

**Bangladesh Edible Oil Limited**

Auditor's report and financial statements as at  
and for the year ended 31 December 2023



## Rahman Rahman Hug

Chartered Accountants

9 & 5 Mohakhali C/A

Dhaka 1212

Bangladesh

### Independent Auditor's Report

To the Shareholders of Bangladesh Edible Oil Limited

Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Bangladesh Edible Oil Limited ("the Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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



Rahman Rahman Hug, a partnership firm registered in Bangladesh and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Chartered Accountants  
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Chattogram, Bangladesh

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## Independent auditor's report (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

We communicate with those charged with governance regarding, including any significant deficiencies in internal control that we 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:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- c) the 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.



M Meheddi Hasan, Enrolment number: 1000  
Rahman Rahman Huq, Chartered Accountants  
Firm Enlistment Number: CAF-001-080

Dhaka, 13 MAY 2024

DVC: 2405141000AS690336

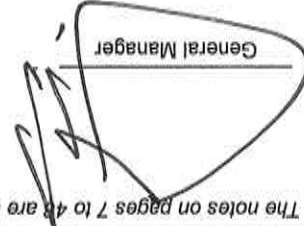


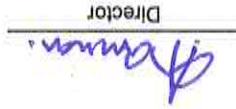


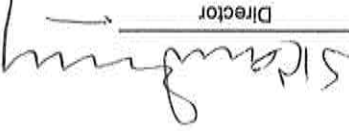
**Bangladesh Edible Oil Limited**  
**Statement of financial position**

In Taka	Note	31 December 2023	31 December 2022
<b>Assets</b>			
Property, plant and equipment	18(A)	2,171,661,753	2,425,666,211
Intangible assets	19(A)	5,234,712	3,825,624
Investment in subsidiary	20	1,554,901,083	1,554,901,083
Advances, deposits and prepayments	16(A)	80,154,922	80,188,922
Deferred tax assets	13(C)	287,721,210	-
<b>Non-current assets</b>		<b>4,099,673,680</b>	<b>4,064,581,840</b>
Inventories	14	2,325,694,133	3,982,383,907
Trade and other receivables	15	4,416,697,677	4,073,258,698
Advances, deposits and prepayments	16(A)	364,573,546	360,751,252
Cash and cash equivalents	17	163,992,696	1,322,496,829
<b>Current assets</b>		<b>7,270,958,052</b>	<b>9,738,890,686</b>
<b>Total assets</b>		<b>11,370,631,732</b>	<b>13,803,472,526</b>
<b>Equity</b>			
Share capital	21	400,000,000	400,000,000
Reserves		49,846,709	49,846,709
Share money deposit		1,100,379	1,100,379
Retained earnings		948,367,306	2,114,761,068
<b>Total equity</b>		<b>1,399,314,394</b>	<b>2,565,708,156</b>
<b>Liabilities</b>			
Employee benefits	22	281,189,951	259,186,034
Lease liabilities	23(A)	189,681,493	369,690,466
Deferred tax liabilities	13(C)	-	76,782,779
<b>Non-current liabilities</b>		<b>470,871,444</b>	<b>705,659,279</b>
Bank overdraft	17(A)	104,541,738	-
Current tax liabilities	13(D)	144,328,584	108,154,717
Lease liabilities	23(A)	182,108,170	129,397,737
Loans and borrowings	24	1,852,390,000	4,855,425,216
Trade credit from bank	25	3,258,048,193	-
Trade and other payables	26	3,969,029,209	5,439,127,421
<b>Current liabilities</b>		<b>9,500,445,894</b>	<b>10,532,105,091</b>
<b>Total liabilities</b>		<b>9,971,317,338</b>	<b>11,237,764,370</b>
<b>Total equity and liabilities</b>		<b>11,370,631,732</b>	<b>13,803,472,526</b>

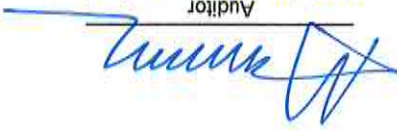
The notes on pages 7 to 48 are an integral part of these financial statements.

General Manager  


Director  


Director  


As per our report of same date.

  
Auditor

M. Mehed Hasan, Partner  
Enrolment Number: 1000  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Enlistment Number: CAF-001-080

Dhaka, 13 MAY 2024

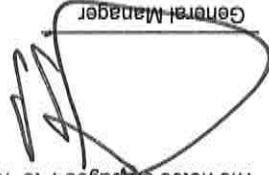


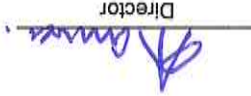
**Bangladesh Edible Oil Limited**  
**Statement of profit or loss and other comprehensive income**

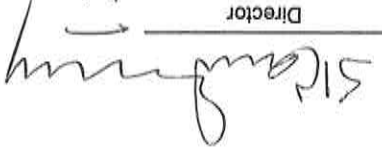
For the year ended 31 December

In Taka	Note	2023	2022
Revenue	5	29,446,656,985	30,043,891,406
Cost of sales	6	(28,926,038,016)	(28,888,814,969)
<b>Gross profit</b>		<b>520,618,969</b>	<b>1,155,076,437</b>
Other income	7	27,234,340	10,873,219
Administrative expense	8	(403,287,122)	(290,120,638)
Selling and distribution expenses	9	(803,280,346)	(851,413,265)
<b>Operating profit</b>		<b>(658,714,159)</b>	<b>24,415,753</b>
Finance income	10	15,422,039	34,903,619
Finance costs	11	(701,234,230)	(253,045,149)
<b>Net finance costs</b>		<b>(685,812,191)</b>	<b>(218,141,530)</b>
<b>Profit/(Loss) before tax and contribution to WPPF</b>		<b>(1,344,526,350)</b>	<b>(193,725,777)</b>
Contribution to Worker's Profit Participation Fund (WPPF)	12	-	-
<b>Profit/(Loss) before tax</b>		<b>(1,344,526,350)</b>	<b>(193,725,777)</b>
Income tax expense	13(A)	175,944,691	(146,326,292)
<b>Loss for the year</b>		<b>(1,168,581,659)</b>	<b>(340,052,069)</b>
Other comprehensive income, net of tax		2,187,897	-
<b>Total comprehensive loss for the year</b>		<b>(1,166,393,762)</b>	<b>(340,052,069)</b>

The notes on pages 7 to 48 are an integral part of these financial statements.

General Manager  


Director  


Director  


As per our report of same date.

Dhaka, 13 MAY 2024

Auditor  
M Mehedi Hasan, Partner  
Enrolment Number: 1000  
Rahman Rahman Huq  
Chartered Accountants  
KPMG in Bangladesh  
Firm Enlistment Number: CAF-001-080

DVC:

2405141000AS690336



**Bangladesh Edible Oil Limited**  
**Statement of changes in equity**

For the year ended 31 December 2023					
Attributable to owners of the Company					
	Share	Reserves	Share money deposit	Retained earnings	Total equity
In Taka					
Balance at 1 January 2022	400,000,000	49,846,709	1,100,379	2,454,813,137	2,905,760,225
Loss for the year	-	-	-	(340,052,069)	(340,052,069)
Total Comprehensive income for the year	400,000,000	49,846,709	1,100,379	2,114,761,068	2,565,708,156
Transaction with owners of the company	-	-	-	-	-
Contributions and distributions	-	-	-	-	-
Total transaction with owners of the company	-	-	-	-	-
Balance at 31 December 2022	400,000,000	49,846,709	1,100,379	2,114,761,068	2,565,708,156
Balance at 1 January 2023	400,000,000	49,846,709	1,100,379	2,114,761,068	2,565,708,156
Loss for the year	-	-	-	(1,166,393,762)	(1,166,393,762)
Total Comprehensive income for the year	400,000,000	49,846,709	1,100,379	948,367,306	1,399,314,394
Transaction with owners of the company	-	-	-	-	-
Contributions and distributions	-	-	-	-	-
Total transaction with owners of the company	-	-	-	-	-
Balance at 31 December 2023	400,000,000	49,846,709	1,100,379	948,367,306	1,399,314,394

The notes on pages 7 to 48 are an integral part of these financial statements.





