39,017,940	15,665,001
Prepaid expenses		8,971,238	11,975,172
		<b>66,799,178</b>	<b>36,954,833</b>
<b>Balance at 31 March</b>		<b>101,738,962</b>	<b>121,938,957</b>
Non-current		11,464,828	2,667,000
Current		90,274,134	119,271,957
		<b>101,738,962</b>	<b>121,938,957</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 10.1 VAT and supplementary duty

In Taka	2015	2014
Balance at 1 April	15,665,001	17,668,026
Treasury deposit for VAT and supplementary duty	495,377,835	393,644,780
Rebate of input VAT	183,927,381	149,246,720
	<b>694,970,217</b>	<b>560,559,526</b>
VAT and supplementary duty on sales	(655,952,277)	(544,894,525)
<b>Balance at 31 March</b>	<b>39,017,940</b>	<b>15,665,001</b>

## 11. Advance income tax

In Taka	2015	2014
Balance at 1 April	87,689,700	89,909,904
Paid during the year	63,882,303	47,541,732
Adjustment of advance tax on completion of assessment	(73,783,335)	(49,761,936)
<b>Balance at 31 March</b>	<b>77,788,668</b>	<b>87,689,700</b>

## 11.1 Closing balance

In Taka	2015	2014
Assessment year 2009-10	-	6,040,827
Assessment year 2010-11	-	14,063,729
Assessment year 2011-12	13,078,085	19,215,132
Assessment year 2012-13	828,280	828,280
Assessment year 2014-15	-	47,541,732
Assessment year 2015-16	63,882,303	-
	<b>77,788,668</b>	<b>87,689,700</b>

## 12. Cash and cash equivalents

See accounting policy in note 34(d)

In Taka	Note	2015	2014
Cash in hand		1,333,702	2,625,341
Cash at bank	12.1	233,565,225	49,048,393
<b>Balance at 31 March</b>		<b>234,898,927</b>	<b>51,673,734</b>

## 12.1 Cash at bank

In Taka	2015	2014
Name of the Banks		
State Bank of India (current account - BDT - 5160294120001)***	16,868	18,823
Dutch Bangla Bank Ltd (current account - BDT - 11411017024)	32,857,091	-
Citibank N.A (current account - BDT - G010000200191005)	200,691,266	49,029,570
	<b>233,565,225</b>	<b>49,048,393</b>

\*\*\*Bank account State Bank of India are inoperative from the year 2007.

## 13. Share capital

In Taka	2015	2014
<b>Authorised:</b>		
4,500,000 ordinary shares of Tk 100 each	450,000,000	450,000,000
	<b>450,000,000</b>	<b>450,000,000</b>
<b>Issued and fully paid up:</b>		
3,945,627 ordinary shares of Tk 100 each	394,562,700	394,562,700
	<b>394,562,700</b>	<b>394,562,700</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## Shareholding position:

Name of shareholders	2015		2014	
	No. of share	Value (Tk.)	No. of share	Value (Tk.)
Asian Paints (International) Ltd.	3,542,325	354,232,500	3,542,325	354,232,500
Confidence Cement Ltd.	183,250	18,325,000	183,250	18,325,000
Shamsul Alam	36,650	3,665,000	36,650	3,665,000
Rupam Kishore Barua	36,650	3,665,000	36,650	3,665,000
Rezaul Karim	58,716	5,871,600	58,716	5,871,600
Shah Md. Hasan	58,716	5,871,600	58,716	5,871,600
Runu Anwar	29,320	2,932,000	29,320	2,932,000
	<b>3,945,627</b>	<b>394,562,700</b>	<b>3,945,627</b>	<b>394,562,700</b>

## 13.1 Percentage of shareholdings

	2015	2014
Name of shareholder		
Asian Paints (International) Ltd.	90%	90%
Confidence Cement Ltd.	5%	5%
Shamsul Alam	1%	1%
Rupam Kishore Barua	1%	1%
Rezaul Karim	1%	1%
Shah Md. Hasan	1%	1%
Runu Anwar	1%	1%
	<b>100%</b>	<b>100%</b>

## 14. Lease obligation

See accounting policy in note 38(e)

In Taka	2015	2014
Opening balance at 1 April	12,370,644	7,300,977
Add: Lease obligation made during the year	18,440,500	7,649,200
	<b>30,811,144</b>	<b>14,950,177</b>
Payment of lease instalments	7,937,164	4,485,150
Finance charges on leases	(3,459,669)	(1,905,617)
	<b>4,477,495</b>	<b>2,579,533</b>
Closing balance at 31 March	<b>26,333,649</b>	<b>12,370,644</b>
Non-current	20,302,024	9,306,352
Current	6,031,625	3,064,292
	<b>26,333,649</b>	<b>12,370,644</b>

