

**AUDITORS' REPORT  
AND  
THE FINANCIAL STATEMENTS  
OF  
ASIATIC LABORATORIES LIMITED**  
*For the year ended June 30, 2024*



**PrimeGlobal**

*An Association of  
Independent Accounting Firms*

**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 30<sup>th</sup> June 2024 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 30<sup>th</sup> June 2024, 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.

<b>Revenue Recognition</b>	
<b>Key Audit Matter</b>	<b>Our Audit Approach</b>
<p>At the year end the company reported total revenue of Tk.1,385,229,195/- which includes local sales.</p> <p>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.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>-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.</li> <li>-Review monthly VAT return to ascertain local sales and bank confirmation certificate regarding local sales.</li> <li>-We ensured all invoices relates to the current reporting period and match cut-off date.</li> <li>-We inspected Segregation of duties in invoice creation and modification and timing of revenue recognition.</li> </ul>

	<p>-Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.</p> <p>-Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.</p> <p>-Critically assesses manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p> <p>- We reviewed the requirement, appropriateness and adequacy of disclosures in line with IFRS-15 Revenue from Contracts with Customers.</p>
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*Please see to the Statement of profit or loss & other Comprehensive Income(Ref no:3.10 & 27.00)*

## 2.Valuation of Inventory

Key Audit Matter	Our Audit Approach
<p>As at 30<sup>th</sup> June 2024 the reported amount of inventory is Tk. 476,740,181/- represents 28.80% of current assets and almost 6.42% of total assets. The closing inventory figure have significant impact in determining the cost of goods sold</p> <p>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.</p>	<p>Our audit approach includes but not limited to the followings:</p> <p>-We gained a clear understanding of recording and valuation methods and operating effectiveness regarding Inventory.</p> <p>-We made sure that closing balances care carried forward correctly and current year purchase amounts are in agreement with ledger balances.</p> <p>-We reviewed the company's policy of accounting for obsolete, damaged &amp; slow-moving items along with procedure for disposal.</p> <p>-We have checked the physical safeguard of inventory held at warehouse of the company.</p> <p>- We also reviewed the requisition process of inventory and control on dispatch of items.</p> <p>-We have also considered the adequacy of the company's disclosures in respect of the levels of provisions against inventory.</p>

*Please see note no. 3.04 & 8.00 to the Financial Statements*

## 3. Capital work in progress

Key Audit Matter	Our Audit Approach
<p>In the year ended 30<sup>th</sup> June 2024 the company accounted for Capital Work in Progress (WIP) closing balance of Tk.42,092,829/-.</p>	<p>Our audit approach includes but not limited to the followings:</p> <p>-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</p>





<p>The company also presented transfer of Tk.10,712,261/- (Building &amp; Other Construction) &amp; Tk. 244,670,075/-(Plant &amp; Machinery)to Property, Plant and Equipment in the reporting period.</p> <p>The capitalized amount (Tk.10,712,261/- + 208,624,053/-) = 219,336,314/- is material to the statement of financial position and represents 2.96% of total asset of the company.</p>	<p>amount presented.</p> <ul style="list-style-type: none"> <li>-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).</li> <li>-We inspected the physical existence of the assets capitalized in current year along with the verification of company's legal rights on those assets.</li> <li>-We evaluate the appropriateness of disclosures in financial statements.</li> </ul>
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*Please see note no. 3.03 & 7.00 to the Financial Statements*

#### **4. Deferred Tax Liability**

Key Audit Matter	Our Audit Approach
<p>As per IAS 12 Income Taxes, the two components of the company's estimated tax is Current Tax &amp; Deferred Tax. There is a deferred tax liability of Tk. 631,790,580/- which is almost equivalent to 8.51% compared to total assets of the company. In SPLOCI there is a reported deferred tax income of Tk. 24,680,443/- which is 8.86% of the reported profit for the year (other than OCI).</p> <p>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.</p>	<p>We verified that right opening balances are carried forward in deferred tax account.</p> <ul style="list-style-type: none"> <li>-We made sure that, the tax base is according to 3<sup>rd</sup> schedule of ITA 2023 and the accountant of the company have clear understanding of posting the associated journal entries.</li> <li>- We recalculated the figures presented in the financial statements and made sure they are in agreement with general ledger.</li> <li>- We examine the procedure of arriving at temporary difference in case of lease liability and ROU asset</li> <li>-We reviewed the amount of provision created for Deferred Tax in current year and the relevant adjustment against revaluation reserve.</li> <li>-We ensure that the correct rate of Tax is used to calculate the provisions for deferred tax.</li> <li>-We evaluated the adequacy of financial statement disclosures including key assumptions, judgments and sensitivities.</li> </ul>

*Please see note no. 3.24 & 19.00 to the Financial Statements*

#### **05. Lease Liability**

Key Audit Matter	Our Audit Approach
<p>In the Financial Statement there is Current Lease Liability of Tk. 11,145,510/- &amp; non-current portion is Tk. 37,437,479/- as on date. The total lease liability Tk. 48,582,989/- considered material due to its</p>	<p>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</p>





<p>involvement with critical accounting estimate and judgment.</p> <p>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.</p>	<p>followings:</p> <ul style="list-style-type: none"> <li>-Collect the lease agreements and rescheduling letters issue by leasing company.</li> <li>-We ensure correct balances are carried forward from previous period.</li> <li>-We checked the effective date of lease agreements to confirm fair presentation.</li> <li>-We checked the validity of using effective interest rate for arriving at interest charge each period.</li> <li>-We checked the arithmetic accuracy of payment schedule and ROU asset recognition.</li> <li>-We verified management's assumptions regarding depreciation and useful life of ROU assets in case of both capital &amp; rental lease agreements.</li> <li>-We checked the mathematical accuracy and type of asset transferred from ROU category to freehold PPE</li> <li>-We examine the adequacy of disclosure presentation requirements in relation to IFRS-16 Leases.</li> </ul>
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*Please see note no. 3.01, 3.02.5, 18.00& 25.00 to the Financial Statements*

**06. Revaluation**

Key Audit Matter	Our Audit Approach
<p>The entity reported Land and Land Development assets revaluation surplus/(deficits) in current year amounting Tk. (52,938)/-as Other Comprehensive Income.</p> <p>There are chances of misstatement in amounts due to incompetent valuation methods. There is also possibility of non-compliance in relation to local regulatory guideline regarding assets valuation.</p>	<ul style="list-style-type: none"> <li>-We checked management's assumption regarding the necessity of Land and Land Development revaluation.</li> <li>-We checked the Board meeting minute to confirm the validity of the revaluation decision.</li> <li>-We reviewed the process of appointment of independent valuer.</li> <li>-We made necessary query to ensure the skill and competency of independent valuer to conduct such valuation.</li> <li>-We review the assumption made during valuation, the base value used and the mythology used.</li> <li>-We checked the compliance of the company regarding asset valuation guideline by local regulator.</li> <li>-We assessed the requirements and adequacy of disclosures regarding revaluation.</li> <li>-The valuation report has been prepared and treated in accordance with IAS and IFRS and other applicable law and regulation and the company given proper accounting treatments, including provision, tax and other liabilities in the financial statements to consider the valuation of Land and Land Development.</li> </ul>

*Please see note no. 3.02.8 & OCI to the Financial Statements*

### **Other Information**

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.

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 Auditors' 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 Auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our





conclusions are based on the audit evidence obtained up to the date of our Auditors' 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.

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.

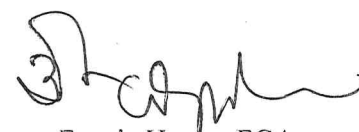
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' report unless law or regulation 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.

Date: 24<sup>th</sup> November 2024  
Place: Dhaka



Fouzia Haque, FCA  
Enrollment no: 1032  
Partner

**FAMES & R**  
Chartered Accountants  
DVC # 2411241032AS899393



Asiatic Laboratories Limited  
Statement of Financial Position  
As at 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
<b>Assets</b>			
<b>Non-Current Assets</b>		<b>5,766,468,265</b>	<b>5,637,663,075</b>
Freehold Property, Plant and Equipment	4.00	5,678,694,620	5,509,159,496
Right of Use Assets	5.00	44,389,149	48,573,061
Intangible Asset	6.00	1,291,667	1,791,667
Capital Work-in-Progress	7.00	42,092,829	78,138,851
<b>Current Assets</b>		<b>1,655,624,011</b>	<b>1,286,584,721</b>
Inventories	8.00	476,740,181	341,110,943
Trade and other Receivables	9.00	401,759,864	372,024,073
Advances, Deposits and Prepayments	10.00	617,706,982	126,705,176
Cash and Cash Equivalents	11.00	159,416,985	446,744,530
<b>Total Assets</b>		<b>7,422,092,276</b>	<b>6,924,247,796</b>
<b>Shareholders Equity and Liabilities</b>			
<b>Shareholders Equity</b>		<b>6,435,560,348</b>	<b>5,664,279,770</b>
Share Capital	12.00	1,223,934,550	878,480,000
Share Premium	13.00	578,227,731	-
Revaluation Surplus	14.00	1,624,138,128	1,628,560,575
Retained Earnings	15.00	3,009,259,939	2,725,421,015
Share Money Deposit (IPO Fund)	16.00	-	431,818,180
<b>Non-Current Liabilities</b>		<b>738,670,789</b>	<b>979,328,152</b>
Long Term Borrowings	17.00	69,442,730	274,730,071
Lease Liability (Non-Current Portion)	18.00	37,437,479	47,134,191
Deferred Tax Liability	19.00	631,790,580	657,463,890
<b>Current Liabilities</b>		<b>247,861,140</b>	<b>280,639,874</b>
Short Term Borrowings	20.00	49,850,343	51,748,918
Liabilities for Expenses	21.00	21,507,966	15,287,625
Current Tax Payable	22.00	101,800,005	112,345,013
Liability for WPPF	23.00	37,609,541	23,055,701
Long Term Borrowings (Current Portion)	24.00	17,188,247	58,543,368
Lease Liability (Current Portion)	25.00	11,145,510	12,189,487
Trade and other Payables	26.00	8,759,528	7,469,763
<b>Total Shareholders Equity and Liabilities</b>		<b>7,422,092,276</b>	<b>6,924,247,796</b>
Net Asset Value (NAV) per share with Revaluation	35.00	52.58	64.48
Net Asset Value (NAV) per share without Revaluation	35.00	39.31	45.94

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

  
Chief Financial Officer

  
Company Secretary

  
Managing Director

  
Chairman

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

  
Fousia Haque, FCA  
Partner

Dated: 24th November 2024  
Place: Dhaka







FAMES & R  
Chartered Accountants  
DVC # 2411241032AS899393



**Asiatic Laboratories Limited**  
**Statement of Profit or Loss and Other Comprehensive Income**  
For the year ended 30 June 2024