**Bangladesh Edible Oil Limited**  
**Statement of cash flows**

For the year ended 31 December  
In Taka

**Cash flows from operating activities**

Loss for the year	(1,168,581,659)	(340,052,069)
Adjustments for:		
- Depreciation	334,464,688	219,570,332
- Amortisation	1,240,412	489,620
- Finance income	15,422,039	(34,903,619)
- Finance costs	701,234,230	253,045,149
- Income tax expense	(175,944,691)	146,326,292
- Loss/(Gain) on sale of property, plant and equipment	(653,241)	(19,623)
Changes in:		
- Inventories	1,656,689,774	331,539,115
- Advances, deposits and prepayments	(3,788,294)	(2,349,082)
- Advance adjustment of Lease rent	43,399,920	-
- Trade and other receivables	(343,132,606)	(457,351,901)
- Trade and other payables	(1,530,144,842)	467,282,639
- Employee benefits	45,771,782	43,914,659
Cash generated from operating activities	(454,866,565)	627,491,712
Employee benefits paid	(23,767,865)	(31,267,205)
Income tax paid	(152,385,431)	(124,794,516)
Interest paid	(651,187,600)	(191,789,123)
Net cash generated from operating activities	(1,282,207,461)	279,640,868

**Cash flows from investing activities**

Acquisition of non-current asset	(77,778,247)	(85,477,148)
Proceeds from sale of property, plant and equipment	754,253	2,997,105
Interest received	15,287,789	35,293,732
Net cash used in investing activities	(61,736,204)	(47,186,311)
<b>Cash flow from financing activities</b>		
Repayment of borrowings	255,012,977	588,646,634
Repayment of loan from related parties	-	-
Payment of lease liabilities	(174,115,183)	(146,970,529)
Net cash generated from financing activities	80,897,794	441,676,105
Net increase in cash and cash equivalents	(1,263,045,871)	674,130,662
Cash and cash equivalents at 1 January**	1,322,496,829	648,366,167
Cash and cash equivalents at 31 December**	59,450,958	1,322,496,829

\*\*Cash and cash equivalents includes current account in both local and foreign bank denominated currency and interest bearing current account which forms an integral part of the Company's cash management.

The notes on pages 7 to 48 are an integral part of these financial statements.



1. Reporting entity

Bangladesh Edible Oil Limited ("the Company") is a private limited company incorporated on 11 January 1992 (Registration No. C-21614 (21) /92) in Bangladesh under the Companies Act, 1913 (replaced with the Companies Act, 1994). The registered address of the Company is Land View Commercial Centre (10th floor), 28 Guishan North C/A, Guishan Circle 2, Dhaka 1212. The status of the share holdings of the Company is disclosed in note 21.

The Company is mainly engaged in refining of Crude Degummed Soyabean Oil (CDSO) and Crude Palm Olein (CPO) and packaging of the same for distributing in local market. The Company also involves in procuring and packaging of other edible oils (mustard oil, and rice bran oil) and other food items (rice, atta, maida, suji, and lentil) and sell the same in the local market.

The Company is also engaged in import of some branded edible oil like Kings Sunflower Oil, Margarine etc. In limited scope, it has some export revenue from exporting packed oil, acid oil and Soya Bean Fatty Acid Distillate (SFAD) to overseas.

2. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). They were authorised for issue by the Company's board of directors on 02 MAY 2024. Details of the Company's accounting policies, including changes during the year, if any, are included in note 35.

3. Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the Company's functional currency. All amounts have been rounded to the nearest Taka, unless otherwise indicated.

4. Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognised prospectively.

A. Judgments

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

Right-of-use (ROU) asset  
Note - 18 and 35 (N)  
Lease liability  
Note - 23 and 35 (N)

B. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Movement in deferred tax balances  
Note - 13 (C) and 35 (E)  
Provision for income tax  
Note - 13 (D) (i) and 35 (E)  
Inventories  
Note - 14 and 35 (F)  
Contingent (liabilities)/Assets  
Note - 32  
Property, plant and equipment  
Note - 18 and 35 (G)  
Intangible assets  
Note - 19 and 35 (I)





5. Revenue

See accounting policy in Note 35(B)

In Taka	Note	2023	2022
Revenue from customers	5(A)	31,557,999,496	30,931,819,826
Value Added Tax (VAT)		(2,111,342,510)	(887,928,420)
Revenue from customers		29,446,656,986	30,043,891,406

A. Revenue from customers

Local sales	5(B)	31,301,161,385	30,440,794,895
Export sales	5(C)	256,838,110	491,024,931
		31,557,999,496	30,931,819,826

B. Local sales

Types of products sold	Quantity	Sale value	Quantity	Sale value
Consumer products:	MT*	Taka	MT*	Taka
Soyabean oil	90,329	16,642,067,280	109,830	20,273,888,253
Palm oil	24,600	3,554,452,223	14,536	2,304,735,410
Mustard oil	972	299,623,022	1,137	352,270,786
Rice bran oil	6,532	1,211,920,645	3,515	678,551,440
Sunflower oil	463	155,729,513	617	170,064,426
Aromatic rice	5,299	750,032,010	8,701	972,075,677
Basmati rice	4,621	1,195,469,955	3,405	751,188,489
Non-aromatic rice	26,149	1,627,048,663	27,495	1,601,840,196
Besan	113	14,995,118	70	9,303,278
Atta	171	8,378,561	-	-
Maida	20	1,168,174	-	-
Suji	16	1,148,310	-	-
Lentil	285	39,998,178	-	-
Hyderabadi Biryani Kit	1	1,102,080	-	-
Institutional products:				
Margarine	168	35,741,772	93	17,686,845
RBD Olein	20	2,755,000	-	-
Super refined palm olein	678	114,708,410	576	98,448,641
Soyabean oil	8,363	1,353,416,318	4,374	775,489,262
Rice bran oil	833	87,424,684	3,361	479,542,178
CDSBO	19,671	2,967,081,067	8,134	1,167,532,732
Unprocessed rice	2,088	253,589,888	700	58,320,172
Mustard Seeds	454	36,872,824	-	-
Lentil Pulses	1	65,200	-	-
HOL	288	35,638,778	268	39,116,316
By-products:				
Acid oil	283	23,594,426	-	-
PFAD	11	1,351,200	27	3,302,920
Sediment ST186	344	885,310	424	1,245,596
SFAD	52	11,528,100	372	39,962,597
Rice Bran Fatty Acid Distill	592	46,254,080	-	-
Rice Bran meal	23,260	603,676,483	27,580	575,803,423
Broken rice	5,723	223,444,113	2,190	70,426,257
	222,401	31,301,161,385	217,403	30,440,794,895

\*MT= Metric Ton



5. Revenue (continued)

	In Taka			
	2023	2022	Quantity	Sale value
Export sales	Quantity	Sale value	Quantity	Sale value
	MT	Taka	MT	Taka

Consumer products:	-	-	389	61,903,312
Soyabean oil	-	-	-	-
Aromatic rice	-	-	12	1,086,783
Institutional Products:	200	27,612,523	1,570	181,052,520
Rice bran oil				
By-products:	320	93,660,519	314	89,398,690
SFAD	1,718	135,565,068	1,594	157,583,626
Acid Oil Export	2,238	256,838,110	3,879	491,024,931

6. Cost of sales

In Taka			
Note			
2023	2022		
Raw materials			
Opening stock of raw materials	1,239,385,002	1,187,545,561	
Purchase during the year	15,905,260,444	17,172,577,358	
Crude oil	6(A)		
Other raw materials	6(B)		
Closing stock of raw materials	19,854,984,600	20,745,057,319	
	(727,228,914)	(1,239,385,002)	
Raw materials consumed	20,367,140,688	20,693,217,678	
Production overheads			
Indirect materials consumed	777,059,560	1,010,809,968	
Overhead expense	827,415,684	606,371,607	
Depreciation on property, plant and equipment	120,813,399	120,236,602	
Depreciation on right-of-use of assets	84,984,780	55,946,790	
Employee related costs	157,448,232	172,095,088	
Cost of goods manufactured	1,967,721,655	1,965,460,055	
Opening stock of finished goods	22,334,862,343	22,658,677,933	
	906,301,097	827,639,890	
Cost of goods manufactured	23,241,163,440	23,486,317,823	
Local purchase/ import during the year	6,476,180,328	6,308,798,243	
	29,717,343,768	29,795,116,066	
Closing stock of finished goods	(791,305,752)	(906,301,097)	
Total cost of sales	28,926,038,016	28,888,814,969	



