

**Independent Auditors' Report  
To the Shareholders  
of  
INDO-BANGLA PHARMACEUTICALS LTD.**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of **INDO-BANGLA PHARMACEUTICALS LTD.** which comprise the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 2.14 (c) of the financial statements, which describes about post employee benefit, The Nomination and Remuneration Committee (NRC), of the company that reviewed all post employee benefits and the policies are under process for final review of the Board. Our opinion is not modified in respect of this matter.

## 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 in forming our opinion thereon; we do not provide a separate opinion on these matters.

| Risk   | Our responses to the risk  |
|--|--|
| <p><b>Revenue recognition</b></p> <p>Revenue recognition has significant and wide influence on financial statements.</p> <p>The Company has reported revenue of BDT 78,22,39,281 in the financial statements as on 30<sup>th</sup> June, 2021.</p> <p>Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customers.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> | <p>We read the assessed compliance of company's revenue recognition policy in terms of IFRS 15: Revenue from Contracts with Customers'. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>▪ We have evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales through to cash receipts and customers' outstanding balances.</li> <li>▪ We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents;</li> <li>▪ Assessed the sales with VAT returns;</li> <li>▪ Assessed the design of the processes set up to account for the transactions in accordance with the company policy;</li> <li>▪ Assessed whether any adjustments are required.</li> </ul> |
| Refer to note 17 to the financial statements   |  |
| <p><b>Measurement of deferred tax liability</b></p> <p>Company reported net deferred tax liability totaling BDT 10,81,75,003 in the financial statements as at 30 June, 2021.</p> <p>Significant judgment is required in relation to deferred tax liability as their recoverability is dependent on forecasts of future profitability over a number of years.</p>  | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax liability and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We also assessed the appropriateness of presentation and disclosures in relation to deferred tax.\</p>   |
| Refer to note 11 to the financial statements   |  |

## **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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 identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated: 28 October, 2021  
Place: Dhaka

Sd/-  
Md. Abdur Rashid, FCA  
Partner  
**FAMES & R**  
Chartered Accountants  
DVC # 2111040474AS603329

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**STATEMENT OF FINANCIAL POSITION**

As at 30 June 2021

| Particulars                                 | Notes | Amounts in Taka      |                      |
|---|-------|----------------------|----------------------|
|   |       | 30th June 2021       | 30th June 2020       |
| <b>ASSETS:</b>                              |       |                      |                      |
| <b>Non-current Assets:</b>                  |       | <b>1,295,291,134</b> | <b>1,126,809,674</b> |
| Property, Plant and Equipment               | 3.00  | 1,229,114,043        | 1,061,759,460        |
| Capital Work In Progress                    | 4.00  | 66,177,091           | 65,050,214           |
| <b>Current Assets:</b>                      |       | <b>595,555,779</b>   | <b>612,456,404</b>   |
| Inventories                                 | 5.00  | 202,093,690          | 190,289,732          |
| Trade & Other Receivables                   | 6.00  | 245,752,165          | 226,078,126          |
| Advance, Deposits and Prepayments           | 7.00  | 125,230,137          | 182,249,756          |
| Cash and Cash equivalents                   | 8.00  | 22,479,787           | 13,838,790           |
| <b>TOTAL ASSETS</b>                         |       | <b>1,890,846,913</b> | <b>1,739,266,078</b> |
| <b>EQUITY AND LIABILITIES</b>               |       |                      |                      |
| <b>Shareholders' Equity:</b>                |       | <b>1,625,418,375</b> | <b>1,517,598,176</b> |
| Share Capital                               | 9.00  | 1,137,371,400        | 1,115,070,000        |
| Retained Earnings                           | 10.00 | 488,046,975          | 402,528,176          |
| <b>NON-CURRENT LIABILITIES</b>              |       | <b>108,175,003</b>   | <b>94,720,685</b>    |
| Deferred Tax Liability                      | 11.00 | 108,175,003          | 94,720,685           |
| <b>Current Liabilities:</b>                 |       | <b>157,253,535</b>   | <b>126,947,217</b>   |
| Short Term Loan                             | 12.00 | 84,943,000           | -                    |
| Provision for WPPF                          | 13.00 | 8,467,175            | 10,850,277           |
| Trade Payables                              | 14.00 | 618,229              | 371,989              |
| Provision for Taxes                         | 15.00 | 50,716,709           | 107,770,381          |
| Liabilities for Expenses                    | 16.00 | 12,508,422           | 7,954,570            |
| <b>TOTAL OWNER'S EQUITY AND LIABILITIES</b> |       | <b>1,890,846,913</b> | <b>1,739,266,078</b> |
| <b>Net Asset Value (NAV) Per Share</b>      | 25.00 | <b>14.29</b>         | <b>13.61</b>         |

Annexed notes form an integral part of these financial statements.

Sd/-  
Chief Financial Officer

Sd/-  
Company Secretary

Sd/-  
Director

Sd/-  
Managing Director

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

Place: Dhaka  
Date: October 28, 2021

Sd/-  
**FAMES & R**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the year ended 30 June, 2021

| Particulars  | Notes | Amount In BDT      |                    |
|--|-------|--------------------|--------------------|
|  |       | 30-Jun-21          | 30-Jun-20          |
| Net Sales Revenue  | 17.00 | 782,239,281        | 866,097,783        |
| Less: Cost of Sales  | 18.00 | 469,303,281        | 519,647,733        |
| <b>Gross Profit</b>  |       | <b>312,936,000</b> | <b>346,450,050</b> |
| <b>Less: Operating Expenses:</b>                             |       | <b>134,983,141</b> | <b>123,782,527</b> |
| Administrative Expenses                                      | 19.00 | 42,188,104         | 36,382,303         |
| Financial Expenses   | 20.00 | 3,814,169          | -                  |
| Selling & Distributing Expenses                              | 21.00 | 88,980,868         | 87,400,224         |
| <b>Profit from Operations</b>                                |       | <b>177,952,858</b> | <b>222,667,523</b> |
| Add: Non Operating Income:                                   | 22.00 | (142,183)          | 5,188,305          |
| <b>Profit before Contribution to WPPF &amp; Welfare Fund</b> |       | <b>177,810,675</b> | <b>227,855,828</b> |
| Less: Contribution to WPPF & Welfare Fund                    | 13.00 | 8,467,175          | 10,850,278         |
| <b>Profit before Tax</b>                                     |       | <b>169,343,500</b> | <b>217,005,550</b> |
| <b>Less: Income Tax Expenses:</b>                            |       | <b>34,615,093</b>  | <b>60,761,886</b>  |
| Current Tax  | 23.00 | 14,067,112         | 26,808,614         |
| Deferred Tax   | 11.00 | 24,035,175         | 27,961,604         |
| Short Provision  | 15.01 | (3,487,194)        | 5,991,668          |
| <b>Net Profit for the year</b>                               |       | <b>134,728,407</b> | <b>156,243,664</b> |
| <b>Earnings per share (EPS)</b>                              | 24.00 | <b>1.18</b>        | <b>1.37</b>        |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Director**

Sd/-  
**Managing Director**

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

Dated: Dhaka  
Date: October 28, 2021

Sd/-  
**FAMES & R**  
Chartered Accountants

**INDO-BANGLA PHARMACEUTICALS LTD.****STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2021

| Particulars                    | Share Capital        | Retained Earnings  | Total Equity         |
|--------------------------------|----------------------|--------------------|----------------------|
|                                | Note - 09            | Note : 10          |                      |
| Balance as at 01-07-2020       | 1,115,070,000        | 402,528,176        | 1,517,598,176        |
| Issue of share Capital (Bonus) | 22,301,400           | (22,301,400)       | -                    |
| Cash Dividend                  | -                    | (26,908,208)       | (26,908,208)         |
| Net Profit for the period      | -                    | 134,728,407        | 134,728,407          |
| Balance as at 30-06-2021       | <b>1,137,371,400</b> | <b>488,046,975</b> | <b>1,625,418,375</b> |

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2020

| Particulars                    | Share Capital        | Retained Earnings  | Total Equity         |
|--------------------------------|----------------------|--------------------|----------------------|
|                                | Note - 09            | Note : 10          |                      |
| Balance as at 01-07-2019       | 1,023,000,000        | 351,627,332        | 1,374,627,332        |
| Issue of share Capital (Bonus) | 92,070,000           | (92,070,000)       | -                    |
| Cash Dividend                  | -                    | (13,272,820)       | (13,272,820)         |
| Net Profit for the period      | -                    | 156,243,664        | 156,243,664          |
| Balance as at 30-06-2020       | <b>1,115,070,000</b> | <b>402,528,176</b> | <b>1,517,598,176</b> |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**Sd/-  
**Company Secretary**Sd/-  
**Director**Sd/-  
**Managing Director**