The Company entered into lease agreements with IDLC Finance Limited for purchase of motor vehicles. The tenure of each lease is five years and lease rental is payable in advance. Obligation under finance lease has been recognised as liability in the statement of financial position at amount equal to the acquisition cost of vehicles which is lower of fair value of leased asset and present value of minimum lease payments at the inception of lease. Finance charge is calculated in sum of the year method.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 14.1 Finance lease liabilities

In Taka	Future lease payment		Interest		Present value of future lease payment	
	2015	2014	2015	2014	2015	2014
Less than one year	9,360,265	4,883,521	3,328,640	1,819,229	6,031,625	3,064,292
Between one and five years	23,972,388	11,362,198	3,670,364	2,055,846	20,302,024	9,306,352
More than five years	-	-	-	-	-	-
	<b>33,332,653</b>	<b>16,245,719</b>	<b>6,999,004</b>	<b>3,875,075</b>	<b>26,333,649</b>	<b>12,370,644</b>

## 15. Inter-company loan

See accounting policy in note 38(d)

In Taka	2015	2014
Opening balance	194,175,000	195,375,000
Unrealised foreign exchange loss/(gain)	325,000	(1,200,000)
<b>Closing balance</b>	<b>194,500,000</b>	<b>194,175,000</b>

Asian Paints (Bangladesh) Limited borrowed USD 2.5 million from Asian Paints (International) Limited (a company registered under the provision of International Companies Act 1994 having its registered office at 4th floor, IBL House, Caudan, Port Louis, Republic of Mauritius) which had been disbursed on 2 August 2010 from Citibank, N.A., New York equivalent to BDT 171,875,000. This inter-company loan is for import of machineries and equipments for its factory. Interest rate is at the rate of 0.3% p.a. on carrying amount of loan for the first 3 years and upon the expiry of the first 3 years, the interest rate shall be subject to revision at the discretion of Asian Paints (International) Limited depending upon the market situation which shall not exceed LIBOR + 3%. The interest rate has been changed from 0.3% to 1.50% p.a. with effect from 27 July 2014. Each year the loan amount is being adjusted with the foreign exchange gain or loss.

Repayment schedule of inter-company loan:

Instalment	Amount	Repayment due on
1st instalment	USD 600,000	1 Sep 2017
2nd instalment	USD 600,000	1 Sep 2018
3rd instalment	USD 600,000	1 Sep 2019
4th instalment	USD 700,000	1 Sep 2020

## 16. Obligation in respect of employee benefits

See accounting policy in note 38(i)

In Taka	Note	2015	2014
Provision for gratuity	16.1	20,155,743	10,266,856
Provision for leave encashment	16.2	16,537,032	10,034,679
		<b>36,692,775</b>	<b>20,301,535</b>

## 16.1 Provision for gratuity

In Taka	2015	2014
Opening balance	10,266,856	3,303,285
Provision made during the year	11,507,682	7,502,394
	<b>21,774,538</b>	<b>10,805,679</b>
Payment made during the year	(1,618,795)	(538,823)
<b>Closing balance</b>	<b>20,155,743</b>	<b>10,266,856</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 16.2 Provision for leave encashment

In Taka	2015	2014
Opening balance	10,034,679	-
Provision made during the year	8,057,053	10,034,679
	<b>18,091,732</b>	<b>10,034,679</b>
Payment made during the year	(1,554,700)	-
<b>Closing balance</b>	<b>16,537,032</b>	<b>10,034,679</b>

## 17. Unearned finance income

See accounting policy in note 38(l)

In Taka	2015	2014
Opening balance	2,265,454	3,992,914
Addition during the year	7,964,340	8,498,621
Finance income recognised during the year	(3,925,703)	(10,226,081)
<b>Closing balance</b>	<b>6,304,091</b>	<b>2,265,454</b>

## 18. Bank overdraft

See accounting policy in note 38(d)

In Taka	2015	2014
Name of the bank		
Standard Chartered Bank (current account - BDT-01208383301)	52,119,107	29,739,762
	<b>52,119,107</b>	<b>29,739,762</b>

## 19. Short term bank loan

See accounting policy in note 38(d)

In Taka	2015	2014
Name of the bank		
Standard Chartered Bank	319,907,258	245,000,000
Citibank, N.A.	270,000,000	-
	<b>589,907,258</b>	<b>245,000,000</b>

The short term loan facility of Tk 319,907,258 is granted to the Company from Standard Chartered Bank for the period of 180 days with interest rate of 9.75%. Tk. 270,000,000 is granted from Citibank, N.A. for the period of 180 days with interest rate of 9.50%. Short term loan is secured against hypothecation over inventory and trade receivables and plant and machinery.