## 6. Cost of sales (continued)

## A. Raw materials consumed

	Crude soyabean oil		Crude palm oil		Total
	Quantity MT*	Value Taka	Quantity MT	Value Taka	
2023:					
Opening balance	2,421	396,866,826	-	-	396,866,826
Purchase	100,857	15,208,580,754	5,822	696,679,690	15,905,260,444
Closing stock	(980)	(130,945,794)	-	-	(130,945,794)
	103,278	15,605,447,581	5,822	696,679,690	16,302,127,271
	102,298	15,474,501,787	5,822	696,679,690	16,171,181,477
*MT - Metric Ton					
	Crude soyabean oil		Crude palm oil		Total
	Quantity MT	Value Taka	Quantity MT	Value Taka	
2022:					
Opening balance	4,674	568,493,348	-	-	568,493,348
Purchase	101,215	16,713,282,340	3,655	459,295,018	17,172,577,358
Closing stock	(2,421)	(396,866,826)	-	-	(396,866,826)
	105,889	17,281,775,688	3,655	459,295,018	17,741,070,706
	103,468	16,884,908,862	3,655	459,295,018	17,344,203,880

## B. Other raw materials purchased (in Taka)

In Taka		2023	2022
Rice	2,048,616,195	2,117,983,768	
Oil	476,267,007	1,454,496,193	
Rice bran	1,317,387,195	-	
Other	107,453,759	-	
	3,949,724,156	3,572,479,961	

## C. Other materials consumed (in Taka)

	Local		Import		Total
	Packed	Bulk	Packed	Bulk	
2023:					
Rice	-	212,686,599	810,253,930	320,115,058	1,343,055,587
Oil	4,796,830,543	60,630,482	245,016,915	-	5,102,477,939
Other	-	-	30,646,802	-	30,646,802
	4,796,830,543	273,317,081	1,085,917,647	320,115,058	6,476,180,328
2022:					
Rice	-	586,470,641	437,554,534	260,721,585	1,284,746,760
Oil	4,297,905,320	547,292,483	122,137,901	-	4,967,335,704
Other	-	49,512,178	7,203,601	-	56,715,779
	4,297,905,320	1,183,275,303	566,896,036	260,721,585	6,308,798,243





7. Other income	In Taka	
	2023	2022
Gain/ (Loss) on sale of property, plant and equipment	653,241	(19,623)
Others	26,581,099	10,892,842
	27,234,340	10,873,219
8. Administrative expense	In Taka	
	2023	2022
Amortisation	910,412	489,620
Communication expenses	4,293,930	4,058,601
Employee related costs	156,817,217	163,945,545
Entertainment	21,690,594	12,355,094
General expenses	4,379,184	2,767,497
Government statutory charges	1,091,154	1,160,669
Insurance	10,697,049	7,794,459
Legal and professional fees	17,850,173	14,885,203
Printing, stationery and postage	3,992,576	3,280,939
Recruitment & advertisement	149,000	1,229,387
Rental expenses	84,980	1,868,400
Repairs and maintenance	2,645,459	1,812,705
Royalty expense	1,085,730	-
Software operating expense	46,887,874	29,485,633
Staff welfare expenses	1,328,724	1,248,325
Statutory license and membership fees	738,545	756,515
Travelling and conveyance	21,630,244	18,055,029
Utilities	1,963,225	1,611,739
Depreciation on property, plant and equipment	12,716,645	11,529,450
Depreciation on right-of-use of assets	92,334,407	11,785,828
	403,287,122	290,120,638
A. Allocation of rental expenses	Note	In Taka
	2023	2022
Rental expenses on account of short term leases	11,071,801	10,455,204
Cost of sales- overhead expenses	84,980	1,868,400
Administrative expense	6,228,558	11,470,344
Selling and distribution expenses	17,385,339	23,793,948



Notes to the financial statements (continued)

9. Selling and distribution expenses				
In Taka		Note	2023	2022
Advertisement, sales promotion and TV commercial			98,459,620	108,699,306
Amortisation			330,000	-
Communication expenses			1,528,888	1,640,585
Depot operating expense			290,000	179,868
Depreciation on property, plant and equipment		18(B)	11,930,022	9,890,026
Depreciation on right-of-use of assets		18(B)	11,685,435	10,181,636
Employee related costs			137,065,453	127,254,286
Entertainment			2,814,674	2,688,526
General expenses			1,777,992	1,420,522
Government statutory charges			9,524,128	6,692,253
Printing, stationery and postage			123,039	329,750
Rental expenses			6,228,558	11,470,344
Repairs and maintenance			5,283,487	5,801,557
Travelling and conveyance			37,825,968	36,214,085
Sub-contracting employees			181,446,410	200,408,013
Freight and transport			296,966,672	328,542,508
803,280,346			851,413,265	
Finance income			2023	2022
See accounting policy in Note 35(D)				
In Taka			2023	2022
Interest on bank deposit			15,422,039	34,903,619
15,422,039			34,903,619	
Finance costs			2023	2022
See accounting policy in Note 35(D)				
In Taka			2023	2022
Interest on bank overdraft			1,055,929	149,890
Interest on loan against financing purchases			607,767,689	241,957,762
Interest on bank loan			57,070,706	9,762,851
Net foreign exchange loss/(gain)			(8,332,213)	(23,818,287)
Bank charges			3,771,557	2,211,301
Interest on lease liabilities			39,900,562	22,781,632
701,234,230			253,045,149	
12. Contribution to Worker's Profit Participation Fund (WPPF)			2023	2022
In Taka		Note	2023	2022
Contribution to WPPF		12(A)	-	-
A. Computation of contribution to WPPF			2023	2022
Profit before tax and contribution to WPPF			(1,344,526,350)	(193,725,777)
Applicable contribution rate		5%	5%	5%
Amount of contribution to WPPF			-	-



13. Income tax expense  
See accounting policy in Note 35(E)

A. Amount recognised in profit or loss

In Taka	Note	2023	2022
Current tax		188,559,298	191,725,537
Current tax expense		188,559,298	191,725,537
Deferred tax income	13(C)	(364,503,989)	(45,399,246)
		(175,944,691)	146,326,292
Reconciliation of effective tax rate			
In Taka	Note	2023	2022

B.

Profit before tax	(1,344,526,350)	27.5%	(193,725,777)	27.50%
Applicable tax rate				
Income tax using applicable tax rate				
Minimum tax				
Current year (B)	188,559,298		191,725,537	
Total income tax expenses [Higher of (A & B)]	188,559,298		191,725,537	
Adjustment during the year	-		-	
Change in recognised temporary differences	(364,503,989)		(45,399,246)	
Total income tax expenses for current year	(175,944,691)		146,326,292	
Effective Tax Rate (ETR)	0%		76%	

As per the applicable tax law, the Company has to pay tax at the rate applicable to the Company subject to a minimum tax is higher of (a) at the rate of 0.6% of total gross receipts (b) tax deducted at source for export u/s 123 and tax deducted at source for corporate sales u/s 89 (as covered by section 163).







