INDEPENDENT AUDITORS' REPORT

AND

AUDITED FINANCIAL STATEMENTS

OF

EMAMI BANGLADESH LIMITED

AS AT 31 MARCH 2026
AND
FOR THE YEAR ENDED 31 MARCH 2026

AHMED MASHUQUE & CO., *Chartered Accountants*

Navana Obaid Eternia
28-29 Kakrail (Level # 05, 13 & 14)
VIP Road, Dhaka-1000, Bangladesh
Tel : +880-2-58316931-39, Fax: +880-2-58316929
Email: info@ahmedmashuque.com, Web : www.ahmedmashuque.com
Member Firm of Crowe Global
www.crowe.com

AHMED MASHUQUE & CO.
Chartered Accountants

Navana Obaid Eternia
28-29 Kakrail (Level # 05, 13 & 14)
VIP Road, Dhaka-1000, Bangladesh
Tel:+880-2-58316931-39
Fax:+880-2- 58316929
Email: info@ahmedmashuque.com
Web: www.ahmedmashuque.com

Independent Auditors' Report
To the Shareholders of
Emami Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Emami Bangladesh Limited, (the Company), which comprise the statement of financial position as at 31 March 2026, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2026, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Branch Office: House no. 231(Level # 1, 2 & 3), Lane # 03, Baridhara DOHS, Dhaka-1206, Bangladesh, Tel:+880-2-8411582, 8411983, 8412594, 8412679

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report the following:

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

(ii) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and

(iii) 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; and

Dated: 19 May 2026
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Hussain

Jahangir Hussain FCA
Partner
Enrolment number: 1960
mahbub

Emami Bangladesh Limited
Statement of Financial Position
As at 31 March 2026

Particulars	Notes	Amount in Taka 31-March-26	Amount in Taka 31-March-25
Assets			
Non current assets			
Property, plant and equipment	4.00	95,315,093	111,073,370
Right of use assets	6.00	98,756,128	5,667,138
Deferred tax assets	15.00	13,456,236	11,132,186
Total non current assets		**207,527,457**	**127,872,694**
Current assets			
Inventories	7.00	211,185,422	171,412,461
Accounts receivable	8.00	545,473,610	666,450,904
Advances, deposits and prepayments	9.00	29,916,162	43,814,700
Investment in FDR & accrued interest	10.00	664,872,520	655,601,681
Cash and cash equivalents	11.00	35,556,124	65,941,419
Total current assets		1,487,003,838	1,603,221,165
Total assets		1,694,531,295	1,731,093,859
Equity and Liabilities			
Equity			
Share capital	12.00	3,791,600	3,791,600
Retained earnings		981,010,914	1,147,509,319
Reserve for WPPF		138,004,761	
Total equity		1,122,807,275	1,151,300,919
Liabilities			
Non current liabilities			
Lease liability	13.00	88,842,893	-
Total non current liabilities		**88,842,893**	-
Current liabilities			
Accounts payable		48,341,619	59,462,185
Lease liability	13.00	11,391,162	6,088,758
Current tax liability	16.00	74,477,212	216,732,884
Provisions for expenses and other	17.00	348,671,134	297,509,114
Total current liabilities		**482,881,127**	**579,792,940**
Total liabilities		**571,724,020**	**579,792,940**
Total equity and liabilities		**1,694,531,295**	**1,731,093,859**

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

Director | AGM-Accounts & Finance | Director

Signed in terms of our separate report of even date annexed

Dated: 19 May 2026
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain FCA
Partner
Enrolment number: 1960
mahbub

Emami Bangladesh Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

Particulars	Notes	Amount in Taka 01 April 2025 to 31 March 2026	 01 April 2024 to 31 March 2025
Income			
Revenue (net)	18.00	2,421,258,085	2,527,619,079
Other income		3,205,474	1,855,608
		2,424,463,559	**2,529,474,687**
Less: Expenditure			
Cost of material	19.00	858,005,987	724,608,093
Changes in inventories of finished goods	20.00	(7,571,410)	(8,417,954)
Manufacturing expenses	21.00	25,821,450	20,651,281
Operating and other expenses	22.00	678,346,336	562,804,641
Employee benefits expenses	23.00	202,552,769	178,618,096
Foreign exchange (gain)/loss	24.00	2,713,580	11,146,705
Depreciation		36,923,435	36,271,699
Total Expenditure		**1,796,792,147**	**1,525,682,561**
Net profit from operations		627,671,412	1,003,792,126
Other income/(expense)	24.00	38,603,166	60,623,613
Interest expense on lease liability and others	25.00	(55,198,159)	(22,168,617)
Interest expenses		(236,275)	(296,757)
		(16,831,268)	**38,158,240**
Net Profit before tax		**610,840,143**	**1,041,950,366**
Less: Income tax expenses			
Current tax		167,981,039	260,487,592
Deferred tax		(2,324,049)	(5,951,617)
Total tax expenditure		**165,656,990**	**254,535,975**
Net profit after tax		**445,183,153**	**787,414,391**
Other comprehensive income/ (expense)		273,203	(1,539,098)
Total comprehensive income (Transferred to statement of changes in equity)		**445,456,356**	**785,875,293**

