AUDITORS' REPORT

AND

THE FINANCIAL STATEMENTS

OF

ASIATIC LABORATORIES LIMITED

For the year ended June 30, 2023

PrimeGlobal | An Association of Independent Accounting Firms

FAMES & R
CHARTERED ACCOUNTANTS

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Independent Auditors' Report
To the Shareholders of
Asiatic Laboratories Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of **Asiatic Laboratories Limited** (the Company), which comprise the Statement of Financial Position as at 30th June 2023 and Statement of Profit or Loss & Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and Notes, comprising a summary of significant accounting policies and other explanatory information thereto.

In our opinion, the accompanying Financial Statements give a true and fair view, in all material respect of the Financial Position of the company as at 30th June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994, Securities Exchange Rules 2020 and other applicable laws and regulations.

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 Auditors' 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 and The Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition **Ref no:3.10 & 25.00**	
Key Audit Matter	**Our Audit Approach**
At the year end the company reported total revenue of Tk.1,289,254,174 which includes local sales. Revenue recognition has significant and widespread influence over the financial statements and plays a vital role in calculating Corporate Tax. Since, revenue recognition is one of the performance indicators in almost all sector, there always exist risk of revenue smoothing or window dressing. Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.	We have tested the design and operating effectiveness of key controls focusing on the following: -Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognized in the appropriate accounting period. -Review monthly VAT return to ascertain local sales and bank confirmation certificate regarding local sales. -We ensured all invoices relates to the current reporting period and mach cut-off date. -We inspected Segregation of duties in invoice creation and modification and timing of revenue recognition.

2.Valuation of Inventory
Ref: Note 3.04& 8.00

Key Audit Matter	Our Audit Approach
As at 30th June 2023 the reported amount of inventory is Tk. 341,110,943 represents 26.51% of current assets and almost 4.93% of total assets. The closing inventory figure have significant impact in determining the cost of goods sold. Inventories are usually carried in financial statements at the lower of cost and net realizable value. Since frequent changes in customer demand is unavoidable in manufacturing industry and a large quantity of raw material is held. As a result, there is risk that the carrying value of inventory exceeds net realizable value.	Our audit approach includes but not limited to the followings: -We gained a clear understanding of recording and valuation methods and operating effectiveness regarding Inventory. -We made sure that closing balances care carried forward correctly and current year purchase amounts are in agreement with ledger balances. -We reviewed the company's policy of accounting for obsolete, damaged & slow-moving items along with procedure for disposal. -We have checked the physical safeguard of inventory held at warehouse of the company. - We also reviewed the requisition process of inventory and control on dispatch of items. -We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.

3. Capital work in progress
Ref: Note 3.03 & 7.00

Key Audit Matter	Our Audit Approach
In the year ended 30th June 2023 the company accounted for Capital Work in Progress (WIP) closing balance of Tk. 78,138,851. The company also presented transfer of Tk. 2,832,730 (Building & Other Construction) & Tk. 308,096,204 (Plant & Machinery) to Property, Plant and Equipment in the reporting period. The capitalized amount (Tk.2,832,730+ 350,412,864) = 353,245,594/- is material to the statement of financial position and represents 5.10% of total asset of the company.	Our audit approach includes but not limited to the followings: -We have checked that the correct account balances are carried forward in Capital Work in Progress account and calculate the mathematical accuracy of the total amount presented. -We reviewed the documents in support of the total amount of investment in capital project and make sure none of them is irrelevant with current year (cut off). -We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets. -We evaluate the appropriateness of disclosures in financial statements.

4. Deferred Tax Liability
Ref: Note 3.24 &17.00

Key Audit Matter	Our Audit Approach
As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax & Deferred Tax. There is a deferred tax liability of Tk. 657,463,889 which is almost equivalent to 9.50% compared to total assets of the company. In SPLOCI there is a reported deferred tax expense of	We verified that right opening balances are carried forward in deferred tax account. -We made sure that, the tax base is according to 3rd schedule of ITA 2023 and the accountant of the company have clear understanding of posting the associated journal entries.

Tk. 7,911,668 which is 3.84% of the reported profit for the year (other than OCI). The temporary difference of deferred tax consists critical calculation and forecast. The uncertainty in forecasting or lack of expertise may results in material misstatements which may have an impact on corporate tax.	- We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger. - We examine the procedure of arriving at temporary difference in case of lease liability and ROU asset. -We reviewed the amount of provision created for Deferred Tax in current year and the relevant adjustment against revaluation reserve. -We ensure that the correct rate of Tax is used to calculate the provisions for deferred tax. -We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.
05. Lease Liability **Ref: Note 3.01, 3.02.5, 3.02.5,16.00&23.00**	
Key Audit Matter	**Our Audit Approach**
In the Financial Statement there is Current Lease Liability of Tk. 12,189,487/- & non-current portion is Tk. 47,134,191 as on date. The total lease liability Tk. 59,323,678 considered material due to its involvement with critical accounting estimate and judgment. The application of IFR-16 Leases involves complex understanding and assumption that increases the possibility for misstatement in calculating lease liability, corresponding assets and associated effective interests charged in current year.	We have tested the design and operating effectiveness of key controls regarding the recognition and measurement of lease obligation and ROU assets. Our audit approach includes but not limited to the followings: -Collect the lease agreements and rescheduling letters issue by leasing company. -We ensure correct balances are carried forward from previous period. -We checked the effective date of lease agreements to confirm fair presentation. -We checked the validity of using effective interest rate for arriving at interest charge each period. -We checked the arithmetic accuracy of payment schedule and ROU asset recognition. -We verified management's assumptions regarding depreciation and useful life of ROU assets in case of both capital & rental lease agreements. -We checked the mathematical accuracy and type of asset transferred from ROU category to freehold PPE. -We examine the adequacy of disclosure presentation requirements in relation to IFRS-16 Leases.

Other Information

Another independent auditor had expressed an unmodified opinion regarding the preparation and presentation of financial statements for the year ended 30th June 2022.

Management is responsible for the other information. The other information comprises all the information in the annual report other than the Financial Statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report. The directors are responsible for the other information.

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Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, The Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control, and risk management functions of the company.

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.

Auditors' 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. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are 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 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 disclosers 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 event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the Financial Statements we are responsible for the direction, supervision, and performance of the company audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements
In accordance with the Companies Act 1994 and Securities Exchange Rules 2020, we also report that:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books.
c) The Statement of Financial Position, Statement of Profit or Loss & Other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of accounts and returns; and
d) The expenditure incurred were for the purpose of the Company's business.

Fouzia Haque, FCA
Enrollment no: 1032
Partner
FAMES & R
Chartered Accountants
DVC # 2411231032AS347852

Date: 23 November 2024
Place: Dhaka

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Asiatic Laboratories Limited
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Assets			
Non-Current Assets		**5,637,663,075**	**5,411,923,804**
Freehold Property, Plant and Equipment	4.00	5,509,159,496	5,309,507,940
Right of Use Assets	5.00	48,573,061	58,802,006
Intangible Asset	6.00	1,791,667	2,291,667
Capital Work-in-Progress	7.00	78,138,851	41,322,191
Current Assets		**1,286,584,721**	**848,029,914**
Inventories	8.00	341,110,943	375,995,085
Trade and other Receivables	9.00	372,024,073	278,019,331
Advances, Deposits and Prepayments	10.00	126,705,176	186,127,499
Cash and Cash Equivalents	11.00	446,744,530	7,888,000
Total Assets		**6,924,247,796**	**6,259,953,719**
Shareholders Equity and Liabilities			
Shareholders Equity		**5,664,279,770**	**5,243,140,912**
Share Capital	12.00	878,480,000	878,480,000
Share Money Deposit (IPO Fund-EI part)		431,818,180	-
Revaluation Surplus	13.00	1,628,560,575	1,851,122,524
Retained Earnings	14.00	2,725,421,015	2,513,538,388
Non-Current Liabilities		**979,328,152**	**706,244,842**
Long Term Borrowings	15.00	274,730,071	240,461,281
Lease Liability (Non-Current Portion)	16.00	47,134,191	32,758,171
Deferred Tax Liability	17.00	657,463,890	433,025,390
Current Liabilities		**280,639,874**	**310,567,964**
Short Term Borrowings	18.00	51,748,918	8,875,550
Liabilities for Expenses	19.00	15,287,625	16,401,843
Current Tax Payable	20.00	112,345,013	145,448,649
Liability for WPPF	21.00	23,055,701	23,245,695
Long Term Borrowings (Current Portion)	22.00	58,543,368	78,428,847
Lease Liability (Current Portion)	23.00	12,189,487	21,439,453
Trade and other Payables	24.00	7,469,763	16,727,926
Total Shareholders Equity and Liabilities		**6,924,247,796**	**6,259,953,719**
Net Asset Value (NAV) per share with Revaluation	33.00	**64.48**	**59.68**
Net Asset Value (NAV) per share without Revaluation	33.00	**45.94**	**38.61**

The annexed notes form an integral part of these Financial Statements.

Tahmina Begum

Chief Financial Officer	**Company Secretary**	**Managing Director**	**Chairman**

Signed in terms of our separate report of even date annexed.

Dated: 23 November 2024
Place: Dhaka

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CHARTERED ACCOUNTANTS

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2411231032AS347852

Asiatic Laboratories Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30-Jun-2023	**30-Jun-2022**
Net Sales Revenue	25.00	1,289,254,174	1,472,783,409
Cost of Goods Sold	26.00	(741,972,010)	(835,390,525)
Gross Profit		**547,282,164**	**637,392,884**
Operating Expenses	27.00	(196,958,310)	(202,974,013)
Profit from Operation		**350,323,854**	**434,418,872**
Other Income	28.00	12,290,416	1,453,443
Financial Expenses	29.00	(36,193,824)	(36,097,244)
Interest on Lease Liability	30.00	(18,263,703)	(5,227,439)
Profit Before WPPF & Income Tax		**308,156,743**	**394,547,631**
Less: Workers' Profit Participation Fund Expenses		14,088,873	18,787,982
Profit Before Income Tax		**294,067,870**	**375,759,649**
Income Tax Expenses		**(88,220,361)**	**(107,203,841)**
Current Tax	20.00	(80,308,693)	(73,741,891)
Deferred Tax Income/(Expense)	17.00	(7,911,668)	(33,461,950)
Net Profit After Income Tax		**205,847,509**	**268,555,808**
Add: Other Comprehensive Income:		**(216,526,831)**	**1,477,957**
Add : Deferred Tax expenses on Revaluation		(217,919,551)	-
Adjustment of deferred tax on depreciation for Revaluation Surplu		1,392,720	1,477,957
Total Comprehensive Income for the year		**(10,679,322)**	**270,033,765**
Earnings Per Share (EPS)	32.00	**2.19**	**3.06**

The annexed notes form an integral part of these Financial Statements.

Tahmina Begum

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Signed in terms of our separate report of even date annexed.

Fouzia Haque, FCA
Partner
FAMES & R
Chartered Accountants
DVC # 2411231032AS347852

Place: Dhaka
Dated: 23 November 2024

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Asiatic Laboratories Limited
Statement of Changes in Equity
For the year ended 30 June 2023

(Amount in Taka)

Particulars	Ordinary Share Capital	Share Money Deposit (IPO Fund)	Revaluation Surplus	Retained Earnings	Total
Balance as at July 1, 2022	878,480,000	-	1,851,122,524	2,513,538,388	5,243,140,912
Addition of Share Money Deposit (IPO Fund	-	431,818,180		-	431,818,180
Addition of revaluation Surplus	-			-	-
Adjustment of deferred Tax (Expenses)/Income on Revaluation Surplus for changing tax rate on capital gain of land	-		(217,919,551)	-	(217,919,551)
Adjustment of depreciation for Revaluation Surplus	-		(4,642,399)	4,642,399	-
Adjustment of deferred tax on depreciation for Revaluation Surplus	-		-	1,392,720	1,392,720
Net profit for the year transferred from Statement of Profit or Loss & Other Comprehensive Income.	-		-	205,847,509	205,847,509
Balance as at June 30, 2023	**878,480,000**	**431,818,180**	**1,628,560,575**	**2,725,421,015**	**5,664,279,770**

Asiatic Laboratories Limited
Statement of Changes in Equity
For the year ended 30 June 2022

(Amount in Taka)

Particulars	Ordinary Share Capital	Share Money Deposit	Revaluation Surplus	Retained Earnings	Total
Balance as at July 1, 2021	878,480,000	-	1,856,049,047	2,238,578,100	4,973,107,147
Adjustment of depreciation for Revaluation Surplus	-	-	(4,926,523)	4,926,523	-
Adjustment of deferred tax on depreciation for Revaluation Surplus	-	-	-	1,477,957	1,477,957
Net profit for the year transferred from Statement of Profit or Loss & Other Comprehensive Income.	-	-	-	268,555,808	268,555,808
Balance as at June 30, 2022	**878,480,000**	-	**1,851,122,524**	**2,513,538,388**	**5,243,140,912**

Tahmina [illegible]

Chief Financial Officer **Company Secretary** **Managing Director** **Chairman**

Place: Dhaka
Dated: 23 November 2024

FAMES & R CHARTERED ACCOUNTANTS F&R DHAKA BANGLADESH

Asiatic Laboratories Limited
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Note	Amount in Taka	
		30-Jun-2023	30-Jun-2022
A. Cash Flows from Operating Activities			
Received from Customers	36.06	1,195,249,432	1,386,943,761
Paid to Suppliers	36.07	(531,256,496)	(727,907,034)
Paid to Employee	36.08	(161,853,344)	(165,553,981)
Paid for Manufacturing & Operating Expenses	36.09	(76,186,840)	(91,597,896)
Received from Other Sources		12,290,416	43,000
Tax Paid		(65,738,719)	(69,730,975)
Net Cash Generated From Operating Activities		**372,504,449**	**332,196,875**
B. Cash Flows from Investing Activities			
Acquisition of Freehold Property, Plant and Equipment	36.10	(5,044,785)	(48,416,343)
Acquisition of Intangible Assets	36.11	-	-
Paid for Capital Work In Progress	36.12	(354,447,094)	(232,184,505)
Net Cash Used to Investing Activities		**(359,491,879)**	**(280,600,848)**
C. Cash Flows from Financing Activities			
Long Term Loan Payment	36.13	14,383,311	9,856,309
IPO Expenses paid		(10,243,878)	(6,962,025)
Short Term Loan Payment		42,873,368	(552,064)
Lease Liability Payment	36.14	1,470,505	(15,143,349)
Share Money Deposit (IPO Fund-EI portion)		431,818,180	-
Interest on Lease Liability		(18,263,703)	(5,227,439)
Paid for Financial Cost		(36,193,824)	(36,097,244)
Net Cash Used in Financing Activities		**425,843,959**	**(54,125,812)**
D. Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**438,856,530**	**(2,529,785)**
E. Cash and Cash Equivalents at the Beginning of the Year		7,888,000	8,984,494
F. Foreign Exchange Gain/(loss)		-	1,433,289
G. Cash and Cash Equivalents at the end of the Year (D+E+F)		**446,744,530**	**7,887,999**
Net Operating Cash Flows Per Share (NOCFPS)	34.00	**3.97**	**3.78**

Tahmina Begum

Chief Financial Officer | **Company Secretary** | **Managing Director** | **Chairman**

Place: Dhaka.
Dated: 23 November 2024

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Asiatic Laboratories Limited
Notes, comprising a summary of significant accounting policies and other explanatory information
For the year ended June 30, 2023

1.0 Reporting Entity:

1.01 Background of the Company
The Company namely "Asiatic Laboratories Limited" (referred hereafter 'The Company' or 'ALL') was incorporated on 25th July 1970 vide Registration No. C-3472 under the Companies Act, of 1913. The Company converted from Private to Public Limited by share on March 12, 2020, under the Companies Act, of 1994 and splits its face value of shares to Tk. 10 from Tk.100 on 10 February 2020. The Company started its commercial operation on 2nd January 1998.

1.02 Address of the Registered & Corporate Office
The Registered & Corporate Office of the Company is situated at 42-43 Siddheshawari Circular Road, Treasure Island (5th Floor), Shantinagor, Dhaka-1217, Bangladesh and the industrial units in established at 253, Tongi Industrial Area, Tongi, Gazipur, Bangladesh.