Particulars	Notes	Amount in Taka	
		30 June 2024	30 June 2023
Net Sales Revenue	27.00	1,385,229,195	1,289,254,174
Less: Cost of Goods Sold	28.00	(799,196,942)	(741,972,010)
<b>Gross Profit</b>		<b>586,032,253</b>	<b>547,282,164</b>
Less: Operating Expenses	29.00	(230,066,373)	(196,958,310)
<b>Profit from Operation</b>		<b>355,965,881</b>	<b>350,323,854</b>
Other Income	30.00	17,913,012	12,290,416
Financial Expenses	31.00	(49,378,864)	(36,193,824)
Interest on Lease Liability	32.00	(956,372)	(18,263,703)
<b>Profit Before WPPF &amp; Income Tax</b>		<b>323,543,656</b>	<b>308,156,743</b>
Less: Workers' Profit Participation Fund Expenses		14,553,840	14,088,873
<b>Profit Before Income Tax</b>		<b>308,989,816</b>	<b>294,067,870</b>
<b>Provision for Income Tax</b>		<b>(30,513,268)</b>	<b>(88,220,361)</b>
Current Tax	22.00	(55,193,711)	(80,308,693)
Deferred Tax Income/(Expense)	19.00	24,680,443	(7,911,668)
<b>Net Profit After Income Tax</b>		<b>278,476,548</b>	<b>205,847,509</b>
<b>Add: Other Comprehensive Income:</b>		<b>939,929</b>	<b>(216,526,831)</b>
Revaluation surplus during the year		(52,938)	-
Add : Deferred Tax expenses on Revaluation		7,941	(217,919,551)
Adjustment of deferred tax on depreciation for Revaluation Surplus		984,926	1,392,720
<b>Total Comprehensive Income for the year</b>		<b>279,416,477</b>	<b>(10,679,322)</b>
<b>Earnings Per Share (EPS)</b>	34.00	<b>2.82</b>	<b>2.19</b>

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

     
**Chief Financial Officer      Company Secretary      Managing Director      Chairman**  
 Signed in terms of our separate report of even date annexed.

Place: Dhaka

Dated: 24th November 2024

  
 Fouzia Haque, FCA  
 Partner

**FAMES & R**  
 Chartered Accountants  
 DVC # 2411241032AS899393



**Asiatic Laboratories Limited**  
**Statement of Changes in Equity**  
**For the year ended 30 June 2024**

Particulars	Ordinary Share Capital	Share Money Deposit (IPO Fund)	Share Premium	Revaluation Surplus	Retained Earnings	Total
<b>Balance as at July 1, 2023</b>	878,480,000	431,818,180		1,628,560,575	2,725,421,015	5,664,279,770
Addition of Share Money Deposit (IPO Fund)	-	518,181,820		-	-	518,181,820
Allotment of IPO Shares & Share Premium	345,454,550	(950,000,000)	604,545,450	-	-	-
Adjustment of IPO Expenses		-	(26,317,719)	-	-	(26,317,719)
Addition of revaluation Surplus	-	-	-	(52,938)	-	(52,938)
Adjustment of deferred Tax (Expenses)/Income on Revaluation Surplus	-	-	-	7,941	-	7,941
Adjustment of depreciation for Revaluation Surplus	-	-	-	(4,377,450)	4,377,450	-
Adjustment of deferred tax on depreciation for Revaluation Surplus	-	-	-	-	984,926	984,926
Net profit for the year transferred from Statement of Profit or Loss & Other Comprehensive Income.	-	-	-	-	278,476,548	278,476,548
<b>Balance as at June 30, 2024</b>	<b>1,223,934,550</b>	<b>-</b>	<b>578,227,731</b>	<b>1,624,138,128</b>	<b>3,009,259,939</b>	<b>6,435,560,348</b>

**For the year ended 30 June 2023**

Particulars	Ordinary Share Capital	Share Money Deposit (IPO Fund)	Share Premium	Revaluation Surplus	Retained Earnings	Total
<b>Balance as at July 1, 2022</b>	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
Adjustment of deferred Tax (Expenses)/Income on Revaluation Surplus	-	-	-	(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
<b>Balance as at June 30, 2023</b>	<b>878,480,000</b>	<b>431,818,180</b>	<b>-</b>	<b>1,628,560,575</b>	<b>2,725,421,015</b>	<b>5,664,279,770</b>

(Amount in Taka)

*[Signature]*

Chief Financial Officer

*[Signature]*

Company Secretary

*[Signature]*

Managing Director

*[Signature]*

Chairman



Place: Dhaka

Dated: 24th November 2024



**Asiatic Laboratories Limited**  
**Statement of Cash Flows**  
For the year ended 30 June 2024

Particulars	Note	Amount in Taka	
		30 June 2024	30 June 2023
<b>Cash Flows from Operating Activities</b>			
Received from Customers	38.06	1,355,493,404	1,195,249,432
Paid to Suppliers	38.07	(767,115,587)	(531,256,496)
Paid to Employee	38.08	(163,137,550)	(161,868,344)
Paid for Manufacturing & Operating Expenses	38.09	(88,135,781)	(76,171,840)
Received from Other Sources		17,913,012	12,290,416
Tax Paid		(43,307,605)	(65,738,719)
<b>Net Cash Generated From Operating Activities</b>		<b>311,709,893</b>	<b>372,504,449</b>
<b>Cash Flows from Investing Activities</b>			
Acquisition of Freehold Property, Plant and Equipment	38.10	(51,301,030)	(5,044,785)
Advance for building construction & plant		(516,040,000)	
Paid for Capital Work In Progress	38.12	(219,336,314)	(354,447,094)
<b>Net Cash Used to Investing Activities</b>		<b>(786,677,344)</b>	<b>(359,491,879)</b>
<b>Cash Flows from Financing Activities</b>			
Long Term Loan Payment	38.13	(246,642,462)	14,383,311
IPO Expenses paid		(11,463,000)	(10,243,878)
Short Term Loan Payment		(1,898,575)	42,873,368
Lease Liability Payment	38.14	(20,202,640)	1,470,505
Share Money Deposit (IPO Fund)		518,181,820	431,818,180
Interest on Lease Liability		(956,372)	(18,263,703)
Paid for Financial Cost		(49,378,864)	(36,193,824)
<b>Net Cash Used in Financing Activities</b>		<b>187,639,906</b>	<b>425,843,959</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(287,327,545)</b>	<b>438,856,530</b>
Cash and Cash Equivalents at the Beginning of the Year		446,744,530	7,888,000
Foreign Exchange Gain/(loss)		-	-
<b>Cash and Cash Equivalents at the end of the Year</b>		<b>159,416,985</b>	<b>446,744,530</b>
<b>Net Operating Cash Flows Per Share (NOCFPS)</b>	36.00	<b>3.15</b>	<b>3.97</b>

Chief Financial Officer

Company Secretary

Managing Director

Chairman

Place: Dhaka.

Dated: 24th November 2024



**Asiatic Laboratories Limited**  
**Notes, comprising a summary of significant accounting policies**  
**and other explanatory information**  
For the year ended June 30, 2024

**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 25<sup>th</sup> 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. 10.00 from Tk.100.00 on 10 February 2020. The Company started its commercial operation on 2<sup>nd</sup> January 1998. The Company listed with both Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC on March 2024.

**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 (5<sup>th</sup> 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
<b>Authorized Capital</b>	
200,000,000 Ordinary Shares of Taka 10/= each	2,000,000,000
<b>Issued, Subscribed, Called-up and Paid-up Capital</b>	
122,393,455 Ordinary Shares of Tk. 10/= each fully paid up	1,223,934,550

**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, 2024, 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 2023 to 30 June 2024.

**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,) The Institute of Chartered Accountants of Bangladesh (ICAB) 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 Rules 1984;
- b) The Income Tax Act-2023;
- c) The Value Added Tax and Supplementary Duty Act 2012;
- d) The Value Added Tax and Supplementary Duty Rules 2016;
- e) The Customs Act, 1969;
- f) Bangladesh Labor Act, 2006 (Amended up to 2018);
- g) Labour Rules, (Amended 2015);
- h) Sales of Goods Act, 1930;
- i) Negotiable Instrument Act, 1881; and
- j) The Securities and Exchange Rules, 2020.





## 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 amounts 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
iii	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.

## 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

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:

The Financial Statements comprise of:

- (a) Statement of Financial Position as of June 30, 2024;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2024.
- (c) Statement of Changes in Equity for the year ended June 30, 2024.
- (d) Statement of Cash Flows for the year ended June 30, 2024; and
- (e) Notes, comprising a summary of significant accounting policies and other explanatory information for the year ended June 30, 2024.

## 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 1<sup>st</sup> July 2019. There is no material impact on financial statements on the initial application of the standards.

#### 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 ( $\geq$  \$ 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 2024**

Right-of-use assets written down value of Tk. 44,389,149 and Tk. 80,842,413 were recognized at cost and presented separately in the Statement of Financial Position and Tk. 9,461,951 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 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
Bogra 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 Depot	3 Years
Barisal Depot	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, 2024.

### 3.02.5 Transfer of Right of Use Assets

After completion of the Lease Payment, the Right of Use assets has 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
<b>Total</b>				<b>2,817,962,468</b>	<b>4,747,247,596</b>	<b>1,929,285,128</b>

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''

Thereafter, Kazi Zahir Khan & Co. Chartered Accountants, Dhaka, Bangladesh, the valuer revalued the Land and Land Development as at 30 June 2022 according to BSEC instruction vide letter dated 31 October 2023 (Ref:BSEC/CI/IPO-322/2021/1477) at 'Current Cost Accounting Method (CCA)'. Due to these revaluation, a net revaluation surplus amounting to Tk. 1,815,943,319 had arisen on Land and Land Development. Details are as follows;

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 30.06.2022
Land and Land Development	M/S Kazi Zahir Khan & Co	Chartered Accountants	12-November-2023	1,333,656,681	3,149,600,000	1,815,943,319
<b>Total</b>				<b>1,333,656,681</b>	<b>3,149,600,000</b>	<b>1,815,943,319</b>

### 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:

- The valuation of Property, Plant & Equipment has been made based on the usable condition of the assets as per IAS-36 Impairment of Assets.
- The management of the Company has conducted physical verification of Property, Plant & Equipment on 30.06.2024

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, 2024.

### 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.

### **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). The excess amount has been refunded on behalf of the Share money depositor after making the allotment (if any). The Company received Tk. 950,000,000 (Taka: ninety-five crore) including premium up to 30 June 2024 from eligible investor and general public by ESS platform of DSE and subscription from general public including Tk. 518,181,820 during the year and subsequently it capitalized/transfer to paid up capital and share premium.