Facilities as at 31 March 2015	Bank	Credit limit	Interest rate	Facilities availed	Purpose
Short term loan	Citybank, N.A.	424,000,000	9.75%	270,000,000	For financing working capital
Overdraft	Citybank, N.A.	424,000,000	9.75%	-	For financing working capital
Letter of credit	Citybank, N.A.	424,000,000	0.10%	625,256	For import of materials
Acceptance	Citybank, N.A.	424,000,000	0.10%	766,274	For import of materials
Short term loan	SCB	470,000,000	9.50%	319,907,258	For financing working capital
Overdraft	SCB	50,000,000	10.50%	52,119,107	For financing working capital
Letter of credit	SCB	720,000,000	0.40%	94,236,834	For import of materials
Acceptance	SCB	720,000,000	0.40%	-	For import of materials
Bonds and guarantees	SCB	5,000,000	1.00%	-	For import of materials
Import loan	SCB	720,000,000	10.00%	-	For import of materials
Import invoice financing	SCB	50,000,000	10.00%	-	For import of materials
Shipping guarantees	SCB	200,000,000	N/A	-	For import of materials

Security/collateral: Citybank, N.A.



# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

- a Floating charge for Taka 580m.
- b Hypothecation for Taka 580m.
- c Parri Passu security sharing agreement for Taka 580m.

Security/collateral: Standard Chartered Bank

- a Demand Promisory (DP) note and letter of continuation for Taka 1,010,000,000.
- b Registererd hypothecation over stocks and book debts of Asian Paints (Bangladesh) Limited on pari-pasu basis with other lenders where SCB's share will be at least Taka 770,000,000 (held).
- c Registered hypothecation by specific charge over plant & machinery Taka 240,000,000.

## 20. Trade and other payables

See accounting policy in note 38(d)

In Taka	Note	2015	2014
Trade payables due to related parties		36,916,216	32,171,691
Other trade payables	20.1	198,115,038	251,814,302
Other payables	20.2	100,067,331	79,359,348
		<b>335,098,585</b>	<b>363,345,341</b>

### 20.1 Other trade payables

In Taka	2015	2014
Payable to local suppliers	73,759,397	81,133,405
Payable to foreign suppliers	124,355,641	170,680,897
	<b>198,115,038</b>	<b>251,814,302</b>

### 20.2 Other payables

In Taka	Note	2015	2014
Payable to service providers		48,672,640	33,209,713
Tax deducted at source		1,615,913	3,711,070
VAT deducted at source		908,745	1,167,408
Royalty payable to third party		100,000	-
Due for royalty	20.2.1	46,630,531	40,688,630
Interest due on inter-company loan		2,139,502	582,527
		<b>100,067,331</b>	<b>79,359,348</b>

#### 20.2.1 Due for royalty

In Taka	2015	2014
Opening balance	40,688,630	45,019,568
Charge during the year	25,167,482	21,463,048
	<b>65,856,112</b>	<b>66,482,616</b>
Paid during the year	(19,225,581)	(25,793,986)
<b>Closing balance</b>	<b>46,630,531</b>	<b>40,688,630</b>

## 21. Workers' profit participation fund

See accounting policy in note 38(i)

In Taka	2015	2014
Opening balance	10,210,616	5,197,020
Contribution made to the fund during the year	8,076,006	10,210,616
	<b>18,286,622</b>	<b>15,407,636</b>
Payment made from the fund during the year	(10,210,616)	(5,197,020)
<b>Closing balance</b>	<b>8,076,006</b>	<b>10,210,616</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 22. Accrued expenses

In Taka	2015	2014
Manufacturing expenses	1,700,000	1,400,000
Office and administrative expenses	7,580,000	6,467,908
Selling and distribution expenses	529,000	3,000,000
Interest on short term loan	7,151,944	-
Audit fees	410,000	400,000
	<b>17,370,944</b>	<b>11,267,908</b>

## 23. Provision for tax

See accounting policy in note 38(m)

In Taka	2015	2014
Balance at 1 April	78,834,751	49,661,156
Provision for the year	41,163,155	78,834,751
	<b>119,997,906</b>	<b>128,495,907</b>
Adjustment on completion of assessment	(78,834,751)	(49,661,156)
<b>Balance at 31 March</b>	<b>41,163,155</b>	<b>78,834,751</b>

## 23.1 Closing balance

In Taka	2015	2014
Assessment year 2014-15	-	78,834,751
Assessment year 2015-16	41,163,155	-
	<b>41,163,155</b>	<b>78,834,751</b>

## 24. Revenue

See accounting policy in note 38(k)

In Taka	Note	2015	2014
Revenue from manufactured goods	24.1	3,246,462,924	2,741,484,285
Revenue from trading goods	24.2	33,602,869	39,133,534
		<b>3,280,065,793</b>	<b>2,780,617,819</b>

## 24.1 Revenue from manufactured goods

In Taka	2015	2014
Gross revenue	3,796,815,283	3,211,599,188
Return	(41,961,118)	(48,676,538)
Value added tax	(508,391,241)	(421,438,365)
<b>Net revenue</b>	<b>3,246,462,924</b>	<b>2,741,484,285</b>