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

Director

AGM-Accounts & Finance

Director

Signed in terms of our separate report of even date annexed

Dated: 19 May 2026
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants
FRC firm enlistment no. CAF-001-115

Jahangir Hussain FCA
Partner
Enrolment number: 1960
mahbub

Emami Bangladesh Limited
Statement of changes in equity
For the year ended 31 March 2026

Amount in Taka

Particulars	Share capital	Retained earnings	Reserve	Total
Balance as at 01 April 2024	**3,791,600**	**1,231,995,806**		**1,235,787,406**
Dividend	-	(870,361,780)		(870,361,780)
Total comprehensive income	-	785,875,293		785,875,293
Balance as at 31 March 2025	**3,791,600**	**1,147,509,319**	**-**	**1,151,300,919**
Balance as at 01 April 2025	**3,791,600**	**1,147,509,319**	**-**	**1,151,300,919**
Dividend during the year	-	(473,950,000)		(473,950,000)
WPPF Reserve 5% of Dividend Payment		(138,004,761)		(138,004,761)
Reserve for WPPF			138,004,761	138,004,761
Total comprehensive income	-	445,456,356		445,456,356
Balance as at 31 March 2026	**3,791,600**	**981,010,914**	**138,004,761**	**1,122,807,275**

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

Director	AGM-Accounts & Finance	Director

Dated: 19 May 2026
Dhaka

Emami Bangladesh Limited
Statement of cash flows
For the year ended 31 March 2026

		Amount in Taka	
		01 April 2025 to 31 March 2026	01 April 2024 to 31 March 2025
A.	**Cash flows from operating activities**		
	Cash received from operations	2,545,440,853	2,629,548,986
	Payment to suppliers, employees and others	(2,060,131,112)	(2,079,581,780)
	AIT and tax paid	(46,683,043)	(226,591,906)
	Net cash generated by /(used in) operating activities	**438,626,697**	**323,375,300**
B.	**Cash flows from investing activities:**		
	Acquisition of fixed assets	(21,872,484)	(15,445,557)
	Investment in FDR	(12,500,000)	475,000,000
	Interest income	38,857,592	61,027,609
	Disposal of assets	452,899	2,800,108
	Net cash provided by /(used in) investing activities	**4,938,007**	**523,382,160**
C.	**Cash flows from financing activities:**		
	Short term bank loan	-	(6,937,646)
	Dividend paid	(473,950,000)	(870,361,780)
D.	***Net cash provided by /(used in) financing activities***	**(473,950,000)**	**(877,299,426)**
E.	Net changes in cash and cash equivalents (A+B+C)	(30,385,295)	(30,541,967)
F.	Add: Cash and cash equivalents as at 31 March	65,941,419	96,483,386
G.	**Cash and cash equivalents as at 31 March (E+F)**	**35,556,124**	**65,941,419**

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

Director | AGM-Accounts & Finance | Director

Dated: 19 May 2026
Dhaka

Emami Bangladesh Limited
Notes, comprising significant accounting policies and other explanatory information
For the year ended 31 March 2026 and as at 31 March 2026

1.00 Company profile

1.01 Legal status of the company

Emami Bangladesh Ltd. was incorporated in Bangladesh as a private limited company on 25th November 2004 under the Companies Act, 1994 vide registration no. C-54994(1679)/04.

1.02 Nature of business

The company is primarily engaged in importing, trading, manufacturing and distribution of ayurvedic and cosmetics products.

2.00 Basis of preparation

2.01 Statement of compliance

The financial statements have been prepared in accordance with the Companies Act, 1994; the Securities and Exchange Rules, 1987 as well as the provisions of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS) and relevant laws applicable in Bangladesh. The title and format of these financial statements follow the requirements of IFRS which are to some extent different to the requirements of the Companies Act, 1994. However, such differences are not considered material.