1.03 Nature of Business Activities
The principal activities of the Company are manufacturing and marketing a wide range of Therapeutical medicines and pharmaceutical products in the categories of Biological, Non-Biological & Sterile Pharmaceutical dosage. The products are sold in the local & International Market mainly.

1.04 Capital Structure of the Company
Asiatic Laboratories Limited is a Public Limited Company formed by a local owner. The details of the capital structure are given below:

Particulars	Taka
Authorized Capital 200,000,000 Ordinary Shares of Taka 10/= each	2,000,000,000
Issued, Subscribed, Called-up and Paid-up Capital 87,848,000 Ordinary Shares of Tk. 10/= each fully paid up	878,480,000

1.05 Production Plant
The production Plant of the company is situated at 253, Tongi Industrial Area, Tongi, Gazipur, Bangladesh.

1.06 Date of Authorization
The Financial Statements of Asiatic Laboratories Limited for the year ended on June 30, 2023 were authorized for issue following a resolution of the Board of Directors on October 30, 2024.

1.07 Reporting Period
The financial period of the Company covers 1 (one) year from 1 July 2022 to 30 June 2023.

2.00 Basis of Preparation and Presentation of Financial Statements:

2.01 Statement of Compliance
The Financial Statements have been prepared in compliance with the requirements of the Companies Act 1994 and other relevant local laws as applicable and following the applicable International Accounting Standards (IASs), The Securities and Exchange Rules, 2020 and International Financial Reporting Standards (IFRSs) and others applicable laws and regulations.

2.02 Regulatory Compliances
As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

a) The Income Tax Ordinance 1984;
b) The Income Tax Rules 1984;
c) The Income Tax Act-2023;
d) The Value Added Tax and Supplementary Duty Act 2012;
e) The Value Added Tax and Supplementary Duty Rules 2016;
f) The Customs Act, 1969;

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g) Bangladesh Labor Act, 2006 (Amended up to 2018);
h) Labour Rules, (Amended 2015);
i) Sales of Goods Act, 1930;
j) Negotiable Instrument Act, 1881; and
k) The Securities and Exchange Rules, 2020.
l) The Financial Reporting Act 2015

2.03 Measurement Bases used in preparing the Financial Statements

Measurement is the process of determining the monetary amounts at which the elements of the Financial Statements are to be recognized and carried in the statement of financial position and profit or loss and other comprehensive income. The measurement basis adopted by the Company is historical cost of inventories is at the lower of cost and net realizable value and marketable securities (if any) are at market value. Under the historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire them at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation, or some circumstances (for example, income taxes), at the amount of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business. The Financial Statements have been prepared on a going concern basis under the historical cost convention applying an accrual basis of accounting following the International Financial Reporting Standards (IFRSs).

2.04 Compliance with the IAS and IFRS

The following IASs and IFRSs apply to the Financial Statements of the Company for the year under review:

Sl. No.	Name of the IAS	IAS's No.
i	Presentation of Financial Statements	1
ii	Inventories	2
iii	Statement of Cash Flows	7
iv	Accounting policies, Changes in Accounting Estimates and Errors	8
v	Events after the Reporting Period	10
vi	Income Taxes	12
vii	Property, Plant and Equipment	16
viii	Employee Benefits	19
ix	The Effects of Changes in Foreign Exchange Rates	21
x	Borrowing Costs	23
xi	Related Party Disclosures	24
xii	Earnings Per Share	33
xiii	Impairment of Assets	36
xiv	Provision, Contingent Liabilities and Contingent Assets	37
xv	Intangible Assets	38

Sl. No.	Name of the IFRS	IFRS No.
i	First-time Adoption of International Financial Reporting Standards	1
ii	Financial Instruments: Disclosures	7
ii	Operating Segments	8
iv	Financial Instruments	9
v	Fair Value Measurement	13
vi	Revenue from Contracts with Customers	15
vii	Leases	16

2.06 Going Concern

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

2.07 Accrual Basis

The Financial Statements have been prepared, except for Cash Flows information, using the accrual basis of accounting.

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2.08 Currency Presentation:

2.08.1 Functional and Presentational Currency and Level of Precision

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

2.09 Materiality and Aggregation

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

2.10 Use of Estimates and Judgments

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the Financial Statements. The account judgments, estimates and assumptions are being used in the following heads of Accounts for the preparation of Financial Statements:

Note: 3.02.1 Recognition, Measurement and Disclosure of Property, Plant and Equipment;
Note: 3.02.2 Depreciation on Freehold Property, Plant and Equipment;
Note: 3.02.8 Revaluation of Freehold Property, Plant & Equipment;
Note: 3.02.9 Impairment of Assets;
Note: 3.04 Valuation of Inventories;
Note: 3.06.3 Trade and other Receivables;
Note: 3.06.5 Trade and other Payables;
Note: 3.08 Provision, Contingent Liabilities and Contingent Assets;
Note: 3.10 Revenue recognition;
Note: 3.15 Employees Benefits;
Note: 3.16 Finance Expenses and
Note: 3.24 Income Taxes (Current and Deferred Tax).

2.11 Components of Financial Statements

The presentation of these Financial Statements is in accordance with the guidelines provided by IAS-1: "Presentation of Financial Statements". A complete set of Financial Statements comprises:

(a) Statement of Financial Position as at June 30, 2023.
(b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023.
(c) Statement of Changes in Equity for the year ended June 30, 2023.
(d) Statement of Cash Flows for the year ended June 30, 2023; and
(e) Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended June 30, 2023.

3.00 Summary of Significant Accounting Policies

The specific accounting policies have been selected and applied for significant transactions and events that have a material effect within the framework for the preparation and presentation of Financial Statements.

3.01 Accounting Convention and Basis

The Financial Statements have been prepared in accordance with International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act, 1994, The Securities and Exchange Rules, 2020 and other laws and regulations applicable in Bangladesh.

Changes in significant accounting policies

Except for the changes following, the Company has consistently applied the accounting policies to all periods presented in these financial statements. The Company initially adopted IFRS 16 'Leases' on 1st July 2019. There is no material impact on financial statements on the initial application of the standards.

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As a Lessee
On 1st July 2019, IFRS 16 'Lease' has been adopted and all leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than BDT 525,000 (>= $ 5000 as per IFRS 16) when new, have been capitalized as "right to use" assets with a corresponding financial liability on the balance sheet.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future leased payments, based on the rate of interest entered in the asset master data. Low value (less than BDT 525,000) and short-term leases (less than 12 months) have been excluded from the recognition requirements and expensed in operating profit as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in the scope of the lease agreement can be made if necessary.

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

Leases classified as operating leases under IFRS 16
IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. The most significant impact identified is that lease liabilities were measured at the present value (rent for office /Depot/space) of the remaining lease payments, discounted at ALL's incremental borrowing rates as of 01 July 2019. Right-of-Use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

Right of Use Assets as of 30 June 2023
Right-of-use assets written down value of Tk. 48,573,061 and Tk. 89,438,448 were recognized at cost and presented separately in the Statement of Financial Position and Tk. 3,655,549 in addition during the year.

3.02 Freehold Property, Plant and Equipment:

3.02.1 Recognition, Measurement and Disclosure of Property, Plant and Equipment

Property, plant and equipment except for Land and Land development are measured at cost less accumulated depreciation and impairment losses if any. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost inward freight, duties, and non-refundable taxes. Where parts of an item of property, plant and equipment have a different useful life, they are accounted for as separate items of property, plant, and equipment.

The Company recognizes in the carrying amount of an item of property, plant, and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. All other costs are recognized in the Statement of Profit or Loss and Other Comprehensive Income as an expense as incurred. In accordance with the allowed alternative treatment of ***IAS 23 "Borrowing Cost",*** finance costs have been capitalized for qualifying assets (if any).

3.02.2 Depreciation on Freehold Property, Plant and Equipment

Depreciation on a fixed asset is computed using the reducing balance method. No depreciation is charged for land and land development and capital work in progress. After considering the useful life of assets as per IAS-16 Property, Plant and Equipment the annual depreciation rates applied under this are considered reasonable by the management. The rate of depreciation is varied according to the estimated useful lives of the items of property, plant, and equipment. Depreciation of an asset begins when it is available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost and accumulated depreciation of depreciable assets retired or otherwise disposed of are eliminated from

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the assets and accumulated depreciation and any gain or loss on such disposal are reflected in operations for the year. The estimated useful life for depreciation is as follows:

Category	Rate (%)
Land & land Development	0%
Building & Other Construction	2.5%
Plant & Machinery	7.5%
Furniture and Fixture	10%
Generator	10%
Electrical Installation	10%
Vehicle	10%
Fire Equipment	10%
Office Equipment	10%

3.02.3 Depreciation on Right of Use Assets

Depreciation on the Right of use Assets (Finance Lease) is computed using the reducing balance method to write off the assets over their expected useful life. After considering the useful life of assets as per IAS-16 Property, Plant & Equipment the annual depreciation rates applied which is considered reasonable by the management. Depreciation of an asset begins when it is available for use i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The estimated useful life for depreciation is as follows:

Category	Rate (%)
Plant & Machinery	7.5%

Depreciation on Right of use Assets (Rental Lease) is computed using the straight-line method from the commencement date to the end of the useful life as per the lease agreement. The company calculated depreciation on Right of Use Assets for the following tenor:

Category	Rate (Years)
Dinajpur Depot	3 Years
Bogura Depot	3 Years
Faridpur Depot	2 Years
Sylhet Depot	2 Years
Chottagram Depot	2 Years
Kishorgonj Depot	2 Years
Mymensingh Depot	2 Years
Rangpur Depot	3 Years
Khustia Depot	3 Years
Rajshahi Depot	3 Years
Cumilla Depot	3 Years
Khulna Depot	3 Years
Tangail Depot	3 Years
Noakhali Deport	3 Years
Barisal Deport	3 Years

3.02.4 Disposal of Freehold Property, Plant and Equipment

An asset is derecognized upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset is recognized as gain or loss from the disposal of the asset under other income in the statement of comprehensive income. However, no such disposal of Property, Plant and Equipment was made during the year ended on June 30, 2023.

3.02.5 Transfer of Right of Use Assets

After completion of the Lease Payment, the Right of Use assets have been transferred to the appropriate asset category of Freehold Property, Plant and Equipment.

3.02.6 Maintenance Activities

The company incurs maintenance costs for all its major items of property, plant, and equipment. Repair and Maintenance costs are charged as expenses when incurred.

3.02.7 Subsequent Costs

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

3.02.8 Revaluation of Freehold Property, Plant & Equipment

As per IAS16: Property, Plant and Equipment paragraph 34, "the frequency of revaluations depends upon the changes in fair values of the items of property, plant and equipment being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a further revaluation is required. Some items of property, plant and equipment experience significant and volatile changes in fair value, thus necessitating annual revaluation. Such frequent revaluations are unnecessary for items of property, plant, and equipment with only insignificant changes in fair value. Instead, it may be necessary to revalue the item only every three to five years.

To comply with the above paragraph The Company made its first valuation of Land and Land Development, Plant and machineries and building and other construction on 30 June 2020 by an independent valuer to reflect fair value (Market Approach) thereof following 'Current Cost Method' as per IFRS-13 'Fair Value Measurement'.

Particulars of Assets	Name of Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of the assets after revaluation	Revaluation Surplus in 30.06.2020
Land and Land Development	M/S Shafiq Basak & Co.	Chartered Accountants	31-January-21	1,269,603,743	3,085,600,000	1,815,996,257
Building and other construction				865,213,763	934,214,588	69,000,825
Plant and machineries				683,144,962	727,433,008	44,288,046
Total				**2,817,962,468**	**4,747,247,596**	**1,929,285,128**

The increase in the carrying amount of revalued assets is recognized in the separate component of equity as Revaluation Surplus. However, the increase recognized in the statement of Profit or Loss and Others Comprehensive Income for year ended June 30, 2021.

Other Non-Current Assets were kept outside the scope of the revaluation works. These are expected to be realizable at written down value (WDV) as mentioned in the statement of Financial Position of the company. The Company revalued its Property, Plant & Equipment (Fixed Assets) as per valuation guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC) dated on 18 August 2013 clause 09 of Part A. For better understanding, a table showing below;

Name of PPE	Value at Cost as on 30 June 2020	Revalued amount as on 30 June 2020	Revaluation Surplus on 30 June 2020	Remarks
Land and Land Development	1,269,603,743	3,085,600,000	1,815,996,257	As per (BSEC) valuation guideline dated on 18 August 2013 clause-8 Time-lag between two valuations for the same class of assets shall not be less than three years; provided that no upward revaluation of an asset shall be made within two years of its acquisition;

Building and other construction	865,213,763	934,214,588	69,000,825	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iii) upward revaluation of the asset are not allowed 'Tin-shed buildings, buildings having remaining economic life of less than 50% of its total useful life, as estimated at construction''
Plant and machineries	683,144,962	727,433,008	44,288,046	As per (BSEC) valuation guideline dated on 18 August 2013 clause 9(iii) upward revaluation of the asset are not allowed 'Plant & machineries acquired in second in hand condition, acquired in brand new condition but having remaining economic life of less than 50% of its total useful life, as estimated at acquisition''
All Other Assets	160,216,540	-	-	As per (BSEC) valuation guideline dated on 18 August 2013 clause-9(iv) upward revaluation of the asset are not allowed 'Vehicles, furniture & Fittings, office equipment, loose tools and intangible assets''

3.02.9 Impairment of Assets

The management of the Company takes physical stocks periodically and recognition of the assets was made accordingly considering the usable condition, wear and tear of the assets as follows:

i) The valuation of Property, Plant & Equipment has been made based on the usable condition of the assets as per IAS-36 Impairment of Assets.
ii) The management of the Company has conducted physical verification of Property, Plant & Equipment on 30.06.2023.

Property, Plant & equipment consisting of Building & other construction, Plant & Machinery, Furniture & Fixture, Office Equipment, Fire Equipment and Vehicle are valued at lower of cost and net realisable value as per IAS 16: Property, Plant & Equipment Costs include expenditure incurred in acquiring the assets and other costs incurred in bringing them to their existing location and condition.

Impairment of assets is made as and when assets became obsolete or unusable for which the management of the company is giving decisions from time to time. The management of the Company reviews the carrying amounts of its assets (Balance Sheet Date) to determine whether there is any indication of impairment in accordance with IAS-36: 'Impairment of Assets'. During the year at the Balance Sheet date, there was no indication of impairment of assets; as such, no adjustment was given in the Financial Statements for impairment during the year ended on June 30, 2023.

3.02.10 Intangible Assets

Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38: Intangible assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Subsequent costs

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the statement of profit or loss and other comprehensive income as incurred.

Amortisation

Computer software is amortised over 7 years from the month immediately following the month in which the asset comes into use.

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3.03 Capital Work in Progress

Property, plant, and equipment under construction/ acquisition are accounted for as capital work-in-progress until construction/ acquisition is complete and measured at cost. In Addition, as per IAS 23, the Interest expense on the bank loan taken for the acquisition of plant and machinery has been capitalized (if any) since the assets could not make ready for use during the reporting period.

3.04 Valuation of Inventories

Inventories consisting of raw materials, work in progress, and finished goods are valued at lower cost and net realisable value as per IAS 2: Inventories. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete, and slow-moving items to adjust the carrying amount of inventories to the lower cost and net realisable value as the board approves from time to time. Net realisable value is based on the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Category of Stocks	Basis of valuation
Raw Material including WIP:	At lower cost or net realizable value
Finished Goods:	At lower cost or net realizable value

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow-moving items for which the management of the company is giving decisions from time to time. Based on the sales cycle of slow-moving items, the sales prices of the products may decrease over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment in accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recognized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

3.05 Borrowing cost

Interest and other cost incurred in the Company in connection with the borrowing of the fund are recognized as expenses in the year in which they are incurred unless such borrowings cost related to the acquisition/construction of assets in progress that are required to capitalized (if any) as per IAS-23: Borrowing Cost.

3.06 Financial Instruments:

3.06.1 Derivative

According to IFRS 7 "Financial Instruments Disclosure", the company was not a party to any derivative contract (Financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreements or contract to hedge currency exposure related to import of capital machinery to be leased to leases in future.