Notes to the financial statements (continued)

13. Income taxes (continued)

C. Movement in deferred tax balances

In Taka	At 1 January	Recognised	In profit or loss	Net	Deferred tax assets	Deferred tax liabilities
2023:						
Property, plant and equipment	(182,727,477)	30,291,897	(152,435,580)	16,934,615	(169,370,195)	
Intangible Assets	4,127,244	196,377	4,322,621	-	4,322,621	
ROU assets and lease liabilities	(16,303,411)	16,201,061	(102,350)	-	-	(102,350)
Employee benefits	71,276,159	6,652,749	77,928,908	77,928,908		
Other provisions	5,534,829	1,899,361	7,434,190	7,434,190		
Carry forward loss	10,859,722	299,691,130	310,550,852	310,550,852		
Unabsorbed Tax Depreciation	30,450,154	9,572,415	40,022,569	40,022,569		
	(76,782,779)	364,503,989	287,721,210	457,193,755	(169,472,545)	
2022:						
Property, plant and equipment	(203,624,260)	20,896,783	(182,727,477)	15,666,128	(198,393,605)	
Intangible Assets	-	4,127,244	4,127,244	-	-	
ROU assets and lease liabilities	1,275,100	(17,578,511)	(16,303,411)	-	-	(16,303,411)
Employee benefits	73,961,574	(2,685,415)	71,276,159	71,276,159		
Other provisions	6,205,561	(670,732)	5,534,829	5,534,829		
Carry forward loss	-	10,859,722	10,859,722	10,859,722		
Unabsorbed Tax Depreciation	-	30,450,154	30,450,154	30,450,154		
	(122,182,025)	45,399,246	(76,782,779)	137,914,237	(214,697,016)	

In Taka	At 1 January	Recognised	In profit or loss	Net	Deferred tax assets	Deferred tax liabilities
Balance at 31 December						
2023						
Property for income tax	2,216,554,826	13(D)(i)	(2,072,226,241)	(1,919,840,810)	2,027,995,527	
Advance tax deposits and claims with tax authority	13(D)(iii)					
Balance as at 31 December	144,328,584			108,154,717		
2022						
Property for income tax	2,216,554,826	13(D)(i)	(2,072,226,241)	(1,919,840,810)	2,027,995,527	
Advance tax deposits and claims with tax authority	13(D)(iii)					
Balance as at 31 December	144,328,584			108,154,717		

See accounting policy in Note 35(E)

In Taka	2023	2022
Balance at 1 January	1,836,269,989	2,027,995,527
Provision made during the year	191,725,537	2,216,554,826
Adjustments made during the year	2,216,554,826	2,027,995,527
Balance at 31 December	2,027,995,527	2,216,554,826

ii. Advance tax deposits and claims with tax authority

In Taka	2023	2022
Balance at 1 January	1,919,840,810	1,795,046,294
Paid during the year	152,385,431	124,794,516
Adjustments made during the year	2,072,226,241	1,919,840,810
Balance at 31 December	2,072,226,241	1,919,840,810

## 14.

## Inventories

See accounting policy in Note 35(F)

In Taka		
2023	2022	Note
Raw materials	727,228,914	14(A)
Goods in transit	520,819,157	
Finished goods	791,305,752	
Packing materials, stores and spares and others	286,340,310	
	2,325,694,133	
	3,982,383,907	

Details break-up of inventories could not be given as it is quite difficult to quantify each item in a separate and distinct category due to large variety of items. Information in detailed form may not be useful for the users.

## A.

## Goods in transit

In Taka		
2023	2022	
Raw materials in transit - trade	487,191,117	
Other materials in transit - non trade	33,628,040	
	1,563,983,806	
	10,203,465	
	1,563,983,806	

Risk and rewards of goods in transit have been transferred to the Company but are yet to be received in factory warehouse for further processing.

## 15.

## Trade and other receivables

See accounting policy in Note 35(J)

In Taka		
2023	2022	Note
Trade receivables	694,901,786	15(A)
Trade receivables due from related parties	3,505,646,079	15(B)
Other receivables	216,149,812	15(C)
	4,416,697,677	
	4,073,258,698	

## A. Trade receivables

In Taka		
2023	2022	
Distributors	301,270,289	
Institutions	163,841,481	
Modern Trades	41,546,032	
Police Lines	188,243,984	
Wholesellers	-	
	7,018,196	
	208,876,298	
	50,051,049	
	165,011,172	
	402,148,210	
	694,901,786	
	833,104,925	







Notes to the financial statements (continued)

16. Advances, deposits and prepayments (continued)

\*\*Fixed deposit receipts for the amount of Tk 1,823,000 is held by State Bank of India, Dhaka as security against bank guarantee issued in favour of customs authority in terms of The High Court's injunction order in the matter of writ petition filed by the Company against over-valuation of import.

\*\*Fixed deposit receipts for the amount of Tk 3,799,346 is held by Eastern Bank Limited, Dhaka as security against bank guarantee issued in favour of Titas Gas Transmission & Distribution Company Limited in terms of security deposit for supply of gas as per demand letter ref. ZOBIA/Sonargaon/132/13 dated 20 February 2012.

A. Current and non-current classification of advances, deposits and prepayments

In Taka	2023	2022
Non-current	80,154,922	80,188,922
Current	364,573,546	360,751,252
	444,728,468	440,940,174

17. Cash and cash equivalents  
See accounting policy in Note 35(j)

In Taka	Note	2023	2022
Cash in hand		245,054	156,019
Cash at bank	17(B)	163,747,642	1,322,340,810
Cash and cash equivalents in the statement of financial position		163,992,696	1,322,496,829

A. Bank Overdraft

Bank overdraft repayable on demand and used for cash management purposes

In Taka	2023	2022
Commercial Bank of Cyleon	(49,998,176)	-
Standard Chartered Bank	(34,499,340)	-
Bank Asia	(20,044,222)	-
	(104,541,738)	-

B. Cash at bank

In Taka	2023	2022
Balance on current account	4,699,547	77,539,131
Balance at Bank	32,283,600	86,780,274
Foreign currency - USD denominated	126,764,495	1,158,021,405
Balance with interest bearing account	163,747,642	1,322,340,810



Notes to the financial statements (continued)

18. Property, plant and equipment  
See accounting policy in Note 35(G)

A. Reconciliation of carrying amount

In Take	Land and development	Building and improvement	Plant and machinery	Tools and equipment	Furniture and fixtures	Motor vehicles	Tank and piping	Under construction	Right-of-use Assets*	Total
<b>Cost</b>										
Balance at 1 January 2022	651,541,051	529,418,348	1,625,152,391	202,971,133	49,834,118	11,046,200	167,092,656	63,921,047	229,016,941	3,529,993,885
Additions	-	-	-	-	-	-	-	85,477,148	475,175,722	560,652,870
Transfer from asset under construction	12,332,339	56,287,663	37,101,293	33,983,506	2,637,596	-	-	(142,342,396)	-	-
Disposals	-	-	-	(1,131,814)	-	-	-	-	(6,929,527)	(8,061,341)
Balance at 31 December 2022	663,873,390	585,706,011	1,662,253,684	235,822,824	52,471,714	11,046,200	167,092,656	7,055,799	697,263,136	4,082,585,414
Balance at 1 January 2023	663,873,390	585,706,011	1,662,253,684	235,822,824	52,471,714	11,046,200	167,092,656	7,055,799	697,263,136	4,082,585,414
Additions	-	-	-	-	-	-	-	77,778,247	3,398,662	81,176,909
Transfer from asset under construction	45,716	1,024,664	9,711,554	17,344,476	845,890	-	-	(28,972,300)	-	-
Disposals	-	(907,214)	-	(5,870,541)	(287,120)	-	-	-	(11,057,014)	(18,121,889)
Balance at 31 December 2023	663,919,106	585,823,461	1,671,965,238	247,296,759	53,030,484	11,046,200	167,092,656	55,861,746	689,604,784	4,145,640,434
<b>Accumulated depreciation</b>										
Balance at 1 January 2022	-	106,473,002	986,472,623	161,944,146	26,019,825	11,046,200	85,442,671	-	65,014,640	1,442,413,107
Depreciation	-	17,183,946	98,563,930	15,996,349	3,976,772	-	5,935,081	-	77,914,254	219,570,332
Disposals	-	-	-	(1,015,003)	-	-	-	-	(4,049,233)	(5,064,236)
Balance at 31 December 2022	-	123,656,948	1,085,036,553	176,925,492	29,996,597	11,046,200	91,377,752	-	138,879,661	1,656,919,203
Balance at 1 January 2023	-	123,656,948	1,085,036,553	176,925,492	29,996,597	11,046,200	91,377,752	-	138,879,661	1,656,919,203
Depreciation	-	18,333,917	98,233,560	19,243,345	3,722,507	-	5,926,735	-	189,004,624	334,464,688
Disposals**	-	(907,214)	-	(5,813,061)	(243,588)	-	-	-	(10,441,347)	(17,405,210)
Balance at 31 December 2023	-	141,083,651	1,183,270,113	190,355,776	33,475,516	11,046,200	97,304,487	-	317,442,938	1,973,978,681
<b>Carrying amount</b>										
At 1 January 2022	651,541,051	422,945,346	638,679,768	41,026,987	23,814,293	-	81,649,985	63,921,047	164,002,301	2,087,580,779
At 31 December 2022	663,873,390	462,049,063	577,217,131	58,897,332	22,475,117	-	75,714,904	7,055,799	558,383,475	2,425,666,211
At 31 December 2023	663,919,106	444,739,810	488,695,125	56,940,983	19,554,968	-	69,788,169	55,861,746	372,161,846	2,171,661,753

\* Right of use assets include land and buildings related to leased properties. As per IAS 16.59, depreciation has been applied on right of use asset based on lease period of land.