The following IASs and IFRSs are applicable for the preparation of financial statements for the year:

IAS-1 : Presentation of Financial Statements;
IAS-2 : Inventories;
IAS-7 : Statement of Cash Flows;
IAS-8 : Accounting Policies, Changes in Accounting Estimates and Errors;
IAS-10 : Events after the Reporting Period;
IAS-12 : Income Taxes;
IAS-16 : Property, Plant and Equipment;
IAS-19 : Employee Benefits;
IAS-21 : The Effects of Changes in Foreign Exchange Rates;
IAS-24 : Related Party Disclosures;
IAS- 36 : Impairment of Assets;
IAS-37 : Provisions, Contingent Liabilities and Contingent Assets;
IAS-38 : Intangibles Assets;
IFRS-7 : Financial Instruments: Disclosures;
IFRS-9 : Financial Instruments;
IFRS-13 : Fair Value Measurement;
IFRS-15 : Revenue from Contracts with Customer;
IFRS-16 : Leases;

2.02 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.

2.03 Date of authorization

On May 19, 2026, the Board of Directors reviewed the financial statements and authorized for issue.

2.04 Reporting period

The financial year of the company has been determined to be from 01 April to 31 March each year. These financial statements have covered the year from 01 April 2025 to 31 March 2026.

2.05 Basis of accounting

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

2.06 Going concern

As per management assessment the company had adequate resources to continue in operation for foreseeable future and there is no material uncertainties related to event or conditions which may cast significant doubt upon the company's ability to continue as going concern, and hence, the financial statements have been prepared on going concern basis.

Ahmed Mashuque & Co. Chartered Accountants

2.07 Functional and reporting currency

These financial statements are presented in Bangladeshi Taka (BDT or Tk.), which is the functional and presentation currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

2.08 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method.

2.09 Basis of measurement

The financial statements have been prepared on accrual basis under the historical cost convention except for inventories which are measured at lower of cost and net realisable value.

2.10 Use of estimates and judgments

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

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

(a) Judgements

Information about judgments made in applying accounting policies that have most significant effect on the amount recognized in the financial statements is included in the following notes:

Note #	3.01	Depreciaion on Property, plant and equipment
Note #	3.03	Inventories

(b) Assumption and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is included in the following notes:

Note #	15	Deferred tax liabilities
Note #	16	Current tax liability
Note #	17	Provisions for expenses and other

2.11 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.12 Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Ahmed Mashuque & Co. Chartered Accountants

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.00 Significant accounting policies

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

3.01 Property, plant and equipment

a) Recognition and measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially recognized at its cost of acquisition and subsequently stated at cost less accumulated depreciation and impairment losses, if any, in accordance with IAS-16: Property, Plant and Equipment. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Subsequent cost

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

c) Depreciation

Depreciation is calculated on Straight Line Method. The principal rates generally in use are as follows :

Particulars	Estimated useful life
Computer and accessories	3 Years
Furniture and fixtures	10 Years
Electrical equipment	5 Years
Plant and machineries	5 Years
Vehicle	5 Years
Factory building	5 Years
Block & Dice	3.33 Years

d) Disposal

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

e) Capital work-in-progress

The capital work-in-progress represent the value of the factory building under construction. The value of capital work-in-progress has been transfer to Factory Building during the year. No depreciation was charged until the completion of construction.

3.02 Right to use assets and lease liability

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

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

Recognition

A right-of-use asset and a lease liability is recognized by the company at the *commencement date*.

Ahmed Mashuque & Co. Chartered Accountants

Measurement

Initial measurement of the right-of-use asset

At the commencement date, the right-of-use asset are measured at cost.

The cost of the right-of-use asset comprise:

(a) the amount of the initial measurement of the lease liability,

(b) any lease payments made at or before the commencement date, less any *lease incentives* received.

(c) any *initial direct costs* incurred by the lessee; and

(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Initial measurement of the lease liability

At the commencement date, the lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the *interest rate implicit in the lease/incremental borrowing rate* which is 10%.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) *fixed payments* (including in-substance fixed payments), less any lease incentives receivable.

b) *variable lease payments* that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

c) amounts expected to be payable by the lessee under *residual value guarantees*.

d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and

e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent measurement of the right-of-use asset

After the commencement date, the right-of-use asset are measured applying a cost model.