3.06.2 Non-Derivation Financial Instruments

Non-derivative financial instruments comprise trade receivables, trade payables, cash and cash equivalents and share capital.

3.06.3 Trade and other Receivables

Trade receivables are recognized initially at invoice value and subsequently measured at the remaining amount less allowance for doubtful receivables at the year-end, (if any), which is made at the discretion of the management.

3.06.4 Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and with banks on current and deposit accounts and short-term investments which are held and available for use by the company without any restriction. There is an insignificant risk of change in the value of the same.

3.06.5 Trade and other Payables

Trade and other Payables are recorded at the amount payable for settlement in respect of goods and services received by the company.

3.06.6 Share Capital

Ordinary shares capitals are classified as equity.

3.06.7 Share Money Deposit

Share money received in exchange for shares that have not yet been acquired. The Company may have received money "up front" for a new issue of shares. Share Money is considered an equity share at the time of calculation of Earnings per Share (EPS). On behalf of the Share money depositor after making the allotment (if any). During the year the Company received Tk. 431,818,180 from IPO Fund (eligible investor by ESS platform of DSE).

3.07 Statement of Cash Flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "**Statement of Cash Flows**" and the cash flow from the operating activities have been presented under direct method as prescribed by the Securities and Exchange Rules-2020, considering the provision of paragraph 19 of IAS-7 which provides that "Enterprises are Encouraged to Report Cash Flows from Operating Activities Using the Direct Method" as well as indirect method in the notes to the Financial Statement.

3.08 Provision, Contingent Liabilities and Contingent Assets

The Financial Statements are prepared in conformity with IAS 37 "Provision, contingent Liabilities and Contingent Assets", which requires management to ensure that appropriate recognition criteria and measurement bases are applied to provision for outstanding expenses, contingent liability, assets, and that sufficient information is disclosed in the notes to the accounts to enable its users for their understanding about its nature, timing, and amount. In accordance with the guidelines as prescribed by IAS-37 provisions were recognized in the following situations:

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

We have shown the provision in the statement of Financial Position at an appropriate level concerning an adequate provision for risks and uncertainties. The sum of provision estimated and booked represents the reliable estimate of the probable expenses incurred but not paid, which is required to fulfil the current obligation on the Balance Sheet Date.

3.09 Loans and Borrowings

Principal amounts of loans and borrowings are stated at their outstanding amounts. Borrowings repayable after twelve months from the reporting date are classified as non-current liabilities whereas the portion payable within twelve months, unpaid interest and other charges are classified as current liabilities.

3.10 Revenue Recognition

"As per IFRS-15: "Revenue from Contracts with Customers" an entity shall account for a contract with a customer only when all of the following criteria are met:

a) The parties to the contract have approved the contract (in writing, orally or following other customary business practices) and are committed to performing their respective obligations.
b) The entity can identify each party 's rights regarding the goods or services to be transferred.
c) The entity can identify the payment terms for the goods or services to be transferred.
d) The contract has commercial substance (i.e., the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
e) The entity will probably collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer."

Considering the five steps model, the Company recognizes revenue at the time of delivery 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 those goods. Revenue from the 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).

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Sale of goods

The revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer when the buyer assures by giving acceptance on the delivery of goods. The revenue represents the invoice value of goods supplied to the customers measured at the fair value of the consideration received or receivable.

Impact of adoption of IFRS-15 'Revenue from contract with Customers' and IFRS-16 "Leases";

IFRS-15 "Revenue from contract with Customers"

In addition, prior year Financial Statements were prepared in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (BFRSs). The management of the Company has introduced IFRS-15 'Revenue from contract with Customers' instead of IAS-18 'Revenue' from 1st July 2018. The Management of the Company has assessed the difference between IFRS-15 'Revenue from contract with Customers' instead of IAS-18 'Revenue' and concluded that there are no differences that would impact any numerical amount and disclosures in the financial statement. For better presentation, the management reconciled the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows as well as Statement of Financial Position of the company with the effect of IFRS-15 Para c (8) which is shown in **Annexure-E**:

IFRS-16 "Leases"

The management of the Company has introduced IFRS-16 'Leases" instead of IAS-17 'Leases' from 1st July 2019. The Management of the Company has assessed the difference between IFRS-16 ' Leases and IAS-17 'Leases'. The Company assesses the impact of IFRS-16 on numerical amounts and disclosures in the financial statement. For better presentation, the management reconciled the Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows as well as Statement of Financial Position of the company with the effect of IFRS-16 which is shown in **Annexure-E**:

3.11 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring Financial Assets, Financial Liabilities, and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans, and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of Financial Assets is set out below.

Under IFRS 9, on initial recognition, a Financial Asset is classified as measured at amortized cost; The Fair Value through Other Comprehensive Income (FVOCI)–debt investment; Fair Value through Other Comprehensive Income (FVOCI)–equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of Financial Assets under IFRS 9 is generally based on the business model in which a Financial Asset is managed and its contractual cash flow characteristics. The derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid Financial Instrument as a whole is assessed for classification.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to Financial Assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Financial Assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. 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. The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)
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 following the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the Financial Asset. At each reporting date, the company assesses whether Financial Assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future Cash Flows of the financial asset have occurred. The Company expected that they have no credit losses on Trade & Other Receivables.

Presentation of Impairment
Loss allowances for Financial Assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset. Impairment losses related to trading receivables and others, including contract assets, shall present separately in the notes to the financial statement if any.

3.12 Impairment

i) Financial Assets

The Company shall recognize loss allowances for Expected Credit Losses ECLs (if any) on:

- Financial Assets are measured at amortised cost.
- Debt investments (if any) measured at FVOCI; and
- Contract assets (if any).

Loss allowances for Financial Assets (if any) measured at amortised cost are deducted from the gross carrying amount of the assets. Except for the following, which are measured at 12-month ECLs.

- Bank balances for which credit risk (i.e., the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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.

ii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated to determine the extent of the impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value fewer costs to selling. The value in use is based on the estimated future cash flows, 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. Impairment losses are recognized in profit or loss. 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 if no impairment loss had been recognized. However, no such impairment was found in Financial Assets during the period for which the company needs to make provision for impairment.

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3.13 Foreign Currency Transaction/Translation

Foreign currency transactions are translated into Bangladeshi Taka at the exchange rates ruling at the transaction dates according to IAS 21: The effect of changes in Foreign Exchange Rates". Monetary assets and liabilities denominated in foreign currencies are translated at prevailing rates on the balance sheet (Financial position) date.

Nonmonetary assets and liabilities denominated in foreign currencies, which are related at historical cost are translated into Bangladeshi Taka at the exchange rate ruling at the date of transactions. Foreign exchange gain/loss (if any) has been recognized in connection with foreign currency transactions since all such transactions are in BDT/ US dollars (if import) and significant gains/losses even out during the company's business.

3.14 Other Income

All other income is recognized when the Organization's right to receive such income has been reasonably determined and all conditions precedent is satisfied.

3.15 Employees Benefits

The Company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The Company's employee benefits include the following:

a) Short-term employee benefits

Short-term employee benefits include wages, salaries, bonuses, house rent, medical fees termination benefits etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

b) Employee Retirement Benefits

Obligations for the Company's contributions to defined contribution plans are recognized as an expense in the income statement as incurred.

c) Provident Funds

The Company has yet to be established a Contributory Provident Fund for Permanent employees of the Company.

d) Contribution to workers' profit participation fund (WPPF)

The Company provides 5% of its profit before tax after charging contributions to WPPF in accordance with Bangladesh Labour Act, 2006 as amendment 2013 from 1st July 2020.

3.16 Finance Expenses

Finance Expenses comprise interest expenses on loans, leases, and bank charges. All borrowing costs are recognized in the profit or loss account using the effective interest method except to the extent that they are capitalized (If any) during the construction period of the assets in accordance with **IAS-23 "Borrowing Cost"**. The Company did not capitalize on any Finance Expenses during the year.

3.17 Earnings Per Share (EPS)

The Company calculates its Earning per Share (EPS) in accordance with ***IAS 33"Earnings per Share"*** which has been shown on the face of the Statement of Comprehensive Income and the computation of EPS.

Basic Earnings

This represents earnings for the year attributable to the Ordinary Shareholders. As there are no preference dividends, minority interest or extraordinary items, the net profit for the period has been considered fully attributable to Ordinary Shareholders.

Basic Earnings per Share

The company presents its Basic Earnings per Share (EPS) data for its Ordinary Shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of Ordinary Shares outstanding during the year.

Weighted Average Number of Ordinary Shares outstanding during the period

The basis of computation of the number of shares is in line with the provisions of IAS-33: Earnings per Share. Therefore, the total number of shares outstanding during the period is multiplied by a time-weighting factor which is the number of days the specific shares were outstanding as a proportion of the total number of days in the period.

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Diluted Earnings Per Share

No diluted earnings per share are required to be calculated per period as there was no scope for dilution during the year.

3.18 Responsibility for Preparation and Presentation of Financial Statements:

The Management is responsible for the preparation and presentation of Financial Statements under Section 183 of the Companies Act, 1994 and as per the Provision of "The Framework for the preparation and presentation of Financial Statements" issued by the International Accounting Standard Board (IASB).

3.19 Risk Exposure

Financial Risk Management Policies

The company's financial risk management is governed by direct monitoring its management. The company's Financial Assets include inter alia trade and other receivables, cash and short-term deposits that arise directly from its operations and Financial Liabilities include inter alia trade and other payables and loans and borrowings. The main purpose of these Financial Liabilities is to finance the company's operations. The Company's activities are mainly exposed to the following internal, external, quantitative, and qualitative risks from its use of Financial Instruments:

i. Market Risk.
ii. Credit Risk.
iii. Liquidity Risk.

Risk Management Framework

The management is responsible for the establishment and oversight of the company's risk management policies that are established to identify and analysed the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Management discloses the exposures to risk and how they arise as well as its objectives, policies, and processes for managing the risk and the methods used to measure the risk. The company has exposures to the following risks from its use of Financial Instruments.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risks. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a Financial Instrument will fluctuate because of changes in market interest rates.

Currency Risk

The Company is exposed to foreign currency risk relating to purchases that are denominated in foreign currencies. The company primarily utilizes forward exchange contracts with maturities of less than one year to hedge such Financial Liabilities denominated in foreign currencies. The forward exchange contracts entered at the reporting date also relate to anticipated purchases, denominated in foreign currencies, for the subsequent period.

Credit Risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the company as and when they fall due. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to many parties comprising the group's customer base, Management does not anticipate material losses from its debt collection.

Particulars	Amount in Taka	
	30 June 2023	30 June 2022
Trade and other Receivables	372,024,073	278,019,331
Cash and Cash Equivalent	446,744,530	7,888,000
Total	**818,768,603**	**285,907,331**
Cash and Cash Equivalent		
Cash in Hand	4,678,049	6,023,523
Cash at Bank	442,066,481	1,864,477
Total	**446,744,530**	**7,888,000**

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its Financial Obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient Cash and Cash Equivalents to meet expected operational expenses, including Financial Obligations through the preparation of the Cash Flow forecast, prepared based on the timeline of payment of the Financial Obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short-term lines of credit with scheduled commercial banks to ensure payment of obligations if there is insufficient cash to make the required payment. The requirement is determined in advance through Cash Flows projections and credit line facilities with banks are negotiated accordingly. Relevant non-derivative Financial Liabilities at the reporting date are as follows.

Particulars	Amount in Taka	
	30 June 2023	30 June 2022
Trade and Other Payables	7,469,763	16,727,926
Long-Term Borrowings (Non-Current & Current Portion)	333,273,439	318,890,128
Short-Term Borrowings	51,748,918	8,875,550
Lease Liability (Non-Current & Current Portion)	59,323,678	54,197,624
Liabilities for Expenses	15,287,625	16,401,843
Total	**467,103,423**	**415,093,071**

Fair Values

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of trade and other short-term receivables are taken to approximate their carrying value. The fair value of financial assets and liabilities approximates their carrying value.

Technical risks are those events or issues associated with the scope definition of research and development (R & D), design, construction, and operation definition that could affect the actual level of performance vs, what specifies in the project mission need and performance requirements documents. Examples of technical risks include new and changing technology and changing regulatory requirements.

Cost risk is the risk associated with the ability of the project to achieve the planned life-cycle costs. Thus, it includes both design/construction and operating costs. Two major elements of cost risk are (1) the accuracy and completeness of the cost estimates for the planned activities and (2) the risk that cost performance will be affected adversely by a failure to manage technical risks. An example of cost risk would have all proposals for a significant contract come in over the estimated budget for that item.

Internal risk factors may include, among others

Risk associated with the company's interest in subsidiaries, joint ventures, and associates: As we do not have any interest in subsidiaries, or joint ventures, there is no risk related as such.

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Significant revenue generated from the limited number of customers, losing any one or more of which would have a material adverse effect on the company. The company has not limited customers from whom it generates a significant amount of revenue; it is almost free from this sort of risk.

Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely: In business, having many suppliers of raw materials helps to get a competitive advantage of the cheaper price of raw materials. Because it helps to bargain over price with suppliers. In addition, having many suppliers help to maintain doing business efficiently. With this view, Asiatic Laboratories Limited is not dependent on a single or few suppliers.

More than 20% revenue of the company comes from sister concerns or associates or subsidiaries: As we do not have any sister concerns or associates or subsidiaries, there is no risk related as such.

Negative earnings, negative cash flows from operating activities, declining turnover, or profitability, during the last five years, if any- we have been operating our business efficiently. We are a profitable entity and we have not experienced negative earnings and negative cash flow from operating for the last few years.

Loss-making associate/subsidiary/group companies of the company: We do not have any investment in subsidiaries or associates.

Financial weakness and poor performance of the company or any of its subsidiaries or associates: Sales is one of the key indicators of the success of a business if there is a good margin of profit. Asiatic Laboratories Limited has been experiencing increasing sales growth which is boosting its profitability for the last few years. Current and quick ratios are also in favour of the company.

Decline in value of any investment: We do not have any investment.

Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned: We are used to using new branded machineries. Hence, there is no chance to use second-hand or reconditioned machineries.

Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recall: There is no a such loan given to related party or loan is taken from directors.

Potential conflict of interest, if the sponsors or directors of the company are involved with one or more ventures which are in the same line of activity or business as that of the company and if any supplier of raw materials or major customer is related to the same sponsors or directors. There is common management with one or more ventures, but business activities are not in the same here.

Related party transactions entered into by the company those may adversely affect competitive edge: There is no as such transaction which may adversely affect competitive edge except director's remuneration and equity investment.

Any restrictive covenants in any shareholder's agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of banks in respect of the loan / credit limit and other banking facilities. There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or any restrictive covenants of banks in respect of loan or credit limit and other banking facilities.

Business operations may be adversely affected by strikes, work, stoppages or increase in wage demands by employees: We are habituated to political unrest for a long era and our business industries are used to dealing with this phenomenon. Asiatic Laboratories Limited is a profitable entity. Employee unrest is part of business, and it is important to deal with labour unrest efficiently. We have different incentive packages for our employees so that they can be beneficial to such packages. Because we believe that employees are very important part of our business, and we all know that there are government rules relating to paying minimum wage.

Seasonality of the business of the company: The business deals with pharmaceutical products of all kinds by manufacturing, selling, and distributing products throughout Bangladesh. We run our business throughout the year. So, it is not a seasonal business.

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Expiry of any revenue generating contract that may adversely affect the business: The Company has no long-term contract with its customers so not in risk of expiry of any revenue-generating contract.

External risk factors may include among others:

Industry Risk:

i) **Environmental Issue:** Environmentalists are likely to create pressure on the government to protect or ban those factories, which are not following proper ETP, waste management solutions, Air pollution etc. which are negative effects on living beings and the environment thereby causing the closure of businesses of the company. We have a good setup for ETP and incinerator for waste management, a very good and sophisticated fire alarm system with an integrated fire hydrant and firehouse arrangement with a carbon dioxide fire extinguisher, dry powder, and sand bucket. The company also strictly follows the laid down regulations for marketing the products and therefore does not foresee any problems in doing the business.

ii) **Labour Unrest:** Any incident of labour unrest will adversely affect the operation of the company. More importantly, the company's reputation in the industry and among its buyers will be affected. This may affect its financial performance in the long run as well. The company values its employees and workers the most. It has established a very high standard of labour practices compared to the overall industry. It has detailed human resources management policies encompassing employee recruitment, training, development, remuneration and retirement. Since its inception, there has not been any instance of labour unrest or strike at the company's factory premises. The rate of employee turnover and absenteeism has remained at negligible levels over the last few years.