## 24.2 Revenue from trading goods

In Taka	2015	2014
Gross revenue	39,532,787	47,579,800
Value added tax	(5,929,918)	(8,446,266)
<b>Net revenue</b>	<b>33,602,869</b>	<b>39,133,534</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 24.3 Product categories (revenue)

	Quantity (Litre)		Taka	
	2015	2014	2015	2014
Manufactured goods:				
Emulsion Premium	5,201,479	4,448,909	1,370,843,386	1,197,341,746
Emulsion Economy	522,141	466,783	93,077,301	82,748,722
Enamel Premium	1,607,806	1,371,249	477,230,432	404,488,210
Enamel Economy	1,705,450	1,329,941	401,764,698	311,070,963
Other Top Coats	6,259,550	5,369,133	592,561,278	503,148,066
Ancillaries and others	5,118,882	3,854,199	695,144,721	531,812,809
Wood Finishes	2,565	2,175	815,141	704,893
Light Industrial	83,345	235,011	36,317,770	67,423,930
Others	99,540	85,088	129,060,556	112,859,849
	<b>20,600,758</b>	<b>17,162,488</b>	<b>3,796,815,283</b>	<b>3,211,599,188</b>
<b>Revenue from trading goods</b>				
Color world machine sales	116 pieces	149 pieces	39,532,787	47,579,800
<b>Gross Revenue</b>			<b>3,836,348,070</b>	<b>3,259,178,988</b>

## 25. Cost of sales

In Taka	Note	2015	2014
Manufactured portion:			
Finished goods at 1 April		119,716,084	110,376,087
Cost of goods manufactured	25.1	2,058,465,194	1,672,115,194
Cost of finished goods available for sale		2,178,181,278	1,782,491,281
Finished goods at 31 March		(202,004,865)	(119,716,084)
		1,976,176,413	1,662,775,197
Trading portion:			
Finished goods at 1 April		196,401	2,838,469
Purchase during the year		27,905,274	34,415,042
Cost of finished goods available for sale		28,101,675	37,253,511
Finished goods at 31 March		(1,950,642)	(196,401)
		26,151,033	37,057,110
		<b>2,002,327,446</b>	<b>1,699,832,307</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 25.1 Cost of goods manufactured

In Taka	Note	2015	2014
Raw and packing materials consumed	25.1.1	1,758,127,675	1,455,671,280
		1,758,127,675	1,455,671,280
<b>Manufacturing overhead:</b>			
Personnel expenses		52,279,953	37,031,698
Utilities expenses		21,141,260	14,778,292
Entertainment expenses		14,002	246,080
Telephone and internet expenses		71,513	61,606
Consumable stores and spare parts		3,300	2,377,491
Printing and stationeries expenses		397,103	426,481
Courier charges		18,300	18,722
Travel and transportation expenses		160,497	361,940
Foreign travel expenses		272,115	153,169
Miscellaneous expenses		260,376	206,962
Security expenses		2,712,548	1,733,923
Handling charges		453,085	365,740
Donation		7,000	19,000
Rent, rates and taxes		1,380,061	22,100
Repairs and maintenance expenses		5,302,595	4,475,489
Insurance expenses		2,883,114	1,200,000
Depreciation	5.1	28,320,337	10,566,495
Amortisation	6.1	2,391,278	1,410,224
Primary freight expenses		37,348,133	25,020,226
Car hire charges		2,017,288	1,873,300
Training expenses		78,716	99,746
Legal and professional fees		173,940	-
Research and development expenses		313,707	156,612
Licence fees		161,164	133,929
		<b>158,161,385</b>	<b>102,739,225</b>
Supplementary duty		141,631,117	115,009,893
Opening work-in-process		5,243,028	3,937,824
Closing work-in-process		(4,698,011)	(5,243,028)
		<b>2,058,465,194</b>	<b>1,672,115,194</b>

### 25.1.1 Raw materials and packing materials consumed

In Taka	2015	2014
Balance at 1 April	140,739,609	125,756,647
Purchase during the year	1,805,041,160	1,470,654,242
	<b>1,945,780,769</b>	<b>1,596,410,889</b>
Balance at 31 March	(187,653,094)	(140,739,609)
	<b>1,758,127,675</b>	<b>1,455,671,280</b>

## 26. Other income

In Taka	2015	2014
Gain on sales of assets	-	812,888
Income from sale of documents	6,220	-
Insurance claim received	-	24,513
	<b>6,220</b>	<b>837,401</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 27. Selling and distribution expenses

In Taka	Note	2015	2014
Personnel expenses		77,742,227	55,066,620
Secondary freight expenses		49,403,145	31,096,243
Advertising expenses		35,741,609	20,409,452
Sales promotional expenses		661,841,672	545,833,005
Royalty charge	27.1	25,167,482	21,463,048
Royalty to third party		100,000	-
Depreciation	5.1	944,011	352,217
Amortisation	6.1	79,709	47,007
		<b>851,019,855</b>	<b>674,267,592</b>