Cost model

To apply a cost model, a lessee shall measure the right-of-use asset at cost:

a) less any accumulated depreciation and any accumulated impairment losses; and

b) adjusted for any remeasurement of the lease liability.

The straight-line depreciation is applying as per requirements in IAS 16 *Property, Plant and Equipment is applied in* depreciating the right-of-use asset.

If the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the *useful life* of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the *useful life* of the right-of-use asset or the end of the lease term.

IAS 36 *Impairment of Assets is applied to* determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Subsequent measurement of the lease liability

After the commencement date, the lease liabilities are measured by:

(a) increasing the carrying amount to reflect interest on the lease liability.

(b) reducing the carrying amount to reflect the lease payments made; and

(c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Ahmed Mashuque & Co. Chartered Accountants

Assets type	Agreement period (no of months)	Implicit interest rate/ incremental borrowing rate
Factory	72	10%
Head office-Level 6	24	15%
Head office-Level 15	24	15%
SSG	120	12%

3.03 Inventories

Inventories are valued in accordance with *IAS 2: Inventories* at lower of cost and net realizable value. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sales. The cost of inventories is based on the weighted average cost method.

3.04 Consideration on credit risk

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

3.05 Employees' benefit schemes

a) Short- term benefits

Short-term benefits consist of wages, salaries, allowances and bonuses. These obligations are recognized and expended in the respective periods when the related services are obtained. Any amount not paid is recognized as a liability (undiscounted) at the end of the year.

b) Insurance scheme

The company has a personal life insurance scheme for its permanent employees, premium for which is being charged to statement of profit or loss and other comprehensive income annually as per the insurance policy.

c) Employees' retirement benefit

The company provides retirement benefit in the form of gratuity determined by reference to employees' earnings and years of service to each eligible employees at the time of retirement/separation.

d) Leave encashment

Permanent employees of the company are entitled to receive leave encashment on unveiled earned leave.

d) Workers Profit Participation Fund (WPPF)

On 30 March 2026 honurable High Court Division of the Supreme Court of Bangladesh has directed to keep 5% as reserve on declared dividend for the claim of workers profit participant fund from the financial year 2014. Accordingly Emami bangladesh limited has maintained the reserve for this purpose. Details of reserve for WPPF is as below:

Dividend Paid in Year	Dividend Paid	Reserve @ 5%
2015-16	79,623,600	3,981,180
2016-17	79,623,600	3,981,180
2017-18	79,623,600	3,981,180
2018-19	473,950,000	23,697,500
2019-20	318,494,400	15,924,720
2020-21	246,454,000	12,322,700
2022-23	138,014,240	6,900,712
2023-24	396,411,780	19,820,589
2024-25	947,900,000	47,395,000
	2,760,095,220	**138,004,761**

Ahmed Mashuque & Co. Chartered Accountants

3.06 Provisions

In accordance with the guidelines as prescribed by *IAS 37: Provisions, contingent liabilities and contingent assets* provisions are recognised when all the following criteria are met :

- When the company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

The provision shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of recourses embodying benefits will be required to settle the obligation, the provision shall be reversed.

3.07 Taxation

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

Current tax

Current tax is recognized in line with the provisions of the Income Tax Act, 2023.

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that effects neither accounting nor taxable profit or loss.

- temporary differences related to investment in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future, and

- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

3.08 Revenue

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for annual reporting . It provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

' Standard is based on the principle that revenue is recognized when control of goods or services transfers to a customer, so the concept of control replaces the existing concept of risks and rewards. This standard combines, enhances and replaces specific guidance on recognizing revenue with a single standard. A new five-step process must be applied before revenue from contract with customer can be recognized:

i). Identify the contracts with customers;
ii). Identify the separate performance obligation;
iii). Determine the transaction price of the contract;
iv). Allocate the transaction price to each of the separate performance obligations; and
v). Recognize the revenue as each performance obligation is satisfied.

3.09 Statement of cash flows

Statement of cash flows is prepared in accordance with *IAS 7: Cash Flow Statement* under direct method.

3.10 Events after the reporting date

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

3.12 Financial instruments

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

Financial assets

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

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

Financial assets and liabilities are offset and the net amount presented in the Statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies financial assets into the following categories: held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

- **Accounts receivable**

Accounts receivable is stated net of provisions, if any.

- **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and cash which are available for use by the Company without any restriction. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

- **Investment in FDR**

The Company has the positive intent and ability to hold fixed deposits to maturity, and as such financial assets are classified as held to maturity.