\*\* Disposals include adjustments made during the year



Notes to the financial statements (continued)

18. Property, plant and equipment (continued)

Allocation of depreciation		In Taka	
	2023	2022	
Depreciation on property, plant and equipment	120,813,399	120,236,602	
Cost of goods sold	12,716,645	11,529,450	
Administrative expense	11,930,022	9,890,026	
Selling and distribution expenses	84,984,780	55,946,790	
Cost of goods sold	92,334,407	11,785,828	
Administrative expense	11,686,435	10,181,636	
Selling and distribution expenses	334,464,688	219,570,332	

19.

Intangible assets

See accounting policy in Note 35(i)

A. Reconciliation of carrying amount

In Taka		Under Construction		SAP and HRIS		Total	
Cost							
Balance at 1 January 2022	-	39,474,685	39,474,685	-	39,474,685	-	39,474,685
Addition	2,650,000	-	2,650,000	-	2,650,000	-	2,650,000
Transfer from asset under construction	-	-	-	-	-	-	-
Balance at 31 December 2022	2,650,000	39,474,685	42,124,685	-	42,124,685	-	-
Balance at 1 January 2023	2,650,000	39,474,685	42,124,685	-	42,124,685	-	42,124,685
Addition	2,649,500	-	2,649,500	-	2,649,500	-	2,649,500
Transfer from asset under construction	(5,299,500)	5,299,500	-	-	-	-	-
Balance at 31 December 2023	-	44,774,185	44,774,185	-	44,774,185	-	44,774,185
Accumulated amortisation							
Balance at 1 January 2022	-	37,809,441	37,809,441	-	37,809,441	-	37,809,441
Amortisation	-	489,620	489,620	-	489,620	-	489,620
Impairment loss	-	-	-	-	-	-	-
Balance at 31 December 2022	-	38,299,061	38,299,061	-	38,299,061	-	38,299,061
Balance at 1 January 2023	-	38,299,061	38,299,061	-	38,299,061	-	38,299,061
Amortisation	-	1,240,412	1,240,412	-	1,240,412	-	1,240,412
Impairment loss	-	-	-	-	-	-	-
Balance at 31 December 2023	-	39,539,473	39,539,473	-	39,539,473	-	39,539,473
Carrying amount							
At 1 January 2022	-	1,665,244	1,665,244	-	1,665,244	-	1,665,244
At 31 December 2022	2,650,000	1,175,624	3,825,624	-	3,825,624	-	3,825,624
At 31 December 2023	-	5,234,712	5,234,712	-	5,234,712	-	5,234,712
Allocation of amortisation							
2023	910,412	489,620	-	-	489,620	-	489,620
2022	330,000	1,240,412	-	-	1,240,412	-	1,240,412

B.

Allocation of amortisation

Administrative expense	910,412	489,620	-	-	489,620	-	489,620
Selling and distribution expenses	330,000	1,240,412	-	-	1,240,412	-	1,240,412





## 20. Investment in subsidiary

On 8 June 2016, the Company acquired 9,903,130 shares (99.97%) out of 9,905,630 shares and voting interests in Shun Shing Edible Oil Limited (SSEOL), which was one of its competitors. The total consideration paid by BEOL for acquisition of such voting interest is BDT 1,554,901,083. This investment is accounted for at cost as per IAS 27 Separate Financial Statements. Details of consideration transferred are described below:

Consideration transferred to -	For number of share	Taka
Shun Shing Group International Limited	9,887,380	1,552,428,158
Mohammad Ali Pasha	5,250	824,308
Ikram Ahmed Khan	5,250	824,308
Shajid Haidar Pasha	3,950	620,194
Sk Raihan Ahmed	525	82,431
Tahmina Ahmed	525	82,431
Sanjida Kamal	250	39,253
	9,903,130	1,554,901,083

## 21. Share capital

In Taka	% of holding	2023	2022
<b>Authorised:</b>			
5,000,000 ordinary shares of Tk 100 each		500,000,000	500,000,000
<b>Issued, subscribed and paid up:</b>			
4,000,000 ordinary shares of Tk 100 each		400,000,000	400,000,000
Name of the shareholders	Percentage of holding	Number of shares	Face value Taka
Leverian Holdings Pte Ltd.	99.999950%	3,999,998	100
Adani Wilmar Pte. Ltd.	0.000050%	2	100
	100%	4,000,000	400,000,000
			399,999,800
			200
			400,000,000



Notes to the financial statements (continued)

22. Employee benefits

See accounting policy in Note 34(C).

In Taka	Note	2023	2022
Net defined benefit asset	22(A)	(650,720)	-
Net defined benefit liability	22(A)	281,840,671	259,186,034
Net defined benefit liability at 31 December		281,189,951	259,186,034
Non-current*		67,803,870	-
Current*		213,386,081	-
		281,189,951	259,186,034

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/liability and its components.

In Taka	Defined benefit obligation	Fair value of plan assets	Net defined (asset)/liability
	2023	2022	2023
Balances as at 1 January	259,186,034	-	259,186,034
Included in profit or loss*			
Current service costs	20,245,141	-	20,245,141
Past service costs	-	-	-
Interest cost	27,961,403	-	27,961,403
Interest income	-	10,530	(10,530)
	48,206,544	-	48,196,014
Included in OCI*			
Actuarial (gain)/loss arising from:			
- demographic assumption	-	-	-
- financial assumption	-	-	-
- experience adjustment	(1,794,572)	-	(1,794,572)
Return on plan asset excluding interest income	10,530	(10,530)	21,060
	(1,784,042)	-	(1,773,512)
Other*			
Contribution paid by the employer	-	24,321,014	(24,321,014)
Benefits paid	(23,767,865)	(23,767,865)	-
	(23,767,865)	563,149	(24,321,014)
Balances as at 31 December	281,840,671	650,720	281,189,951
			259,186,034

\* No detailed breakdown of 2022 is available as actuary valuation has been performed for the first time in 2023



Notes to the financial statements (continued)

22 Employee benefits (continued)

B. Defined benefit obligation

i. Actuarial assumption

The following was the principal actuarial assumption at the reporting date:

	2023	2022
Salary growth rate	8.20%	-
Discount rate	10.80%	-

Due to insufficient data and experience, 100% of industry mortality table IALM 2012-14 for this valuation is used.

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

In Taka	31 December 2023		31 December 2022	
	Increase	Decrease	Increase	Decrease
Discount Rate (- / + 1%)	265,461,340	300,234,445	-	-
Salary Growth Rate (- / + 1%)	300,520,549	264,942,770	-	-
Attrition Rate (- / + 50% of attrition rates)	285,495,207	277,235,565	-	-
Mortality Rate (- / + 10% of mortality rates)	281,957,960	281,722,875	-	-

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





Notes to the financial statements (continued)

23. Lease liabilities  
See accounting policy in Note 35(N)

A. Leases as lessee (IFRS 16)

I. Reconciliation of carrying amount

In Taka	2023	2022
Balance at 1 January	499,088,203	168,252,635
Adjustments	2,662,018	455,024,465
Interest on lease liabilities	39,900,562	22,781,632
Payment of interest on lease liabilities	(39,900,562)	(22,781,632)
Payment of lease liabilities (principal portion)	(129,960,558)	(124,188,897)
Balance at 31 December	371,789,663	499,088,203

II. Lease liabilities

In Taka	2023	2022
Non-current liabilities	189,681,493	369,690,466
Current liabilities	182,108,170	129,397,737
	371,789,663	499,088,203

III. Amounts recognised in profit or loss

In Taka	2023	2022
Interest on lease liabilities	39,900,562	22,781,632
Expenses relating to short-term leases	17,385,339	23,793,948
	57,285,901	46,575,580

IV. Amounts recognised in statement of cash flows

In Taka	2023	2022
Total cash outflow for leases	169,861,120	169,752,161

B. Leases as lessor

Bangladesh Edible Oil Limited does not provide any lease facility to other entity.