**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).

**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 (IFRSs). The management of the Company has introduced IFRS-15 'Revenue from contract with Customers' instead of IAS-18 'Revenue' from 1<sup>st</sup> 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 1<sup>st</sup> 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 less 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.

**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.

#### **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) as adopted by the Institute of The Chartered Accountants of Bangladesh (ICAB).

### **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 2024	30 June 2023
Trade and other Receivables	401,759,864	372,024,073
Cash and Cash Equivalent	159,416,985	446,744,530
<b>Total</b>	<b>561,176,849</b>	<b>818,768,603</b>
<b>Cash and Cash Equivalent</b>		
Cash in Hand	5,056,613	4,678,049
Cash at Bank	154,360,372	442,066,481
<b>Total</b>	<b>159,416,985</b>	<b>446,744,530</b>

#### **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 2024	30 June 2023
Trade and Other Payables	8,759,528	7,469,763
Long-Term Borrowings (Non-Current & Current Portion)	86,630,976	333,273,439
Short-Term Borrowings	49,850,343	51,748,918
Lease Liability (Non-Current & Current Portion)	48,582,989	59,323,678
Liabilities for Expenses	21,507,966	15,287,625
<b>Total</b>	<b>215,331,802</b>	<b>467,103,423</b>

#### **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.

#### **3.20 Events after the Reporting Period**

As per IAS-10 "Events after the reporting period" are those events favorable and unfavorable 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.

#### **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 – 38.01

#### **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 Rules, 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 Act-2023 and Finance Act-2024):

- a) Tax Rate on Business Income 22.50%
  - b) Tax Rate on Other Income: 22.50%
  - 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 Act-2023 and Finance Act-2024):

- a) Tax Rate on Temporary Difference excluding revaluation 22.50%
- 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 probable 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 2024 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.

**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.



		Amount in Taka	
		30-Jun-2024	30-Jun-2023
<b>4.00 Freehold Property, Plant and Equipment</b>			
Freehold Property, Plant and Equipment (At Cost)	(Note-4.01)	3,765,482,757	3,591,517,246
Freehold Property, Plant and Equipment (At Revaluation)	(Note-4.02)	1,913,211,863	1,917,642,251
<b>Balance</b>		<b>5,678,694,620</b>	<b>5,509,159,496</b>
<b>4.01 Freehold Property, Plant and Equipment</b>			
<b>Cost:</b>			
Opening Balance		4,384,242,703	4,061,567,484
Add: Addition during the year	(Annexure-A)	51,301,030	5,044,785
Add: Transfer from CWIP	(Note-7.00)	255,382,336	317,630,434
<b>Total Assets Value at cost</b>		<b>4,690,926,069</b>	<b>4,384,242,703</b>
<b>Accumulated Depreciation:</b>			
Opening Balance		792,725,458	674,344,194
Add: Depreciation Charged during the year	(Annexure-A)	132,717,855	118,381,263
<b>Total Charge</b>		<b>925,443,312</b>	<b>792,725,458</b>
<b>Written Down Value</b>		<b>3,765,482,757</b>	<b>3,591,517,246</b>
<b>4.02 Freehold Property, Plant and Equipment (At Revaluation)</b>			
<b>At Revaluation</b>			
Opening Balance		1,929,285,128	1,929,285,128
Add: Revaluation surplus during the year		(52,938)	-
<b>Total Cost</b>		<b>1,929,232,190</b>	<b>1,929,285,128</b>
<b>Accumulated Depreciation</b>			
Opening Balance		11,642,877	7,000,479
Add: Depreciation charged during the year		4,377,450	4,642,399
<b>Total Depreciation</b>		<b>16,020,327</b>	<b>11,642,877</b>
<b>Written Down Value</b>		<b>1,913,211,863</b>	<b>1,917,642,251</b>

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. Thereafter, Kazi Zahir Khan & Co. Chartered Accountants, Dhaka, Bangladesh, the valuer revalued the Land and Land Development as at 30 June 2022 according to BSEC instruction vide letter dated 31 October 2023 (Ref:BSEC/CI/IPO-322/2021/1477) at 'Current Cost Accounting Method (CCA)'. Due to these revaluation, a net revaluation surplus amounting to Tk. 1,815,943,319 had arisen on Land and Land Development.

#### 5.00 Right of Use Assets

##### Cost:

Opening Balance		89,438,448	90,998,743
Add: Addition/Recognition during the year	(Annexure-B)	9,461,951	3,655,549
Less: Disposal/Adjustment during the year	(Annexure-B)	(18,057,985)	(5,215,844)
<b>Total Assets Value at cost</b>		<b>80,842,413</b>	<b>89,438,448</b>

##### Accumulated Depreciation:

Opening Balance		40,865,387	32,196,738
Add: Prior year adjustment of Depreciation		-	-
Add: Depreciation Charged during the year	(Annexure-B)	13,645,862	13,884,494
Less: Adjustment during the year	(Annexure-B)	(18,057,985)	(5,215,844)
<b>Total Charge</b>		<b>36,453,264</b>	<b>40,865,387</b>
<b>Written Down Value (A-B)</b>		<b>44,389,149</b>	<b>48,573,061</b>

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 Financial Statements of the Company didn't not include the transactions in cash flows for the respective year (s).





**6.00 Intangible Asset**

**Cost:**

		Amount in Taka	
		30-Jun-2024	30-Jun-2023
Opening Balance		3,500,000	3,500,000
Add: Purchase during the year	(Annexure-C)	-	-
<b>Total Assets Value at cost</b>		<b>3,500,000</b>	<b>3,500,000</b>

**Accumulated Depreciation:**

Opening Balance		1,708,333	1,208,333
Add: Amortization Cost	(Annexure-C)	500,000	500,000
<b>Total Charge</b>		<b>2,208,333</b>	<b>1,708,333</b>
<b>Written Down Value</b>		<b>1,291,667</b>	<b>1,791,667</b>

Details of Intangible Assets have been shown in the Annexure - C.

**7.00 Capital Work-in-Progress**

**Building & Other Construction**

Opening Balance	-	-
Add: Addition made during the year	10,712,261	2,832,730
Less: Transfer to appropriate asset category	(10,712,261)	(2,832,730)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Plant & Machinery**

Opening Balance	78,138,851	35,822,191
Add: Addition made during the year	208,624,053	350,412,864
Less: Transfer to appropriate asset category	(244,670,075)	(308,096,204)
<b>Closing Balance</b>	<b>42,092,829</b>	<b>78,138,851</b>

**Generator**

Opening Balance	-	5,500,000
Add: Addition made during the year	-	1,201,500
Less: Transfer to appropriate asset category	-	(6,701,500)
<b>Closing Balance</b>	<b>-</b>	<b>-</b>

**Total**

	<b>42,092,829</b>	<b>78,138,851</b>
<b>Total Transfer to PPE</b>	<b>255,382,336</b>	<b>317,630,434</b>

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 30.06.2024.

Inventories consisting of raw materials, work in process, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventories. 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.



Amount in Taka	
30-Jun-2024	30-Jun-2023

### 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 decrease over time. The management of the Company reviews the carrying amounts of its inventories (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-28.01)	182,746,038	91,877,108
Work in Process	(Note-28.00)	29,267,937	20,628,455
Finished Goods	(Note-28.00)	179,563,536	170,857,780
Spare Parts & Store Items	(Note-28.02)	28,647,778	24,306,082
Packing Materials	(Note-28.03)	56,514,892	33,441,518
		<b>476,740,181</b>	<b>341,110,943</b>

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)	401,759,864	372,024,073
		<b>401,759,864</b>	<b>372,024,073</b>

### 9.01 Trade Receivables

Opening Balance		372,024,073	278,019,331
Add: Sales during the year		1,385,229,195	1,289,254,174
		<b>1,757,253,268</b>	<b>1,567,273,505</b>
Less: Collection/Realization during the year		1,355,493,404	1,195,249,432
		<b>401,759,864</b>	<b>372,024,073</b>
Add: Unrealize Foreign Exchange Gain /(Loss)		-	-
Closing Balance		<b>401,759,864</b>	<b>372,024,073</b>

\*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.

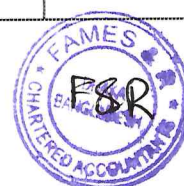
The receivable of the Company increased due to increase of current sales of the company for different products. The other reason for increase of receivable due to acceleration of sales in new areas through establishment of new marketing areas as a policy of expanding the company business.

### Ageing of Trade Receivables

More than six months	-	-
Less than six months	401,759,864	372,024,073
	<b>401,759,864</b>	<b>372,024,073</b>

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.	401,759,864	372,024,073
iii) Receivables considered doubtful or bad.	-	-





	Amount in Taka	
	30-Jun-2024	30-Jun-2023
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	1,108,500	1,031,000
Advance to Supplier & Others	47,422,725	30,277,560
Advance for Rent Depot	1,195,000	1,939,000
Advance for Building Construction	25,000,000	-
Advance for Plant & Machineries	491,040,000	-
L/C margin	-	3,370,443
Value Added Tax (VAT)	2,176,216	1,194,217
Advance Insurance (Factory)	5,856,936	5,348,334
Advance for IPO & road show Expense	-	17,205,903
Advance Income Tax (Note-10.01)	43,307,605	65,738,719
Security Deposit (Note-10.02)	600,000	600,000
	<b>617,706,982</b>	<b>126,705,176</b>

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.	616,598,482	125,674,176
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.	1,108,500	1,031,000
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	65,738,719	113,412,329
Add: Tax deduction at source during the year	43,307,605	65,738,719
	<b>109,046,324</b>	<b>179,151,048</b>
Less: Adjustment during the year	65,738,719	113,412,329
	<b>43,307,605</b>	<b>65,738,719</b>

#### 10.02 Security Deposit

PDB (Electricity)	600,000	600,000
	<b>600,000</b>	<b>600,000</b>

#### 11.00 Cash and Cash Equivalents

Cash in Hand	5,056,613	4,678,049
Head Office	2,546,100	1,845,040
Depot	1,756,413	1,161,825
Factory	754,100	1,671,184



Amount in Taka	
30-Jun-2024	30-Jun-2023

**Cash at Bank**

The Cash at Bank amount has been lying with a bank account. We have verified the Bank balance along with the Bank Statement and Bank Re-conciliation statement and found in agreement. Details as under:

Bank Asia Ltd A/C - 50201000130	56,915	74,567
Dutch Bangla Bank Ltd. A/C No. 1051100024550	174,202	119,045
Mutual Trust Bank Ltd. A/C No- 0002-0210014418	24,767	1,757
One Bank Ltd. A/c No- 270231628185	8,758	10,139
Uttara Bank Ltd. A/c No- 1420 12200214654	20,482	128,492
City Bank A/c No- 1401725482001	27,950	-
Eastern Bank Ltd A/c No-1141350273770	18,016	124,105
Sonali Bank PLC (A/c No. 1613902001022)	162,972	47,539
Brac Bank Ltd (IPO Accounts)	153,866,310	441,560,838
<b>Balance</b>	<b>159,416,985</b>	<b>446,744,530</b>

**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
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**12.02 Issued, Subscribed & Paid-up Capital**

87,848,000 ordinary shares of Tk. 10/- each fully paid-up

**Opening Balance**

Add: Allotment during the Year (34,545,455 ordinary shares of Tk. 10/- each fully paid-up)

878,480,000	878,480,000
345,454,550	-
<b>1,223,934,550</b>	<b>878,480,000</b>

**12.03 Shareholding Position**

Name of Shareholders	Designation	Percentage (%)	30 June 2024	30 June 2023
			No. of Share	No. of Share
Monir Ahmed	Managing Director	16.43%	20,114,480	20,114,480
Tahmina Begum	Chairman	13.64%	16,695,470	16,695,470
Salina Ahmed	Director	3.12%	3,812,620	3,812,620
Sadia Ahmed	Director	4.41%	5,399,520	5,399,520
Maksud Ahmed	Director	3.11%	3,806,400	3,806,400
Shafiqul Kabir Khan	Independent Director	0.00%	-	-
Md. Raihan Sarkar	Independent Director	0.00%	-	-
Other Shareholder		59.29%	72,564,965	38,019,510
<b>Total</b>		<b>100.00%</b>	<b>122,393,455</b>	<b>87,848,000</b>

**12.04 Shareholding Position**

Name of Shareholders	Percentage (%)	No. of Shares
Sponsor and Directors	40.71%	49,828,490
Institutions and others	15.63%	19,130,097
General Shareholders	43.66%	53,434,868
<b>Total:</b>	<b>100.00%</b>	<b>122,393,455</b>





**13.00 Share Premium**

Amount in Taka	
30-Jun-2024	30-Jun-2023
Opening Balance	-
Add: Addition/adjustment during the year	604,545,450
Adjustment of IPO Expenses	(26,317,719)
	<b>578,227,731</b>

**14.00 Revaluation Surplus**

Opening Balance	1,628,560,575	1,851,122,524
Add: Addition during the year	(52,938)	-
Deferred Tax (Expenses)/Income on Revaluation Surplus (Note-19.02)	7,941	(217,919,551)
Less: Adjustment of depreciation for Revaluation Surplus	(4,377,450)	(4,642,399)
	<b>1,624,138,128</b>	<b>1,628,560,575</b>

**15.00 Retained Earnings**

Opening Balance	2,725,421,015	2,513,538,388
Add: Depreciation adjusted on revaluation	4,377,450	4,642,399
Add: Net profit during the year	278,476,548	205,847,509
Adjustment of deferred tax on depreciation for Revaluation Surplus	984,926	1,392,720
	<b>3,009,259,939</b>	<b>2,725,421,015</b>

**16.00 Share Money Deposit**

Opening Balance	431,818,180	-
Addition during the year	518,181,820	431,818,180
Allotment during the year	(345,454,550)	-
Transfer to Share Premium	(604,545,450)	-
Closing Balance	-	<b>431,818,180</b>

**17.00 Long Term Borrowings**

Term Loan (Note-17.01)	86,630,976	333,273,439
	<b>86,630,976</b>	<b>333,273,439</b>
Less: Current Portion of Long Term Loan	17,188,247	58,543,368
Non- Current Portion of Long Term Loan	<b>69,442,730</b>	<b>274,730,071</b>

**17.01 Term Loan**

Opening Balance	333,273,439	318,890,128
Add: Loan received during the year	5,472,873	276,713,576
Add: Interest during the year	42,230,449	34,275,119
Less: Payment during the year	(294,345,785)	(296,605,384)
	<b>86,630,976</b>	<b>333,273,439</b>

- (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 sft Flat  
**Mode of Payment** : Monthly instalment  
**Interest Rate** : 14.00% - 13.00% Revised from time to time.  
**Finance Period** : 5 years



Amount in Taka	
30-Jun-2024	30-Jun-2023

(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.

**18.00 Lease Liability**

Finance Lease	(Note-18.01)	40,459,193	49,848,985
Rental Lease	(Note-18.02)	8,123,795	9,474,693
<b>Total Lease Liability</b>		<b>48,582,989</b>	<b>59,323,678</b>
Less: Lease Liability (Current Portion)		(11,145,510)	(12,189,487)
<b>Non-Current portion of Lease Liability</b>		<b>37,437,479</b>	<b>47,134,191</b>

**18.01 Finance Lease**

Opening Balance	49,848,985	37,726,636
Add: Addition during the year	-	-
Add: Interest during the year	15,220	17,161,548
Less: Payment during the year	(9,405,012)	(5,039,198)
	<b>40,459,193</b>	<b>49,848,985</b>
Less: Current portion of Lease	(4,846,000)	(4,846,000)
<b>Non-Current portion of Lease Liability</b>	<b>35,613,193</b>	<b>45,002,985</b>

(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 sft. 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 sft. Office space.  
**Mode of Payment** : Monthly instalment  
**Interest Rate** : 12.50% Revised from time to time.  
**Period of Financing** : 5 years

**18.02 Rental Lease Liability**

Opening Balance	9,474,693	16,470,989
Add: Addition during the year	9,461,951	3,655,549
Add: Interest during the year	941,152	1,102,155
Less: Prior Year Adjustment		
Less: Payment during the year	(11,754,000)	(11,754,000)
	<b>8,123,795</b>	<b>9,474,693</b>
Less: Rental Lease Liability (Current portion)	(6,299,510)	(7,343,487)
<b>Non-Current portion of Lease Liability</b>	<b>1,824,286</b>	<b>2,131,206</b>





		Amount in Taka	
		30-Jun-2024	30-Jun-2023
<b>19.00 Deferred Tax Liability</b>			
Deferred Tax Liability excluding Revaluation Surpl	(Note-19.01)	346,883,541	371,563,984
Deferred Tax Liability on Revaluation Surplus	(Note-19.02)	284,907,039	285,899,906
Adjustment of deferred tax on depreciation for Revaluation Surplus		-	-
		<b>631,790,580</b>	<b>657,463,890</b>
<b>19.01 Deferred Tax Liability excluding Revaluation Surplus</b>			
Opening Balance		371,563,984	363,652,316
Add: Deferred Tax Expenses/(Income)	(Note-19.01.1)	(24,680,443)	7,911,668
<b>Deferred Tax Liability /(Assets)</b>		<b>346,883,541</b>	<b>371,563,984</b>
<b>19.01.1 Calculation of Deferred Tax Expenses/ (Income)</b>			
<b>Calculation of Deferred Tax for Freehold PPE</b>			
Written down value as Accounting Base		3,765,482,757	
Written Down value as Tax Base		2,220,320,957	
<b>Temporary Difference on Freehold PPE</b>		<b>1,545,161,800</b>	
<b>Calculation of Deferred Tax for Right of Use Assets</b>			
Written down value of ROU- Assets (Accounting Base)		44,389,149	
Less: Lease obligation*		47,387,989	
<b>Temporary Difference on Right of Use Assets</b>		<b>(2,998,840)</b>	
<b>* Lease Obligation</b>			
Lease obligation as on 30 June 2024		48,582,989	
Less : Advance Rent (Depot)		1,195,000	
		<b>47,387,989</b>	
<b>Calculation of Deferred Tax for Intangible Asset</b>			
Written down value (Accounting Base)		1,291,667	
Written Down value as (Tax Base)		1,750,000	
<b>Temporary Difference on Intangible Assets</b>		<b>(458,333)</b>	
<b>Total Temporary Difference (A+B+C)</b>		<b>1,541,704,627</b>	
<b>D. Temporary Difference of Export Sales</b>			
Effective Tax Rate			
Closing Deferred Tax Liability /(Assets)-Export			
<b>E. Temporary Difference of Local Sales</b>			
Effective Tax Rate		22.50%	
Closing Deferred Tax Liability /(Assets)-Local			
Closing Deferred Tax Liability /(Assets)		<b>346,883,541</b>	
<b>19.01.2 Calculation of Deferred Tax Expenses/ (Income) for FY: 2022-23</b>			
Net profit before tax		308,989,816	294,067,870
Net profit before tax		-	-
Tax Rate		15%	15%
<b>Effective Tax for Net Profit of the Company (A)</b>		<b>-</b>	<b>-</b>
Net profit before tax			294,067,870
Tax Rate			30%
<b>Effective Tax for Net Profit of the Company (B)</b>			<b>88,220,361</b>
<b>Net Effective Tax for Net Profit</b>			<b>88,220,361</b>
Less: Provision for Current tax (Note: 31.01)			80,308,693
<b>Deferred Tax Expenses/ (Income) for the year</b>			<b>7,911,668</b>

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.