## 27.1 Royalty charge

In Taka	2015	2014
Net revenue from manufactured goods	3,295,482,955	2,787,546,040
Return	(41,961,118)	(48,676,538)
Value added tax	(508,391,241)	(421,438,365)
Supplementary duty	(141,631,117)	(115,009,893)
Primary freight expenses	(37,348,133)	(25,020,226)
Secondary freight expenses	(49,403,145)	(31,096,243)
	<b>(778,734,754)</b>	<b>(641,241,265)</b>
Net revenue for royalty purpose	2,516,748,201	2,146,304,775
<b>Royalty @ 1% on the net revenue</b>	<b>25,167,482</b>	<b>21,463,048</b>

As per agreement between Asian Paints (Bangladesh) Limited and Asian Paints Limited, India, Royalty at the rate of 1% is payable on net sales, which is sales net off return and VAT less the primary and secondary freight.

## 28. Administrative expenses

In Taka	Note	2015	2014
Personnel expenses		63,607,276	45,054,507
Medical expenses		769,651	841,327
Printing and stationery		5,255,833	2,814,984
Travel and transportation		16,569,438	12,491,077
Foreign travel expenses		2,180,317	852,639
Vehicle fuel and maintenance		4,606,646	3,482,605
Miscellaneous expenses		260,648	3,031,643
Office maintenance		3,575,987	4,980,740
Electricity, gas and water		3,020,429	2,021,197
Rent, rates and taxes		22,658,036	21,710,292
Telephone bill expenses		6,737,340	3,224,822
Insurance expenses		1,663,203	3,333,932
Provision for bad debt	9.2	13,478,117	11,829,237
Courier and postage expenses		861,215	904,639
Training expenses		1,458,288	597,616
Entertainment expenses		181,732	371,876
Recruitment expenses		720,580	398,071
Security expenses		5,352,249	3,878,091
Internet expenses		2,280,240	1,571,842
Audit fees		410,000	400,000
Legal and professional fees		1,775,698	1,775,010
Depreciation	5.1	2,202,693	821,838
Amortisation	6.1	185,988	109,684
Other welfare		7,799,470	6,510,990
Loss on sale of assets		281,462	-
Donation and subscriptions		250,986	638,712
System expenses		3,963,695	3,536,266
Research and development expenses		7,445	2,502
License fee		80,487	292,801
		<b>172,195,149</b>	<b>137,478,940</b>

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 29. Foreign exchange gain

See accounting policy in note 38(n)

In Taka	2015	2014
Unrealised exchange gain/(loss) on foreign currency loan	(325,000)	1,200,000
Unrealised exchange gain on payables	152,010	1,405,020
Foreign exchange gain on payables	283,307	1,986,910
	<b>110,317</b>	<b>4,591,930</b>

## 30. Finance costs

See accounting policy in note 38(l)

In Taka	2015	2014
Interest on short term loan	60,728,470	33,785,995
Interest on bank overdraft	22,935,257	37,804,112
Other financial charges	7,782,559	6,403,821
Finance charges on leases	3,459,669	1,905,617
Interest on inter-company loan	2,139,502	582,527
	<b>97,045,457</b>	<b>80,482,072</b>

## 31. Income tax expenses

See accounting policy in note 38(m)

In Taka	Note	2015	2014
Current tax	31.1	36,111,739	78,935,531
Deferred tax expense relating to the origination and reversal of temporary differences	7.1	26,394,914	3,832,232
Deferred tax expense/(income) resulting from reduction in tax rate	7.1	1,281,327	-
		<b>63,787,980</b>	<b>82,767,763</b>

### 31.1 Current tax

In Taka	2015	2014
Current year	41,163,155	78,834,751
Adjustment for prior year	(5,051,416)	100,780
	<b>36,111,739</b>	<b>78,935,531</b>

**As at and For the year ended 31<sup>st</sup> March, 2015**

(a) Accounting classifications and fair values

Carrying amount

Carrying amount

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 32.1 Financial risk management framework

The management 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. This note presents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

### 32.1.1 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 dealers, institutional and individual customers etc.

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, ageing profile etc. The Company's exposure to credit risk on receivables is mainly influenced by customers.