Economic & Political Risks:

i) **Economic risks:** Our performance and growth are dependent on the health of the Bangladesh's economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbance, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy prices and various other factors. Any significant changes may adversely affect our business and financials. Bangladesh's economy is booming for the last few years. Consistent industrial growth along with increased pharmaceutical production has made the per capita income higher than that of recent years.

ii) **Political risks:** Bangladesh is prone to serious unrest in the political condition which produces Strike, Road-Block and domestic terror attacks in Bangladesh could increase over the coming months, this could harm the country's economic growth prospects as investors, expatriates, and tourists may be deterred. During the last fifty four years of the post-independence period, Bangladesh has gone through a variety of political situations. At present political situation is much more stable in the country as the opposition is not much active in the field. The last democratic national assembly election and local council polls are instances of a peaceful political situation in Bangladesh.

3.20 Risk and Uncertainties for the use of Estimates in Preparing Financial Statements

The preparation of Financial Statements in conformity with International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and revenues and expenses during the period reported. The actual result could differ from those estimates.

3.21 Events after the Reporting Period

As per IAS-10 "Events after the reporting period" are those events favourable and unfavourable that occurred between the end of the reporting period and the date when the Financial Statements are authorized for the issue. There were no material events that occurred after the reporting period which could affect the values in Financial Statements except the IPO approval for Tk. 95.00 Crore on 21 September 2022 from BSEC as well as the company listed with DSE & CSE on 29 February 2024 & 03 March 2024 respectively.

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3.22 Related Party Transactions

The company, in the normal course of business, has carried out several transactions with other entities that fall within the definition. The objective of Related Party Disclosure IAS 24 is to ensure that an entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties. Parties are considered to be related if one party can control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions. The Company transacts with related parties and recognize as per IAS 24 'Related Party Disclosures'. Related party transactions have been disclosed **under Note** – 36.01

3.23 Comparative Amounts

Certain comparative amounts have been re-classified & rearranged to conform to the current year's presentation and all numerical information in the current financial statements as below:

- Statements of Financial Position as of the end of the preceding financial year
- Statements of Comprehensive Income for the comparison of the preceding financial year.
- Statements of Changes in Equity for the comparison of the preceding financial year.
- Statement Cash Flows for the comparison of the preceding financial year.

Narrative and descriptive information for comparative information has also been disclosed as required by IAS & IFRS whenever it is relevant for the understanding of the current Period financial statements.

Rearrangement of Financial Statement

The previous year's figure has been rearrangement whenever considered necessary to ensure comparability with the current year presentation as per IAS: 8 "Accounting Policies, Changes in Accounting Estimates and Errors" i.e. Previously the Company recognise adjustment of deferred tax on depreciation for Revaluation Surplus from the amount of Revaluation Surplus but from now the Company recognise adjustment of deferred tax on depreciation for Revaluation Surplus from the amount of Retained Earnings.

3.24 Income Tax (Current & Deferred Tax)

Income tax on the profit or loss for the Period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current Tax

Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years as per the provisions of the Income Tax Ordinance, 1984, Income Tax Act-2023 and duly amended by the Finance Act from time to time.

The effective current tax rate of the Company is provided as follows:

Corporate Tax applicable for the Company (as per Income Tax Ordinance 1984 and Income Tax Act-2023):

a) Tax Rate on Business Income 30.00%;
b) Tax Rate on Other Income: 30.00%;
c) Tax Rate on Export 12.00%;
d) Dividend Income 20.00%;

Or Minimum Tax Rate 0.60%

Whichever is higher is applicable for calculation and repayment of Income Tax.

Deferred Tax

Deferred tax is recognized using (in accordance with the IAS-12) the Balance Sheet method. Deferred tax arises due to temporary difference deductible or taxable for the events or transaction is recognized in the income statements. A temporary difference is a difference between the tax bases of an asset or liability, and it is carrying an amount/reported amount in the Balance Sheet. Deferred tax assets or liability is the amount of income tax recoverable or payable in the future period(s) recognized in the current period. The deferred tax liability/expenses do not create a legal liability/recoverability to and from the income tax authority. The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between the carrying amount and tax base. An upward revaluation is therefore given rise to a deferred tax liability. The effective current tax rate of the Company is provided as follows:

Corporate Tax applicable for the Company (as per Income Tax Ordinance 1984 and Income Tax Act-2023):

a) Tax Rate on Temporary Difference excluding revaluation 30.00%.
b) Tax Rate on Temporary Difference of revaluation:
WDV of Revaluation of Assets 15.00%

3.25 Provisions/ Liabilities for expenses

As per "IAS 37: Provisions, Contingent Liabilities and Contingent Assets' a provision recognized on the date of the statement of Financial Position if, as a result of the past event, the company has a present obligation that can be estimated reliably, and it is probably the outflow of economic benefits will be required to settle the obligation. A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

3.26 Contingencies

Contingencies arising from a claim, litigation assessment, fines, penalties etc. are recorded. A liability has probably been incurred and the amount can be measured reliably in accordance with "IAS 37: Provisions, Contingent Liabilities and Contingent Assets".

3.27 Value Added Tax

Value Added Tax on Company's Products is 15% except for export (if any) which is a Zero rate.

3.28 Operating Segments

No segmental reporting is applicable for the company as required by "IFRS-8: 'Operating Segments' as the company operates in a single industry segment and within as geographical segment.

3.29 Advance, Deposits and Prepayments

Advances are initially measured at cost. Since initial recognition advances are carried at cost fewer deductions, adjustments, or charges to other account heads such as Property, Plant and Equipment, inventory, or expenses. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost fewer charges to Statement of Profit or Loss and Other Comprehensive Income.

3.30 Cash and Cash Equivalents

According to IAS -7 "Statement of Cash Flows" cash comprises cash in hand, demand deposit and cash equivalent which are short-term highly liquid investments that are readily convertible into cash, and which are subject to an insignificant risk of change balances and call deposits, Bank Balances in Value. IAS -1 "Presentation of Financial Statements" provides that cash and cash equivalents are not restricted in use. Considering the provisional of IAS-7 and IAS-1, Cash in Hand and Bank Balances have been treated as Cash and Cash Equivalents.

3.31 Other Current Assets

Other current assets (if any) have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.32 Sources of Information

During our course of preparation and presentation of the Financial Statements, it has been considered the relevant financial documents and collected information throughout the accounting period ended 30 June 2023 after overlooking the head of accounts.

3.33 Leases

At the commencement of the lease term, recognize leases as assets and liabilities in their statements of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Any initial direct costs of the lessee are added to the amount recognized as an asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. A finance lease gives rise to depreciation expense for the recognized lease assets as well as finance expense for each accounting period.

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3.34 Bad and Doubtful Debts

The Management recognized the bad and doubtful debts when a debt is unrecoverable through the Board of Directors' approval. Since the management made sales through 100% confirmed orders by the customers and duly collected by the marketing team. Hence, no bad debts occurred and therefore no provision was made against the receivables.

3.35 Promotional Expenses

All costs associated with promotional activities are charged in the period they were incurred.

3.36 General:

i. Wherever considered necessary, the previous year's figures have been rearranged for comparison.
ii. Figures appearing in these Financial Statements have been rounded off to the nearest integer.
iii. Bracket figures denote negative.

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		Amount in Taka	
		30-Jun-2023	30-Jun-2022
4.00 Freehold Property, Plant and Equipment			
Freehold Property, Plant and Equipment (At Cost)	(Note-4.01)	3,591,517,246	3,387,223,290
Freehold Property, Plant and Equipment (At Revaluatioı	(Note-4.02)	1,917,642,251	1,922,284,650
		5,509,159,496	**5,309,507,940**
4.01 Freehold Property, Plant and Equipment			
A. Cost:			
Opening Balance		4,061,567,485	3,775,722,729
Add: Addition during the year	(Annexure-A)	5,044,785	48,416,343
Add: Transfer from CWIP	(Note-7.00)	317,630,434	237,428,412
Total Assets Value at cost		**4,384,242,703**	**4,061,567,485**
B. Accumulated Depreciation:			
Opening Balance		674,344,194	572,450,347
Add: Depreciation Charged during the year	(Annexure-A)	118,381,263	101,893,847
Total Charge		**792,725,458**	**674,344,194**
Written Down Value (A-B)		**3,591,517,246**	**3,387,223,290**
4.02 Freehold Property, Plant and Equipment (At Revaluation)			
A. At Revaluation			
Opening Balance		1,929,285,128	1,929,285,128
Add: Revaluation surplus during the year		-	-
Total Cost		**1,929,285,128**	**1,929,285,128**
B. Accumulated Depreciation			
Opening Balance		7,000,478	2,073,956
Add: Depreciation charged during the year		4,642,399	4,926,523
Total Depreciation		**11,642,877**	**7,000,478**
Written Down Value (A-B)		**1,917,642,251**	**1,922,284,650**

The details of above have been shown in Annexure- 'A'

Shafiq Basak & Co. Chartered Accountants, Dhaka, Bangladesh, the valuer revalued the Land and Land Development, Building and Other Construction, Plant and Machineries, Vehicle, Furniture and Fixture, Equipment and Installation and Fire Equipment as at 30 June 2020 at 'Current Cost Accounting Method (CCA)'. Due to these revaluation, a net revaluation surplus amounting to Tk. 1,929,285,128 had arisen.

5.00 Right of Use Assets			
A. Cost:			
Opening Balance		90,998,743	92,699,855
Add: Addition/Recognition during the year	(Annexure-B)	3,655,549	20,004,881
Less: Disposal/Adjustment during the year	(Annexure-B)	(5,215,844)	(21,705,993)
Total Assets Value at cost		**89,438,448**	**90,998,743**
B. Accumulated Depreciation:			
Opening Balance		32,196,738	39,415,644
Add: Depreciation Charged during the year	(Annexure-B)	13,884,494	14,487,086
Less: Adjustment during the year	(Annexure-B)	(5,215,844)	(21,705,993)
Total Charge		**40,865,387**	**32,196,738**
Written Down Value (A-B)		**48,573,061**	**58,802,006**

Details of Right of Use Assets have been shown in the **Annexure - B.**

**Addition of the ROU Assets created on rental lease by adjusting Journal Entries through debiting the ROU Assets and crediting the Lease Liability in the FS in respective financial year (s). As there is no impact on direct cash in flow and outflow against these transactions except addition of assets and liabilities in FS the Company didn't not include the transactions in cash flows for the respective year (s).

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		Amount in Taka	
		30-Jun-2023	30-Jun-2022
6.00 Intangible Asset			
A. Cost:			
Opening Balance		3,500,000	3,500,000
Add: Purchase during the year	(Annexure-C)	-	-
Total Assets Value at cost		**3,500,000**	**3,500,000**
B. Accumulated Depreciation:			
Opening Balance		1,208,333	708,333
Add: Amortization Cost	(Annexure-C)	500,000	500,000
Total Charge		**1,708,333**	**1,208,333**
Written Down Value (A-B)		**1,791,667**	**2,291,667**
7.00 Capital Work-in-Progress			
A. Building & Other Construction			
Opening Balance		-	-
Add: Addition made during the year		2,832,730	10,577,412
Less: Transfer to appropriate asset category		(2,832,730)	(10,577,412)
Closing Balance		-	-
B. Plant & Machinery			
Opening Balance		35,822,191	46,566,099
Add: Addition made during the year		350,412,864	216,107,093
Less: Transfer to appropriate asset category		(308,096,204)	(226,851,000)
Closing Balance		**78,138,851**	**35,822,191**
C. Generator			
Opening Balance		5,500,000	-
Add: Addition made during the year		1,201,500	5,500,000
Less: Transfer to appropriate asset category		(6,701,500)	-
Closing Balance		-	**5,500,000**
Total (A+B+C)		**78,138,851**	**41,322,191**
Total Transfer to PPE		**317,630,434**	**237,428,412**

All the amount of capital work-in-progress for acquisition of plant & machinery which are not ready for use and construction work is underway for factory building. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed for use.

8.00 Inventories

Valuation of Inventory and physical stock taking

The management of the Company takes physical stocks periodically and valuation of stocks were made accordingly considering the wear and tear of the assets as follows:

i) The valuation of closing inventory has been made on the basis of lower of cost and net realizable value as per IAS-2.

ii) The management of the Company has conducted physical verification/stock taking of inventories on 30.06.2023.

Inventories consisting of raw materials, work in process, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventory. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value as the board approve from time to time. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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		Amount in Taka	
		30-Jun-2023	30-Jun-2022

Impairment of Inventories

Impairment of inventory is made as and when inventory became obsolete or unusable or for slow moving items for which the management of the company is giving decisions from time to time. Based on sales cycle of slow moving items, the sales prices of the products may decreases over time. The management of the Company reviews the carrying amounts of its inventory (Balance Sheet Date) to determine whether there is any indication of impairment In accordance with IAS-2: 'Inventories'. When the sales price moves below the inventory cost prices, the loss on sales is recognized immediately in the Financial Statements. However, there was no indication of impairment of inventory during the year; and as such, no adjustment was given in the Financial Statements for impairment.

Particulars of Inventory

Raw Materials	(Note-26.01)	91,877,108	120,089,612
Work in Process	(Note-26.00)	20,628,455	20,550,485
Finished Goods	(Note-26.00)	170,857,780	163,734,838
Spare Parts & Store Items	(Note-26.02)	24,306,082	30,757,582
Packing Materials	(Note-26.03)	33,441,518	40,862,568
		341,110,943	**375,995,085**

The Company maintains inventory based on its existing demand of products. The inventory of the Company increased due to increase of current demand of products for medicine. The other reason for increase of inventories due to acceleration of business in other areas through establishment of new marketing areas.

9.00 Trade and other Receivables

Trade Receivables	(Note-9.01)	372,024,073	278,019,331
		372,024,073	**278,019,331**

9.01 Trade Receivables

Opening Balance	278,019,331	192,179,683
Add: Sales during the year	1,289,254,174	1,472,783,409
	1,567,273,505	**1,664,963,092**
Less: Collection/Realization during the year	1,195,249,432	1,386,943,761
Closing Balance	**372,024,073**	**278,019,331**

*The Management recognized the bad and doubtful debts when the debt is not recoverable. The sales of the Company are mostly cash sales. The credit sales were also made to existing cash customers specially for boosting the sales and to mitigate the urgent needs of customers. The Company didn't face any doubt till today to collect any dues from its existing customers as on to date. Since, the management made sales through 100% confirm orders by the customers and duly collected by the marketing team. Hence, no bad debts or expected credit loss had occurred and therefore no provision was made against the receivables.

The receivable of the Company increased due to increase of current sales of the company for different products. The other reason for increase of receivable due to acceleration of sales in new areas through establishment of new marketing areas as a policy of expanding the company business.