		Amount in Taka	
		30-Jun-2024	30-Jun-2023
<b>19.02 Deferred tax on revaluation surplus</b>			
Opening Balance		285,899,906	69,373,075
Addition during the Year (Tax rate change on capital gain on land i.e. 15%)		-	217,919,551
Adjustment of deferred Tax (Expenses)/Income on Revaluation Surplus		(7,941)	-
Adjustment of deferred tax on depreciation for Revaluation Surplus		(984,926)	(1,392,720)
<b>Deferred tax liability on revaluation surplus</b>		<b>284,907,039</b>	<b>285,899,906</b>
<b>20.00 Short Term Borrowings</b>			
Time Loan (One Bank )		49,850,343	51,748,918
		<b>49,850,343</b>	<b>51,748,918</b>
<b>21.00 Liabilities for Expenses</b>			
Salary & Wages		13,687,880	11,867,710
Director Remuneration		250,000	250,000
Utility bill payable		460,071	1,124,054
Telephone, Mobile & Internet bill payable		55,520	48,503
Audit Fee Payable		700,000	350,000
Printing & Stationery Expenses		263,145	249,568
Fuel, Oil & Lubricants		1,094,364	895,620
IPO Exp		4,460,841	-
Others		536,145	502,170
		<b>21,507,966</b>	<b>15,287,625</b>
<b>22.00 Current Tax Payable</b>			
Opening Balance		112,345,013	145,448,649
Add: Provision for the year		55,193,711	80,308,693
		<b>167,538,724</b>	<b>225,757,342</b>
Less: Paid/Adjustment during the year		65,738,719	113,412,329
<b>Closing Balance</b>		<b>101,800,005</b>	<b>112,345,013</b>
<b>23.00 Liability for WPPF</b>			
Opening Balance		23,055,701	23,245,695
Add: Contribution for the year		14,553,840	14,088,873
		<b>37,609,541</b>	<b>37,334,568</b>
Less: Paid/Adjustment during the year		-	(14,278,867)
<b>Closing Balance</b>		<b>37,609,541</b>	<b>23,055,701</b>
<b>23.01 WPPF for the year</b>			
Profit before income tax & WPPF for the year		323,543,656	308,156,743
Less: other income		(17,913,012)	(12,290,416)
<b>Profit on business for the year</b>		<b>305,630,645</b>	<b>295,866,327</b>
<b>WPPF for the year</b>		<b>14,553,840</b>	<b>14,088,873</b>
The company did not payment any amount against WPPF due to the financial statements for the year ended 30 June 2023 do not conducted audit in due time. The company will paid said amount immediately as per Labor Act-2006 as amendment time to time.			
<b>24.00 Current Portion of Long Term Loan</b>	(Note-17.00)	17,188,247	58,543,368
		<b>17,188,247</b>	<b>58,543,368</b>
<b>25.00 Current Portion of Lease Liability</b>	(Note-18.00)	11,145,510	12,189,487
		<b>11,145,510</b>	<b>12,189,487</b>
<b>26.00 Trade and Other Payables</b>			
Opening Balance		7,469,763	16,727,926
Add: Purchase during the year		754,630,631	541,847,743
		<b>762,100,394</b>	<b>558,575,669</b>
Less: Payment during the year		753,340,865	551,105,907
<b>Closing Balance</b>		<b>8,759,528</b>	<b>7,469,763</b>





**27.00 Revenue**

Local Sales  
Export Sales

**Total:**

Amount in Taka	
30-Jun-2024	30-Jun-2023
1,385,229,195	1,289,254,174
-	-
<b>1,385,229,195</b>	<b>1,289,254,174</b>

Category	Unit Price as per (Pcs/Tube/Bottle)	Quantity (Pcs/Tube/Bottle)	July 01, 2023 to June 30, 2024	July 01, 2022 to June 30, 2023
Tablet	112.43	5,071,789	570,244,533	546,951,048
Capsule	110.50	3,977,828	439,540,815	418,219,971
Syrup	90.98	1,395,752	126,978,820	108,705,298
Injectable items	99.01	1,027,559	101,735,577	91,551,416
Cream & Ointment	86.06	968,724	83,371,353	68,803,848
Drops and Other items	93.10	680,507	63,358,097	55,022,594
<b>Total</b>		<b>13,122,159</b>	<b>1,385,229,195</b>	<b>1,289,254,175</b>

The company has no sales agent on commission basis.

**28.00 Cost of Goods Sold**

Raw Materials Consumed  
Spare Parts & Store Items Consumed  
Packing Materials Consumed  
Manufacturing Overhead  
**Cost of Manufacture**  
Work in Process-Opening  
Work in Process-Closing  
**Cost of production**  
Sample Expenses  
Finished Goods-Opening  
Finished Goods-Closing

(Note-28.01)	384,416,382	354,522,735
(Note-28.02)	50,319,448	48,584,326
(Note-28.03)	201,610,801	180,825,736
(Note-28.04)	186,888,976	172,292,653
	<b>823,235,607</b>	<b>756,225,450</b>
	20,628,455	20,550,485
	(29,267,937)	(20,628,455)
	<b>814,596,125</b>	<b>756,147,480</b>
	(6,693,427)	(7,052,528)
	170,857,780	163,734,838
	(179,563,536)	(170,857,780)
	<b>799,196,942</b>	<b>741,972,010</b>

**28.01 Raw Materials Consumed**

Opening Stock of Raw Materials  
Add: Purchase during the year  
**Raw materials available for Production**  
Less: Closing Stock of Raw Materials  
**Raw Materials Consumed**

91,877,108	120,089,612
475,285,312	326,310,231
<b>567,162,420</b>	<b>446,399,843</b>
182,746,038	91,877,108
<b>384,416,382</b>	<b>354,522,735</b>

**28.02 Spare Parts & Store Items**

Opening Balance  
Add: Purchase during the year  
**Spare Parts & Store Items Consumed**  
Less: Closing Balance  
**Consumption during the year**

24,306,082	30,757,582
54,661,144	42,132,826
<b>78,967,226</b>	<b>72,890,408</b>
28,647,778	24,306,082
<b>50,319,448</b>	<b>48,584,326</b>

**28.03 Packing Materials**

Opening Balance  
Add: Purchase during the year  
**Packing Materials Consumed**  
Less: Closing Balance  
**Consumption during the year**

33,441,518	40,862,568
224,684,175	173,404,686
<b>258,125,693</b>	<b>214,267,254</b>
56,514,892	33,441,518
<b>201,610,801</b>	<b>180,825,736</b>

**28.04 Manufacturing Overhead**

Salaries, Allowances and Wages  
Carrying Inward  
Factory Staff Uniform  
Utility Bill  
Insurance Expenses  
Research and Development  
Fuel, Oil & Lubricants  
Medical Expenses  
Workers Entertainment  
Printing & Stationery Expenses  
Miscellaneous Expenses

36,460,620	35,405,498
4,891,440	3,087,503
195,000	209,504
2,770,467	3,224,137
6,350,301	6,115,887
1,487,542	1,255,553
9,675,263	8,394,076
594,220	630,408
6,529,970	7,241,965
1,037,814	990,792
<b>1,973,952</b>	<b>1,828,807</b>



		Amount in Taka	
		30-Jun-2024	30-Jun-2023
Telephone, Mobile & Internet Bill		418,893	380,588
Rent, rate and Taxes		244,008	223,105
Repairs & Maintenance		1,640,110	1,704,136
Depreciation on Freehold PPE	(Annexure-A)	109,676,243	98,418,930
Depreciation on ROU Assets	(Annexure- B)	2,943,132	3,181,765
		<b>186,888,976</b>	<b>172,292,653</b>
<b>29.00 Operating Expenses</b>			
Administrative Expenses	(Note-29.01)	70,056,815	53,445,373
Marketing & Selling Expenses	(Note-29.02)	160,009,557	143,512,936
		<b>230,066,373</b>	<b>196,958,310</b>
<b>29.01 Administrative Expenses</b>			
Salaries and allowances		43,046,870	34,445,877
Board Meeting Fee		280,000	265,000
Directors Remuneration		3,000,000	3,000,000
Travelling and Conveyance Expenses		791,856	763,420
Postage & Stamps		341,865	312,060
Entertainment		732,846	707,934
Audit fees		350,000	350,000
Insurance		-	91,288
Repair and Maintenance		226,184	209,077
Printing & Stationery		692,435	671,061
Utility Bill		1,509,716	1,480,982
Fuel ,Oil & Lubricants		881,345	763,507
Newspaper and Periodicals		479,280	452,910
Subscription and Donation		485,000	420,000
Registration, Renewal, Profession & Legal Expenses		1,759,426	1,707,400
IPO Road show exp		6,812,025	-
Miscellaneous Expenses		641,952	503,500
Telephone, Mobile & Internet Bill		671,250	650,175
Depreciation Freehold PPE	(Annexure- A)	6,854,765	6,151,183
Amortization Cost	(Annexure- C)	500,000	500,000
		<b>70,056,815</b>	<b>53,445,373</b>
<b>29.02 Marketing &amp; Selling Expenses</b>			
Salaries and Allowances		82,092,730	73,856,595
Training Expense		1,524,860	1,675,930
Printing and Stationary		1,431,527	1,404,925
Entertainment Expense		2,608,432	2,581,670
Carrying Outward		5,355,300	2,264,895
Traveling and Conveyance		1,692,385	1,546,222
Utility Bill		381,652	229,458
Office Rent (Depot)		-	-
Fuel ,Oil & Lubricants		16,350,464	13,237,600
Phone, Mobile and Internet Bill		2,062,700	2,055,400
Sales Promotion Expenses		7,452,698	7,408,855
Sample Expenses		6,693,427	7,052,528
Miscellaneous Expenses		1,096,357	1,042,580
Depreciation on Freehold PPE	(Annexure- A)	20,564,296	18,453,549
Depreciation on ROU Assets	(Annexure- B)	10,702,730	10,702,729
		<b>160,009,557</b>	<b>143,512,936</b>
<b>30.00 Other Income</b>			
Interest Income		17,913,012	12,242,116
Wastage Sales		-	48,300
Foreign Currency Fluctuation Gain/(Loss)		-	-
		<b>17,913,012</b>	<b>12,290,416</b>
<b>31.00 Financial Expenses</b>			
Bank Charges		357,452	327,665
Interest on Loan	(Note-31.01)	49,021,412	35,866,159
		<b>49,378,864</b>	<b>36,193,824</b>



		Amount in Taka	
		30-Jun-2024	30-Jun-2023
<b>31.01 Interest on Loan</b>			
Interest on Short Term Loan		6,790,963	1,591,040
Interest on Long Term Loan		42,230,449	34,275,119
		<b>49,021,412</b>	<b>35,866,159</b>
<b>32.00 Interest on Lease Liability</b>		<b>956,372</b>	<b>18,263,703</b>
		<b>956,372</b>	<b>18,263,703</b>
<b>33.00 Provision for Tax</b>			
<b>33.01 Current Tax</b>			
Current Tax	(Annexure- D)	55,193,711	80,308,693
		<b>55,193,711</b>	<b>80,308,693</b>
<b>33.02 Deferred Tax Expenses</b>			
Deferred Tax Expenses/(Income) (Attributable to Profit or Loss)	(Note-33.03)	(24,680,443)	7,911,668
Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)	(Note-33.04)	(992,867)	216,526,831
		<b>(25,673,309)</b>	<b>224,438,499</b>
<b>33.03 Deferred Tax Expenses/(Income) (Attributable to Profit or Loss)</b>			
Deferred Tax as on 30th June 2024		346,883,541	371,563,984
Less: Opening Deferred Tax		371,563,984	363,652,316
		<b>(24,680,443)</b>	<b>7,911,668</b>
<b>Deferred Tax Expenses/(Income) (Attributable to Profit or Loss)*</b>			
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.			
<b>33.04 Deferred Tax Expenses/(Income) (other Comprehensive Income or Equity)</b>			
Deferred Tax as on 30th June 2024		284,907,039	285,899,906
Less: Opening Deferred Tax		(285,899,906)	(69,373,075)
		<b>(992,867)</b>	<b>216,526,831</b>
<b>34.00 Basic Earnings Per Share (EPS)</b>			
a) Net Profit After Tax		278,476,548	205,847,509
b) Weighted average number of Ordinary Shares	(Note-34.01)	98,891,219	93,857,963
<b>Basic Earnings Per Share (EPS) (a/b)</b>		<b>2.82</b>	<b>2.19</b>
<b>Significant Deviation in Earning Per shares:</b>			
Due to increase of the Net Profit after Tax, deferred tax income as well as sales revenue than last year of the Company, the Earning per share of the reporting period has increased to Tk. 2.82 compared to Tk. 2.19 of the last year's.			
<b>34.01 Calculation of Weighted Average Number of Ordinary Share</b>			
Number of Share (Paid Up Capital)		87,848,000	87,848,000
Weighted Average number of Share (Share Money Deposit of IPO Fund)		11,043,219	6,009,963
		<b>98,891,219</b>	<b>93,857,963</b>
<b>35.00 Net Asset Value per Share (NAV)</b>			
<b>i) Net Asset Value (NAV) Per Share with revaluation</b>			
a) Net Asset Value (NAV)		6,435,560,348	5,664,279,770
b) Number of Ordinary Shares		122,393,455	87,848,000
<b>Net Asset Value per Share (NAV) (a/b)</b>		<b>52.58</b>	<b>64.48</b>
<b>ii) Net Asset Value (NAV) Per Share without revaluation</b>			
a) Net Asset Value (NAV)		4,811,422,220	4,035,719,195
b) Number of Ordinary Shares		122,393,455	87,848,000