Investment in FDR has been made with State Bank of India, Standard Chartered Bank and The Hongkong Shanghai Banking Corporation. Interest on FDR has been accounted for on accrual basis considering the time elapsed for the current accounting period.

- **Advances, deposits and prepayments**

Advances

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deduction, adjustment.

Deposits

Deposits are measured at cost value.

Prepayments

Prepayments are initially measured at cost. After initial recognition, Prepayments are carried at cost less charges to Statement of profit or loss and other comprehensive income.

Financial liability

All financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

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

Ahmed Mashuque & Co. Chartered Accountants

The Company classifies financial liabilities into the other financial liabilities (liabilities carried at amortised cost) category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

- **Accounts payable and other payables**

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

3.13 Share capital

Paid up capital represents total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.14 Interest income and expenses

Interest income comprises interest income on investment in FDR. Interest expenses comprise interest expense on borrowings from bank.

3.15 Earning per share

The Company calculates its earnings per share in accordance with *IAS 33: Earning per share*.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.16 Offsetting

Financial assets and liabilities are offset and net amount is reported in the financial statements only when there is legally enforceable right to set-off the recognized amounts and the company intends to either to settle on the net basis, or to realize the assets and to settle the liabilities simultaneously.

3.17 Transactions in foreign currencies

Transactions denominated in foreign currencies are translated into Bangladeshi taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladeshi taka at the exchange rates ruling at the statement of financial position date. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladeshi taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the respective head of income/expenses.

3.18 Comparative information

Comparative information have been disclosed for all numerical information in the financial statements when it is relevant for understanding the current period's financial statements.

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per IAS 8: Accounting policies, Changes in Accounting Estimates and Errors.

3.20 Changes in accounting policy, estimates and error

The management of the company has decided to change the method of depreciation from reducing balance method to straight line method which is effected from 01 April 2020.

Ahmed Mashuque & Co. Chartered Accountants

4.00 Property plant and equipment

Sl. No.	Particulars	Cost				Rate	Depreciation				Carrying as at 31.03.2026	Carrying as at 31.03.2025
		As on 01.04.2025	Addition during the period	Disposal during the period	As on 31.03.2026		As on 01.04.2025	Addition during the period	Disposals	As on 31.03.2026		
1	Computer accessories	25,077,233	3,791,959	2,605,900	26,263,292	33%	21,274,194	1,724,548	2,046,420	20,952,323	5,310,969	3,803,039
2	Furniture & fixture	30,739,978	1,866,674	238,186	32,368,465	10%	22,689,602	2,402,725	238,186	24,854,141	7,514,324	8,050,376
3	Factory building	218,931,305	1,468,500	-	220,399,805	20%	185,712,575	11,935,825	-	197,648,400	22,751,405	33,218,730
4	Plant & machinery	216,423,660	5,355,387	2,780,520	218,998,527	20%	178,925,679	12,295,179	2,641,924	188,578,934	30,419,593	37,497,981
5	Electrical equipment	45,653,180	185,110	168,738	45,669,552	20%	33,548,788	2,935,505	159,489	36,324,804	9,344,749	12,104,393
6	Vehicles	1,915,375	-	-	1,915,375	20%	1,915,375	-	-	1,915,375	1	-
7	Block & dice	71,379,060	9,204,854	-	80,583,915	30%	54,980,209	5,629,653	-	60,609,862	19,974,052	16,398,851
Total		**610,119,792**	**21,872,484**	**5,793,344**	**626,198,931**		**499,046,422**	**36,923,435**	**5,086,019**	**530,883,838**	**95,315,093**	**111,073,370**

Ahmed Mashuque & Co. Chartered Accountants

	Amount in Taka	
	31-March-26	31-March-25
5.00 Capital work in progress		
Opening balance	-	777,109
Transfer to property plant and equipment	-	(777,109)
	-	-
6.00 Right-of-use asset		
Opening Balance	5,667,138	25,103,829
Initial recognition of right of use assets	114,265,009	11,334,275
Depreciation on RoU assets	(20,189,358)	(18,321,162)
Adjustment during the year	(986,659)	(12,449,804)
Closing balance	**98,756,128**	**5,667,138**

"The company has already adopted IFRS 16 Leases and the above 'Right to use assets' created against lease contracts. Detail requirements described in Note 3.02."