Place: Dhaka

Date: October 28, 2021

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 June, 2021

| Particulars   | Notes | Amount in Taka       |                      |
|---|-------|----------------------|----------------------|
|   |       | 30-Jun-21            | 30-Jun-20            |
| <b>Cash Flows from Operating Activities</b>                 |       |                      |                      |
| Cash receipts from customers                                | 26.00 | 762,565,242          | 818,823,799          |
| Cash receipts from others income                            | 27.00 | 625,680              | 6,426,113            |
| Cash payment to Suppliers                                   | 28.00 | (419,414,294)        | (464,492,478)        |
| Cash payment to Employees                                   |       | (109,281,153)        | (99,507,644)         |
| Cash payment to Others                                      |       | (67,127,301)         | (50,070,916)         |
| <b>Cash Generate from operation</b>                         |       | <b>167,368,174</b>   | <b>211,178,874</b>   |
| Cash payment against income Tax                             |       | (16,347,366)         | (35,648,753)         |
| <b>Net Cash generated from Operating Activities</b>         | 33.00 | <b>151,020,808</b>   | <b>175,530,121</b>   |
| <b>Cash Flow from Investing Activities</b>                  |       |                      |                      |
| Acquisition of property, plant and equipment                |       | (134,237,512)        | (239,213,724)        |
| Paid for Capital Work In Progress                           |       | (66,177,091)         | (65,050,214)         |
| Advance paid for L/C Margin Machinery                       |       | -                    | (4,736,000)          |
| <b>Net Cash used in Investing Activities</b>                |       | <b>(200,414,603)</b> | <b>(308,999,938)</b> |
| <b>Cash Flows from Financing Activities</b>                 |       |                      |                      |
| Short Term Loan   |       | 84,943,000           | -                    |
| Cash payment to Dividend                                    |       | (26,908,208)         | (13,272,820)         |
| <b>Net Cash Used in Financing Activities</b>                |       | <b>58,034,792</b>    | <b>(13,272,820)</b>  |
| <b>Net increase/(Decrease) in Cash and Cash equivalents</b> |       | <b>8,640,997</b>     | <b>(146,742,637)</b> |
| Cash and Cash Equivalents at beginning of the period        |       | 13,838,790           | 160,581,427          |
| <b>Cash and Cash Equivalent at end of the Period</b>        |       | <b>22,479,787</b>    | <b>13,838,790</b>    |
| <b>Net Operating Cash Flows Per Share (NOCFPS)</b>          |       | <b>1.33</b>          | <b>1.54</b>          |

Annexed notes form an integral part of these financial statements.

Sd/-  
**Chief Financial Officer**

Sd/-  
**Company Secretary**

Sd/-  
**Director**

Sd/-  
**Managing Director**

Place: Dhaka  
Date: October 28, 2021



**INDO-BANGLA PHARMACEUTICALS LTD.**  
**Notes to the Financial Statements and other explanatory information**  
As at and for the year ended June 30, 2021

**1.00 REPORTING ENTITY**

**1.01 Background of the Company**

Indo-Bangla Pharmaceuticals Limited was incorporated as a private Limited Company under the Companies Act-1994 on 18 June 2014 vide registration no.C-116665/14 through takeover of M/S. Indo-Bangla Pharmaceutical Works, a proprietorship business since pre-liberation period. The company has been converted into public limited company on 21-10-2014. Registered office of the company and Factory is at Aziz Bhaban, College Road, Barisal. Authorized capital of the company is Tk.1, 500,000,000 divided into 150,000,000 ordinary shares of Tk.10 each. Paid up capital of the company Tk.1, 137,371,400 divided into 113,737,140 ordinary shares of Tk. 10 each.

**1.02 Registered Office of the Company**

The registered office of the Company and the Factory is located at 729, College Road, Barisal Sadar, Barisal and having its Corporate office at Polt-183 (7<sup>th</sup> floor) Block-B, Road-4, Ahmed Akbar Sobhan Road, Basundhara R/A, Baridhara, Dhaka-1229.

**1.03 Nature of the business**

The Company is engaged in manufacturing and selling of all kinds of medicine (excluding Antibiotic), medical preparations drugs & chemicals (Human Health) with due approval of Drug Administration Authority. The company applied for permission for production and selling of veterinary medicine also.

**2.00 BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:**

**2.01 Presentation of Financial Statements**

The Financial Statements of the Company are prepared on a going concern Basis under historical cost convention and in accordance with the International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other laws & regulation in Bangladesh applicable to the Company.

**2.02 Going Concern**

The company has adequate resources to continue its operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. As such, the directors intended to adopt the going concern Basis in preparing the financial statements.

**2.03 Accrual Basis**

The financial statements have been prepared, except Statements of Cash Flows, using the accrual Basis of accounting.

**2.04 Reporting Period**

The financial Statements have been prepared covering one year from July 01, 2020 to June 30, 2021

**2.05 Components of the Financial Statements**

According to IAS-1 "presentation of the Financial Statements" the complete set of financial statements includes the following components;

- a) Statement of Financial Position as at June 30, 2021;
- b) Statement of Profit or Loss and other Comprehensive Income for the period from 1<sup>st</sup> July 2020 to 30<sup>th</sup> June, 2021;

- a) Statement of Changes in Equity for the year ended June30, 2021;
- b) Statement of Cash Flows for the year ended June 30, 2021; and
- c) Notes comprising a summary of significant accounting policies and other explanatory information.

**2.06 Accounting Policies & Estimates**

The preparation of these financial statements is in conformity with IAS and IFRS which require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis and used for accounting of certain terms such as provision for expenses and depreciation.

**2.07 Responsibility for Preparation and Presentation of Financial Statements**

The Board of Directors is responsible for the preparation 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 Standards (IASs) and Bangladesh Securities and Exchange Commission (BSEC) guideline.

**2.08 Statement of Cash flows**

Statement of Cash flows have been prepared in accordance with IAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method considering the provisions of Paragraph 19 of IAS-7 which provides that "Entities are encouraged to report cash flows from operating activities using the direct method".

**2.09 Applicable accounting standards**

The following IAS and IFRS are applicable for the financial statements for the year under review:

**IASs:**

|         |   |
|---------|---|
| IAS -1  | Presentation of Financial Statements                            |
| IAS -2  | Inventories   |
| IAS -7  | Statements of Cash flows  |
| IAS -8  | Accounting Policies, Changes in Accounting Estimates and Errors |
| IAS-10  | Events after the Reporting Period                               |
| IAS-12  | Income Taxes  |
| IAS-16  | Property, Plant and Equipments                                  |
| IAS -19 | Employee Benefits   |
| IAS-24  | Related Party Disclosures                                       |
| IAS- 32 | Financial Instruments Presentation                              |
| IAS-33  | Earnings Per Share  |
| IAS-36  | Impairment of Assets  |
| IAS- 37 | Provisions, Contingent Liabilities and Contingent Assets        |

**IFRSs:**

|         |                                       |
|---------|---------------------------------------|
| IFRS 7  | Financial Instruments: Disclosures    |
| IFRS 8  | Operating Segments                    |
| IFRS 9  | Financial Instruments                 |
| IFRS 15 | Revenue from Contracts with Customers |
| IFRS 16 | Leases                                |

**2.10 Property, Plant and Equipments**

**2.10.1 Recognition and Measurement**

All Property, Plant and Equipment are stated at cost less accumulated depreciation as per IAS-16 “Property, Plant and Equipments”. The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non- refundable taxes.

The cost of replacing part of an item of property, plant and equipments 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 costs can be measured reliably. The cost of the day to day maintaining cost on PPE is recognized in the Statements of Profit or Loss and other Comprehensive Income as incurred.

### 2.10.2 Depreciation

Depreciation on Property, Plant and Equipments other than Land has been computed during the year using the reducing balance method. Depreciation has been charged on addition when the related Property, Plant and Equipment are available for use as per management intention. Depreciation has been charged at following rates:

| Name of Assets            | Rate                             | Rate                             |
|---------------------------|----------------------------------|----------------------------------|
|                           | As at 30 <sup>th</sup> June 2021 | As at 30 <sup>th</sup> June 2020 |
| Land and Land Development | 0%                               | 0%                               |
| Building                  | 2.50%                            | 2.50%                            |
| Civil Works               | 5%                               | 5%                               |
| Machineries & Equipment   | 3%                               | 3%                               |
| Micro biological Lab      | 3%                               | 3%                               |
| Factory Air Condition     | 10%                              | 10%                              |
| Generator                 | 3%                               | 3%                               |
| Furniture & Fixture       | 10%                              | 10%                              |
| Office Equipment          | 10%                              | 10%                              |
| SEP Decoration            | 10%                              | 10%                              |
| Office Decoration         | 10%                              | 10%                              |
| Computer                  | 10%                              | 10%                              |
| Air Condition             | 10%                              | 10%                              |
| Transport                 | 10%                              | 10%                              |
| Water Plant               | 10%                              | 10%                              |
| ETP Plant                 | 10%                              | 10%                              |

### 2.10.3 Retirement and Disposals

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

### 2.10.4 Impairment

All fixed assets have been reviewed and it was confirmed that no such fixed assets have been impaired during the period and for this reason no provision has been made for Impairment of assets as per IAS 36.