Amount in Taka	
30-Jun-2024	30-Jun-2023
39.31	45.94

**Significant Deviation in NAV:**

NAV with Revaluation Surplus has been decreased due to added of IPO fund capitalized and increase of number of ordinary shares, NAV without Revaluation Surplus has been decreased due to added of IPO fund capitalized and increase of number of ordinary shares.

**36.00 Net Operating Cash Flows per share (NOCFPS)**

a) Net Operating Cash Flows

b) Weighted average number of Ordinary Shares

**Net Operating Cash Flows per Share (NOCFPS) (a/b)**

311,709,893	372,504,449
98,891,219	93,857,963
3.15	3.97

**Significant Deviation in NOCFPS:**

Due to increase of purchase of raw material and operating expenses and payment against said purchase and increase of number of ordinary shares, the Net Operating Cash Flows per share of the reporting period has decreased to Tk. 3.15 compared to Tk. 3.97 of the last year's.

**37.00 Other Commitments, Contingencies and relevant information**

The requirements of Schedule XI, Part II, Para 3, 4, 7 & 8 of the Companies Act. 1994

**37.01 Contingencies**

There is no contingent event that may require recognition of contingent liabilities for the year ended 30 June 2024.

**37.02 Capital Expenditure Commitment**

The company have no Capital Commitment at the reporting date at 30 June 2024.

**37.03 Bank Guarantee**

The company have no Bank Guarantee on the reporting date.





**37.04 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 2024	30 June 2023
Salary below Tk. 8,500 per month		-	-	-	-
Salary Tk. 8,500 or above per month	97	404	248	749	701
<b>Total</b>	<b>97</b>	<b>404</b>	<b>248</b>	<b>749</b>	<b>701</b>

**37.05 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
	<b>150,831,871</b>	<b>150,831,871</b>

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

Particulars	30 June 2024	30 June 2023
Turnover in BDT.	1,385,229,195	1,289,254,174
Turnover in Quantity (Pcs/Tube/Bottle)	13,122,159	10,967,401

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

Particulars	30 June 2024	30 June 2023
Raw Material (Value in BDT.)	384,416,382	354,522,735
Raw Material Quantities (Pcs)		
Raw Material Quantities (kg/gm/liter)	57,228	58,538

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

Particulars	30 June 2024	30 June 2023
Opening Quantity (Pcs/Bottle/Tube)	2,844,216	2,238,985
Production Quantity (Pcs/Bottle/Tube)	12,879,504	11,662,505
Closing Quantity (Pcs/Bottle/Tube)	2,514,723	2,844,216

**38.00 Directors interest in contracts with the company**

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

**38.01 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 01.07.2023	Addition during the year	Paid during the year	Closing balance as on 30.06.2024
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	-	40,000	40,000	-
<b>Office Rent (Depot)</b>						
Monir Ahmed	Managing Director	Tangail Depot		720,000	720,000	-
<b>Total</b>			<b>250,000</b>	<b>4,000,000</b>	<b>4,000,000</b>	<b>250,000</b>

During the period from 01-07-2023 to 30-06-2024, 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	8





38.02 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 30-06-2024	Actual Production	Capacity Utilization (%) As on 30 June 2024	Capacity Utilization (%) As on 30 June 2024
Tablets	Pcs	7,278,958	5,139,994	70.61%	62.01%
Capsule	Pcs	5,845,710	3,995,504	68.35%	61.13%
Syrup	Pcs	2,160,510	1,275,279	59.03%	61.38%
Injectable items	Phial/Tube	1,517,984	977,234	64.38%	64.20%
Cream & Ointment	Bottle	1,610,815	862,988	53.57%	58.39%
Drops and Other items	Pcs	1,160,862	628,505	54.14%	55.17%
<b>Total</b>		<b>19,574,839</b>	<b>12,879,504</b>		

Category	Quantity	Capacity as on 30-06-2023	Actual Production	Capacity Utilization (%) As on 30 June 2023	Capacity Utilization (%) As on 30 June 2023
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%
<b>Total</b>		<b>19,079,678</b>	<b>11,662,505</b>		

38.03 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-2024
Raw Materials Consumed	91,877,108	475,285,312	567,162,420	384,416,382	67.78%
Packing Material Consumed	33,441,518	224,684,175	258,125,693	201,610,801	78.11%
Spare Parts & Store Items Consumed	24,306,082	54,661,144	78,967,226	50,319,448	63.72%

Particulars	FOB/CIF Basis Value (US Dollar)	Amount in Tk
Import	-	-
Export	-	-

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	-	-

38.04 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	4,000,000	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

**38.05 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 2024	30 June 2023
Net Profit before Tax	308,989,816	294,067,870
<b>Adjustments to reconcile net income to net cash provided by operating</b>		
Depreciation on Fixed Assets	137,095,304	123,023,662
Depreciation on ROU Assets	13,645,862	13,884,494
Amortization Cost	500,000	500,000
Adjustment of Road Show Expenses (advance payment of previous year adjusted)	6,812,025	-
Financial Expenses	49,378,864	36,193,824
Interest on Lease Liabilities	956,372	18,263,703
Increase in Inventories	(135,629,238)	34,884,142
Increase in Trade and other Receivables	(29,735,791)	(94,004,742)
Increase in Advance, Deposits and Prepayments	(14,598,823)	21,992,591
Increase in Liabilities for Expenses	1,759,500	(1,114,218)
Increase in Liabilities for WPPF	14,553,840	(189,994)
Foreign Exchange Gain/(loss)	-	-
(Increase)/Decrease in Trade and other Payables	1,289,766	(9,258,164)
<b>Cash Generated from Operating Activities</b>	<b>355,017,498</b>	<b>438,243,168</b>
Advance Income Tax Paid	(43,307,605)	(65,738,719)
<b>Net Cash Generated from Operating Activities</b>	<b>311,709,893</b>	<b>372,504,449</b>
<b>38.06 Received from Customers</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Sales during the period	1,385,229,195	1,289,254,174
Add: Opening Receivables	372,024,073	278,019,331
Less: Closing Receivables	(401,759,864)	(372,024,073)
	<b>1,355,493,404</b>	<b>1,195,249,432</b>
<b>38.07 Paid to Suppliers</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Purchase during the period	754,630,631	541,847,743
Add: Opening Payables	7,469,763	16,727,926
Less: Closing Payables	(8,759,528)	(7,469,763)
Add: Closing Advance to LC Margin	-	3,370,443
Less: Opening Advance to LC Margin	(3,370,443)	(9,956,840)
Add: Closing Advance to Supplier	47,422,725	30,277,560
Less: Opening Advance to Supplier	(30,277,560)	(43,540,574)
	<b>767,115,587</b>	<b>531,256,496</b>
<b>38.08 Paid to Employees</b>	<b>30 June 2024</b>	<b>30 June 2023</b>
Salary, Wages Including Bonus & WPPF	179,434,060	161,330,624
Add: Opening Liabilities for WPPF	23,055,701	23,245,695
Less: Closing Liabilities for WPPF	(37,609,541)	(23,309,482)



Add: Closing Advance to Employee  
Less: Opening Advance to Employee  
Add: Opening Liabilities for Salaries  
Less: Closing Liabilities for Salaries

1,108,500	1,031,000
(1,031,000)	(1,104,600)
12,117,710	12,792,817
(13,937,880)	(12,117,710)
<b>163,137,550</b>	<b>161,868,344</b>

**38.09 Paid for Manufacturing & Operating Expenses**

Operating Expense  
Opening Liabilities for expenses  
Closing Liabilities for expenses  
Closing Advance deposit & prepayment  
Opening Advance deposit & prepayment  
Sample Expense  
Amortization Cost  
Depreciation Expense  
Depreciation ROU Assets (Annexed D)

30 June 2024	30 June 2023
245,263,103	221,812,730
3,169,915	3,609,027
(3,109,245)	(3,169,915)
9,828,152	9,081,551
(9,081,551)	(11,151,132)
(6,693,427)	(7,052,528)
(500,000)	(500,000)
(137,095,304)	(122,573,399)
(13,645,862)	(13,884,494)
<b>88,135,781</b>	<b>76,171,840</b>

**38.10 Acquisition of Freehold Property, Plant and Equipment**

Purchase of Assets  
Add: Opening Liability  
Less: Closing Liability

30 June 2024	30 June 2023
51,301,030	48,416,343
-	-
-	-
<b>51,301,030</b>	<b>48,416,343</b>

**38.11 Capital Work in Progress**

Purchase of Assets  
Add: Opening Liability  
Less: Closing Liability

30 June 2024	30 June 2023
219,336,314	232,184,505
-	-
-	-
<b>219,336,314</b>	<b>232,184,505</b>

**38.12 Received/(Payment) in Long term loan**

Interest on Long Term Loan  
Paid in Long Term Loan (Principal Interest)

30 June 2024	30 June 2023
42,230,449	34,809,995
(294,345,785)	(24,953,686)
<b>(252,115,336)</b>	<b>9,856,309</b>

**38.13 Received/(Payment) in Lease Liability**

Received in Lease  
Interest on Lease  
Paid in Lease (Principal Interest)

30 June 2024	30 June 2023
-	-
956,372	18,263,703
(21,159,012)	(16,793,198)
<b>(20,202,640)</b>	<b>1,470,505</b>

**38.14 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 except the IPO approval for Tk. 95 Crore on 21 September 2022 from BSEC.