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	2015	2014
Trade and receivables	9	447,887,139	317,637,249
Deposits	10	4,572,432	4,306,000
Cash and cash equivalents	12	234,898,927	51,673,734
		<b>687,358,498</b>	<b>373,616,983</b>

#### b) Ageing of trade receivables (gross)

In Taka	2015	2014
Invoiced 0-30 days	137,710,276	70,959,915
Invoiced 31-90 days	197,749,721	93,022,031
Invoiced 91-180 days	52,056,911	32,998,314
Invoiced 181-365 days	45,211,355	101,740,129
Invoiced over 365 days	57,315,993	43,914,427
	<b>490,044,256</b>	<b>342,634,816</b>



# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 32.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

31 March 2015

In Taka	Contractual cash flows							
	Carrying amount	Maturity period	Nominal Interest rate	Expected cash flows	Within 6 months or less	Within 6-12 months	1-3 years	More than 3 years
Lease obligation Inter-company loan Bank overdraft	26,333,649	60 months	14%-16%	26,333,649	-	6,031,625	10,533,460	9,768,564
	194,500,000	72 months	1.5%	194,500,000	-	-	-	194,500,000
	52,119,107	N/A	9.75% and 10.5%	52,119,107	52,119,107	-	-	-
Short term loan Trade and other payables Accrued expenses	589,907,258	2-6 Months	9.50%-9.75%	589,907,258	589,907,258	-	-	-
	335,098,585	2-12 Months	N/A	335,098,585	288,468,054	46,630,531	-	-
	17,370,944	2 Months	N/A	17,370,944	17,370,944	-	-	-
	1,215,329,543			1,215,329,543	947,865,363	52,662,156	10,533,460	204,268,564

31 March 2014

In Taka	Contractual cash flows							
	Carrying amount	Maturity period	Nominal Interest rate	Expected cash flows	Within 6 months or less	Within 6-12 months	1-3 years	More than 3 years
Lease obligation	12,370,644	60 months	14%-16%	12,370,644	-	3,064,292	4,948,258	4,358,094
Inter-company loan	194,175,000	72 months	.03%	194,175,000	-	-	-	194,175,000
Bank overdraft	29,739,762	N/A	13.5%	29,739,762	29,739,762	-	-	-
Short term loan	245,000,000	2-6 Months	12.75%	245,000,000	245,000,000	-	-	-
Trade and other payables	363,345,341	2-12 Months	N/A	363,345,341	322,656,711	40,688,630	-	-
Accrued expenses	11,267,908	2 Months	N/A	11,267,908	11,267,908	-	-	-
	855,898,655			855,898,655	608,664,381	43,752,922	4,948,258	198,533,094

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 32.1.3 Market risk

Market risk is the risk that any changes in market prices, such as foreign exchange rates and interest rates 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/foreign exchange rate risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated and the respective functional currency of the Company. The functional currency of the Company is Taka. The currencies in which these transactions are denominated is USD.

### i) Exposure to currency risk

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

31 March 2015

	USD
Foreign currency denominated assets	
Rebate receivable from E.I. DuPont India Private Limited	164,415
Rebate receivable from Crystal	30,429
	194,844
Foreign currency denominated liabilities	
Inter-company loan	2,500,000
Trade payables due to related parties	474,501
Other trade payables	1,599,535
Royalty payable	598,602
	5,172,638
Net exposure	(4,977,794)

31 March 2014

	USD
Foreign currency denominated assets	
Rebate receivable from E.I. DuPont India Private Limited	227,874
Rebate receivable from Crystal	15,680
	243,554
Foreign currency denominated liabilities	
Inter-company loan	2,500,000
Trade payables due to related parties	134,001
Other trade payables	2,197,160
Royalty payable	523,865
	5,355,026
Net exposure	(5,111,472)

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

The following exchange rates are applied at reporting date:

	2015	2014
USD	77.80	77.67

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the USD at reporting date would have increased/ (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014, so that the reasonably possible foreign exchange rate variances were different, as indicated below:

**2015**

In Taka	Strengthening profit or (loss)	Weakening profit or (loss)
USD (3 percent movement)	11,618,171	(11,618,171)
	<b>11,618,171</b>	<b>(11,618,171)</b>

**2014**

In Taka	Strengthening profit or (loss)	Weakening profit or (loss)
USD (3 percent movement)	409,602,697	(409,602,697)
	<b>409,602,697</b>	<b>(409,602,697)</b>

b) **Interest rate risk**

At the date of financial position the interest risk profile of the Company's interest bearing financial instruments were as follows:

i) **Fixed rate instruments**

In Taka	2015	2014
<b>Financial asset</b>		
Cash at bank	233,565,225	49,048,393
<b>Financial liabilities</b>		
Bank overdraft	52,119,107	29,739,762
Inter-company loan	194,500,000	194,175,000
Short term loan	589,907,258	245,000,000
	<b>836,526,365</b>	<b>468,914,762</b>

ii) **The following significant interest rates are applied per annum**

	2015	2014
Bank overdraft	9.75% and 10.5%	13.5%
Inter-company loan	1.5%	0.3%
Short term loan	9.50%-9.75%	13.25%

Interest rate on overdraft and short term loan may be changed subject to mutual consent.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 33. Related party disclosures

### a) Key Management personnel

Name	Designation
Mr. Aroop Chatterjee	General Manager

Mr. Aroop Chatterjee has authority and responsibility for planning, directing and controlling the activities of the Company.