### 2.11 Revenue Recognition

As per IFRS-15: "Revenue from Contracts form Customers" the company accounts for a contract with a customer only when all of the following criteria are met:

- The parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- The company can identify each party 's rights regarding the goods or services to be transferred ;
- The company can identify the payment terms for the goods or services to be transferred

- (a) 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
- (b) It is probable that the company will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

## 2.12 Valuation of Current Assets

### Trade and Other Receivable

These are carried forward at their original invoiced value amount and represents net realizable value. Management considered the entire bills receivable as good and is collectable and therefore, no amount has been provided for as bad debt in the current year's account.

### Inventories

In compliance with the requirements of IAS-2 "Inventories", the inventories have been valued at Cost or Net Realizable value whichever is lower, which is consistent with the previous period's practice. Net realizable value is based on estimated selling price in the ordinary course of business less any further cost expected to be incurred to make the sale.

## 2.13 Provisions:

Provisions were made considering risk and un-certainties at best estimate of the probable expenditure that would require to meet the current obligation at the date of statement of financial position.

## 2.14 Employees' Benefit

The company maintains defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: "Employee Benefits".

The cost of employee benefit is charged off as revenue expenditure in the year to which the contributions relate.

The company's employee benefits include the following.

### a) Short Term Employee Benefit

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

### b) Contribution to Workers' Profit Participation and Welfare Funds

This represents 5% of net profit before tax but after charging such expenses by the company as per provisions of the Bangladesh Labor Act, 2006, & Bangladesh Labor (amendment) Act, 2013.

### c) Post Employment Benefit

The Nomination and Remuneration Committee (NRC), a sub-committee of Board formed to ensure good governance in the company as per Corporate Governance Code in notification No. BSEC/CMRRCD/2006 of Bangladesh Securities and Exchange Commission reviewed all post employee benefits to comply with IAS 19.

## 2.15 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions, adjustments or charges to other account heads such as PPE or inventory etc.

**2.16 Functional and Presentational Currency:**

The financial statements are prepared in Bangladeshi Taka which is the Company's functional currency.

**2.17 Income Tax Expenses:**

Income Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity and profit or loss.

**Current Income Tax**

Current income tax is excepted tax payable on the taxable income for the year and any short fall of provision for previous years. The company (IBPL) is a "Publicly Traded Company"; hence Tax rate is applicable @ 22.5%.

**Deferred Tax**

Deferred tax expenses is considered for taxable temporary differences may arise for the reporting year, adjustments for prior years accumulated differences and changed in tax rate.

**2.18 Earnings per Share**

The company calculates Earnings per Share (EPS) in accordance with IAS-33 "Earnings per Share" which has been shown on the face of the Profit or Loss and other Comprehensive Income.

**Basic Earnings**

This represents profit or loss at the end of the period attributable to ordinary shareholders of the entity.

**Basic Earnings Per Share**

This has been calculated by dividing profit or loss attributable to ordinary shareholders of the entity by the weighted average number of ordinary shares outstanding during the year.

**2.19 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per IAS-39 "Financial Instruments Recognition and Measurement."

**Financial Assets**

Financial assets of the company include cash and cash equivalents, Trade receivables and other receivables. The company initially recognizes a financial asset in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial asset when, and only when; the contractual rights to the cash flows from the financial asset expire or transfer the contractual rights to receive the cash flows of the financial asset.

**Financial Liabilities**

Financial liabilities of the company include trade payables and liabilities for expenses. The company initially recognizes a financial liability in its statement of financial position when, and only when, the company becomes a party to the contractual provision of the instrument. The company derecognizes a financial liability from its statement of financial position when, and only when, it is extinguished, that is when the obligation specified in the contract is discharged or cancelled or expires.

**2.20 Cash and Cash Equivalents**

According to IAS-7 'Statement of Cash Flows', cash comprises cash in hand, short term deposit and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

## **2.21 Events after the Reporting Period**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

Adjusting Events are those that provide evidence of conditions that existed at the end of the reporting period.

Non-adjusting Events are those that are indicative of conditions that arose after the reporting period.

## **2.22 Authorization date for issuing Financial Statements**

The financial statements were authorized by the Board of Directors on October 28, 2021.

## **2.22 Comparative Information**

Comparative information has been disclosed in the respect of previous year for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statement.

## **2.23 Segmental Reporting**

The company essentially provides similar products to customers across the country and the products essentially have the similar risk profile. As there is a single business and geographic segment within which the company operates as such no segment reporting is felt necessary.

## **2.24 Related Party Disclosure**

The company carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The information as required by IAS-24: Related Party Disclosures has been disclosed in a separate note to the financial statements.

## **2.25 Leases**

The Company has short term lease facilities and recognized them as operating lease facilities by complying with Para 5 of IFRS 16: "Leases, Lease payments and lease receipts under operating lease are recognized as rental expense from lease in the statement of profit or loss and other comprehensive income on a straight-line basis over the lease term.

## **2.26 General**

The figure has been rounded off to the nearest taka.

| Particulars  | Amount in Taka       |                      |
|--|----------------------|----------------------|
|  | 30-Jun-21            | 30-Jun-20            |
| <b>3.00 Property, Plant and Equipment</b>                          |                      |                      |
| These have arrived at as under:                                    |                      |                      |
| (A) At Cost  |                      |                      |
| Opening balance  | 1,149,037,824        | 801,514,939          |
| Add: Addition during the Period                                    | 210,523,726          | 347,522,885          |
| Less: Disposal during the Period                                   | (8,926,055)          | -                    |
| <b>Total</b>   | <b>1,350,635,495</b> | <b>1,149,037,824</b> |
| (B) Accumulated Depreciation                                       |                      |                      |
| Opening balance  | 87,278,364           | 58,380,161           |
| Add: Depreciation Charged for the period                           | 35,901,280           | 28,898,203           |
| Less: Adjusted during the period                                   | (1,658,192)          | -                    |
| <b>Total :</b>   | <b>121,521,452</b>   | <b>87,278,364</b>    |
| <b>WDV as on 30.06.2021 (a-b)</b>                                  | <b>1,229,114,043</b> | <b>1,061,759,460</b> |
| A schedule of Property, Plant and Equipment is given in Annexure-A |                      |                      |
| <b>4.00 Capital Work in Progress</b>                               |                      |                      |
| These have arrived at as under:                                    |                      |                      |
| <b>A. Machineries &amp; Equipment:</b>                             |                      |                      |
| Opening balance  | 65,050,214           | 67,266,943           |
| Add: Addition during the period                                    | 201,088,985          | 211,648,406          |
| Less: Transfer to Fixed Assets                                     | (199,962,108)        | (213,865,135)        |
| <b>Closing Plant &amp; Machinery</b>                               | <b>66,177,091</b>    | <b>65,050,214</b>    |
| <b>B. Land Development:</b>  |                      |                      |
| Opening balance  | -                    | 8,121,600            |
| Earth fill-up  | -                    | 33,250               |
| Less: Transfer to Fixed Assets of Land & Land Development          | -                    | (8,154,850)          |
|  | -                    | -                    |
| <b>Total (A+B)</b>   | <b>66,177,091</b>    | <b>65,050,214</b>    |

**5.00 Inventories :**

This consists of the following;

|   |                    |                    |
|---|--------------------|--------------------|
| Raw Material                              | 116,561,792        | 97,025,425         |
| Finished Goods                            | 57,150,657         | 63,366,292         |
| Work - in - Process                       | 7,822,000          | 12,376,500         |
| Maintenance of Machine & Consumable Items | 2,956,350          | 3,025,650          |
| Packing Materials                         | 10,926,371         | 14,495,865         |
| Store-In-Transit                          | 6,676,520          | -                  |
|   | <b>202,093,690</b> | <b>190,289,732</b> |

Inventories in hand have been valued at lower of cost or/and net realizable value as per IAS-2 and have been certified by management.

**6.00 Trade & Others Receivable:**

These have arrived at as under:

|                              |                      |                      |
|------------------------------|----------------------|----------------------|
| Trade Receivable             |                      |                      |
| Opening balance              | 226,078,126          | 178,804,143          |
| Add: Sales during the period | 782,239,281          | 866,097,783          |
| Total                        | <b>1,008,317,407</b> | <b>1,044,901,925</b> |
| Less:Recovery                | 762,565,242          | 818,823,799          |
|                              | <b>245,752,165</b>   | <b>226,078,126</b>   |
| <b>Total:</b>                | <b>245,752,165</b>   | <b>226,078,126</b>   |

**Ageing of Accounts Receivable**

More than six months

Less than six month

|  |                    |                    |
|--|--------------------|--------------------|
|  | 245,752,165        | 226,078,126        |
|  | <b>245,752,165</b> | <b>226,078,126</b> |

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

Receivable considered good in respect of which the company is fully secured.

Receivable considered good in respect of which the company holds no security other than the debtor personal security.

Receivables considered doubtful bad.

Receivable due by directors or others or other offers of the company or any of them either severly or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.

Receivables due by common under the same management.