**38.15 Significant deviation in EPS, NAVPS and NOCFPS:**

EPS has been increased due to increase of the Net Profit after Tax, deferred tax income as well as sales revenue than last year of the Company. NAV with Revaluation Surplus has been decreased due to added of IPO fund capitalized and increase of number of ordinary shares. NAV without Revaluation Surplus has been decreased due to added of IPO fund capitalized and increase of number of ordinary shares. NOCFPS has been decreased due to increase of purchase of raw material and operating expenses and payment against said purchase and increase of number of ordinary shares.

**39.00 IPO Utilization Status as per utilization report prepared by the management and certified by the auditor K. M. Alam & Co. for the period ended 30 June 2024:**

Particulars	Amount as per Prospectus	Fund Utilized as on 1st July 2023	Fund Utilized during the year	Total Utilized Amount upto 30 June 2024	Un-utilized Amount
Construction of Factory Building	61,469,800	-	-	-	61,469,800
Acquisition & Installation of New Plant & Machinery	580,496,056	-	-	-	580,496,056
Bank Loan Repayment	280,000,000	-	278,760,593	278,760,593	1,239,407
IPO related expenses	28,034,144	-	21,856,878	21,856,878	6,177,266
<b>Total:</b>	<b>950,000,000</b>	<b>-</b>	<b>300,617,471</b>	<b>300,617,471</b>	<b>649,382,529</b>

**Note:**

\* Tk. 102,975 has been charged by the bank as Bank Charge & maintenance fee, Tk. 6,031,026 has been charged as Tax on Interest Income and Tk. 30,155,128 has been received as Interest Income on IPO account up to the quarter ended 30 June 2024 and net off Balance Tk. 24,021,127 as on 30 June 2024.

\* Balance as at bank as on 30 June, 2024 with Brae Bank Limited, Principal Branch, Gulshan-1, Dhaka (Account number 1501202435158001) Tk. 153,866,310 and the rest of the fund are in form of Advance to Party for Installation & Acquisition of Plant & Machinery Tk 491,040,000, Tk. 25,000,000 as Advance to Party for Factory Building Construction and Tk. 3,497,347 on Companies own Bank account from which Un-utilized Fund will be adjusted.





**Asiatic Laboratories Limited**  
**Schedule of Freehold Property, Plant & Equipment**  
**As at 30 June 2024**

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Annexure-A Written Down Value as at 30 June 2024
	Balance as on 01 July 2023	Addition during the Year	Balance as on 30 June 2024		Balance as on 01 July 2023	Charge during the Year	Balance as on 30 June 2024	
Land & land Development	1,333,656,681	10,582,500	1,344,239,181	0%	-	-	-	1,344,239,181
Building & Other Construction	1,133,607,806	10,712,261	1,144,320,067	2.5%	203,933,034	23,313,577	227,246,611	917,073,456
Plant & Machinery	1,562,931,540	244,670,075	1,807,601,615	7.5%	398,316,255	90,516,797	488,833,052	1,318,768,563
Furniture and Fixture	58,404,027	4,893,650	63,297,677	10%	26,941,869	3,537,975	30,479,845	32,817,832
Generator	32,223,600	-	32,223,600	10%	12,286,498	1,993,710	14,280,209	17,943,391
Electrical Installation	36,465,818	14,461,480	50,927,298	10%	19,213,586	2,309,895	21,523,482	29,403,816
Vehicle	133,253,414	11,250,000	144,503,414	10%	76,206,042	6,716,008	82,922,049	61,581,365
Fire Equipment	22,296,436	5,287,500	27,583,936	10%	6,715,871	1,688,077	8,403,948	19,179,988
Office Equipment	71,403,381	4,825,900	76,229,281	10%	49,112,301	2,641,815	51,754,116	24,475,165
<b>Balance as at June 30, 2024</b>	<b>4,384,242,703</b>	<b>306,683,366</b>	<b>4,690,926,069</b>		<b>792,725,458</b>	<b>132,717,855</b>	<b>925,443,312</b>	<b>3,765,482,757</b>

**B. Revaluation**

Particulars	Cost			Rate of Depreciation (%)	Depreciation			Written Down Value as at 30 June 2024
	Balance as on 01 July 2023	Addition during the Year	Balance as on 30 June 2024		Balance as on 01 July 2023	Charge during the Year	Balance as on 30 June 2024	
Land & land Development	1,815,996,257	(52,938)	1,815,943,319	0%	-	-	-	1,815,943,319
Building & Other Construction	69,000,825	-	69,000,825	2.5%	4,080,826	1,623,000	5,703,826	63,296,999
Plant & Machinery	44,288,046	-	44,288,046	7.5%	7,562,052	2,754,450	10,316,501	33,971,545
<b>Sub-Total-B</b>	<b>1,929,285,128</b>	<b>(52,938)</b>	<b>1,929,232,190</b>		<b>11,642,877</b>	<b>4,377,450</b>	<b>16,020,327</b>	<b>1,913,211,863</b>
<b>Balance as on 30 June 2024 (A+B)</b>	<b>6,313,527,831</b>	<b>306,630,428</b>	<b>6,620,158,259</b>	-	<b>804,368,335</b>	<b>137,095,304</b>	<b>941,463,639</b>	<b>5,678,694,620</b>

**Allocation of depreciation**

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	80%	109,676,243
Administrative Expenses	5%	6,854,765
Marketing & Selling Expenses	15%	20,564,296
<b>Total</b>	<b>100%</b>	<b>137,095,304</b>



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 01 July 2022	Charge during the Year	Balance as on 30 June 2023	
Land & land Development	1,333,656,681	-	0%	-	-	-	1,333,656,681
Building & Other Construction	1,130,775,076	2,832,730	2.5%	180,137,454	23,795,580	203,933,034	929,674,772
Plant & Machinery	1,254,835,336	308,096,204	7.5%	321,318,922	76,997,332	398,316,255	1,164,615,285
Furniture and Fixture	57,584,247	819,780	10%	23,492,390	3,449,480	26,941,869	31,462,158
Generator	25,522,100	6,701,500	10%	10,418,070	1,868,428	12,286,498	19,937,102
Electrical Installation	34,456,518	2,009,300	10%	17,356,222	1,857,364	19,213,586	17,252,232
Vehicle	132,761,134	492,280	10%	69,907,065	6,298,977	76,206,042	57,047,372
Fire Equipment	21,550,213	746,223	10%	5,024,472	1,691,399	6,715,871	15,580,565
Office Equipment	70,426,179	977,202	10%	46,689,598	2,422,703	49,112,301	22,291,080
Balance as at June 30, 2023	4,061,567,484	322,675,219	-	674,344,194	118,381,263	792,725,458	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 01 July 2022	Charge during the Year	Balance as on 30 June 2023	
Land & land Development	1,815,996,257	-	0%	-	-	-	1,815,996,257
Building & Other Construction	69,000,825	-	2.5%	2,416,210	1,664,615	4,080,826	64,919,999
Plant & Machinery	44,288,046	-	7.5%	4,584,268	2,977,783	7,562,052	36,725,994
Sub-Total-B	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	-	681,344,673	123,023,662	804,368,335	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





Asiatic Laboratories Limited  
Schedule of Right of Use Assets  
As at 30 June 2024

Particulars	Cost				Rate of Depreciation / Useful Life	Depreciation			Written Down Value as at 30 June 2024	Annexure- B
	Balance as on 01 July 2023	Addition during the year	Adjustment during the year	Balance as on 30 June 2024		Balance as on 01 July 2023	Charge during the year	Adjustment during the year	Balance as on 30 June 2024	
Plant & Machinery	62,000,000	-	-	62,000,000	7.5%	22,758,235	2,943,132	-	25,701,367	36,298,633
<b>Depot:</b>										
Dinajpur Depot	2,292,643	-	-	2,292,643	33.33%	1,146,322	764,214	-	1,910,536	382,107
Bogra Depot	2,421,806	-	-	2,421,806	33.33%	807,269	807,269	-	1,614,537	807,269
Faridpur Depot	1,783,195	-	1,783,195	-	50.00%	891,597	891,597	1,783,194	-	-
Sylhet Depot	1,872,354	-	1,872,354	-	50.00%	936,177	936,177	1,872,355	-	-
Chattagram Depot	2,006,094	2,006,094	2,006,094	2,006,094	50.00%	1,838,919	1,003,047	2,006,094	835,872	1,170,221
Kishorgonj Depot	1,961,514	1,961,514	1,961,514	1,961,514	50.00%	1,879,784	980,757	1,961,514	899,027	1,062,487
Mymensingh Depot	1,716,325	1,716,325	1,716,325	1,716,325	50.00%	1,573,298	858,163	1,716,325	715,135	1,001,190
Rangpur Depot	2,195,771	-	2,195,771	-	33.33%	1,463,847	731,924	2,195,771	-	-
Khustia Depot	1,921,300	1,921,300	1,921,300	1,921,300	33.33%	1,867,931	640,433	1,921,300	587,064	1,334,236
Rajshahi Depot	1,856,718	1,856,718	1,856,718	1,856,718	33.33%	1,856,718	618,906	1,856,718	618,906	1,237,812
Cumilla Depot	2,228,062	-	-	2,228,062	33.33%	742,687	742,687	-	1,485,374	742,688
Khulna Depot	1,792,137	-	-	1,792,137	33.33%	896,068	597,379	-	1,493,447	298,690
Tangail Depot	1,937,445	-	1,937,445	-	33.33%	1,291,630	645,815	1,937,445	-	-
Dhaka Depot	-	-	-	-	50.00%	-	-	-	-	-
Noakhali Depot	645,815	-	-	645,815	33.33%	376,725	215,272	-	591,997	53,818
Barisal Depot	807,269	-	807,269	-	33.33%	538,179	269,090	807,269	-	-
<b>Balance as at June 30, 2024</b>	<b>89,438,448</b>	<b>9,461,951</b>	<b>18,057,985</b>	<b>80,842,413</b>		<b>40,865,387</b>	<b>13,645,862</b>	<b>18,057,985</b>	<b>36,453,264</b>	<b>44,389,149</b>

Allocation of depreciation

Particulars	Percentage	Amount in Tk.
Manufacturing Overhead	22%	2,943,132
Marketing & Selling Expenses	78%	10,702,730
<b>Total</b>	<b>100%</b>	<b>13,645,862</b>



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 (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 2023