Ageing of Trade Receivables

More than six months	-	-
Less than six months	372,024,073	278,019,331
	372,024,073	**278,019,331**

The classification of receivables as required by the Schedule XI of the Companies Act, 1994 are given below:

i) Receivables considered good in respect of which the company is fully secured.	-	-
ii) Receivables considered good in respect of which the company holds no security other than the debtor personal security.	372,024,073	278,019,331
iii) Receivables considered doubtful or bad.	-	-

FAMES & R CHARTERED ACCOUNTANTS BANGLADESH

	Amount in Taka	
	30-Jun-2023	30-Jun-2022
iv) Accounts Receivable due by any director or other officers of the company or any of them either severally or jointly with any other person or receivables due firms or private companies respectively in which any director is a partner or a director or a member.	-	-
v) Receivables due by companies under the same management.	-	-
vi) The maximum amount of receivables due by any directors or other officers of the company at any time during the year to be shown by way of a note.	-	-

10.00 Advances, Deposits & Prepayments

Advance to Employees		1,031,000	1,104,600
Advance to Supplier & Others		30,277,560	43,540,574
Advance for Rent Depot		1,939,000	1,939,000
L/C margin		3,370,443	9,956,840
Value Added Tax (VAT)		1,194,217	3,212,988
Advance Insurance (Factory)		5,348,334	5,307,856
Advance Insurance (Group)		-	91,288
Advance for IPO & road show Expense		17,205,903	6,962,025
Advance Income Tax	(Note-10.01)	65,738,719	113,412,329
Security Deposit	(Note-10.02)	600,000	600,000
		126,705,176	**186,127,499**

The classification of Advances, Deposits & Prepayments as required by the Schedule XI, Part I, Para 6 of the Companies Act, 1994 are given below:

i) Advance, deposits & prepayment considered good and in respect of which the company is fully secured.	-	-
ii) Advance, deposits & prepayment considered good for which the company holds no security.	125,674,176	185,022,899
iii) Advance, deposits & prepayment considered doubtful or bad.	-	-
iv) Advance, deposits & prepayment due by directors or other officers of the company or any of them either severally or jointly with any other person or Advance, deposits & prepayment due by firms or private companies respectively in which any director is a partner or a director or a member.	1,031,000	1,104,600
v) Advance, deposits & prepayment due by companies under the same management.	-	-
vi) The maximum amount due by directors or other officers of the company at any time during the year.	-	-

10.01 Advance Income Tax

Opening Balance	113,412,329	43,681,354
Add: Tax deduction at source during the year	65,738,719	69,730,975
	179,151,048	**113,412,329**
Less: Adjustment during the year	113,412,329	-
	65,738,719	**113,412,329**

10.02 Security Deposit

PDB (Electricity)	600,000	600,000
	600,000	**600,000**

11.00 Cash and Cash Equivalents

A. Cash in Hand :	**4,678,049**	**6,023,523**
Head Office	1,845,040	2,455,500
Depot	1,161,825	1,705,272
Factory	1,671,184	1,862,751

FAMES & R DHAKA BANGLADESH CHARTERED ACCOUNTANTS F&R

	Amount in Taka	
	30-Jun-2023	30-Jun-2022
B. Cash at Bank :	**442,066,481**	**1,864,477**
Bank Asia Ltd A/C - 50201000130	74,567	52,598
Dutch Bangla Bank Ltd. A/C No. 1051100024550	119,045	50,741
Mutual Trust Bank Ltd. A/C No- 0002-0210014418	1,757	64,761
One Bank Ltd. A/c No- 270231628185	10,139	6,424
Uttara Bank Ltd. A/c No- 1420 12200214654	128,492	969,859
City Bank A/c No- 1401725482001	-	407,769
Eastern Bank Ltd A/c No-1141350273770	124,105	312,326
Sonali Bank PLC (A/c No. 1613902001022)	47,539	-
Brac Bank Ltd (IPO Accounts)	441,560,838	-
Closing Cash and Cash Equivalents (A+B)	**446,744,530**	**7,888,000**

12.00 Share Capital

12.01 Authorized Capital

200,000,000 Ordinary Shares of Tk. 10/- each	**2,000,000,000**	**2,000,000,000**

12.02 Issued, Subscribed & Paid-up Capital

87,848,000 Ordinary Shares of Tk. 10/- each fully paid-up

Opening Balance	878,480,000	878,480,000
Add: Bonus Share issued during the Year	-	-
Add: Allotment during the Year	-	-
	878,480,000	**878,480,000**

**Last cash allotment date on 15 July 2019 for amount Tk. 804,096,500.00. After that period the Company didn't made any cash allotment till to date.

** The Company made bonus allotment for Tk. 65,000,000.00 on 24th December 2020.

12.03 Shareholding Position

Name of Shareholders	Designation	Percentage (%)	30 June 2023	30 June 2022
			No. of Share	No. of Share
Monir Ahmed	Managing Director	22.90%	20,114,480	22,114,480
Tahmina Begum	Chairman	19.00%	16,695,470	16,695,470
Salina Ahmed	Director	4.34%	3,812,620	3,812,620
Sadia Ahmed	Director	6.15%	5,399,520	5,399,520
Maksud Ahmed	Director	4.33%	3,806,400	3,806,400
Shafiqul Kabir Khan	Independent Director	0.00%	-	-
Md. Raihan Sarkar	Independent Director	0.00%	-	-
Other Shareholder		43.28%	38,019,510	36,019,510
Total		**100.00%**	**87,848,000**	**87,848,000**

13.00 Revaluation Surplus

Opening Balance		1,851,122,524	1,856,049,047
Add: Addition during the year		-	-
Deferred Tax (Expenses)/Income on Revaluation Surplu	(Note-17.02)	(217,919,551)	-
Adjustment of depreciation for Revaluation Surplus		(4,642,399)	(4,926,523)
		1,628,560,575	**1,851,122,524**

14.00 Retained Earnings

Opening Balance	2,513,538,388	2,238,578,100
Less: Bonus Share issued during the year	-	-
Add: Depreciation adjusted on revaluation	4,642,399	4,926,523
Add: Net profit during the year	205,847,509	268,555,808
Adjustment of deferred tax on depreciation for Revaluation Surplus	1,392,720	1,477,957
	2,725,421,015	**2,513,538,388**

FAMES & R CHARTERED ACCOUNTANTS

		Amount in Taka	
		30-Jun-2023	30-Jun-2022
15.00 Long Term Borrowings			
Term Loan	(Note-15.01)	333,273,439	318,890,128
		333,273,439	**318,890,128**
Less: Current Portion of Long Term Loan		58,543,368	78,428,847
Non- Current Portion of Long Term Loan		**274,730,071**	**240,461,281**

	30-Jun-2023	30-Jun-2022
15.01 Term Loan		
Opening Balance	318,890,128	309,033,819
Add: Loan received during the year	276,713,576	-
Add: Interest during the year	34,275,119	34,809,995
Less: Payment during the year	(296,605,384)	(24,953,686)
	333,273,439	**318,890,128**

(i)	**Bank Name**	: Hajj Finance Company Limited (Term Loan)
	Branch	: Principal
	Sanction Amount	: 1.50 Crore & 5.00 Crore
	Purpose	: To purchase Raw/Packing Materials
	Sanction Date	: 13-12-2015 & 15-06-2016.
	Security	: Registered Mortgage of 8,853sft. Office Space at "Treasure Island-5th Floor
	Mode of Payment	: Monthly instalment
	Interest Rate	: 13.00% & 13.75% Revised from time to time.
	Period of Financing	5 years and 4 years
(ii)	**Bank Name**	: Fareast Finance & Investment Limited (Term Loan)
	Branch	: Principal
	Accounts No	: 201602009580 & 201702015626-0, 201702015626-1, 201702015626-2
	Sanction Amount	: 9.00 Crore
	Purpose	:To Civil Construction, Machinery Procurement & Setup, Installation and Product & Fire System Development.
	Sanction date	: 23-02-2016 and 14-03-2017
	Security	Registered Mortgage of 6,734 sift Flat
	Mode of Payment	Monthly instalment
	Interest Rate	: 14.00% - 13.00% Revised from time to time.
	Finance Period	: 5 years
(iii)	**Bank Name**	: One Bank Limited
	Branch	: Elephant Road
	Accounts No	:TL12180880002,TL12172710001,TL12180880001 & TL12172050001
	Sanction Amount	: 33.53 Crore
	Purpose	: Adjustment of Loan, Working Capital To Civil Construction, Machinery Procurement & Setup, Installation and Product & Fire System Development.
	Sanction date	: 24-07-2017,28-09-17,29-03-2018
	Security	: 33 Decimal land with 4 Storied building and 92.55 Decimal land with Factory Building and 132 Decimal land
	Interest Rate	: 13.00% Revised from time to time.

		30-Jun-2023	30-Jun-2022
16.00 Lease Liability			
Finance Lease	(Note-16.01)	49,848,985	37,726,636
Rental Lease	(Note-16.02)	9,474,693	16,470,988
Total Lease Liability		**59,323,678**	**54,197,624**
Less: Lease Liability (Current Portion)		(12,189,487)	(21,439,453)
Non-Current portion of Lease Liability		**47,134,191**	**32,758,171**

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH F&R

	Amount in Taka	
	30-Jun-2023	30-Jun-2022
16.01 Finance Lease		
Opening Balance	37,726,636	41,492,536
Add: Addition during the year	-	-
Add: Interest during the year	17,161,548	4,080,388
Less: Payment during the year	(5,039,198)	(7,846,288)
	49,848,985	**37,726,636**
Less: Current portion of Lease	(4,846,000)	(12,283,940)
Non-Current portion of Lease Liability	**45,002,985**	**25,442,696**

(i) Bank Name	: Hajj Finance Company Limited (Lease Finance)
Branch	: Principal
Accounts No	: 1802000372
Sanction Amount	: 3.00 Crore
Purpose	: Capital Machineries
Sanction date	: 25-10-2016
Security	Registered Mortgage of 8,853 sift. Office space.
Mode of Payment	Monthly instalment
Interest Rate	: 12.00 Revised from time to time.
Period of Financing	: 5 years

(ii) Bank Name	: Hajj Finance Company Limited (Lease Finance)
Branch	: Principal
Accounts No	: 1802000539
Sanction Amount	: 3.20 Crore
Purpose	: Capital Machineries
Sanction date	: 30-11-2017.
Security	Registered Mortgage of 8,853 sift. Office space.
Mode of Payment	Monthly instalment
Interest Rate	: 12.50% Revised from time to time.
Period of Financing	: 5 years

	30-Jun-2023	30-Jun-2022
16.02 Rental Lease Liability		
Opening Balance	16,470,988	7,843,556
Add: Addition during the year	3,655,549	20,004,881
Add: Interest during the year	1,102,155	1,147,051
Less: Payment during the year	(11,754,000)	(12,524,500)
	9,474,693	**16,470,988**
Less: Rental Lease Liability (Current portion)	(7,343,487)	(9,155,513)
Non-Current portion of Lease Liability	**2,131,206**	**7,315,475**
17.00 Deferred Tax Liability		
Deferred Tax Liability excluding Revaluation Surplus (17.01)	371,563,984	363,652,316
Deferred Tax Liability on Revaluation Surplus (Note-17.02)	285,899,906	69,373,075
Adjustment of deferred tax on depreciation for Revaluation Surplus	-	-
	657,463,890	**433,025,390**
17.01 Deferred Tax Liability excluding Revaluation Surplus		
Opening Balance	363,652,316	330,190,365
Add: Deferred Tax Expenses/ (Income) during the year (note-17.01.1)	7,911,668	33,461,950
Deferred Tax Liability /(Assets)	**371,563,984**	**363,652,316**
17.01.1 Calculation of Deferred Tax Expenses/ (Income)		
Net profit before tax	294,067,870	375,759,649
Net profit before tax	-	36,827,023
Tax Rate	15%	15%
Effective Tax for Net Profit of the Company (A)	-	**5,524,053**

	Amount in Taka	
	30-Jun-2023	30-Jun-2022
Net profit before tax	294,067,870	338,932,627
Tax Rate	30%	30%
Effective Tax for Net Profit of the Company (B)	**88,220,361**	**101,679,788**
Net Effective Tax for Net Profit (A+B)	**88,220,361**	**107,203,841**
Less: Provision for Current tax (Note: 31.01)	80,308,693	73,741,891
Deferred Tax Expenses/ (Income) for the year	**7,911,668**	**33,461,950**

As per calculation, deferred tax expenses has arrived Tk. 1,110,734,428. We noted that as per the tax base calculation, current tax arrived from business Tk. 80,308,693. We also noted that as per profit or loss accounts the company's total tax expense Tk. 88,220,361 for the year 30 June 2023 which included both of current tax and deferred tax. But as per regular basis calculation, tax expenses has arrived (Tk.1,110,734,428+Tk.80,308,693) or Tk.1,191,043,121 which is unusual.

Therefore current tax expenses of the company has been estimated Tk. 80,308,693 during the year as per ITA 2023 and the company's deferred tax expenses has been estimated Tk. 7,911,668 (Tk.88,220,361-Tk.80,308,693) for the year ended 30 June 2023.

17.02 Deferred tax on revaluation surplus

Opening Balance	69,373,075	70,851,032
Add: Addition during the Year (Tax rate change on capital gain on land i.e. 15%)	217,919,551	-
Adjustment of deferred tax on depreciation for Revaluation Surplus	(1,392,720)	(1,477,957)
Deferred tax liability on revaluation surplus	**285,899,906**	**69,373,075**

18.00 Short Term Borrowings

Time Loan (One Bank)	51,748,918	8,875,550
	51,748,918	**8,875,550**

19.00 Liabilities for Expenses

Salary & Wages	11,867,710	12,542,817
Director Remuneration	250,000	250,000
Utility bill payable	1,124,054	1,036,520
Telephone, Mobile & Internet bill payable	48,503	52,138
Audit Fee Payable	350,000	345,000
Printing & Stationery Expenses	249,568	212,718
Fuel, Oil & Lubricants	895,620	1,539,011
Others	502,170	423,640
	15,287,625	**16,401,843**

20.00 Current Tax Payable

Opening Balance	145,448,649	71,706,758
Add: Provision for the year	80,308,693	73,741,891
	225,757,342	**145,448,649**
Less: Paid/Adjustment during the year	113,412,329	-
Closing Balance	**112,345,013**	**145,448,649**

21.00 Liability for WPPF

Opening Balance	23,245,695	18,573,805
Add: Contribution for the year	14,088,873	18,787,982
	37,334,568	**37,361,787**
Less: Paid/Adjustment during the year	(14,278,867)	(14,116,092)
Closing Balance	**23,055,701**	**23,245,695**

The company has been paid employee portion out of this fund, another portion of fund will be paid immediately as possible.

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH

		Amount in Taka	
		30-Jun-2023	**30-Jun-2022**
21.01 WPPF for the year			
Profit before income tax & WPPF for the year		308,156,743	
Less: Other Income		(12,290,416)	
Profit on business for the year		**295,866,327**	
WPPF for the year		**14,088,873**	
22.00 Current Portion of Long Term Loan	(Note-15.00)	58,543,368	78,428,847
		58,543,368	**78,428,847**
23.00 Current Portion of Lease Liability	(Note-16.00)	12,189,487	21,439,453
		12,189,487	**21,439,453**
24.00 Trade and Other Payables			
Opening Balance		16,727,926	15,205,172
Add: Purchase during the year		541,847,743	734,067,181
		558,575,669	**749,272,353**
Less: Payment during the year		551,105,907	732,544,427
Closing Balance		7,469,763	16,727,926

		Amount in Taka	
		30-Jun-2023	30-Jun-2022
25.00	**Revenue**		
	Local Sales	1,289,254,174	1,328,440,534
	Export Sales	-	144,342,875
	Total:	**1,289,254,174**	**1,472,783,409**

Category	Unit Price as per (Pcs/Tube/ Bottle)	Quantity (Pcs/Tube/ Bottle)	July 01, 2022 to June 30, 2023	July 01, 2021 to June 30, 2022
Tablet	131.72	4,152,429	546,951,048	698,907,311
Capsule	128.09	3,264,954	418,219,971	519,485,303
Syrup	86.51	1,256,621	108,705,298	80,880,668
Injectable items	102.81	890,503	91,551,416	90,256,760
Cream & Ointment	81.34	845,880	68,803,848	38,427,955
Drops and Other items	98.78	557,014	55,022,594	44,825,412
Total		**10,967,401**	**1,289,254,175**	**1,472,783,409**

The company has no sales agent on commission basis.