The maximum amount of receivable due by any director or other

**Total:**

|  |                    |                    |
|--|--------------------|--------------------|
|  | -                  | -                  |
|  | 245,752,165        | 226,078,126        |
|  | -                  | -                  |
|  | -                  | -                  |
|  | -                  | -                  |
|  | -                  | -                  |
|  | <b>245,752,165</b> | <b>226,078,126</b> |



#### 7.00 Advance, deposit and prepayments:

This consists of the following:

##### Advance

|                      |                    |                    |
|----------------------|--------------------|--------------------|
| Advance Income Tax   | 23,810,831         | 75,097,055         |
| Advance to Employees | 1,825,000          | 2,025,000          |
| Advance to others    | 99,594,306         | 105,127,701        |
|                      | <b>125,230,137</b> | <b>182,249,756</b> |

The classification of Advances, Deposits and Prepayments as required by Schedule-XI, Part-I of the Companies Act, 1994

|   |                    |                    |
|---|--------------------|--------------------|
| Advance, Deposit and pre-payments considered good and fully secured;  | 125,230,137        | 182,249,756        |
| Advance, deposit and pre-payments considered good and company holds no security other than personal security; | -                  | -                  |
| Advance, deposit and pre-payments considered doubtful and bad;  | -                  | -                  |
| Advance, deposit and pre-payments due by directors or other officers;   | -                  | -                  |
| Advance, deposit and pre-payments due from companies under common management; and                             | -                  | -                  |
| Maximum advance, deposit and pre-payments due by Directors or other officers at any time.                     | -                  | -                  |
|   | <b>125,230,137</b> | <b>182,249,756</b> |

#### 7.01 Advance Tax paid

|  |                   |                   |
|--|-------------------|-------------------|
| Opening  | 75,097,055        | 88,094,202        |
| Less: Adjustment Income Tax Expenses Assessment year 2015-2016 | 20,520,875        |                   |
| Less: Adjustment Income Tax Expenses Assessment year 2016-2017 | 18,817,960        |                   |
| Less: Adjustment Income Tax Expenses Assessment year 2017-2018 | -                 | 22,986,703        |
| Less: Adjustment Income Tax Expenses Assessment year 2018-2019 | -                 | 24,460,348        |
| Less: Adjustment Income Tax Expenses Assessment year 2019-2020 | 25,294,755        | -                 |
| Add: Advance Tax paid during the year                          | 13,347,366        | 34,449,904        |
|  | <b>23,810,831</b> | <b>75,097,055</b> |

#### 7.02 Advance to Others

|                              |                   |                    |
|------------------------------|-------------------|--------------------|
| Goods and services           | 1,025,365         | 1,205,000          |
| Tour                         | 546,173           | 485,000            |
| Office Rent                  | 300,000           | 300,000            |
| Land (Gazipur)               | 95,000,000        | 95,000,000         |
| L/C Margin for Raw-materials | 117,559           | 2,335,800          |
| L/C Margin for Machinery     | -                 | 4,736,000          |
| Prepaid Insurance            | 24,917            | 12,219             |
| VAT current account          | 2,580,292         | 1,053,682          |
|                              | <b>99,594,306</b> | <b>105,127,701</b> |

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as inventory, land or any recurring expenses. Subsequent position of Advance to land (Gazipur) Tk. 6,00,00,000/- (Six Crore) as at 30th September 2021.

**8.00 Cash and Cash equivalents:**

These have arrived at as under:

Cash in Hand

Cash at Bank

Short Term FDR

|                   |                   |
|-------------------|-------------------|
| 16,287,297        | 9,942,202         |
| 6,192,490         | 3,896,588         |
| -                 | -                 |
| <b>22,479,787</b> | <b>13,838,790</b> |

**8.01 Cash at Bank**

Pubali Bank Ltd. Barishal Sadar Branch A/C 54490

Sonal Bank Ltd. Barishal Corporate Branch A/C. 3953

Islami Bank Bangladesh Ltd. Barishal Branch A/C no.10807

Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01405

Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.01506

Islami Bank Bangladesh Ltd. Bhanga Branch A/C no.79513

One Bank Ltd. Barisal Branch A/C no.02579

Mercantile Bank Ltd. rampura Br. A/C: 56998

Mercantile Bank Ltd. Elephant road Br. A/C: 88298

Dutch-Bangla Bank Ltd. Barisal Branch A/C 1271100014683

Dutch-Bangla Bank Ltd. Bashundhara 1471100016286

City bank A/C no. 3102631598001

First Security Islami Bank Ltd. Bashundhara Br. A/C 302

First Security Islami Bank Ltd. Bashundhara Br. A/C 315

Eastern Bank Ltd Principal Branch A/C 1011360459420

|                  |                  |
|------------------|------------------|
| <b>6,192,490</b> | <b>3,896,588</b> |
| 1,260,701        | 1,705,467        |
| 102,816          | 144,937          |
| 19,278           | 20,197           |
| -                | 196,589          |
| -                | 84,388           |
| -                | 33,621           |
| 2,420            | 3,455            |
| 10,736           | 12,502           |
| 1,278            | 3,000            |
| 20,992           | 24,682           |
| 429,256          | 449,815          |
| 1,629            | 3,253            |
| 476,973          | 1,167,735        |
| 3,835,023        | 15,489           |
| 31,388           | 31,458           |

**9.00 Share Capital :****Authorized Capital**

150,000,000 Ordinary Shares

of Tk. 10 each

**1,500,000,000****1,500,000,000****Issued, Subscribed & Paid-up Capital:**

73,000,000 Ordinary Shares of Tk. 10each

20,000,000 Shares issued for IPO in 2018

9,300,000 Bonus Shares issued in 2018

9,207,000 Bonus Shares issued in 2019

2,230,140 Bonus Shares issued in 2020

**113,737,140 Ordinary Shares of Tk. 10 each fully paid up.****1,137,371,400****1,115,070,000****10.00 Retained Earnings:**

This amount consists of as follows:

Opening balance

Add :Net Profit for the year

Less: IPO Expenses

Less: Transfer to Share capital

Less: Cash Dividend

|                    |                    |
|--------------------|--------------------|
| 402,528,176        | 351,627,332        |
| 134,728,407        | 156,243,664        |
| -                  | -                  |
| 22,301,400         | 92,070,000         |
| 26,908,208         | 13,272,820         |
| <b>488,046,975</b> | <b>402,528,176</b> |

**11.00 Deferred Tax Liability:**

This amount consists as follows:

|  |                    |                    |
|--|--------------------|--------------------|
| Carrying Value of Property, Plant & Equipment (Annexure-A) | 1,229,114,043      | 1061759460         |
| As Tax Base  | 748,336,251        | 682,876,720        |
| Temporary Difference                                       | <b>480,777,792</b> | <b>378,882,740</b> |
| <b>Deferred Tax Liabilities @22.5%</b>                     | 108,175,003        | 94,720,685         |
| Less: Opening Deferred Tax Liability                       | 94,720,685         | 66,759,081         |
| Add: Addition during the year Tax Rate Change              | 9,472,068          | -                  |
| Add: Sale of Assets Depriation Defferance (B-A) @ 22.5%    | 1,108,789          | -                  |
| Deferred Tax Liability/Expenses (Income)                   | <b>24,035,175</b>  | <b>27,961,604</b>  |

**12.00 Short Term Loan:**

|                     |                   |          |
|---------------------|-------------------|----------|
| Opening             | -                 | -        |
| Bai Murabaha (Hypo) | 19,800,000        | -        |
| Bai Murabaha (LTR ) | 38,343,000        | -        |
| Temporary Loan      | 26,800,000        | -        |
| <b>Total:</b>       | <b>84,943,000</b> | <b>-</b> |

**13.00 Provision for WPPF:**

|  |                  |                   |
|--|------------------|-------------------|
| Opening WPPF   | 10,850,277       | 9,038,917         |
| Add: Addition during the year                                  | 8,467,175        | 10,850,278        |
| Less:Transfer to WPPF Bank Accounts                            | (10,850,277)     | (9,038,917)       |
| <b>Total:</b>  | <b>8,467,175</b> | <b>10,850,277</b> |
| Profit before contribution for WPPF                            | 177,810,675      | 227,855,828       |
| Provision for contribution @5% Profit After WPPF(For the year) | <b>8,467,175</b> | <b>10,850,278</b> |

**14.00 Trade Payables :**

|                                  |                    |                    |
|----------------------------------|--------------------|--------------------|
| <b>Opening balance;</b>          | 371,989            | 6,108,271          |
| Add: Purchase during the year    | 422,058,410        | 458,416,068        |
| Total:                           | <b>422,430,399</b> | <b>464,524,339</b> |
| Less: Adjustment during the year | 421,812,170        | 464,152,350        |
| <b>Closing balance</b>           | <b>618,229</b>     | <b>371,989</b>     |