### b) Transactions with key management personnel

Key management personnel compensation comprised the following.

In Taka	2015	2014
Short term employee benefits (salary and other allowances)	6,615,600	5,350,000

### c) Other related party transactions

In Taka	Transaction values for the year ended 31 March		Balance outstanding as at 31 March	
	2015	2014	2015	2014
<b>Purchase of raw materials</b>				
Asian Paints Limited, India	95,278,467	97,839,253	9,030,402	10,407,858
<b>Royalty</b>				
Asian Paints Limited, India	25,167,482	21,463,048	46,630,531	40,688,630
<b>Service fees</b>				
Asian Paints Limited, India	6,285,852	10,875,556	27,885,814	21,763,833
<b>Long term loan</b>				
Asian Paints (International) Limited	-	-	194,500,000	194,175,000
<b>Interest on long term loan</b>				
Asian Paints (International) Limited	2,139,502	582,527	2,139,502	582,527

## 34. Contingencies and commitments

### 34.1 Contingent liabilities

There is contingent liability in respect of outstanding letters of credit of Tk 169,291,626 (last year: Tk 105,231,000) and unresolved disputed VAT claims by the authority aggregating to Tk 43,550,345 (last year: Tk 43,550,345) and unresolved disputed tax claims by the authority aggregating to Tk 60,510,779 (last year: 93,644,166). Considering the merits of the cases, it has not been deemed necessary to make provisions for all such disputed claims.

### 34.2 Commitment

There were no capital commitments as at 31 March 2015 (last year: nil).

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## 35. Particulars of employees

The number of employees engaged by the Company for the whole year or part thereof who received a total salary of Tk 36,000 or above was 269 (2013-14: 234).

## 36. Events after the reporting period

No material events had occurred after the reporting period to the date of issue of these financial statements, which could affect the values stated in the financial statements.

## 37. Basis of measurement

These financial statements have been prepared on historical cost basis except for the following items in the statement of financial position.

- (a) Inventories are measured at lower of cost and net realisable value.
- (b) Finance lease obligation is measured at lower of its fair value and the present value of the minimum lease payments.

## 38. Significant accounting policies

The company has consistently applied the following accounting policies to all periods presented in these financial statements. Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow:

(a) Property, plant and equipment	33
(b) Under construction	33
(c) Intangible assets	33
(d) Financial instruments	34
(e) Leased assets	35
(f) Inventories	35
(g) Impairment	36
(h) Share capital	36
(i) Employee benefit	36
(j) Provision	37
(k) Revenue	37
(l) Finance income and finance costs	38
(m) Taxation	38
(n) Foreign currency	39
(o) Contingencies	39
(p) Statement of cash flows	39
(q) Reporting period	39
(r) Comparatives and rearrangement	40
(s) Events after the reporting period	40

### (a) Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment.

#### (ii) Subsequent cost

The cost of replacing 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 costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of comprehensive income as incurred.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

(iii) Depreciation

Depreciation is charged on all items of property, plant and equipment (excluding land and land development) on a straight line method. 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. Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate. The rates of depreciation for the current and comparative year's which vary according to the estimated useful lives of the class of property, plant and equipment, are as follows:

	Depreciation rate	
	2015	2014
Building	2%	2%
Plant and machinery	10%	10%
Furniture and fixtures	10%	10%
Office equipments	20%	20%
Vehicles	20%	20%
Color World Machines	20%	20%

(iv) Retirements and disposals

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and gain is recognised under other income and loss under administrative overheads in the statement of comprehensive income.

(b) Under construction

Under construction in progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that are not ready for use which is measured at cost. The policy of the Company is each addition of property, plant & equipment and intangible assets is passed through capital work in progress.

(c) Intangible assets

(i) Recognition and measurement

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be measured reliably. An intangible asset is measured initially at cost. After initial recognition, it is carried at cost less accumulated amortisation and accumulated impairment losses (if any).

(ii) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis in the statement of comprehensive income over their estimated useful lives, from the date that they are available for use.

Generally, the estimated useful lives for the current and comparative year's are as follows:

	Useful life	Amortisation rate p.a.
Software	4 years	25%

(d) Financial instruments

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

(i) Financial assets

The Company recognises a financial asset in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

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

Non-derivative financial assets comprise trade and other receivables, cash and cash equivalents.

a) Trade and other receivables

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

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank including short notice deposits. Bank overdraft that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

(ii) Financial liabilities

The Company recognises a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

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

Non-derivative financial liabilities comprise trade and other payables, inter-company payables and interest bearing borrowings.

a) Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition, trade payables are stated at amortised cost using the effective interest method.

b) Inter-company payables

Inter-company payables are recognised initially at fair value. Subsequent to initial recognition, inter-company payables are stated at amortised cost using the effective interest method.

c) Borrowings

Interest-bearing borrowings include inter-company loan, short term loan and finance lease obligation. Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

(e) Leased assets

Leases for which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

(i) Lease payments

Lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(f) Inventories

Raw materials, work in process, finished goods, packing materials, stores, spares, consumables are carried at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. In the case of manufactured work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity.