			30-Jun-2023	30-Jun-2022
26.00	**Cost of Goods Sold**			
	Raw Materials Consumed	(Note-26.01)	354,522,735	416,707,035
	Spare Parts & Store Items Consumed	(Note-26.02)	48,584,326	64,844,315
	Packing Materials Consumed	(Note-26.03)	180,825,736	221,284,138
	Manufacturing Overhead	(Note-26.04)	172,292,653	164,294,951
	Cost of Manufacture		**756,225,450**	**867,130,439**
	Work in Process-Opening		20,550,485	16,409,786
	Work in Process-Closing		(20,628,455)	(20,550,485)
	Cost of production		**756,147,480**	**862,989,740**
	Sample Expenses		(7,052,528)	(6,915,968)
	Finished Goods-Opening		163,734,838	143,051,591
	Finished Goods-Closing		(170,857,780)	(163,734,838)
			741,972,010	**835,390,525**
26.01	**Raw Materials Consumed**			
	Opening Stock of Raw Materials		120,089,612	94,582,934
	Add: Purchase during the year		326,310,231	442,213,713
	Raw materials available for Production		**446,399,843**	**536,796,647**
	Less: Closing Stock of Raw Materials		91,877,108	120,089,612
	Raw Materials Consumed		**354,522,735**	**416,707,035**
26.02	**Spare Parts & Store Items**			
	Opening Balance		30,757,582	39,290,067
	Add: Purchase during the year		42,132,826	56,311,830
	Spare Parts & Store Items Consumed		**72,890,408**	**95,601,897**
	Less: Closing Balance		24,306,082	30,757,582
	Consumption during the year		**48,584,326**	**64,844,315**
26.03	**Packing Materials**			
	Opening Balance		40,862,568	26,605,068
	Add: Purchase during the year		173,404,686	235,541,638
	Packing Materials Consumed		**214,267,254**	**262,146,706**
	Less: Closing Balance		33,441,518	40,862,568
	Consumption during the year		**180,825,736**	**221,284,138**
26.04	**Manufacturing Overhead**			
	Salaries, Allowances and Wages		35,405,498	38,145,777
	Carrying Inward		3,087,503	2,999,564
	Factory Staff Uniform		209,504	331,000
	Utility Bill		3,224,137	4,364,203
	Insurance Expenses		6,115,887	5,718,796

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH

		Amount in Taka	
		30-Jun-2023	30-Jun-2022
Research and Development		1,255,553	3,685,280
Fuel ,Oil & Lubricants		8,394,076	8,264,940
Medical Expenses		630,408	782,750
Workers Entertainment		7,241,965	6,706,548
Printing & Stationery Expenses		990,792	1,084,092
Miscellaneous Expenses		1,828,807	1,427,537
Telephone , Mobile & Internet Bill		380,588	322,526
Rent, rate and Taxes		223,105	191,730
Repairs & Maintenance		1,704,136	1,426,400
Depreciation on Freehold PPE	(Annexure-A)	98,418,930	85,456,296
Depreciation on ROU Assets	(Annexure- B)	3,181,765	3,387,512
		172,292,653	**164,294,951**

27.00 Operating Expenses

Administrative Expenses	(Note-27.01)	53,445,373	53,308,934
Marketing & Selling Expenses	(Note-27.02)	143,512,936	149,665,079
		196,958,310	**202,974,013**

27.01 Administrative Expenses

Salaries and allowances		34,445,877	34,661,300
Board Meeting Fee		265,000	245,000
Directors Remuneration		3,000,000	3,000,000
Travelling and Conveyance Expenses		763,420	762,940
Postage & Stamps		312,060	324,600
Entertainment		707,934	695,577
Audit fees		350,000	345,000
Insurance		91,288	48,712
Repair and Maintenance		209,077	729,625
Printing & Stationery		671,061	707,146
Utility Bill		1,480,982	1,708,314
Fuel ,Oil & Lubricants		763,507	916,835
Newspaper and Periodicals		452,910	502,100
Subscription and Donation		420,000	492,141
Registration, Renewal, Profession & Legal Expenses		1,707,400	974,784
Miscellaneous Expenses		503,500	753,350
Telephone, Mobile & Internet Bill		650,175	600,491
Depreciation Freehold PPE	(Annexure- A)	6,151,183	5,341,018
Amortization Cost	(Annexure- C)	500,000	500,000
		53,445,373	**53,308,934**

27.02 Marketing & Selling Expenses

Salaries and Allowances		73,856,595	74,779,794
Training Expense		1,675,930	2,119,450
Printing and Stationary		1,404,925	1,651,925
Entertainment Expense		2,581,670	2,832,670
Carrying Outward		2,264,895	4,186,395
Traveling and Conveyance		1,546,222	1,691,682
Utility Bill		229,458	5,044,058
Fuel ,Oil & Lubricants		13,237,600	12,042,500
Phone, Mobile and Internet Bill		2,055,400	2,186,950
Sales Promotion Expenses		7,408,855	7,363,917
Sample Expenses		7,052,528	6,915,968
Miscellaneous Expenses		1,042,580	1,727,140
Depreciation on Freehold PPE	(Annexure- A)	18,453,549	16,023,055
Depreciation on ROU Assets	(Annexure- B)	10,702,729	11,099,574
		143,512,936	**149,665,079**

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH F&R

		Amount in Taka	
		30-Jun-2023	30-Jun-2022
28.00 Other Income			
Interest Income		12,242,116	-
Wastage Sales		48,300	43,000
Foreign Currency Fluctuation Gain/(Loss)		-	1,410,443
		12,290,416	**1,453,443**
29.00 Financial Expenses			
Bank Charges		327,665	303,749
Interest on Loan	(Note-29.01)	35,866,159	35,793,495
		36,193,824	**36,097,244**
29.01 Interest on Loan			
Interest on Short Term Loan		1,591,040	983,500
Interest on Long Term Loan		34,275,119	34,809,995
		35,866,159	**35,793,495**
30.00 Interest on Lease Liability		18,263,703	5,227,439
		18,263,703	**5,227,439**
31.00 Provision for Tax			
31.01 Current Tax			
Current Tax	(Annexure- D)	80,308,693	73,741,891
		80,308,693	**73,741,891**
31.02 Deferred Tax Expenses			
Deferred Tax Expenses/(Income) (Attributable to Profit or	(Note-31.03)	7,911,668	33,461,950
Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)	(Note-31.04)	216,526,831	(1,477,957)
		224,438,499	**31,983,993**
31.03 Deferred Tax Expenses/(Income) (Attributable to Profit or Loss)			
Deferred Tax as on 30th June 2023		371,563,984	363,652,316
Less: Opening Deferred Tax		363,652,316	330,190,365
Deferred Tax Expenses/(Income) (Attributable to Profit or Loss)*		**7,911,668**	**33,461,950**

As per calculation, deferred tax expenses has arrived Tk. 1,110,734,428. We noted that as per the tax base calculation, current tax arrived from business Tk. 80,308,693. We also noted that as per profit or loss accounts the company's total tax expense Tk. 88,220,361 for the year 30 June 2023 which included both of current tax and deferred tax. But as per regular basis calculation, tax expenses has arrived (Tk.1,110,734,428+Tk.80,308,693) or Tk.1,191,043,121 which is unusual.

Therefore current tax expenses of the company has been estimated Tk. 80,308,693 during the year as per ITA 2023 and the company's deferred tax expenses has been estimated Tk. 7,911,668 (Tk.88,220,361-Tk.80,308,693) for the year ended 30 June 2023.

31.04 Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)			
Deferred Tax as on 30th June 2023		285,899,906	69,373,075
Less: Opening Deferred Tax		(69,373,075)	(70,851,032)
		216,526,831	**(1,477,957)**
32.00 Basic Earnings Per Share (EPS)			
a) Net Profit After Tax		205,847,509	268,555,808
b) Weighted average number of Ordinary Shares	(Note-32.01)	93,857,963	87,848,000
Basic Earnings Per Share (EPS) (a/b)		**2.19**	**3.06**

Significant Deviation in Earning Per shares:

Due to considering IPO fund as share, decrease of the Net Profit after Tax as well as sales revenue than last year of the Company, the Earning per share of the reporting period has decreased to Tk. 2.19 compared to Tk. 3.06 of the last year's.

32.01 Calculation of Weighted Average Number of Ordinary Share		
Number of Share (Paid Up Capital)	87,848,000	87,848,000
Weighted Average number of Share (Share Money Deposit of IPO Fund)	6,009,963	-
	93,857,963	**87,848,000**

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	Amount in Taka	
	30-Jun-2023	30-Jun-2022
33.00 Net Asset Value per Share (NAV)		
i) Net Asset Value (NAV) Per Share with revaluation		
a) Net Asset Value (NAV)	5,664,279,770	5,243,140,912
b) Number of ordinary shares	87,848,000	87,848,000
Net Asset Value per Share (NAV) (a/b)	**64.48**	**59.68**
ii) Net Asset Value (NAV) Per Share without revaluation		
a) Net Asset Value (NAV)	4,035,719,195	3,392,018,388
b) Number of ordinary shares	87,848,000	87,848,000
	45.94	**38.61**

Significant Deviation in NAV:

NAV with Revaluation Surplus has been increased due to added of IPO fund and net profit after tax, NAV without Revaluation Surplus has been increased due to added of IPO fund and net profit after tax.

	30-Jun-2023	30-Jun-2022
34.00 Net Operating Cash Flows per share (NOCFPS)		
a) Net Operating Cash Flows	372,504,449	332,196,875
b) Weighted average number of Ordinary Shares (Note-32.01)	93,857,963	87,848,000
Net Operating Cash Flows per Share (NOCFPS) (a/b)	**3.97**	**3.78**

Significant Deviation in NOCFPS:

Due to decrease of purchase of raw material and operating expenses and payment against said purchase, the Net Operating Cash Flows per share of the reporting period has increased to Tk. 3.97 compared to Tk. 3.78 of the last year's.

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35.00 Other Commitments, Contingencies and relevant information
The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994

35.01 Contingencies
There is no contingent event that may require recognition of contingent liabilities for the year ended 30 June 2023.

35.02 Capital Expenditure Commitment
The company have no Capital Commitment at the reporting date at 30 June 2023

35.03 Bank Guarantee
The company have no Bank Guarantee on the reporting date.

35.04 Number of Employee - Para 3 of Schedule XI, Part II
Total number of employees are as follows:

Particulars	Officer, Executive & Others (Admin)	Officer, Executive & Others (Marketing)	Officer, Executive & Others (Factory)	30 June 2023	30 June 2022
Salary below Tk. 8,500 per month		-	-	-	-
Salary Tk. 8,500 or above per month	76	392	233	701	777
Total	**76**	**392**	**233**	**701**	**777**

35.05 Aggregated amount of Remuneration, Fees, Salary & Wages of employees are given below:

Directors Remuneration	3,000,000	3,000,000
Board Meeting Attendances Fees	245,000	245,000
Wages, Salaries and Allowances	38,145,777	38,145,777
Salaries and allowances (Administrative and Marketing & Selling)	109,441,094	109,441,094
	150,831,871	**150,831,871**

35.06 The requirement of schedule XI part-II, Para 3 (a) : Turnover

Particulars	**30 June 2023**	**30 June 2022**
Turnover in BDT.	1,289,254,174	1,472,783,409
Turnover in Quantity (Pcs/Tube/Bottle)	10,967,401	12,378,373

35.07 The requirement of schedule XI part-II, Para 3 (d) (i) : Raw Materials Consumed

Particulars	**30 June 2023**	**30 June 2022**
Raw Material (Value in BDT.)	354,522,735	416,707,035
Raw Material Quantities (Pcs)		
Raw Material Quantities (kg/gm/liter)	58,538	91,758

35.08 The requirement of schedule XI part-II, Para 3 (d) (ii) : Finished goods

Particulars	**30 June 2023**	**30 June 2022**
Opening Quantity (Pcs/Bottle/Tube)	2,238,985	1,664,212
Production Quantity (Pcs/Bottle/Tube)	11,662,505	13,040,940
Closing Quantity (Pcs/Bottle/Tube)	2,844,216	2,238,985

36.00 Directors interest in contracts with the company
There was no transaction resulting in Director's interest with the company.

36.01 The requirement of schedule XI part-II, Para 4 : Related Party Transaction
During the period the Company carried out a number of transactions with related parties in the normal course of business on an arms' length basis. Names of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS-24: Related Party Disclosures.

Name	Designation	Particulars	Opening Balance as on 01.07.2022	Addition during the year	Paid during the year	Closing balance as on 30.06.2023
Tahmina Begum	Chairman	Board Meeting fee	-	40,000	40,000	-
Monir Ahmed	Managing Director	Remuneration	250,000	3,000,000	3,000,000	250,000
		Board Meeting fee	-	40,000	40,000	-
Salina Ahmed	Director	Board Meeting fee	-	40,000	40,000	-
Sadia Ahmed	Director	Board Meeting fee	-	40,000	40,000	-
Maksud Ahmed	Director	Board Meeting fee	-	40,000	40,000	-
Shafiqul Kabir Khan	Independent Director	Board Meeting fee	-	40,000	40,000	-
Md. Raihan Sarkar	Independent Director	Board Meeting fee	-	20,000	20,000	-
Md. Ashraf Ali Miah	Ex-Independent Director	Board Meeting fee	-	5,000	5,000	-
Office Rent (Depot)						
Monir Ahmed	Managing Director	Tangail Depot	-	720,000	720,000	-
Total			**250,000**	**3,985,000**	**3,985,000**	**250,000**

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During the period from 01-07-2022 to 30-06-2023, there were 8 (Eight) Board Meetings held. The attendance status of all the meetings is as follows:

Name of Directors	Designation	Meeting Hold	Attendance
Tahmina Begum	Chairman	8	8
Monir Ahmed	Managing Director	8	8
Salina Ahmed	Director	8	8
Sadia Ahmed	Director	8	8
Maksud Ahmed	Director	8	8
Shafiqul Kabir Khan	Independent Director	8	8
Md. Raihan Sarkar	Independent Director	8	4
Md. Ashraf Ali Miah	Ex-Independent Director	8	1

36.02 The requirement of schedule XI part-II, Para 7 : Capacity Utilization

The production capacity and utilization of its are as follows:

Category	Quantity	Capacity as on 30-06-2023	Actual Production	Capacity Utilization (%) As on 30 June 2023	Capacity Utilization (%) As on 30 June 2022
Tablets	Pcs	7,032,810	4,360,938	62.01%	74.63%
Capsule	Pcs	5,648,029	3,452,739	61.13%	72.57%
Syrup	Pcs	2,160,510	1,326,213	61.38%	73.16%
Injectable items	Phial/Tube	1,466,651	941,621	64.20%	72.60%
Cream & Ointment	Bottle	1,610,815	940,491	58.39%	59.59%
Drops and Other items	Pcs	1,160,862	640,503	55.17%	52.41%
Total		**19,079,678**	**11,662,505**		

Category	Quantity	Capacity as on 30-06-2022	Actual Production	Capacity Utilization (%) As on 30 June 2022	Capacity Utilization (%) As on 30 June 2021
Tablets	Pcs	6,697,914	4,998,632	74.63%	77.10%
Capsule	Pcs	5,379,075	3,903,647	72.57%	73.61%
Syrup	Pcs	2,057,629	1,505,442	73.16%	72.15%
Injectable items	Phial/Tube	1,466,651	1,064,814	72.60%	69.55%
Cream & Ointment	Bottle	1,610,815	959,960	59.59%	56.53%
Drops and Other items	Pcs	1,160,862	608,444	52.41%	50.21%
Total		**18,372,947**	**13,040,940**		

36.03 The requirement of schedule XI part-II, Para 8 (C) :

Particulars	Opening Balance	Total Purchase during the Year	Material Available (Taka)	Consumption	% of Consumption 30-June-2023
Raw Materials Consumed	120,089,612	326,310,231	446,399,843	354,522,735	79.42%
Packing Material Consumed	40,862,568	173,404,686	214,267,254	180,825,736	84.39%
Spare Parts & Store Items Consumed	30,757,582	42,132,826	72,890,408	48,584,326	66.65%

Particulars	FOB/CIF Basis Value (US Dollar)	Amount in Tk
Import	60,156	6,316,335
Export	-	-

Particulars	Opening Balance	Total Purchase during the Year	Material Available (Taka)	Consumption	% of Consumption 30-June-2022
Raw Materials Consumed	94,582,934	442,213,713	536,796,647	416,707,035	77.63%
Packing Material Consumed	26,605,068	235,541,638	262,146,706	221,284,138	84.41%
Spare Parts & Store Items Consumed	39,290,067	56,311,830	95,601,897	64,844,315	67.83%

Particulars	FOB/CIF Basis Value (US Dollar)	Amount in Tk
Import	509,795	46,928,205
Export	1,687,800	144,342,875

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36.04 Transaction with Key Management Personnel of the entity:

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial year to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company		
a) Managerial Remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager.	3,000,000	3,000,000
b) Expenses reimbursed to Managing Agent	Nil	Nil
c) Commission or Remuneration payable separately to a managing agent or his associate	Nil	Nil
d) Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company.	Nil	Nil
e) The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year.	Nil	Nil
f) Any other perquisite or benefits in cash or in kind stating, approximate money value where applicable.	Nil	Nil
g) Other allowances and commission including guarantee commission Pensions etc.	Nil	Nil
(i) Pensions	Nil	Nil
(ii) Gratuities	Nil	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon.	Nil	Nil
i) Share Based payments	Nil	Nil

As per Para-17, IAS- 24:

An entity shall disclose key management personnel compensation in total and for each of the following benefits:

(a) Short-term employee benefits	3,000,000	3,000,000
(b) Post-employee benefits	Nil	Nil
(c) Other long term benefits	Nil	Nil
(d) termination benefits and	Nil	Nil
(e) share-based payment	Nil	Nil

As per Para-18, IAS- 24:

Disclosure requirements of IAS 24 Para 18 minimum disclosure shall include:

a) the amount of transaction	3,985,000	4,805,000
b) the amount of outstanding balance, including commitments	250,000	250,000
i) their terms & condition, including whether they are secured, and the nature of the consideration to be provided in settlement.	Remuneration, Meeting Fee & Depot Rent	
ii) details of any guarantee given or received.	Nil	Nil
c) Provisions for doubtful debts related to the amount of outstanding balance.	Nil	Nil
d) the expenses recognized during the period in respect of bad or doubtful debts due from related parties.	Nil	Nil

36.05 Reconciliation of Net Income or Net Profit with Cash Flows from Operating Activities (Indirect Method) the requirement of Bangladesh Securities and Exchange Commission notification no. BSEC/CMRRCD/2006-158/308/Admin/81, Dated 08 August 2018.