**15.00 Provision for Taxes**

This has been arrived as at under;

|  |                   |                    |
|--|-------------------|--------------------|
| Balance b/d  | 107,770,381       | 123,615,998        |
| Add: Short Provision   | (3,487,194)       | 5,991,668          |
| Less: Adjusted Income Tax Expenses Assessment year 2015-2016 | 23,520,875        | -                  |
| Less: Adjusted Income Tax Expenses Assessment year 2016-2017 | 18,817,960        | -                  |
| Less: Adjusted Income Tax Expenses Assessment year 2017-2018 | -                 | 22,986,703         |
| Less: Adjusted Income Tax Expenses Assessment year 2018-2019 | -                 | 24,460,348         |
| Less: Tax Payment cash for assesment year 2018-19            | -                 | 1,198,848          |
| Less: Adjusted Income Tax Expenses Assesment year 2019-2020  | 25,294,755        | -                  |
| Add : Provision during the year                              | 14,067,112        | 26,808,614         |
|  | <b>50,716,709</b> | <b>107,770,381</b> |

**15.01 Short Provision for Taxes:**

|                           |                    |                  |
|---------------------------|--------------------|------------------|
| Assessment Year 2015-2016 | 2,586,489          | -                |
| Assessment Year 2016-2017 | (6,316,296)        | -                |
| Assessment Year 2017-2018 | -                  | 4,298,292        |
| Assessment Year 2018-2019 | -                  | 1,693,376        |
| Assessment Year 2019-2020 | 242,613            | -                |
|                           | <b>(3,487,194)</b> | <b>5,991,668</b> |

**16.00 Liabilities for Expenses :**

This consists of the following

|                             |                   |                  |
|-----------------------------|-------------------|------------------|
| Telephone Bill              | 346               | 346              |
| Electricity Bill            | 372,404           | 398,538          |
| Directors Remuneration      | 400,000           | 250,000          |
| Salary & Wages              | 5,704,688         | 5,256,554        |
| Greatuty                    | 3,720,923         | -                |
| Interest on Short Term Loan | 1,491,930         | -                |
| Audit Fees                  | 287,500           | 287,500          |
| Others                      | 530,631           | 1,761,632        |
|                             | <b>12,508,422</b> | <b>7,954,570</b> |

|   |                | Amount in BDT      |                    |
|---|----------------|--------------------|--------------------|
|   |                | 30 June 2021       | 30 June 2020       |
| <b>17.00 Net Sales Revenue:</b>           |                |                    |                    |
| Net Sales revenue                         |                | <b>782,239,281</b> | <b>866,097,783</b> |
| <b>18.00 Cost of Sales :</b>              |                |                    |                    |
| This has been arrived as under;           |                |                    |                    |
| Raw Material Consumed                     | Notes-18.01    | 308,754,533        | 347,640,353        |
| Add: Work in process (Opening)            |                | 12,376,500         | 20,585,480         |
| Less: Work in Process (Closing)           |                | 7,822,000          | 12,376,500         |
| <b>Total Consumption</b>                  |                | <b>313,309,033</b> | <b>355,849,333</b> |
| Add: Manufacturing Overhead               | Notes-18.02    | 76,675,114         | 68,916,166         |
| Add: Direct expenses                      | Notes-18.03    | 76,916,039         | 85,988,425         |
| <b>Cost of Production</b>                 |                | <b>466,900,186</b> | <b>510,753,924</b> |
| Add: Finished Goods (Opening balance)     |                | 63,366,292         | 76,485,251         |
| <b>Finished Goods Available</b>           |                | <b>530,266,478</b> | <b>587,239,175</b> |
| Less: Finished Goods (Closing)            |                | 57,150,657         | 63,366,292         |
| Less: Sample Costs                        |                | 3,812,540          | 4,225,150          |
| <b>Cost of Sales:</b>                     |                | <b>469,303,281</b> | <b>519,647,733</b> |
| <b>18.01 Material Consumed :</b>          |                |                    |                    |
| Opening balance                           |                | 97,025,425         | 89,645,280         |
| Add: Material Purchased                   |                | 328,290,900        | 355,020,498        |
| Import                                    |                | 242,659,429        | 311,012,229        |
| Local                                     |                | 85,631,471         | 44,008,269         |
| Less: Closing Materials                   |                | 116,561,792        | 97,025,425         |
| <b>Total</b>                              |                | <b>308,754,533</b> | <b>347,640,353</b> |
| <b>18.02 Manufacturing Overhead:</b>      |                |                    |                    |
| Salary & Wages                            |                | 14,414,550         | 11,379,576         |
| Cork & Cap                                |                | 2,156,350          | 2,412,530          |
| Carton & Label                            |                | 2,854,750          | 3,185,750          |
| Hand Glove, Tape, Gum Etc                 |                | 225,456            | 235,420            |
| Quality Control Expenses                  |                | 750,250            | 768,550            |
| Accessories                               |                | 2,514,230          | 2,684,120          |
| Apron & Uniform                           |                | 625,320            | 621,530            |
| Carriage Inward                           |                | 1,000,907          | 1,141,095          |
| Water bill                                |                | 7,850              | 7,650              |
| Washing Expenses                          |                | 3,565              | 3,425              |
| Maintenance of Machine & Consumable Items | Notes 18.02.01 | 15,594,940         | 17,850,320         |
| Electricity Bill Factory                  |                | 4,416,994          | 2,748,281          |
| Maintenance of Factory Building           |                | 1,025,630          | 1,125,360          |
| Insurance Expense                         |                | 136,802            | 134,406            |
| Depreciation (Annexure-A)                 |                | 30,947,520         | 24,618,153         |
| <b>Total</b>                              |                | <b>76,675,114</b>  | <b>68,916,166</b>  |

|                |  | Amount in BDT     |                   |
|----------------|--|-------------------|-------------------|
|                |  | 30 June 2021      | 30 June 2020      |
| <b>18.02.1</b> | <b>Maintenance of Machine &amp; Consumable Items</b> |                   |                   |
|                | Opening balance                                      | 3,025,650         | 4,625,650         |
|                | Purchase during the period                           | 15,525,640        | 16,250,320        |
|                | Closing balance                                      | (2,956,350)       | (3,025,650)       |
|                | Consumption  | <b>15,594,940</b> | <b>17,850,320</b> |
| <b>18.03</b>   | <b>Direct expenses :</b>                             |                   |                   |
|                | Delivery Charges                                     | 718,635           | 725,680           |
|                | Packing Materials                                    | 75,134,844        | 84,174,835        |
|                | Medical Bag Expenses                                 | 428,630           | 432,150           |
|                | Cost of Literature                                   | 131,250           | 135,620           |
|                | Remission Settlement                                 | 502,680           | 520,140           |
|                | <b>Total</b>   | <b>76,916,039</b> | <b>85,988,425</b> |
| <b>18.03.1</b> | <b>Packing Materials</b>                             |                   |                   |
|                | Opening balance                                      | 14,495,865        | 11,525,450        |
|                | Purchase during the period                           | 71,565,350        | 87,145,250        |
|                | Less: Packing Materials(Closing balance )            | (10,926,371)      | (14,495,865)      |
|                | Consumption  | <b>75,134,844</b> | <b>84,174,835</b> |
| <b>19.00</b>   | <b>Administrative Expenses</b>                       |                   |                   |
|                | Salary & allowance                                   | 12,832,446        | 13,046,776        |
|                | Director Remuneration                                | 4,800,000         | 2,400,000         |
|                | Board Meeting Fee                                    | 655,000           | 370,000           |
|                | Travelling & Conveyance                              | 2,758,695         | 2,914,750         |
|                | Greatuty   | 3,720,923         | -                 |
|                | Entertainment  | 1,956,850         | 2,215,630         |
|                | Office Rent  | 662,400           | 662,400           |
|                | Printing & Stationery                                | 1,968,450         | 1,972,860         |
|                | News Paper & Megazine                                | 103,650           | 82,560            |
|                | Post & Telegram                                      | 423,865           | 421,560           |
|                | License & Legal Fee                                  | 750,250           | 969,449           |
|                | Telephone & Mobile Bill                              | 183,216           | 183,216           |
|                | Internet Bill  | 95,310            | 95,310            |
|                | Audit Fee  | 287,500           | 287,500           |
|                | Company Secretarial, Regulatory Fee and AGM Expenses | 1,597,544         | 2,136,076         |
|                | Electricity Bill & others charge                     | 191,071           | 92,782            |
|                | Maintenance of Transport                             | 1,918,475         | 1,923,520         |
|                | Securities service                                   | 765,230           | 762,520           |
|                | Bank Charge  | 550,924           | 539,985           |
|                | Others expenses                                      | 1,012,546         | 1,025,360         |
|                | Depreciation (Annexure-A)                            | 4,953,759         | 4,280,050         |
|                | <b>Total</b>   | <b>42,188,104</b> | <b>36,382,303</b> |