7.00 Inventories		
Raw materials	85,054,221	65,096,021
Packing materials	48,265,929	38,894,451
Consumable goods	8,021,944	8,540,017
Stock in transit for RM	26,379,309	24,812,368
Stock in transit for PM	1,941,005	118,000
Finished goods	39,337,234	28,877,014
Stock in transit for FG	2,185,780	5,074,590
	211,185,422	**171,412,461**
8.00 Accounts receivable		
Accounts receivable	545,473,610	666,450,904
	545,473,610	**666,450,904**

The majority of the above receivable amount are supported by the bank guarantee provided by the customer. The whole amount is recoverable and considered as good and no provision is required.

9.00 Advances, deposits and prepayments		
Advances:		
VAT Current Account	12,773,083	29,487,166
Advance to employee	-	7,384
LC margin	2,196,632	3,776,475
Deposits:	-	-
Ansar and VDP	687,244	687,244
Factory rent.	2,000,000	2,000,000
Head office rent	1,219,035	1,219,035
Head office new with SSG	3,135,000	-
Guest house rent.	230,000	230,000
Bangladesh Telecommunications Company Limited	28,900	28,900
Bangladesh Rural Electrification Board	1,890,000	1,890,000
Other	391,890	473,600
Prepayments:		
Prepaid expenses	5,364,377	4,014,896
	29,916,162	**43,814,700**
10.00 Investment in FDR & accrued interest		
Investment in FDR	655,000,000	642,500,000
Accrued interest	9,872,520	13,101,681
	664,872,520	**655,601,681**

Ahmed Mashuque & Co. Chartered Accountants

	Amount in Taka	
	31-March-26	31-March-25
11.00 Cash and cash equivalents		
Cash in hand	28,658	28,658
Cash at bank:		
Dhaka Bank Limited	760,906	7,126,962
Standard Chartered Bank	141,664	142,849
The Hongkong Shanghai Banking Corporation	2,737,173	(348,031)
South East Bank PLC	214,912	216,752
State Bank of India	1,670,151	176,857
Brac Bank Limited	6,002,659	1,597,371
Cheque in hand*	24,000,000	57,000,000
	35,527,466	**65,912,761**
	35,556,124	**65,941,419**
12.00 Share Capital		
Authorized Share Capital	**100,000,000**	**100,000,000**
1000,000 Ordinary shares of Tk. 100.00 each		
Issued, Subscribed and Paid-up Share Capital	**3,791,600**	**3,791,600**
37,916 Ordinary shares of Tk. 100.00 each.		
Shareholding position of the company is as follows:		
Emami Limited, India (37,896 ordinary shares @ Tk.100 each)	3,789,600	3,789,600
Mr. Shri A.V Agarwal (10 ordinary shares @ Tk.100 each)	1,000	1,000
Mr. Shri Ashish Goenka (10 ordinary shares @ Tk.100 each)	1,000	1,000
	3,791,600	**3,791,600**
13.00 Lease liability		
Total Lease liability	100,234,055	6,088,758
Less: Current liability	11,391,162	6,088,758
Non-current liability	**88,842,893**	-

This lease liability has been recognized in accordance with IFRS-16: Lease.

15.00 Deferred tax liabilities/(Deferred tax assets)

Deferred tax has been recognized and measured in accordance with the provision of IAS 12: Income taxes.

15.01 Deferred tax has been arrived at as follows:

Particulars	Carrying amount as at 31 March 2026	Tax base as at 31 March 2026	Taxable/ (deductible) Temporary difference
Property, plant and equipment			
Computer accessories	5,310,969	4,049,444	1,261,526
Furniture & fixture	7,514,324	16,191,768	(8,677,444)
Factory building	22,751,405	53,211,757	(30,460,352)
Plant & machinery	30,419,593	38,598,711	(8,179,118)
Electrical equipment	9,344,749	8,384,265	960,484
Vehicles	1	152,934	(152,933)
Block & dice	19,974,052	23,657,980	(3,683,928)
	95,315,094	**144,246,859**	**(48,931,765)**
Total taxable temporary difference			**(48,931,765)**
Tax rate			27.50%
Deferred tax liability/ (assets) on temporary difference			**(13,456,236)**
Total			**(13,456,236)**

Deferred tax has been arrived at as follows:

	31-March-26	31-March-25
Opening balance	(11,132,186)	(5,180,569)
Addition during the period	(2,324,049)	(5,951,617)
	(13,456,236)	**(11,132,186)**

Ahmed Mashuque & Co

16.00 Current tax liability

Provision for income tax (Note #16.01)	746,504,602	842,077,230
Advance income tax (Note #16.02)	(672,027,390)	(625,344,347)
	74,477,212	**216,732,884**