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

Allocation of depreciation

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





Asiatic Laboratories Limited  
Schedule of Intangible Asset  
As at 30 June 2024

Particulars	Cost		Useful Life	Depreciation			Annexure- C Written Down Value as at 30 June 2024
	Balance as on 01 July 2023	Addition during the Year		Balance as on 01 July 2023	Amortization during the Year	Balance as on 30 June 2024	
Computer Software	3,500,000	-	7 years	1,708,333	500,000	2,208,333	1,291,667
Balance as at June 30, 2024	3,500,000	-		1,708,333	500,000	2,208,333	1,291,667

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 2023

Particulars	Cost		Useful Life	Depreciation			Annexure- C Written Down Value as at 30 June 2023
	Balance as on 01 July 2022	Addition during the Year		Balance as on 01 July 2022	Amortization during the Year	Balance as on 30 June 2023	
Computer Software	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	-		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**  
**Income Tax Liabilities**  
As at 30 June 2024

Particulars	Annexure- D	
	30 June 2024	30 June 2023
Revenue	1,385,229,195	1,289,254,174
Profit Before Income Tax (without other income)	308,989,816	294,067,870
Less: Others Income	17,913,012	12,290,416
Profit before Others Income and Income Tax	291,076,804	281,777,454
<b>Add: Inadmissible Allowance</b>		
Accounting Depreciation	137,595,304	123,523,662
Accounting Depreciation on ROU Assets	13,645,862	13,884,494
Interest on Lease Liability	956,372	18,263,703
	443,274,343	437,449,313
<b>Less: Admissible Allowance</b>		
Depreciation as per 3rd schedule	(194,722,961)	(165,250,888)
Lease Payment (Principal + Interest)	(21,159,012)	(16,793,198)
Total Taxable Income	227,392,370	255,405,227
Tax Rate	22.50%	30.00%
Tax on Taxable Income	51,163,283	76,621,568
Other Income	17,913,012	12,290,416
Rate	22.50%	30.00%
Tax on others Income	4,030,428	3,687,125
Total Tax Expenses	55,193,711	80,308,693
Or		
Tax deduction at source during the year	43,307,605	65,738,719
Total	43,307,605	65,738,719
Or		
Minimum Tax u/s 16CCC/82C	8,311,375	7,735,525
Whichever is Higher	55,193,711	80,308,693





**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 2024**

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 1<sup>st</sup> 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 2024

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
<b>Assets</b>			
Non-Current Assets	5,766,468,265	-	5,766,468,265
Current Assets	1,655,624,011	-	1,655,624,011
<b>Total Assets</b>	<b>7,422,092,276</b>	<b>-</b>	<b>7,422,092,276</b>
<b>Shareholder's Equity and Liabilities</b>			
Shareholder's Equity	6,435,560,348	-	6,435,560,348
Non-Current Liabilities	738,670,789	-	738,670,789
Current Liabilities	247,861,140	-	247,861,140
<b>Total Shareholder's Equity and Liabilities</b>	<b>7,422,092,276</b>	<b>-</b>	<b>7,422,092,276</b>

**Impact on the statement of Profit or Loss and other comprehensive Income**

For the year ended 30 June 2024

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
Revenue	1,385,229,195	-	1,385,229,195
Cost of Goods Sold	(799,196,942)	-	(799,196,942)
<b>Gross Profit</b>	<b>586,032,253</b>	<b>-</b>	<b>586,032,253</b>
Operating expenses	(230,066,373)	-	(230,066,373)
<b>Profit from Operation</b>	<b>355,965,881</b>	<b>-</b>	<b>355,965,881</b>
<b>Profit Before Tax</b>	<b>308,989,816</b>	<b>-</b>	<b>308,989,816</b>
Income Tax Expenses	(30,513,268)	-	(30,513,268)
<b>Net Profit after Tax</b>	<b>278,476,548</b>	<b>-</b>	<b>278,476,548</b>
Other Comprehensive Income	939,929	-	939,929
<b>Total Comprehensive Income For the year</b>	<b>279,416,477</b>	<b>-</b>	<b>279,416,477</b>

**Impact on the Statement of Cash Flows**

For the year ended 30 June 2024

Particulars	As Reported	Adjustment (effect on IFRS-15)	Amount without adoption of IFRS-15
Net Cash Generated from Operating Activities	311,709,893	-	311,709,893
Net cash Used to Investing Activities	(786,677,344)	-	(786,677,344)
Net cash Used in Financing Activities	187,639,906	-	187,639,906
<b>Net Increase/(Decrease) of Cash and Cash Equivalents</b>	<b>(287,327,545)</b>	<b>-</b>	<b>(287,327,545)</b>
Cash and Cash Equivalents at the beginning of the year	446,744,530	-	446,744,530
Foreign Exchange Gain/(loss)	-	-	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>159,416,985</b>	<b>-</b>	<b>159,416,985</b>

### 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 1<sup>st</sup> 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 2024

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
<b>Assets</b>			
Freehold Property, Plant and Equipment	5,678,694,620	-	5,678,694,620
Right of Use Asset	44,389,149	8,090,516	36,298,633
Intangible Asset	1,291,667	-	1,291,667
Capital Work-in-Progress	42,092,829	-	42,092,829
Current Assets	1,655,624,011	-	1,655,624,011
<b>Total Assets</b>	<b>7,422,092,276</b>	<b>8,090,516</b>	<b>7,414,001,760</b>

### Shareholder's Equity and Liabilities

Share Capital	1,223,934,550	-	1,223,934,550
Share Premium	578,227,731	-	578,227,731
Revaluation Surplus	1,624,138,128	-	1,624,138,128
Retained Earnings	3,009,259,939	(33,280)	3,009,293,219
Non-Current Liabilities*	738,670,789	1,824,286	736,846,503
Current Liabilities*	247,861,140	6,299,510	241,561,630
<b>Total Shareholder's Equity and Liabilities</b>	<b>7,422,092,276</b>	<b>8,090,515</b>	<b>7,414,001,761</b>

### \*Adjustment of Right of Use Assets

Written down value as per IAS-17	(36,298,633)
Written down value as per IFRS-16 (Annexure-B)	44,389,149
<b>Adjustment of Lease Liability as per IFRS-16</b>	<b>8,090,516</b>

### \*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)
Adjustment for the year (2023-2024) adoption of IFRS-16*	110,118
<b>Total</b>	<b>(33,280)</b>

### \*Adjustment for the year (2023-2024) adoption of IFRS-16

Rent expenses as per IAS-17	11,754,000
Depreciation expenses of ROU Assets as per IFRS-16	(10,702,730)
Interest expenses of ROU Assets as per IFRS-16	(941,152)
<b>Excess of (expenses)/income as per IFRS-16</b>	<b>110,118</b>

### Adjustment of Non-Current Liabilities

Non-current liability as per IFRS-16	37,437,479
Non-current liability as per IAS-17	(35,613,193)
<b>Adjustment of Lease Liability as per IFRS-16</b>	<b>1,824,286</b>

### Adjustment of Current Liabilities

Current liability as per IFRS-16	11,145,510
Current liability as per IAS-17	(4,846,000)
<b>Adjustment of Lease Liability as per IFRS-16</b>	<b>6,299,510</b>





**Impact on the Statement of Profit or Loss and other comprehensive Income**  
For the year ended 30 June 2024

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
Revenue	1,385,229,195	-	1,385,229,195
Cost of Goods Sold	(799,196,942)	-	(799,196,942)
<b>Gross Profit</b>	<b>586,032,253</b>	-	<b>586,032,253</b>
Operating expenses	(230,066,373)	1,051,270	(231,117,643)
<b>Profit from Operation</b>	<b>355,965,881</b>	<b>1,051,270</b>	<b>354,914,610</b>
Other Income	17,913,012	-	17,913,012
Financial Expenses	(49,378,864)	-	(49,378,864)
Interest on Lease Liability	(956,372)	(941,152)	(15,220)
<b>Profit Before WPPF &amp; Income Tax</b>	<b>323,543,656</b>	<b>110,118</b>	<b>323,433,538</b>
Workers' Profit Participation Fund Expenses	14,553,840	-	14,553,840
<b>Profit Before Income Tax</b>	<b>308,989,816</b>	<b>110,118</b>	<b>308,879,698</b>
Income Tax Expenses	(30,513,268)	-	(30,513,268)
<b>Net Profit after Income Tax</b>	<b>278,476,548</b>	<b>110,118</b>	<b>278,366,430</b>
Other Comprehensive Income for the year	939,929	-	939,929
<b>Total Comprehensive Income For the year</b>	<b>279,416,477</b>	<b>110,118</b>	<b>279,306,358</b>

**\*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)	(10,702,730)
<b>Deficit of rent expenses as per IFRS-16</b>	<b>1,051,270</b>

**\*Adjustment of Interest on Lease Liability**

Interest Expenses as per IAS-17	(941,152)
<b>Excess of interest expenses as per IFRS-16</b>	<b>(941,152)</b>

**\*Adjustment of Profit after Tax**

Rent expenses as per IAS-17	11,754,000
Depreciation Expenses of ROU Assets as per IFRS-16	(10,702,730)
Interest Expenses of ROU Assets as per IFRS-16	(941,152)
<b>Excess of (expenses)/income as per IFRS-16</b>	<b>110,118</b>

**Impact on the Statement of Cash Flows**  
For the year ended 30 June 2024

Particulars	As Reported	Adjustment (effect on IFRS-16)	Amount without adoption of IFRS-16
Net Cash Generated from Operating Activities	311,709,893	(11,754,000)	299,955,893
Net cash Used to Investing Activities	(786,677,344)	10,702,730	(775,974,614)
Net cash Used in Financing Activities	187,639,906	1,051,270	188,691,176
<b>Net Increase/(Decrease) Cash and Cash Equivalents</b>	<b>(287,327,545)</b>	-	<b>(287,327,545)</b>
Cash and Cash Equivalents at the beginning of the year	446,744,530	-	446,744,530
Foreign Exchange Gain/(loss)	-	-	-
<b>Cash and Cash Equivalents at the end of the year</b>	<b>159,416,985</b>	-	<b>159,416,985</b>

**\*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)
<b>Excess payment of rent as per IFRS-16</b>	<b>(11,754,000)</b>

**\*Adjustment of Net cash Used to Investing Activities**

Depreciation Expenses of ROU Assets as per IFRS-16 (Annexure-B)	10,702,730
Depreciation Expenses of ROU Assets as per IAS-17	-
<b>Excess payment depreciation expenses of ROU Assets as per IFRS-16</b>	<b>10,702,730</b>

**\*Adjustment of Net cash Generated from Financing Activities**

Interest Expenses of ROU Assets as per IFRS-16	941,152
Payment of lease liability as per IFRS-16	110,118
<b>*Adjustment lease liability as per IFRS-16</b>	<b>1,051,270</b>