Notes-18.03.1

|              |  | Amount in BDT     |                   |
|--------------|--|-------------------|-------------------|
|              |  | 30 June 2021      | 30 June 2020      |
| <b>20.00</b> | <b>Financial expenses</b>                  |                   |                   |
|              | Interest On Bai Murabaha (Hypo)            | 1,275,184         | -                 |
|              | Interest On Bai Murabaha (LTR)             | 2,538,985         | -                 |
|              | <b>Total:</b>                              | <b>3,814,169</b>  | <b>-</b>          |
| <b>21.00</b> | <b>Selling &amp; Distributing Expenses</b> |                   |                   |
|              | Salary & allowance(Including Depot Staff)  | 43,459,451        | 40,484,604        |
|              | Incentive Bonus                            | 3,125,450         | 3,482,680         |
|              | TA & DA of Field Staff                     | 3,865,920         | 3,995,850         |
|              | Carriage Outward                           | 2,845,785         | 2,956,410         |
|              | Packing Materials-Selling & Distribution   | 3,562,482         | 3,651,530         |
|              | Sales Promotion                            | 3,452,860         | 3,698,240         |
|              | Training & seminar Expenses                | 5,012,455         | 4,991,530         |
|              | Entertainment for Conference               | 3,025,150         | 2,935,620         |
|              | Gift & Presentation(Promotional Materials) | 3,562,450         | 3,415,360         |
|              | Sample expense                             | 3,812,540         | 4,225,150         |
|              | Travelling & Conveyance                    | 13,256,325        | 13,563,250        |
|              |  | <b>88,980,868</b> | <b>87,400,224</b> |
| <b>22.00</b> | <b>Non Operating Income:</b>               |                   |                   |
|              | Misc Sales                                 | 625,680           | 3,029,350         |
|              | Interest on FDR                            | -                 | 2,137,192         |
|              | Interest on Bank                           | -                 | 21,763            |
|              | Profit/(Loss) on Sale of Fixed Assets      | (767,863)         | -                 |
|              |  | <b>(142,183)</b>  | <b>5,188,305</b>  |
| <b>23.00</b> | <b>Current Tax:</b>                        |                   |                   |
|              | Profit before tax as per account           | 169,343,500       | 217,005,550       |
|              | Accounting depreciation                    | 35,901,280        | 28,898,203        |
|              | Tax base depreciation                      | (142,724,283)     | (140,744,617)     |
|              | Non Operating Income                       | (625,680)         | (5,188,305)       |
|              | Taxable profit                             | <b>61,894,817</b> | <b>99,970,830</b> |
|              | Current Tax for Operating Income@ 22.5%    | 13,926,334        | 24,992,708        |
|              | Add: Tax on Non Operating Income @ 22.5%   | 140,778           | 1,815,907         |
|              |  | <b>14,067,112</b> | <b>26,808,614</b> |
| <b>24.00</b> | <b>Basic Earnings Per Share :</b>          |                   |                   |

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share, is the basic earning dividing by the weighted average number of ordinary shares outstanding at the end of the Period.

The composition of earnings per shares (EPS) is given below:

**Earnings Per Share (EPS)**

|  |             |             |
|--|-------------|-------------|
| Net profit for the year                                | 134,728,407 | 156,243,664 |
| Weighted Average number of ordinary shares outstanding | 113,737,140 | 113,737,140 |
| <b>Earnings Per Share (EPS)</b>                        | <b>1.18</b> | <b>1.37</b> |

**Weighted Average Number of Shares**

|  |        |                    |                    |
|--|--------|--------------------|--------------------|
| 73000000                                 | Shares | 73,000,000         | 73,000,000         |
| 20000000                                 | Shares | 20,000,000         | 20,000,000         |
| 93000000                                 | Shares | 9,300,000          | 9,300,000          |
| 9207000                                  | Shares | 9,207,000          | 9,207,000          |
| 2230140                                  | Shares | 2,230,140          | 2,230,140          |
| <b>Weighted Average Number of Shares</b> |        | <b>113,737,140</b> | <b>113,737,140</b> |





|              |  | Amounts in Taka    |                    |
|--------------|--|--------------------|--------------------|
|              |  | 30 June 2021       | 30 June 2020       |
| <b>27.00</b> | <b>Cash receipts from customers</b>  |                    |                    |
|              | Opening receivable   | 226,078,126        | 178,804,143        |
|              | Add: Sales during the year   | 782,239,281        | 866,097,783        |
|              | Less: Closing receivable   | (245,752,165)      | (226,078,126)      |
|              |  | <b>762,565,242</b> | <b>818,823,799</b> |
| <b>28.00</b> | <b>Cash receipts from others income</b>  |                    |                    |
|              | Misc. Sales  | 625,680            | 3,029,350          |
|              | FDR and Bank Interest  | -                  | 3,396,763          |
|              |  | <b>625,680</b>     | <b>6,426,113</b>   |
| <b>29.00</b> | <b>Cash payment to suppliers</b>   |                    |                    |
|              | Purchase (RM,spare,packing)  | 422,058,410        | 458,416,068        |
|              | Opening Accounts Payable   | 371,989            | 6,108,271          |
|              | Closing Accounts Payable   | (618,229)          | (371,989)          |
|              | Opening Advance goods  | (3,540,800)        | (3,200,672)        |
|              | Closing Advance goods  | 1,142,924          | 3,540,800          |
|              |  | <b>419,414,294</b> | <b>464,492,478</b> |
| <b>30.00</b> | <b>Cash Flow for Acquisition of property, plant and equipment</b>              |                    |                    |
|              | Property, Plant & Equipment addition during the year                           | 210,523,726        | 347,522,885        |
|              | <b>Less: Adjustment:</b>   | 76,286,214         | 113,033,161        |
|              | Closing Advance L/C Margin for Machinery                                       | -                  | 4,736,000.00       |
|              | Opening Advance L/C Margin for Machinery                                       | 4,736,000          | 27,908,618         |
|              | Opening WIP Machinery  | 65,050,214         | 67,266,943         |
|              | Closing Advance for Land   | (95,000,000)       | (95,000,000)       |
|              | Opening Advance for land   | 95,000,000         | 100,000,000        |
|              | Opening land Development   | -                  | 8,121,600          |
|              | Sale of Machinery  | 6,500,000          | -                  |
|              |  | <b>134,237,512</b> | <b>234,489,724</b> |
|              |  | <b>66,177,091</b>  | <b>65,050,214</b>  |
| <b>31.00</b> | <b>Paid for Work In Progress</b>   | -                  | <b>4,736,000</b>   |
| <b>32.00</b> | <b>Advance paid for L/C Margin Machinery</b>                                   | -                  | <b>4,736,000</b>   |
| <b>33.00</b> | <b>Reconciliation of Net Profit with cash flows from Operating Activities:</b> |                    |                    |
|              | <b>Profit before Tax</b>   | 169,343,500        | 217,005,550        |
|              | Add: Depreciation on property, plant and equipment                             | 35,901,280         | 28,898,203         |
|              |  | <b>205,244,780</b> | <b>245,903,753</b> |
|              | Add/(Less):  |                    |                    |
|              | Less: Increase in Trade & Other Receivables                                    | (19,674,039)       | (46,036,176)       |
|              | Less: Increase in Inventories  | (11,803,958)       | 12,577,379         |
|              | Add: Increase in Trade Payables  | 246,240            | (5,736,282)        |
|              | Add: Increase in Liabilities for Expenses                                      | 4,553,851          | 2,356,497          |
|              | Less: Decrease in Liability for contribution to W.P.P.F                        | (2,383,102)        | 1,811,360          |
|              | Add: Decrease in Advance, Deposit & Prepayments                                | 997,395            | 302,341            |
|              | Add/(Less): Capital Gain or Loss for Sale of Machinery                         | 767,863            | -                  |
|              | Add/(Less): Adjusted Deferred Tax for Tax Rate Change                          | (10,580,857)       | -                  |
|              | Less: Income Tax Paid  | (16,347,366)       | (35,648,753)       |
|              |  | <b>151,020,807</b> | <b>175,530,121</b> |

**34.00 Related parties disclosure:**  
**Key Management Personnel:**

As per Schedule-XI, part-II, Para 4 of the Companies Act, 1994, 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 and any other person:-

| No. | Particulars   | 30.06.2021 | 30.06.2020 |
|-----|---|------------|------------|
| (a) | Managerial Allowances paid or payable during the period to the directors, including managing directors, a managing agent or manager;  | 4,800,000  | 2,400,000  |
| (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 period; | 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;   | Nil | Nil |
| (h)   | Pensions etc.   | -   | -   |
| (i)   | Pensions;   | Nil | Nil |
| (ii)  | Gratuities;   | Nil | Nil |
| (iii) | Payments from a provident funds, in excess of own subscription and interest thereon;  | Nil | Nil |
| (iv)  | Compensation for loss of office;  | Nil | Nil |
| (v)   | Consideration in connection with retirement from office.  | Nil | Nil |
| (i)   | Share Based payments  | Nil | Nil |

**Related parties Transactions:**

The company carried out a number of transactions with related parties. The following are the related parties transactions of the Indo-Bangla Pharmaceuticals Ltd has been disclosed as required by IAS 24 Related Party Disclosures.