Net realisable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Goods in transit represents goods for which shipment is done but were not received till the reporting date.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

## (g) Impairment

### (i) Non-derivative financial assets

Financial assets, not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

### (ii) Non-financial assets

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount.

#### a) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

#### b) Recognition of impairment

Impairment losses are recognised in the statement of comprehensive income. Impairment losses in respect of CGUs are allocated first to reduced the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis.

#### c) Reversal of impairment

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## (h) Share capital

Paid up share capital represents total amount contributed by the shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

## (i) Employee benefit

### (i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans 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 plan (provident fund)

All permanent employees contribute 12% of their basic salary to the provident fund and the Company also makes equal contribution. Provident fund is administered by a Board of Trustees. Registration of the provident fund with the National Board of Revenue (NBR) was effected on 31 August 2008.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered services in exchange for those contributions. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

### (iii) Defined contribution plans (worker's profit participation fund)

As per section 234 of the The Bangladesh Labor (Amendment) Act 2013, the Company had created a fund for workers as 'Workers' Profit Participation Fund' and 5% of the profit before charging such expense has been transferred to this fund. The Company has introduced the fund since 2009.



# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

(iv) Defined benefit plan (gratuity)

The Company operates an unfunded gratuity scheme; provision in respect of which is made annually covering all its permanent eligible employees and workers who have completed five years of their service with the Company. This scheme is qualified as defined benefit plan.

(v) Defined benefit plan (leave encashment)

The Company initiated a leave encashment scheme under which employees would be paid maximum 90 days of his/her latest gross salary for annual leave balance carry forwarded at final settlement.

(j) **Provision**

Provisions are recognised on the reporting date if, as a result of past events, 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.

(k) **Revenue**

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, the Company has no managerial involvement of ownership for the goods, the amount of the revenue and the cost of the transaction can be measured reliably, and it is probable that the economic benefits associated with the transactions will flow to the Company.

**Manufacturing**

Revenue from manufactured goods comprises of the sale of locally manufactured finished goods measured at the fair value of the consideration received or receivable which is net of sales return, VAT and trade discounts.

**Trading**

The Company sells Color World Machines to dealers both in the form of on cash and on deferred credit. In case of deferred credit, the instalment is received from dealers over a period of five years. The sale is recognised at the present value of all equal monthly instalment with down-payment. The present value is determined by discounting all the future monthly instalment receipts using an imputed rate of interest. Difference between present value and gross value is reflected as unearned finance income which is amortised over a period of 5 years using effective Internal Rate of Return (IRR) method.

(l) **Finance income and finance costs**

Finance income is the amount of current year's reduction of unearned finance income that arises from a credit sale of Color World Machine.

Finance costs comprise interest on bank overdraft, short term loan, inter-company loan and finance charge on lease, All are recognised in the statement of comprehensive income.

(m) **Taxation**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(i) Current tax

Current tax is the expected tax payable on the taxable income 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. As a private limited company, the effective rate of taxation is 35% as per Finance Act 2014.

(ii) Deferred tax

Deferred tax has been recognised in accordance with Bangladesh Accounting Standard (BAS) 12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

A deferred tax asset is recognised for 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.

Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

# Notes to the Financial Statements

As at and For the year ended 31<sup>st</sup> March, 2015

**(n) Foreign currency**

Transactions denominated in foreign currencies are translated to the Company's functional currencies at the 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.

Foreign currency differences arising on translation are recognised in the statement of comprehensive income as per BAS 21: The Effects of Changes in Foreign Exchange Rates.

**(o) Contingencies**

Contingencies arising from claims, litigation, assessment, fines, penalties, L/C opened for the procurement, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

**(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 consolidated 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.

**(p) Statement of cash flows**

Cash flows from operating activities is presented under Indirect Method as per BAS 7: Statement of Cash Flows.

**(q) Reporting period**

The financial period of the Company is determined from 1 April to 31 March each year and is followed consistently. This financial statements cover one year from 1 April 2014 to 31 March 2015.

**(r) Comparatives and rearrangement**

Comparative information have been disclosed in respect of 12 months period ended 31 March 2013 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements for the year ended 31 March 2015.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged or reclassified whenever considered necessary to conform to the current year's presentation.

**(s) Events after the reporting period**

Events after the reporting period that provide additional information about the Company's positions at the reporting date are reflected in these financial statements. Events after the reporting period that are non-adjusting events are disclosed in the note when material.