16.01 Provision for income tax

Opening Balance	842,077,230	581,589,639
Add: Addition during the year	167,981,039	260,487,592
	746,504,602	**842,077,230**

16.02 Advance income tax

Opening Balance	625,344,347	398,752,441
Add: Addition during the year	46,683,043	137,518,114
Add: Addition for the AY 2024-25	-	89,073,792
	672,027,390	**625,344,347**

17.00 Provisions for expenses and other

Outstanding expenses	217,386,639	216,525,109
Supplementary duty payable	8,317,367	9,853,631
Employee benefits expenses (Note#17.01)	26,151,708	20,868,193
Litigation provision (Note#17.02)	1,569,263	1,569,263
Liabilities with customs authority	4,624,210	3,512,330
TDS and VDS payables	6,830,640	7,943,682
Royalty payable	83,791,307	37,236,907
	348,671,134	**297,509,114**

17.01 Employee benefits expenses

Employees' retirement benefit	11,493,985	10,801,799
Leave encashment	5,330,599	3,976,627
Salary and wages	9,327,124	6,089,766
	26,151,708	**20,868,193**

17.02 Litigation provision

Other provision	1,569,263	1,569,263
	1,569,263	**1,569,263**

Other Litigation provision is also a contingency provision for Workers' Profits Participation (WPP), which the Company provided in the books. Based on expert legal advice obtained from different Legal firms, the Company is of the opinion that being a 100% FDI Company, provisions regarding WPPF is not applicable to the Company till the time Government enacts relevant rules in this regard. However, company made provision for WPPF up to year 2013.

	Amount in Taka	
	01 April 2025 to 31 March 2026	**01 April 2024 to 31 March 2025**
18.00 Revenue (Net)		
Manufactured goods (Ayurvedic/Cosmetics)	2,333,551,750	1,866,401,540
Revenue from write back of litigation provision	-	434,367,027
Imported goods (Cosmetics)	87,706,334	226,850,512
	2,421,258,085	**2,527,619,079**

	Amount in Taka	
	01 April 2025 to 31 March 2026	01 April 2024 to 31 March 2025
19.00 Cost of material		
Opening inventories	137,460,858	170,307,282
Add: Addition during the year	890,207,537	691,761,669
Less: Closing inventories	(169,662,408)	(137,460,858)
	858,005,987	**724,608,093**
20.00 Changes in inventories of finished goods		
Opening inventories	33,951,604	25,533,650
Less: Closing inventories	(41,523,014)	(33,951,604)
	(7,571,410)	**(8,417,954)**
21.00 Manufacturing expenses		
Power and utility	8,554,177	8,650,172
Depreciation - Right of use assets	13,963,348	9,022,831
Consumable and stores	3,303,925	2,978,278
	25,821,450	**20,651,281**
22.00 Operating and other expenses		
Audit fees	310,000	310,500
Legal and professional fees	21,262,713	24,417,518
Electricity	879,611	961,271
Bank charge	4,808,671	7,145,479
Insurance expenses	8,739,989	12,027,091
Depreciation - Right of use assets	6,226,010	9,298,331
Guest house expenses	4,519,525	5,420,549
General charges	9,856,956	4,226,107
Royalty	46,554,400	37,234,600
Recruitment expenses	165,750	259,027
Vehicle running expenses	4,466,509	4,684,856
Postage and telephone	2,715,750	2,928,966
Stationeries and office supplies	1,142,119	939,762
Repair and maintenance	-	-
Building	1,141,620	2,140,981
Machinery	11,361,855	7,681,393
Others	9,365,639	5,812,302
Books and periodicals	147,744	112,544
Traveling and conveyance expenses	12,965,424	15,215,702
Overseas travelling	2,045,219	1,756,061
Rates & taxes	9,175,415	8,910,857
Sales, marketing and distribution expenses	509,257,535	401,147,748
Laboratory testing expenses	3,989,393	2,928,361
Security service charges	7,248,488	7,244,635
	678,346,336	**562,804,641**
23.00 Employee benefits expenses		
Wages	21,200,036	18,457,020
Personnel expenses	164,935,829	144,910,708
Employees' retirement benefit.	3,738,592	2,965,755
Group insurance	3,641,425	3,593,449
Staff welfare	9,036,887	8,691,164
	202,552,769	**178,618,096**
24.00 Foreign exchange (gain)/loss		
Realized exchange (gain)/loss	2,655,376	11,146,705
Unrealized exchange (gain)/loss	58,204	-
	2,713,580	**11,146,705**

Ahmed Mashuque & Co.