**(a) Remuneration**

| Name                   | Designation       | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2020-2021       | 2019-2020 |
| Mr. A.F.M Anowarul Huq | Managing Director | Remuneration          | 4,800,000       | 2,400,000 |

**(b) Board meeting fee**

| Name                   | Designation                   | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------------------|-----------------------|-----------------|-----------|
|                        |                               |                       | 2020-2021       | 2019-2020 |
| Mrs. Aziza Yeasmin     | Chairman                      | Board Meeting fee     | 85,000          | 50,000    |
| Mr. A.F.M Anowarul Huq | Managing Director             |                       | 85,000          | 50,000    |
| Mrs. Ayssha Siddika    | Director                      |                       | 80,000          | -         |
| Mrs. Hafiza Yeasmin    | Director                      |                       | -               | -         |
| Md. Amin-Ur-Rashid     | Director                      |                       | -               | 15,000    |
| Sayeda Huq             | Director                      |                       | 85,000          | 45,000    |
| Fatima Parvin          | Director                      |                       | 85,000          | 50,000    |
| Mst. Shanaj Akter      | Director                      |                       | -               | 15,000    |
| Mizanur Rahman         | Director                      |                       | 30,000          | 45,000    |
| Md. Golam Rabbani      | Director (Represented of ICB) |                       | 65,000          | 30,000    |
| Ifikhar Uz zaman       | Independent Director          |                       | 70,000          | -         |
| S.M. Harun Or Rashid   | Independent Director          |                       | 5,000           | 15,000    |
| Md. Monirujjaman       | Independent Director          |                       | 65,000          | 45,000    |
| Md. Firoz Khan         | Independent Director          |                       | -               | 10,000    |

**(c) Short Term Loan**

| Name                   | Designation       | Nature of Transaction | Amount in (BDT) |           |
|------------------------|-------------------|-----------------------|-----------------|-----------|
|                        |                   |                       | 2020-2021       | 2019-2020 |
| Mr. A.F.M Anowarul Huq | Managing Director | Temporary Loan        | 26,800,000      | -         |

**35.00 Production Capacity and Utilization**

| Item       | Unit        | Production Capacity |       | Actual Production |       | Capacity Utilization |      |
|------------|-------------|---------------------|-------|-------------------|-------|----------------------|------|
|            |             | 2021                | 2020  | 2021              | 2020  | 2021                 | 2020 |
| Tablet     | Million Pcs | 4,000               | 3,500 | 2,698             | 2,750 | 67%                  | 79%  |
| Capsule    | Million Pcs | 750                 | 735   | 497               | 550   | 66%                  | 75%  |
| Liquid/Phs | Million ML  | 350                 | 350   | 210               | 340   | 60%                  | 97%  |

**36.00 The requirements of schedule XI, Part II, note-5 Para 3, of the company Act.1994.**

| Employees   | 2021 | 2020 |
|---|------|------|
| Number of employees whose salary was below Tk. 3,000.00 | -    | -    |
| Number of employees whose salary was above Tk. 3,000.00 | 357  | 309  |

**37.00 Disclosure as per Schedule XI, Part – II, Para 8 of the companies Act, 1994.**

**a) Import of raw materials and packing materials on CIF basis are as follows:**

The company did not import any raw and packing materials at CIF price in 2021 and 2020. All purchase of raw materials by the company was at C&F price.

During the period 1st July 2020 to 30th June 2021 total Value of import in respect of raw materials stands equivalent USD **51,28,737** on CIF basis. Details are as follows:

| Particulars                 | Amount In BDT      |                    |
|-----------------------------|--------------------|--------------------|
|                             | 2021               | 2020               |
| Import of raw Materials     | 242,659,429        | 311,012,229        |
| Import of Packing Materials | 31,647,086         | -                  |
| Import of Capital goods     | 187,279,822        | 197,872,985        |
| <b>Total:</b>               | <b>461,586,337</b> | <b>508,885,214</b> |

b) The Company did not incur any expenditure in foreign currency during the financial year on account of royalty, Know-how, professional Consultation fees, Interest and other matters.

(c) The value of both imported and Indigenous raw materials, Spare parts, Packing materials and Consumption thereof are as follows;

**For the year 30 June 2021**

| <b>Raw Materials:</b>                           |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| Imported    | Indigenous  | Total       |
|-------------|-------------|-------------|
| 79,625,410  | 17,400,015  | 97,025,425  |
| 242,659,429 | 85,631,471  | 328,290,900 |
| 322,284,839 | 103,031,486 | 425,316,325 |
| 98,456,230  | 18,105,562  | 116,561,792 |
| 223,828,609 | 84,925,924  | 308,754,533 |
| 72.49%      | 27.51%      | 100%        |

| <b>Spare Parts</b>                              |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| Imported | Indigenous | Total      |
|----------|------------|------------|
| -        | 3,025,650  | 3,025,650  |
| -        | 15,525,640 | 15,525,640 |
| -        | 18,551,290 | 18,551,290 |
| -        | 2,956,350  | 2,956,350  |
| -        | 15,594,940 | 15,594,940 |
| 0.00%    | 100.00%    | 100.00%    |

| <b>Packing Materials</b>                        |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| Imported   | Indigenous | Total      |
|------------|------------|------------|
| -          | 14,495,865 | 14,495,865 |
| 31,647,086 | 39,918,264 | 71,565,350 |
| 31,647,086 | 54,414,129 | 86,061,215 |
| 8,325,680  | 2,600,691  | 10,926,371 |
| 23,321,406 | 51,813,438 | 75,134,844 |
| 31.04%     | 68.96%     | 100.00%    |

**For the year 30 June 2020**

| <b>Raw Materials:</b>                           |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| <b>Imported</b> | <b>Indigenous</b> | <b>Total</b> |
|-----------------|-------------------|--------------|
| 76,325,850      | 13,119,430        | 89,445,280   |
| 311,012,229     | 44,008,269        | 355,020,498  |
| 387,338,079     | 57,127,699        | 444,465,778  |
| 92,526,350      | 4,499,075         | 97,025,425   |
| 294,811,729     | 52,628,624        | 347,440,353  |
| 84.85%          | 15.15%            | 100%         |

| <b>Spare Parts</b>                              |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| <b>Imported</b> | <b>Indigenous</b> | <b>Total</b> |
|-----------------|-------------------|--------------|
| -               | 4,625,650         | 4,625,650    |
| -               | 16,250,320        | 16,250,320   |
| -               | 20,875,970        | 20,875,970   |
| -               | 3,025,650         | 3,025,650    |
| -               | 17,850,320        | 17,850,320   |
| 0.00%           | 100.00%           | 100.00%      |

| <b>Packing Materials</b>                        |
|---|
| Opening balance                                 |
| Add: Purchase during the year                   |
| Less: Closing balance                           |
| Consumption during the year                     |
| Percentage of total Consumption during the year |

| <b>Imported</b> | <b>Indigenous</b> | <b>Total</b> |
|-----------------|-------------------|--------------|
| -               | 11,525,450        | 11,525,450   |
| -               | 87,145,250        | 87,145,250   |
| -               | 98,670,700        | 98,670,700   |
| -               | 14,495,865        | 14,495,865   |
| -               | 84,174,835        | 84,174,835   |
| 0.00%           | 100.00%           | 100.00%      |

(d) No amount was remitted during the year in foreign currencies on account of dividend to non-residents shareholders. It is mentioned that the company does not have any non-resident shareholders.

(e) Earnings in foreign exchange classified under the following heads:

| <b>Heads</b>  | <b>30.06.2021</b> | <b>30.06.2020</b> |
|---|-------------------|-------------------|
| i. export of goods on FOB basis                           | Nil               | Nil               |
| ii. Royalty, know-how, professional and consultation fees | Nil               | Nil               |
| iii. Interest and dividend                                | Nil               | Nil               |
| iv. Other income  | Nil               | Nil               |
| Total:  | Nil               | Nil               |

**38.00 Impact of Covid 19 on Our Business:**

Worlds' most of the country have been badly affected by the Corona pandemic and Bangladesh is no exception to that, for which Economy and Companies all are affected at certain ranges whether that is significant or insignificant. Indo-Bangla Pharmaceuticals Limited also effected by COVID-19 pandemic since its outbreak, is mostly dependent on India and China for raw materials, with 80 per cent of Raw Materials coming from these two countries. We opened several L/C to import raw materials with different banks on regular basis, but the shipment was delayed and the import of raw materials remained suspended since the beginning of January this year a mid the outbreak of coronavirus thus the supply chain disrupted, production hampered as well as reduced sales by the ongoing coronavirus crisis, has triggered uncertainties of a shortage of raw materials.

**39.00 Events after the Reporting Period**

- The company acquired and registered 161.21 decimal land on 15 September 2021 at 2nd phase out of 1028 decimal land for which bayna deed was made earlier. The land is located at Mothajuri, Fulbaria, Kaliakoir, Gazipur.
- The Board of Directors at its board meeting held on 28 October 2021 recommended Cash 4% for all Shareholders excluding the Sponsors & Directors (including ICB) and Bonus 3% for all Shareholders excluding the Sponsors & Directors (Excluding ICB) of the paid up Capital for the year ended 30 June 2021. This dividend is subject to final approval by the shareholders at the forthcoming annual General Meeting (AGM) of the company.

#### 40.00 Financial Risk Management

The management of company has overall for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risk for its use of financial instruments.

Credit Risk  
Liquidity Risk  
Market Risk

##### Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's receivables. Management has a credit policy in place and exposure to credit risk monitored on an ongoing basis. As at 30 June 2021 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are nominal.