**24. Loans and borrowings**  
See accounting policy in Note 35(v)

In Taka	Note	2023	2022
Short term Loan	24(A)	1,852,390,000	-
Short term Loan		1,852,390,000	-

**A. Short Term Loan**

In Taka	2023	2022
Bank Asia	465,000,000	-
Standard Chartered Bank (SCB)	350,000,000	-
Eastern Bank Limited (EBL)	1,037,390,000	-
	1,852,390,000	-

**a. Credit facilities available:**

Following credit facilities were available for the Company:

Overdraft with HSBC: Limit Tk 100 million  
Overdraft with EBL: Limit Tk 10.0 million  
Overdraft with SCB: Limit Tk 60.0 million  
Overdraft with CBC: Limit Tk 50.0 million  
Overdraft with Bank Asia: Limit Tk 20.0 million  
Loan against financing of purchases with HSBC: Limit Tk 2,420 million  
Loan against financing of purchases with EBL: Limit Tk 2,990 million  
Loan against financing of purchases with SCB: Limit Tk 5,540 million  
Loan against financing of purchases with CBC: Limit Tk 1,100 million  
Loan against financing of purchases with Bank Asia: Limit Tk 1,730 million

**25. Trade credit from bank**

In Taka	Note	2023	2022
---------	------	------	------

UPAS/Usance Acceptance Under Import LC	25(A)	3,258,048,193	4,855,425,216
UPAS/Usance Acceptance Under Import LC		3,258,048,193	4,855,425,216

**A. UPAS/Usance Acceptance Under Import LC**

In Taka	2023	2022
Hongkong and Shanghai Banking Corporation Ltd. (HSBC)	-	1,454,609,556
Standard Chartered Bank (SCB)	1,553,032,800	1,121,428,800
Eastern Bank Limited (EBL)	1,705,015,393	2,279,386,860
	3,258,048,193	4,855,425,216



A.		Trade payables due to related parties		In Taka	
		2023	2022		
Trade payables due to related parties	26(A)	2,242,565,802	2,632,233,097		
Accrued expense	26(B)	813,265,758	648,689,154		
Other trade payables	26(C)	568,836,472	1,596,515,498		
Other payables	26(D)	328,035,830	555,364,325		
Workers' profit participation fund	26(E)	6,325,347	6,325,347		
		3,959,029,209	5,439,127,421		
B.					
Accrued expense		In Taka			
		2023	2022		
Adani Wilmar Limited		363,266,625	58,378,904		
PGEO Edible Oils SDN BHD		-	1,866,600		
Shun Shing Edible Oil Limited		1,468,785,392	2,533,809,400		
Wilmar International Limited		26,368,155	38,178,193		
Wilmar Trading Pte Ltd		357,370,750	-		
Wilmar Trading (Hong Kong) Limited		26,774,880	-		
		2,242,565,802	2,632,233,097		
C.		Other trade payables		In Taka	
		2023	2022		
Payable for supply of crude oils and other materials		568,836,472	1,596,515,498		
		568,836,472	1,596,515,498		



Notes to the financial statements (continued)

26. Trade and other payables (continued)

D. Other payables

In Taka		
2023	2022	
116,389,010	371,718,492	Advance received against sales
5,969,900	5,436,979	Withholding tax
76,033,866	11,025,454	VAT payable
1,343,064	1,233,400	Retention from supplier
128,300,000	165,950,000	Security deposit from customers
328,035,830	555,364,325	

E. Workers' profit participation fund

In Taka		
2023	2022	
6,325,347	9,526,250	Balance at 1 January
-	-	Provision made during the year
6,325,347	9,526,250	Paid during the year
6,325,347	6,325,347	Balance at 31 December

27. Actual Production

The Company produced during the year 102,298 MT (2022: 103,468 MT) Crude Soyabean Oil and 5,822 MT (2022: 3,655 MT) Crude Palm Oil out of its purchased crude oil.

28. Number of employees

The number of employees engaged during or part of the year who received a total remuneration of Tk 36,000 or above was 355 (2022: 327).



Notes to the financial statements (continued)

29. Financial instruments - Fair values and risk management  
A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities. The Company has not disclosed the fair values for financial instruments such as claim receivables, trade and other receivables and trade and other payables, because their carrying amounts are a reasonable approximation of fair values.

		Carrying amount					Fair value				
In Taka	Note	Mandatorily Fair value at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets	Financial assets at amortised cost	Other financial liabilities	Level 1	Level 2	Level 3	Total
31 December 2023											
Financial assets not measured at fair value											
Trade and other receivables	15	-	-	-	4,416,697,677	-	4,416,697,677	-	-	-	-
Cash and cash equivalents	17(B)	-	-	-	163,747,642	-	163,747,642	-	-	-	-
		-	-	-	4,580,445,319	-	4,580,445,319	-	-	-	-
Financial liabilities measured at fair value											
		-	-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value											
Loans and borrowings	24	-	-	-	-	(1,852,390,000)	(1,852,390,000)	-	-	-	-
Trade and other payables	26	-	-	-	-	(3,959,029,209)	(3,959,029,209)	-	-	-	-
		-	-	-	-	(5,811,419,209)	(5,811,419,209)	-	-	-	-



Notes to the financial statements (continued)

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

A. Accounting classifications and fair values (continued)

In Taka	Fair value hedging instruments	Mandatorily at fair value	FVOCI-debt instruments	FVOCI-equity instruments	Carrying amount		Fair value			
					Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
31 December 2022										
Financial assets measured at fair value	Note	-	-	-	-	-	-	-	-	-
Financial assets not measured at fair value										
Trade and other receivables	15	-	-	-	4,073,258,698	-	4,073,258,698	-	-	-
Cash and cash equivalents	17(B)	-	-	-	1,322,340,810	-	1,322,340,810	-	-	-
		-	-	-	5,395,599,508	-	5,395,599,508	-	-	-
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Financial liabilities not measured at fair value										
Loans and borrowings	24	-	-	-	-	-	-	-	-	-
Trade and other payables	26	-	-	-	-	(5,439,127,421)	(5,439,127,421)	-	-	-
		-	-	-	-	(5,439,127,421)	(5,439,127,421)	-	-	-







In Taka	Note	2023	2022
Trade receivables	15(A)	694,901,786	833,104,925
Trade receivables due from related parties	15(B)	3,505,646,079	3,040,235,538
Other receivables	15(C)	216,149,812	199,918,235
Cash at bank	17(B)	163,747,642	1,322,340,810
		4,580,445,319	5,395,599,508

#### Financial assets

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

#### 1 (a) Exposure to credit risk

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition, ageing profile etc. Accounts and other receivables are mainly related to the Company's buyers. The Company's exposure to credit risk on trade receivables is mainly influenced by the individual payment characteristics of credit purchaser. Credit risk does not arise in respect of any other receivables.

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 buyers and dealers.

#### 1. Credit risk

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

- Credit risk Note - 29 (B) (i)
- Liquidity risk Note - 29 (B) (ii)
- Market risk Note - 29 (B) (iii)

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

#### B. Financial risk management

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

Notes to the financial statements (continued)



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

B. Financial risk management (continued)

1 (b)

Ageing of financial assets

Ageing of trade receivables

In Taka

	2023	2022
Trade receivables	694,901,786	833,104,925
Trade receivables due from related parties	3,505,646,079	3,040,235,538
	4,200,547,865	3,873,340,463

The ageing of trade receivables at 31 December was:

Involved 0-30 days	881,473,427	785,076,579
Involved 31-60 days	8,373,022	13,767,696
Involved 61-90 days	18,749	29,555,917
Involved 91-120 days	270	6,202
Involved 121-365 days	2,744,683	4,297,892
Involved over 365 days	2,291,636	400,639
	694,901,786	833,104,925

The ageing of trade receivables due from related parties at 31 December was:

Involved 0-30 days	22,244,059	21,773,505
Involved 31-60 days	465,183,200	6,203
Involved 61-90 days	-	-
Involved 91-120 days	-	-
Involved 121-365 days	-	-
Involved over 365 days	3,018,218,820	3,040,235,538
	3,505,646,079	3,040,235,538

and the

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## 29. Financial Instruments - Fair values and risk management (continued)

## B. Financial risk management (continued)

## iii. Market risk (continued)

## b) Foreign exchange rate sensitivity analysis

The basis for the sensitivity analysis to measure foreign exchange risk is an aggregate corporate-level currency exposure. The aggregate foreign exchange exposure is composed of all assets and liabilities denominated in foreign currencies.