Particulars	Amount in (Tk.)	
	30 June 2023	30 June 2022
Net Profit before Tax	294,067,870	375,759,649
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation on Fixed Assets	123,023,662	106,820,370
Depreciation on ROU Assets	13,884,494	14,487,086
Amortization Cost	500,000	500,000
Financial Expenses	36,193,824	36,097,244
Interest on Lease Liabilities	18,263,703	5,227,439
Increase in Inventories	34,884,142	(56,055,639)
Increase in Trade and other Receivables	(94,004,742)	(85,816,801)
Increase in Advance, Deposits and Prepayments	21,992,591	83,163
Increase in Liabilities for Expenses	(1,114,218)	63,984
Increase in Liabilities for WPPF	(189,994)	4,671,890
Foreign Exchange Gain/(loss)	-	(1,433,289)
(Increase)/Decrease in Trade and other Payables	(9,258,164)	1,522,754
Cash Generated from Operating Activities	438,243,168	401,927,850
Advance Income Tax Paid	(65,738,719)	(69,730,975)
Net Cash Generated from Operating Activities	372,504,449	332,196,875

36.06 Received from Customers

	30 June 2023	30 June 2022
Sales during the period	1,289,254,174	1,472,783,409
Add: Opening Receivables	278,019,331	192,179,683
Less: Closing Receivables	(372,024,073)	(278,019,331)
	1,195,249,432	1,386,943,761

FAMES & R CHARTERED ACCOUNTANTS

36.07 Paid to Suppliers

	30 June 2023	30 June 2022
Purchase during the period	541,847,743	734,067,181
Add: Opening Payables	16,727,926	15,205,172
Less: Closing Payables	(7,469,763)	(16,727,926)
Add: Closing Advance to LC Margin	3,370,443	9,956,840
Less: Opening Advance to LC Margin	(9,956,840)	(35,037,628)
Add: Closing Advance to Supplier	30,277,560	43,540,574
Less: Opening Advance to Supplier	(43,540,574)	(23,097,178)
	531,256,496	**727,907,034**

36.08 Paid to Employees

	30 June 2023	30 June 2022
Salary, Wages Including Bonus & WPPF	161,061,843	169,619,853
Add: Opening Liabilities for WPPF	23,245,695	18,573,805
Less: Closing Liabilities forWPPF	(23,055,701)	(23,245,695)
Add: Closing Advance to Employee	1,031,000	1,104,600
Less: Opening Advance to Employee	(1,104,600)	(587,000)
Add: Opening Liabilities for Salaries	12,792,817	12,881,235
Less: Closing Liabilities for Salaries	(12,117,710)	(12,792,817)
	161,853,344	**165,553,981**

36.09 Paid for Manufacturing & Operating Expenses

	30 June 2023	30 June 2022
Operating Expense	222,277,993	216,437,092
Add: Opening Liabilities for expenses	3,609,027	3,456,624
Less: Closing Liabilities for expenses	(3,169,915)	(3,609,027)
Add: Closing Advance deposit & prepayment	9,081,551	11,151,132
Less: Opening Advance deposit & prepayment	(11,151,132)	(7,114,502)
Less: Sample Expense	(7,052,528)	(6,915,968)
Less: Amortization Cost	(500,000)	(500,000)
Less: Depreciation Expense	(123,023,662)	(106,820,370)
Less: Depreciation ROU Assets (Annexed D)	(13,884,494)	(14,487,086)
	76,186,840	**91,597,896**

36.10 Acquisition of Freehold Property, Plant and Equipment

	30 June 2023	30 June 2022
Purchase of Assets	5,044,785	48,416,343
Add: Opening Liability	-	-
Less: Closing Liability	-	-
	5,044,785	**48,416,343**

36.11 Acquisition of Intangible Assets

	30 June 2023	30 June 2022
Purchase of Assets	-	-
Add: Opening Liability	-	-
Less: Closing Liability	-	-
	-	-

36.12 Capital Work in Progress

	30 June 2023	30 June 2022
Purchase of Assets	354,447,094	232,184,505
Add: Opening Liability	-	-
Less: Closing Liability	-	-
	354,447,094	**232,184,505**

36.13 Received/(Payment) in Long term loan

	30 June 2023	30 June 2022
Received in Long term loan	276,713,576	-
Interest on Long Term Loan	34,275,119	34,809,995
Paid in Long Term Loan (Principal Interest)	(296,605,384)	(24,953,686)
	14,383,311	**9,856,309**

36.14 Received/(Payment) in Lease Liability

	30 June 2023	30 June 2022
Received in Lease	-	-
Interest on Lease	18,263,703	5,227,439
Paid in Lease (Principal Interest)	(16,793,198)	(20,370,788)
	1,470,505	**(15,143,349)**

36.15 Events after the Reporting Period

No material events had occurred from end of reporting period to the date of issue of Financial Statements, which could materially affect the values stated in the Financial Statements.

36.16 Significant deviation in EPS, NAVPS and NOCFPS:

EPS has been decreased due to considering IPO fund as share, decrease of the Net Profit after Tax as well as sales revenue than last year of the Company. NAV with Revaluation Surplus has been increased due to added of IPO fund and net profit after tax, NAV without Revaluation Surplus has been increased due to added of IPO fund and net profit after tax. NOCFPS has been increased due to decrease of purchase of raw material and operating expenses and payment against said purchase.

FAMES & R BANGLADESH CHARTERED ACCOUNTANTS

Asiatic Laboratories Limited
Schedule of Freehold Property, Plant & Equipment
As at 30 June 2023

Annexure-A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30 June 2023
	Balance as on 01 July 2022	Addition during the Year	Balance as on 30 June 2023		Balance as on 01 July 2022	Charge during the Year	Balance as on 30 June 2023	
Land & land Development	1,333,656,681	-	1,333,656,681	0%	-	-	-	1,333,656,681
Building & Other Construction	1,130,775,076	2,832,730	1,133,607,806	2.5%	180,137,454	23,795,580	203,933,034	929,674,772
Plant & Machinery	1,254,835,336	308,096,204	1,562,931,540	7.5%	321,318,922	76,997,332	398,316,255	1,164,615,285
Furniture and Fixture	57,584,247	819,780	58,404,027	10%	23,492,390	3,449,480	26,941,869	31,462,158
Generator	25,522,100	6,701,500	32,223,600	10%	10,418,070	1,868,428	12,286,498	19,937,102
Electrical Installation	34,456,518	2,009,300	36,465,818	10%	17,356,222	1,857,364	19,213,586	17,252,232
Vehicle	132,761,134	492,280	133,253,414	10%	69,907,065	6,298,977	76,206,042	57,047,372
Fire Equipment	21,550,213	746,223	22,296,436	10%	5,024,472	1,691,399	6,715,871	15,580,565
Office Equipment	70,426,179	977,202	71,403,380	10%	46,689,598	2,422,703	49,112,301	22,291,079
Balance as at June 30, 2023	**4,061,567,484**	**322,675,219**	**4,384,242,703**		**674,344,194**	**118,381,263**	**792,725,457**	**3,591,517,246**

B. Revaluation

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30 June 2023
	Balance as on 01 July 2022	Addition during the Year	Balance as on 30 June 2023		Balance as on 01 July 2022	Charge during the Year	Balance as on 30 June 2023	
Land & land Development	1,815,996,257	-	1,815,996,257	0%	-	-	-	1,815,996,257
Building & Other Construction	69,000,825	-	69,000,825	2.5%	2,416,210	1,664,615	4,080,826	64,919,999
Plant & Machinery	44,288,046	-	44,288,046	7.5%	4,584,268	2,977,783	7,562,052	36,725,994
Sub-Total-B	**1,929,285,128**	-	**1,929,285,128**		7,000,479	4,642,399	**11,642,877**	**1,917,642,251**
Balance as on 30 June 2023 (A+B)	**5,990,852,612**	322,675,219	**6,313,527,831**	-	**681,344,672**	**123,023,662**	**804,368,334**	**5,509,159,496**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	80%	98,418,930
Administrative Expenses	5%	6,151,183
Marketing & Selling Expenses	15%	18,453,549
Total	**100%**	**123,023,662**

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH F&R

Asiatic Laboratories Limited
Schedule of Freehold Property, Plant & Equipment
As at 30 June 2022

Annexure-A

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30 June 2022
	Balance as on 01 July 2021	Addition during the Year	Balance as on 30 June 2022		Balance as on 01 July 2021	Charge during the Year	Balance as on 30 June 2022	
Land & land Development	1,323,020,473	10,636,208	1,333,656,681	0%	-	-	-	1,333,656,681
Building & Other Construction	1,120,197,664	10,577,412	1,130,775,076	2.5%	156,022,200	24,115,254	180,137,454	950,637,622
Plant & Machinery	1,027,984,336	226,851,000	1,254,835,336	7.5%	259,539,566	61,779,356	321,318,922	933,516,414
Furniture and Fixture	49,757,247	7,827,000	57,584,247	10%	20,204,234	3,288,156	23,492,390	34,091,857
Generator	25,522,100	-	25,522,100	10%	8,739,845	1,678,226	10,418,070	15,104,030
Electrical Installation	25,949,438	8,507,080	34,456,518	10%	16,036,741	1,319,482	17,356,222	17,100,296
Vehicle	125,056,009	7,705,125	132,761,134	10%	63,596,292	6,310,773	69,907,065	62,854,069
Fire Equipment	12,845,163	8,705,050	21,550,213	10%	3,862,407	1,162,066	5,024,472	16,525,741
Office Equipment	65,390,299	5,035,880	70,426,179	10%	44,449,063	2,240,535	46,689,598	23,736,580
Balance as at June 30, 2022	**3,775,722,729**	**285,844,755**	**4,061,567,484**		**572,450,347**	**101,893,847**	**674,344,194**	**3,387,223,290**

B. Revaluation

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30 June 2022
	Balance as on 01 July 2021	Addition during the Year	Balance as on 30 June 2022		Balance as on 01 July 2021	Charge during the Year	Balance as on 30 June 2022	
Land & land Development	1,815,996,257	-	1,815,996,257	0%	-	-	-	1,815,996,257
Building & Other Construction	69,000,825	-	69,000,825	2.5%	708,913	1,707,298	2,416,210	66,584,615
Plant & Machinery	44,288,046	-	44,288,046	7.5%	1,365,043	3,219,225	4,584,268	39,703,778
Sub-Total-B	**1,929,285,128**	-	**1,929,285,128**		**2,073,956**	**4,926,523**	**7,000,479**	**1,922,284,650**
Balance as on 30 June 2022 (A+B)	**5,705,007,857**	**285,844,755**	**5,990,852,612**	-	**574,524,303**	**106,820,370**	**681,344,672**	**5,309,507,940**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	80%	85,456,296
Administrative Expenses	5%	5,341,018
Marketing & Selling Expenses	15%	16,023,055
Total	**100%**	**106,820,370**

F&R

Asiatic Laboratories Limited
Schedule of Right of Use Assets
As at 30 June 2023

Annexure- B

Particulars	Cost				Rate of Depreciation / Useful Life	Depreciation				Written Down Value as at 30 June 2023
	Balance as on 01 July 2022	Addition during the Year	Adjustment during the year	Balance as on 30 June 2023		Balance as on 01 July 2022	Charge during the Year	Adjustment during the year	Balance as on 30 June 2023	
Plant & Machinery	62,000,000			62,000,000	7.5%	19,576,470	3,181,765		22,758,235	39,241,765
Depot:										
Dinajpur Depot	2,292,643			2,292,643	33.33%	382,107	764,214		1,146,322	1,146,321
Bogra Depot	2,421,806			2,421,806	33.33%	(0)	807,269		807,269	1,614,537
Faridpur Depot	1,783,195	1,783,195	1,783,195	1,783,195	50.00%	1,783,194	891,597	1,783,195	891,597	891,598
Sylhet Depot	1,872,354	1,872,354	1,872,354	1,872,354	50.00%	1,872,355	936,177	1,872,354	936,177	936,177
Chattagram Depot	2,006,094			2,006,094	50.00%	835,872	1,003,047		1,838,919	167,175
Kishorgonj Depot	1,961,514			1,961,514	50.00%	899,027	980,757		1,879,784	81,730
Mymensingh Depot	1,716,325			1,716,325	50.00%	715,135	858,162		1,573,298	143,027
Feni Depot	-			-	33.33%	-			-	-
Rangpur Depot	2,195,771			2,195,771	33.33%	731,923	731,924		1,463,847	731,924
Khustia Depot	1,921,300			1,921,300	33.33%	1,227,498	640,433		1,867,931	53,370
Rajshahi Depot	1,856,718			1,856,718	33.33%	1,237,812	618,906		1,856,718	(0)
Cumilla Depot	2,228,062			2,228,062	33.33%	(0)	742,687		742,687	1,485,375
Khulna Depot	1,792,137			1,792,137	33.33%	298,689	597,379		896,068	896,069
Tangail Depot	1,937,445			1,937,445	33.33%	645,815	645,815		1,291,630	645,815
Dhaka Depot	1,560,295		1,560,295	-	50.00%	1,560,295		1,560,295	0	(0)
Noakhali Deport	645,815			645,815	33.33%	161,454	215,272		376,725	269,090
Barisal Deport	807,269			807,269	33.33%	269,090	269,090		538,179	269,090
Balance as at June 30, 2023	**90,998,743**	**3,655,549**	**5,215,844**	**89,438,448**		**32,196,738**	**13,884,494**	**5,215,844**	**40,865,387**	**48,573,061**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	23%	3,181,765
Marketing & Selling Expenses	77%	10,702,729
Total	**100%**	**13,884,494**

As per IFRS-16, Para-32; 'if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the lessee shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.' The Company has 16 depots. Out of those 16 depots 10 depots (Dinajpur, Bogra, Feni, Rangpur, Kustia, Rajshahi, Cumilla, Khulna, Tangail and Gazipur) lease term is 3 years, and the rest of 6 depots (Faridpur, Sylhet, Chattagram, kishorgonj, Mymensingh and Dhaka) lease term is 2 years. Where as, the lease term of 10 depots Lease is 3 Years or (100/3=33.33%) and lease term of 6 depots Lease is 2 Years or (100/2=50.00%). Each and every lease period are renewable.