		Amount in Taka	
		01 April 2025 to 31 March 2026	01 April 2024 to 31 March 2025
24.00	**Other income/(expenses)**		
	Interest income	38,857,592	57,700,500
	Unrealised gain on termination of lease	-	2,957,017
	Gain/(loss) on sales of fixed assets	(254,426)	(33,904)
		38,603,166	**60,623,613**
25.00	**Interest expense on lease liability and others**		
	Manufacturing expenses	452,172	745,076
	Operating and other expenses	3,879,647	2,373,208
	Other Interest	50,866,340	19,050,333
		55,198,159	**22,168,617**
26.00	**Basic earnings per share (EPS)**		
	Profit after tax	445,456,356	785,875,293
	Number of shares	37,916	37,916
	Basic EPS	**11,749**	**20,727**
27.00	**Particulars of employee**		
	Nationality:		
	Bangladeshi	124	122
	Non-Bangladeshi	1	1
		125	**123**
	Salary range:		
	Monthly Taka 3,000 or above	125	123
	Monthly below Taka 3,000	-	-
		125	**123**

28.00 Related party transaction

During the year the company carried out a number of transactions with related parties in the normal course of business.

Names of those related parties, Nature of those transactions and their total value have been set out in accordance with the provisions of *IAS 24: Related Party Disclosure.*

Name and Relationship of the related party transaction	Nature of transaction	Opening Balance		Transaction for the year ended 31-Mar-2026	
		Transaction value	Amount due	Transaction value	Amount due
Emami Limited, India Parent company	Purchase of raw &	57,630,358	15,482,358	113,543,000	25,659,000
	Purchase of finished	37,293,248	1,961,760	19,770,430	2,185,780
	Royalty	37,234,600	37,234,600	46,554,400	83,791,307
Emami FZE, Group Company	Purchase of finished goods	11,587,698	1,023,047	-	-

Transaction with Key Management Personnel

The following disclosures are made in accordance with the provisions of IAS: 24 Related Party Disclosures, in respect of the compensation of key management personnel. Under IAS 24, 'Key Management Personnel' are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. The transactions of the current members of the Board of

Name and Relationship of the related party transection	Nature of transaction	Transaction for the year ended 31-Mar-2026	
		Transaction value	Amount due
Mr. Naseem Shafi Director	Factory rent	14,313,072	-

29.00 Information of IFRS 16 Lease and actual rent expense.

Note head	Note	Actual Rent	Interest expense	Depreciation
Manufacturing expenses	21	14,313,072	452,172	13,963,348
Operating and other expenses	22	9,715,205	3,879,646	6,226,010
Total		**24,028,277**	**4,331,818**	**20,189,358**

30.00 Financial risk management

The management of the company has the overall responsibility for the establishment and oversight of the company's risk

- Credit risk
- Liquidity risk
- Market risk

30.01 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counter party to a financial instrument fails to meet

Exposure to credit risk

The maximum exposure to credit risk at the reporting date is as follows:

	31-Mar-26 Taka	31-Mar-25 Taka
Inventories	211,185,422	171,412,461
Accounts receivable	545,473,610	666,450,904
Advances, deposits and prepayments	29,916,162	43,814,700
Investment in FDR & interest	664,872,520	655,601,681
	1,451,447,714	**1,537,279,746**

Ahmed Mashuque & Co. Chartered Accountants

30.02 Liquidity risk

Liquidity risk is the risk that the company will not able to meet its financial obligations as they fall due. The Company's
The following are the contractual maturities of financial liabilities :

	31-Mar-26 Taka	31-Mar-25 Taka
Current Liabilities		
Accounts payable	48,341,619	59,462,185
Lease liability	11,391,162	6,088,758
Current tax liability	74,477,212	216,732,883
Provisions for expenses and other	348,671,134	297,509,114
	482,881,127	**579,792,940**

The following are the contractual maturities of financial assets :

Inventories	211,185,422	171,412,461
Accounts receivable	545,473,610	666,450,904
Advances, deposits and prepayments	29,916,162	43,814,700
Investment in FDR & interest	664,872,520	655,601,681
Cash and cash equivalents	35,556,124	65,941,419
	1,487,003,838	**1,603,221,165**

30.03 Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates .The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Ahmed Mashuque & Co. Chartered Accountants