A 1.5% change in foreign exchange rates would have increased/decreased equity and profits or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

Effect in Taka	Profit/(loss)		Equity		
	Strengthening	Weakening	Strengthening	Weakening	
31 December 2023	USD (1.5% movement)	11,606,706	(11,606,706)	11,606,706	(11,606,706)
31 December 2022	USD (1% movement)	49,519,823	(49,519,823)	49,519,823	(49,519,823)

## c) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates. The Company is not exposed to fluctuations in interest rates as it has no floating interest rate bearing financial liability as at the reporting date. The Company has not entered into any agreement involving derivative instrument at the reporting date.

As at 31 December, the interest rate profile of the Company's interest bearing financial instruments was:

In Taka		Note		
2022	2023			
<b>Fixed rate instruments</b>				
Financial assets	Fixed deposit receipts	16	5,622,346	1,852,390,000
Financial liabilities	Financial liabilities		-	5,622,346
<b>Variable rate instruments</b>				
Financial assets	Financial assets		-	-
Financial liabilities	Financial liabilities		-	-

Fixed deposit receipts for the amount of Tk 1,823,000 is held by State Bank of India, Dhaka as security against bank guarantee issued in favour of customs authority in terms of The High Court's injunction order in the matter of writ petition filed by the Company against over-valuation of import and the amount of Tk 3,799,346 is held by Eastern Bank Limited, Dhaka as security against bank guarantee issued in favour of Titas Gas Transmission & Distribution Company Limited in terms of security deposit for supply of gas.



Notes to the financial statements (continued)

30. Related parties

A. Parent and ultimate controlling party

During 2023, Leverian Holdings Pte Ltd. has 99.99% shareholding of the Company. The ultimate controlling party of the Company is Adani Wilmar Limited.

B. Key management personnel compensation

In Taka

	2023	2022
Salary and allowances	7,470,180	10,585,784
	7,470,180	10,585,784

Compensation of the Company's key management personnel includes salaries and non-cash benefits.

C. Other related party transactions

Name of related party	Country	Nature of relationship	Nature of Transactions	Transaction values for the year ended 31 December		Balance outstanding at 31 December	
				2023	2022	2023	2022
Adani Wilmar Limited	India	Parent company	Reimbursement of expense	-	575,000	(224,400,000)	-
			Advance against sale	-	-	(256,667)	-
			Royalty paid/provision	-	-	-	-
			Purchase of CDSO/ROL	(1,108,295,234)	-	-	-
			Purchase of finished goods (packed)	(816,832,083)	(604,801,318)	(138,609,958)	(58,378,904)
			SAP Maintenance	(35,917,425)	(14,968,012)	(23,623,325)	(35,632,987)
			Others	-	(15,391)	(104,830)	(97,206)
			Royalty paid/provision	-	(387,600)	(2,640,000)	(2,448,000)
Wilmar International Limited	Singapore	Related company	Purchase of CPO / ROL	(354,564,100)	-	(354,564,100)	-
			Purchase of Margarine	(40,020,232)	(3,607,571)	(2,806,650)	-
Wilmar Trading Pte. Limited	Singapore	Related company	Purchase of Bulk Product	3,627,466,867	1,167,532,732	3,484,927,329	3,025,455,738
			Other (sale of Meizan and Vecola)	-	91,087,550	-	-
			Purchase of finished goods (packed)	(4,809,559,597)	(4,467,052,058)	(1,468,785,392)	(2,533,809,400)
			Purchase of by products	(60,648,760)	(26,721,400)	-	-
			Purchase of bulk products	(862,746,215)	(718,105,121)	-	-
			Export of By product	68,692,896	57,650,964	-	14,779,800
Wilmar Nutrition (Jiangsu) Co., Ltd.	China	Related company	Export of Bulk Oil	27,377,935	3,079,375	-	-
Wilmar Japan Co., Ltd.	Japan	Related company	Purchase of spare parts, capital machineries	(4,168,295)	(4,227,749)	-	(1,866,600)
PGEO Edible Oils SDN BHD	Malaysia	Related company	Purchase of spare parts & capital machineries	(192,488,360)	(71,519,646)	(26,774,880)	-
Wilmar Trading (Hong Kong) Limited	Hong Kong	Related company	Sale of Bulk Product	20,718,750	-	20,718,750	-
Wilmar (China) Oleo., Ltd	China	Related company					



## 31. Capital expenditure commitment

There were no capital expenditure commitment at 31 December 2023.

## 32. Contingent (liabilities)/Assets

In Taka		
2023	2022	
		The Company has the amount as documentary credit/letter of credit with Hongkong and Shanghai Banking Corporation Limited at the year.
-	(667,166,584)	The Company has the amount as documentary credit/letter of credit with Standard Chartered Bank at the year.
		The Company has the amount as documentary credit/letter of credit with Eastern Bank Limited at the year.
(397,820,832)	(32,802,610)	The Company has the amount as documentary credit/letter of credit with Commercial Bank of Ceylon.
(38,984,346)	(38,984,346)	Disputed tax claim for 2006 (Assessment year 2007-2008): The Company management has already filed appeal to the High Court against the Tribunal order. Verdict from the High Court is yet to receive.
(15,274,421)	(15,274,421)	Disputed tax claim for 2007 (Assessment year 2008-2009): The Company management has already filed appeal to the High Court against the Tribunal order. Verdict from the High Court is yet to receive.
(32,128,411)	(32,128,411)	Disputed tax claim for 2011 (Assessment year 2012-2013): Appellate Division of the Supreme Court given judgement in favour of National Board of Revenue. Now the case is pending for Lawyers opinion
(22,099,263)	(22,099,263)	Disputed tax claim for 2012 (Assessment year 2013-2014): Appellate Division of the Supreme Court given judgement in favour of National Board of Revenue. Now the case is pending for Lawyers opinion
(38,209,178)	(38,209,178)	Disputed tax claim for 2016 (Assessment year 2017-2018): The Company management has filed before the Hon'ble High Court Division of the Supreme Court of Bangladesh against the order passed by Tax appellate Tribunal.
-	(2,892,639)	Disputed tax claim for 2017 (Assessment year 2018-2019): A order has been passed by the Tax Appellate Tribunal (TAT) against the order passed by Commissioner of Tax (Appeal). Revised assessment order has done by DCT and duly settled.
(9,144,816)	(9,144,816)	The company management has filed a Writ Petition before the Hon'ble High Court Division of the Supreme Court against alleged VAT demand.
(5,844,897)	(5,844,897)	The Company management has filed a Writ Petition before the High Court Division of the Supreme Court against alleged VAT demand (Writ Petition no : 56/2008). The honourable High Court has issued stay order in favour of the Company.





Notes to the financial statements (continued)	
32. Contingent (liabilities)/Assets (continued)	In Taka
2022	2023

The company management has filed a Writ Petition before the Hon'ble High Court Division of the Supreme Court against alleged VAT demand on TDS.	(45,158,339)	(45,158,339)
A order has been passed by the VAT Appellate Tribunal against the appeal from the Company and duly settled. Case # 147/2021	-	(115,632)
A order has been passed by the VAT Appellate Tribunal against the appeal from the Company and duly settled. Case # 148/2021	-	(249,025)
The company management has filed an appeal before the High Court against the order passed by VAT Appellate Tribunal, Case # 310/2023	(11,530,819)	(11,530,819)
The company management has filed an appeal before the High Court against the order passed by VAT Appellate Tribunal, Case # 297/2023	(18,578,070)	(18,578,070)
The company management has filed an appeal before the High Court against the order passed by VAT Appellate Tribunal, Case # 278/2023	(11,271,147)	(11,271,147)

The above contingent liabilities in connection with Tax / VAT have not been recognised as the board of the directors of the company expect favourable outcome from appeals.