Asiatic Laboratories Limited
Schedule of Right of Use Assets
As at 30 June 2022

Annexure- B

Particulars	Cost				Rate of Depreciation / Useful Life	Depreciation				Written Down Value as at 30 June 2022
	Balance as on 01 July 2021	Addition during the Year	Adjustment during the year	Balance as on 30 June 2022		Balance as on 01 July 2021	Charge during the Year	Adjustment during the year	Balance as on 30 June 2022	
Plant & Machinery	62,000,000	-		62,000,000	7.5%	16,188,958	3,387,512		19,576,470	42,423,530
Depot:										
Dinajpur Depot	2,195,771	2,292,643	2,195,771	2,292,643	33.33%	1,829,809	748,069	2,195,771	382,107	1,910,536
Bogra Depot	2,324,934	2,421,806	2,324,934	2,421,806	33.33%	1,679,119	645,815	2,324,934	(0)	2,421,806
Faridpur Depot	1,783,195	-	-	1,783,195	50.00%	891,597	891,597	-	1,783,194	0
Sylhet Depot	1,872,354	-	-	1,872,354	50.00%	936,177	936,177	-	1,872,355	(0)
Chattagram Depot	1,916,934	2,006,094	1,916,934	2,006,094	50.00%	1,757,190	995,617	1,916,934	835,872	1,170,222
Kishorgonj Depot	1,883,499	1,961,514	1,883,499	1,961,514	50.00%	1,805,020	977,506	1,883,499	899,027	1,062,487
Mymensingh Depot	1,582,585	1,716,325	1,582,585	1,716,325	50.00%	1,450,703	847,017	1,582,585	715,135	1,001,190
Feni Depot	1,969,736	-	1,969,736	-	33.33%	1,860,306	109,430	1,969,736	-	-
Rangpur Depot	2,098,899	2,195,771	2,098,899	2,195,771	33.33%	2,098,899	731,924	2,098,899	731,923	1,463,847
Khustia Depot	1,921,300	-	-	1,921,300	33.33%	587,064	640,433	-	1,227,498	693,803
Rajshahi Depot	1,856,718	-	-	1,856,718	33.33%	618,906	618,906	-	1,237,812	618,906
Cumilla Depot	2,098,899	2,228,062	2,098,899	2,228,062	33.33%	1,574,174	524,725	2,098,899	(0)	2,228,062
Khulna Depot	1,662,974	1,792,137	1,662,974	1,792,137	33.33%	1,385,811	575,852	1,662,974	298,689	1,493,448
Tangail Depot	1,840,573	1,937,445	1,840,573	1,937,445	33.33%	1,840,573	645,815	1,840,573	645,815	1,291,630
Dhaka Depot	1,560,295	-	-	1,560,295	50.00%	780,148	780,148	-	1,560,295	(0)
Noakhali Deport	-	645,815	-	645,815	33.33%	-	161,454		161,454	484,361
Gazipur Depot	2,131,189	-	2,131,189	-	33.33%	2,131,189		2,131,189	-	-
Barisal Deport	-	807,269	-	807,269	33.33%	-	269,090		269,090	538,179
Balance as at June 30, 2022	**92,699,855**	**20,004,881**	**21,705,993**	**90,998,743**		**39,415,644**	**14,487,086**	**21,705,993**	**32,196,738**	**58,802,006**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	23%	3,387,512
Marketing & Selling Expenses	77%	11,099,574
Total	**100%**	**14,487,086**

FAMES & R CHARTERED ACCOUNTANTS F&R

Asiatic Laboratories Limited
Schedule of Intangible Asset
As at 30 June 2023

Annexure- C

Particulars	Cost			Useful Life	Depreciation			Written Down Value as at 30 June 2023
	Balance as on 01 July 2022	Addition during the Year	Balance as on 30 June 2023		Balance as on 01 July 2022	Amortization during the Year	Balance as on 30 June 2023	
Computer Software	3,500,000	-	3,500,000	7 years	1,208,333	500,000	1,708,333	1,791,667
Balance as at June 30, 2023	**3,500,000**	-	**3,500,000**		1,208,333	**500,000**	**1,708,333**	**1,791,667**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Administrative Expenses	100%	500,000
Total	**100%**	**500,000**

Asiatic Laboratories Limited
Schedule of Intangible Asset
As at 30 June 2022

Annexure- C

Particulars	Cost			Useful Life	Depreciation			Written Down Value as at 30 June 2022
	Balance as on 01 July 2021	Addition during the Year	Balance as on 30 June 2022		Balance as on 01 July 2021	Amortization during the Year	Balance as on 30 June 2022	
Computer Software	3,500,000	-	3,500,000	7 years	708,333	500,000	1,208,333	2,291,667
Balance as at June 30, 2022	**3,500,000**	-	**3,500,000**		708,333	**500,000**	**1,208,333**	**2,291,667**

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Administrative Expenses	100%	500,000
Total	**100%**	**500,000**

Asiatic Laboratories Limited
Income Tax Liabilities
As at 30 June 2023

Annexure- D

Particulars	6/30/2023	30 June 2022		
	Local Product	Local Product	Export Product	Total
Revenue	1,289,254,174	1,328,440,534	144,342,875	1,472,783,409
Percentage of Revenue	100.00%	90.20%	9.80%	100%
Profit Before Income Tax (without other income)	294,067,870	338,932,627	36,827,023	375,759,649
Less: Others Income	12,290,416	1,453,443	-	1,453,443
Profit before Others Income and Income Tax	281,777,454	337,479,184	36,827,023	374,306,207
Add: Inadmissible Allowance				
Accounting Depreciation	123,523,662	96,802,237.40	10,518,132.27	107,320,370
Accounting Depreciation on ROU Assets	13,884,494	13,067,252.34	1,419,833.80	14,487,086
Interest on Lease Liability	18,263,703	4,715,114	512,325	5,227,439
	437,449,313	452,063,788	49,277,314	501,341,102
Less: Admissible Allowance				
Depreciation as per 3rd schedule	(165,250,888)	(202,002,647)	(21,948,775)	(223,951,423)
Lease Payment (Principal + Interest)	(16,793,198)	(18,374,311)	(1,996,477)	(20,370,788)
Total Taxable Income	255,405,227	231,686,829	25,332,061	257,018,891
Tax Rate	30.00%	30.00%	15.00%	
A. Tax on Taxable Income	76,621,568	69,506,049	3,799,809	73,305,858
Other Income	12,290,416	1,453,443		1,453,443
Rate	30.00%	30.00%		
B. Tax on others Income	3,687,125	436,033		436,033
Total Tax Expenses (A+B+C)	80,308,693	69,942,082	3,799,809	73,741,891
Or				
Tax deduction at source during the year	65,738,719			69,730,975
Total	65,738,719			69,730,975
Or				
Minimum Tax u/s 16CCC/82C	7,735,525			8,836,700
Whichever is Higher	80,308,693	69,942,082	3,799,809	73,741,891

FAMES & R
DHAKA BANGLADESH
CHARTERED ACCOUNTANTS
F&R

Asiatic Laboratories Limited
Statement of Impact of adoption of IFRS-15 'Revenue from contract with Customers' and IFRS-16 "Leases"
For the year ended 30 June 2023

Annexure-E

Impact of adoption of IFRS-15 'Revenue from contract with Customers' and IFRS-16 "Leases"

IFRS-15 "Revenue from contract with Customers"

In addition, prior year Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs). The management of the Company has introduced IFRS-15 'Revenue from contract with Customers' instead of IAS-18 'Revenue' from 1st July 2018. The Management of the Company has made an assessment of the difference between IFRS-15 'Revenue from contract with Customers' instead of IAS-18 'Revenue' and concluded that there are no differences that would impact any numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows as well as Statement of Financial Position of the company with the effect of IFRS-15 Para c (8) which is shown below:

Impact on the Statement of Financial Position
As at 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
Assets			
Non-Current Assets	5,637,663,075	-	5,637,663,075
Current Assets	1,286,584,721	-	1,286,584,721
Total Assets	**6,924,247,797**	-	**6,924,247,797**
Shareholder's Equity and Liabilities			
Shareholder's Equity	5,664,279,770	-	5,664,279,770
Non-Current Liabilities	979,328,152	-	979,328,152
Current Liabilities	280,639,874	-	280,639,874
Total Shareholder's Equity and Liabilities	**6,924,247,796**	-	**6,924,247,796**

Impact on the statement of Profit or Loss and other comprehensive Income
For the year ended 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
Revenue	1,289,254,174	-	1,289,254,174
Cost of Goods Sold	(741,972,010)	-	(741,972,010)
Gross Profit	**547,282,164**	-	**547,282,164**
Operating expenses	(196,958,310)	-	(196,958,310)
Profit from Operation	**350,323,854**	-	**350,323,854**
Profit Before Tax	**294,067,870**	-	**294,067,870**
Income Tax Expenses	(88,220,361)	-	(88,220,361)
Net Profit after Tax	**205,847,509**		**205,847,509**
Other Comprehensive Income	(216,526,831)		(216,526,831)
Total Comprehensive Income For the year	**(10,679,322)**		**(10,679,322)**

Impact on the Statement of Cash Flows
For the year ended 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
Net Cash Generated from Operating Activities	372,504,449	-	372,504,449
Net cash Used to Investing Activities	(359,491,879)	-	(359,491,879)
Net cash Used in Financing Activities	425,843,959	-	425,843,959
Net Increase/(Decrease) of Cash and Cash Equivalents	**438,856,530**	-	**438,856,530**
Cash and Cash Equivalents at the beginning of the year	7,888,000	-	7,888,000
Foreign Exchange Gain/(loss)	-	-	-
Cash and Cash Equivalents at the end of the year	**446,744,530**		**446,744,530**

FAMES & R CHARTERED ACCOUNTANTS DHAKA BANGLADESH F&R

IFRS-16 "Leases"

In addition, prior year Financial Statements were prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) up to June 2019 and the management of the Company has introduced IFRS-16 'Leases" instead of IAS-17 'Leases' from 1st July 2019. The Management of the Company has made an assessment of the difference between IFRS-16 'Leases' and IAS-17 'Leases'. The Company assess the impact of IFRS-16 of numerical amount and disclosures in the financial statement. For better presentation, the management reconciled Statement of Profit or Loss and Other Comprehensive Income, Statement of Cash Flows as well as Statement of Financial Position of the company with the effect of IFRS-16 which is shown below:

Impact on the Statement of Financial Position
As at 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
Assets			
Freehold Property, Plant and Equipment	5,509,159,497	-	5,509,159,497
Right of Use Asset	48,573,061	9,331,296	39,241,765
Intangible Asset	1,791,667	-	1,791,667
Capital Work-in-Progress	78,138,851	-	78,138,851
Current Assets	1,286,584,721	-	1,286,584,721
Total Assets	**6,924,247,797**	**9,331,296**	**6,914,916,502**
Shareholder's Equity and Liabilities			
Share Capital	878,480,000	-	878,480,000
Share Money Deposit (IPO Fund-EI part)	431,818,180		431,818,180
Revaluation Surplus	1,628,560,575		1,628,560,575
Retained Earnings	2,725,421,015	(143,399)	2,725,564,414
Non-Current Liabilities*	979,328,152	2,131,206	977,196,946
Current Liabilities*	280,639,874	7,343,487	273,296,387
Total Shareholder's Equity and Liabilities	**6,924,247,796**	**9,331,294**	**6,914,916,502**

***Adjustment of Right of Use Assets**	
Written down value as per IAS-17	(39,241,765)
Written down value as per IFRS-16 (Annexure-B)	48,573,061
Adjustment of Lease Liability as per IFRS-16	**9,331,296**

***Adjustment of Retained Earnings**	
Adjustment for the year (2019-2020) adoption of IFRS-16**	(514,443)
Adjustment for the year (2020-2021) adoption of IFRS-16**	144,054
Adjustment for the year (2021-2022) adoption of IFRS-16**	277,875
Adjustment for the year (2022-2023) adoption of IFRS-16**	(50,885)
	(143,399)

****Adjustment for the year (2022-2023) adoption of IFRS-16**	
Rent expenses as per IAS-17	11,754,000
Depreciation expenses of ROU Assets as per IFRS-16	(10,702,729)
Interest expenses of ROU Assets as per IFRS-16	(1,102,155)
Excess of (expenses)/income as per IFRS-16	**(50,885)**

***Adjustment of Non-Current Liabilities**	
Non-current liability as per IFRS-16	47,134,191
Non-current liability as per IAS-17	(45,002,985)
Adjustment of Lease Liability as per IFRS-16	**2,131,206**

***Adjustment of Current Liabilities**	
Current liability as per IFRS-16	12,189,487
Current liability as per IAS-17	(4,846,000)
Adjustment of Lease Liability as per IFRS-16	**7,343,487**

Impact on the Statement of Profit or Loss and other comprehensive Income
For the year ended 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
Revenue	1,289,254,174	-	1,289,254,174
Cost of Goods Sold	(741,972,010)	-	(741,972,010)
Gross Profit	**547,282,164**	-	**547,282,164**
Operating expenses*	(196,958,310)	1,051,271	(198,009,581)
Profit from Operation	**350,323,854**	**1,051,271**	**349,272,583**
Other Income	12,290,416	-	12,290,416
Financial Expenses	(36,193,824)	-	(36,193,824)
Interest on Lease Liability*	(18,263,703)	(1,102,155)	(17,161,548)
Profit Before WPPF & Income Tax	**308,156,743**	**(50,885)**	**308,207,627**
Workers' Profit Participation Fund Expenses	14,088,873		14,088,873
Profit Before Income Tax	**294,067,870**	**(50,885)**	**294,118,754**
Income Tax Expenses	(88,220,361)	-	(88,220,361)
Net Profit after Income Tax	**205,847,509**	**(50,885)**	**205,898,393**
Other Comprehensive Income for the year	(216,526,831)		(216,526,831)
Total Comprehensive Income For the year	**(10,679,322)**	**(50,885)**	**(10,628,438)**

***Adjustment of Operating expenses**	
Rent Expenses as per IAS-17	11,754,000
Depreciation Expenses of ROU Assets (Office Rent -Depots) as per IFRS-16 (Annexure-B)	(10,702,729)
Deficit of rent expenses as per IFRS-16	**1,051,271**
***Adjustment of Interest on Lease Liability**	
Interest Expenses as per IAS-17	(1,102,155)
Excess of interest expenses as per IFRS-16	**(1,102,155)**
***Adjustment of Profit after Tax**	
Rent expenses as per IAS-17	11,754,000
Depreciation Expenses of ROU Assets as per IFRS-16	(10,702,729)
Interest Expenses of ROU Assets as per IFRS-16	(1,102,155)
Excess of (expenses)/income as per IFRS-16	**(50,885)**

Impact on the Statement of Cash Flows
For the year ended 30 June 2023

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
Net Cash Generated from Operating Activities*	372,504,449	(11,754,000)	360,750,449
Net cash Used to Investing Activities*	(359,491,879)	10,702,729	(348,789,149)
Net cash Used in Financing Activities *	425,843,959	1,051,271	426,895,230
Net Increase/(Decrease) Cash and Cash Equivalents	**438,856,530**	-	**438,856,530**
Cash and Cash Equivalents at the beginning of the year	7,888,000	-	7,888,000
Foreign Exchange Gain/(loss)	-	-	-
Cash and Cash Equivalents at the end of the year	**446,744,530**	-	**446,744,530**

***Adjustment of Net Cash Generated from Operating Activities**	
Rent paid in operating expenses as per IFRS-16	-
Rent paid in operating expenses as per IAS-17	(11,754,000)
Excess payment of rent as per IFRS-16	**(11,754,000)**
***Adjustment of Net cash Used to Investing Activities**	
Depreciation Expenses of ROU Assets as per IFRS-16 (Annexure-B)	10,702,729
Depreciation Expenses of ROU Assets as per IAS-17	-
Excess payment depreciation expenses of ROU Assets as per IFRS-16	**10,702,729**
***Adjustment of Net cash Generated from Financing Activities**	
Interest Expenses of ROU Assets as per IFRS-16	1,102,155
Payment of lease liability as per IFRS-16	(50,885)
***Adjustment lease liability as per IFRS-16**	**1,051,271**

FAMES & R'S F&R BANGLADESH CHARTERED ACCOUNTANTS