**33. Subsequent events**

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

**34. Basis of measurement**

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

**35. Material accounting policies**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

In addition, the Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from 1 January 2023. The amendments require the disclosure of 'material' rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in Note 35 in certain instances.

Certain comparative amounts in the statement of financial position and statement of profit or loss and other comprehensive income have been reclassified as a result of either changes in accounting policy or for better presentation purpose, where necessary.

Set out below is an index of the material accounting policies, the details of which are available on the following pages:

A.	Foreign currency
B.	Revenue from contracts with customers
C.	Employee benefits
D.	Finance income and finance costs
E.	Income tax
F.	Inventories
G.	Property, plant and equipment
H.	Investment property
I.	Intangible assets
J.	Financial instruments
K.	Share Capital
L.	Impairment
M.	Provisions
N.	Leases
O.	Operating profit
P.	Reporting period
Q.	Statement of cash flows
R.	Events after the reporting period





## 35. Material accounting policies (continued)

## A. Foreign currency

Transactions in foreign currencies are translated into the relevant functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

## B. Revenue from contracts with customers

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

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

The Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT). The Company applied IFRS 15 from 1 January 2018.

## C. Employee benefits

The Company maintains both defined contribution plan (provident fund and workers' profit participation fund) and defined benefit plan (unfunded gratuity scheme) for its eligible permanent employees.

## i. Defined contribution plan (provident fund)

Defined contribution plan is a post-employment benefit plan. The recognised Employees' Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10% of their basic salary to the provident fund and the Company also makes equal contribution.

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





Notes to the financial statements (continued)

35. Material accounting policies (continued)
- C. Employee benefits (continued)
- II. Defined benefit plan (funded gratuity scheme)
- The Company operates an unfunded gratuity scheme provision in respect of which it is made covering all its permanent eligible employees. Gratuity payable to all eligible employees at the end of each year is determined on the basis of existing rules and regulations. Provision for gratuity payable is calculated by way of multiplying number of years served with the last drawn monthly basic salary. A service period of more than six months with the Company is considered as full year service for the purpose of gratuity calculation except for the first year of service which will have to be completed by an employee in order to become eligible for gratuity payment.
- III. Defined contribution plan (WPPF)
- The Company is required to provide 5% of net profit before tax before charging such expense as WPPF in accordance with Bangladesh Labour Act, 2006.
- D. Finance income and finance costs
- Finance income comprises interest income on SND (Short Notice Deposit) at bank. Interest income is recognised as it accrues in profit or loss using the effective interest method. Finance costs comprise interest expense on loans and borrowing. Interest cost is recognised as it accrues in profit or loss using the effective interest method.
- E. Income tax
- Income tax expenses comprise current and deferred tax. Current tax and deferred tax are recognised in the profit or loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in equity.
- I. Current tax
- Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
- II. Deferred tax
- Deferred tax is recognised 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 recognised for:
- a) 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,
  - b) 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
  - c) taxable temporary differences arising on the initial recognition of goodwill.



## 35. Material accounting policies (continued)

## E. Income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans. 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; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax assets and liabilities are offset if there is legally enforceable right to offset 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 there tax assets and liabilities will be realised simultaneously.

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

## F. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis for valuation of raw material, raw materials in transit, work in progress and finished goods, packing materials, stores and others. It also includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

There are no inventories to write-down to net realisable value as the cost of the inventory is lower than the net realisable value. Also there are no write-down of inventory due to provision for slow moving and obsolete items as the inventory is very fast moving for the entity. Also there are no indication of slow moving or obsolete inventories identified in the inventory count which requires to write down of inventories.

## G. Property, plant and equipment

## I. Recognition and measurement

Items of property, plant and equipment, excluding land and development, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and land development is measured at cost. The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

## II. Subsequent expenditure

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







35. Material accounting policies (continued)

G. Property, plant and equipment (continued)

III. Depreciation

No depreciation is charged on land and land development and assets under construction.

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives for the current and comparative years are as follows:

Building and improvement	40 years
Plant and machinery	5-20 years
Tools and equipment	3-5 years
Furniture and fixtures	10 years
Motor vehicles	5 years
Tank and piping	20 years

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

IV. Gains or losses on disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between sales proceed and the carrying amount of the asset and is recognised in profit or loss.

H. Investment property

Investment property is initially measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

Rental income from investment property is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

I. Intangible assets

I. Recognition and measurement

Intangible assets (SAP Software and HRIS Software) that are acquired by the Company have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

II. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.



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

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

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

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

On initial recognition, a financial asset is classified as measured at: amortised cost.

#### Financial assets

#### ii. Classification and subsequent measurement

Trade receivables are recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

#### i. Recognition and initial measurement

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.

#### j. Financial instruments

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from its continued use. Gains or losses on disposals are determined by comparing the disposal proceeds with the carrying amounts and are recognised net.

#### iv. Derecognition

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

SAP and HRIS software

Goodwill is not amortised. The estimated useful lives for the current year and comparative is as follows:  
the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.  
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using

#### iii. Amortisation

#### i. Intangible assets (continued)

#### 35. Material accounting policies (continued)

#### Notes to the financial statements (continued)





Notes to the financial statements (continued)

35. Material accounting policies (continued)

J. Financial instruments (continued)

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

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

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

Financial assets include cash and cash equivalents, trade and other receivables, and long term receivables and deposits.

(a) **Cash and cash equivalents**

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

(b) **Trade and other receivables**

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



## 35. Material accounting policies (continued)

## J. Financial instruments (continued)

## Financial liability

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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

Financial liabilities include trade and other payables etc.

## (a) Trade and other payables

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

## (b) Loans and borrowings

Bank overdrafts that are repayable on demand and short term loans and borrowings are stated at their costs. Short term loan repayable within twelve months from the date of statement of financial position. Those are classified as current liabilities whereas unpaid interest and other charges are classified as current liabilities.

## III.

## Derecognition

## Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership or in which the Company retains control of the financial asset.

## Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

## IV.

## Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.



## 35. Material accounting policies (continued)

## K. Share Capital

Only ordinary shares are classified as equity. Incremental cost directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up share capital represents total amount contributed by the shareholders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings.

## L.

## Impairment

## Non-derivative financial assets

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;

The Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Company measures loss allowances at an amount equal to lifetime ECLs as there is very low chance of the loss.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

## Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

## II.

## Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflow from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost 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 current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognised in statement of profit or loss and other comprehensive income. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amount of the assets in the CGU on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the asset has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.





## 35. Material accounting policies (continued)

## M. Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

## N. Leases

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

## As a lessee

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

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

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

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

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

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

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





## 35. Significant accounting policies (continued)

## N. Leases (continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

**Short-term leases and leases of low-value assets**

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

## II.

**As a lessor**

The Company has not leased any property as of 31 December 2023.

## O.

**Operating profit**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity-accounted investees and income taxes.

## P.

**Reporting period**

The financial period of the Company covers 1 year from 1 January to 31 December and is followed consistently.

## Q.

**Statement of cash flows**

Cash flows from operating activities are presented under indirect method as per IAS 7: Statement of Cash Flows.

## R.

**Events after the reporting period**

Events after the reporting period that provide additional information about the Company's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Material events after the reporting date that are not adjusting events are disclosed in the note 33.

## 36.

**Going concern**

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



## 37. Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Company has not early adopted the following new or amended standards in preparing these financial statements.

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

- |    |   |
|----|---|
| A. | Onerous contracts - Cost of fulfilling a contract (Amendments to IAS 37).   |
| B. | Interest rate benchmark reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)   |
| C. | Other standards <ul style="list-style-type: none"> <li>- Reference to Conceptual Framework (Amendments to IFRS 3).</li> <li>- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts.</li> <li>- Definition of Accounting Estimates - Amendments to IAS 8</li> </ul> |

## 38. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. Management has 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 management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market 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 fall into 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.

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