##### 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 (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligation through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

Trade and Other Payables (Notes: 14)  
**Total**

| Amounts in Taka |                |
|-----------------|----------------|
| 30-Jun-21       | 30-Jun-20      |
| 618,229         | 371,989        |
| <b>618,229</b>  | <b>371,989</b> |

##### Market Risk

Market risk is the risk that any changes in market prices such as foreign exchange rates and interest will affect the company's income or the value of its holdings financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

##### (a) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw materials, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

##### (b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rate risk. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

#### 41.00 Compensation of Key Management Personnel

During the period, Compensation of key management personnel in total has been set below in accordance with the provisions of IAS 24: Related Party Disclosures.

Short-term employee benefits\*  
Post-employment benefits  
Other long-term benefits  
Termination benefits  
Share-based payments  
**Total**

| Amounts in Taka  |                  |
|------------------|------------------|
| 30-Jun-21        | 30-Jun-20        |
| 4,800,000        | 2,400,000        |
| -                | -                |
| -                | -                |
| -                | -                |
| -                | -                |
| <b>4,800,000</b> | <b>2,400,000</b> |

\*Short-term employee benefits comprise of Directors' remuneration that has been fixed up by the BOD having regard to the performance of the individuals and market trends.

##### Significant Deviation

During the year Sales, net profit after tax, earning per share Decrease because 1.5 Month production and Marketing are all product and 8 (Eight) listed product Temporary ban order of DGDA Memo no: DGDA/ML-032/06/4616 Dated 7th March 2021.

**INDO-BANGLA PHARMACEUTICALS LTD.**

**Schedule of Property Plant & Equipment**

As at 30 June 2021

| Particulars                        | COST                     |                            |                            |                             | Rate | DEPRECIATION             |                            |                          | Written Down Value as on 30.06.2021 |
|------------------------------------|--------------------------|----------------------------|----------------------------|-----------------------------|------|--------------------------|----------------------------|--------------------------|-------------------------------------|
|                                    | Balance as on 01.07.2020 | Addition during the Period | Disposal during the period | Total Cost as at 30.06.2021 |      | Balance as on 01.07.2020 | Adjusted during the period | Charge during the period |                                     |
| Land & Land Development            | 91,387,613               | 2,117,000                  | -                          | 93,504,613                  | 0%   | -                        | -                          | -                        | 93,504,613                          |
| Building                           | 229,892,874              | 3,025,680                  | -                          | 232,918,554                 | 2.5% | -                        | 5,340,091                  | 22,133,596               | 210,784,958                         |
| Civil Works                        | 16,082,250               | -                          | -                          | 16,082,250                  | 5%   | -                        | 800,037                    | 881,550                  | 15,200,700                          |
| Machineries & Equipment            | 710,616,594              | 199,962,108                | 8,926,055                  | 901,652,647                 | 3%   | 1,658,192                | 22,961,221                 | 75,781,590               | 825,871,057                         |
| Micro biological Lab               | 19,074,415               | -                          | -                          | 19,074,415                  | 3%   | 686,576                  | 551,635                    | 1,238,211                | 17,836,204                          |
| Factory Air Condition              | 6,525,480                | -                          | -                          | 6,525,480                   | 10%  | 1,327,935                | 519,755                    | 1,847,690                | 4,677,791                           |
| Air Compressor                     | 2,325,900                | -                          | -                          | 2,325,900                   | 10%  | 135,678                  | 219,022                    | 354,700                  | 1,971,200                           |
| Generator                          | 10,603,229               | -                          | -                          | 10,603,229                  | 3%   | 741,607                  | 295,849                    | 1,037,456                | 9,565,773                           |
| Furniture & Fixture                | 12,430,754               | -                          | -                          | 12,430,754                  | 10%  | 3,353,860                | 907,689                    | 4,261,549                | 8,169,205                           |
| Office Equipment                   | 4,962,146                | -                          | -                          | 4,962,146                   | 10%  | 1,763,681                | 319,847                    | 2,083,528                | 2,878,619                           |
| SEP Decoration                     | 15,620,100               | -                          | -                          | 15,620,100                  | 10%  | 2,572,004                | 1,304,810                  | 3,876,814                | 11,743,286                          |
| Office Decoration                  | 5,932,150                | 79,000                     | -                          | 6,011,150                   | 10%  | 674,127                  | 526,461                    | 1,200,588                | 4,810,562                           |
| Computer                           | 639,990                  | 218,000                    | -                          | 857,990                     | 10%  | 153,718                  | 55,894                     | 209,612                  | 648,378                             |
| Air Condition                      | 354,170                  | -                          | -                          | 354,170                     | 10%  | 100,456                  | 25,371                     | 125,827                  | 228,343                             |
| Transport                          | 18,131,824               | 5,121,938                  | -                          | 23,253,762                  | 10%  | 2,555,914                | 1,813,688                  | 4,369,602                | 18,884,160                          |
| Water Plant                        | 2,512,960                | -                          | -                          | 2,512,960                   | 10%  | 1,066,179                | 144,678                    | 1,210,857                | 1,302,103                           |
| ETP Plant                          | 1,945,375                | -                          | -                          | 1,945,375                   | 10%  | 793,051                  | 115,232                    | 908,283                  | 1,037,092                           |
| <b>Balance as on 30 June, 2021</b> | <b>1,149,037,824</b>     | <b>210,523,726</b>         | <b>8,926,055</b>           | <b>1,350,635,495</b>        |      | <b>87,278,365</b>        | <b>1,658,192</b>           | <b>121,521,452</b>       | <b>1,229,114,043</b>                |
| <b>Balance as on 30 June, 2020</b> | <b>801,514,939</b>       | <b>347,522,885</b>         | <b>-</b>                   | <b>1,149,037,824</b>        |      | <b>58,380,161</b>        | <b>-</b>                   | <b>28,898,203</b>        | <b>1,061,759,460</b>                |

**Allocation of Depreciation**

Factory 30,947,520

Administration 4,953,759

**35,901,279**

**INDO-BANGLA PHARMACEUTICALS LTD.**  
**Schedule of Property Plant & Equipment**

As at 30 June 2020

Annexure-A

| Particulars                       | COST                     |                            |                            | Rate                 | DEPRECIATION                |                            |                          | Written Down Value as on 30.06.2020 |
|-----------------------------------|--------------------------|----------------------------|----------------------------|----------------------|-----------------------------|----------------------------|--------------------------|-------------------------------------|
|                                   | Balance as on 01.07.2019 | Addition during the Period | Disposal during the period |                      | Total Cost as at 30.06.2020 | Adjusted during the period | Charge during the period |                                     |
| Land & Land Development           | 45,487,485               | 45,900,128                 | -                          | 91,387,613           | 0%                          | -                          | -                        | 91,387,613                          |
| Building                          | 190,766,572              | 39,126,302                 | -                          | 229,892,874          | 2.5%                        | -                          | 4,962,467                | 213,099,369                         |
| Civil Works                       | -                        | 16,082,250                 | -                          | 16,082,250           | 5%                          | -                          | 81,513                   | 16,000,737                          |
| Machineries & Equipment           | 496,751,459              | 213,865,135                | -                          | 710,616,594          | 3%                          | -                          | 17,976,300               | 656,138,033                         |
| Micro biological Lab              | 11,548,735               | 7,525,680                  | -                          | 19,074,415           | 3%                          | -                          | 355,339                  | 18,387,839                          |
| Factory Air Condition             | 6,525,480                | -                          | -                          | 6,525,480            | 10%                         | -                          | 577,505                  | 5,197,545                           |
| Air Compressor                    | -                        | 2,325,900                  | -                          | 2,325,900            | 10%                         | -                          | 135,678                  | 2,190,223                           |
| Generator                         | 4,352,879                | 6,250,350                  | -                          | 10,603,229           | 3%                          | -                          | 240,562                  | 9,861,622                           |
| Furniture & Fixture               | 9,900,194                | 2,530,560                  | -                          | 12,430,754           | 10%                         | -                          | 821,095                  | 9,076,894                           |
| Office Equipment                  | 4,962,146                | -                          | -                          | 4,962,146            | 10%                         | -                          | 355,385                  | 3,198,465                           |
| SEP Decoration                    | 12,054,850               | 3,565,250                  | -                          | 15,620,100           | 10%                         | -                          | 1,185,696                | 13,048,096                          |
| Office Decoration                 | 2,106,500                | 3,825,650                  | -                          | 5,932,150            | 10%                         | -                          | 407,111                  | 5,258,023                           |
| Computer                          | 639,990                  | -                          | -                          | 639,990              | 10%                         | -                          | 54,030                   | 486,272                             |
| Air Condition                     | 354,170                  | -                          | -                          | 354,170              | 10%                         | -                          | 28,190                   | 253,714                             |
| Transport                         | 11,606,144               | 6,525,680                  | -                          | 18,131,824           | 10%                         | -                          | 1,428,542                | 15,575,910                          |
| Water Plant                       | 2,512,960                | -                          | -                          | 2,512,960            | 10%                         | -                          | 160,753                  | 1,446,781                           |
| ETP Plant                         | 1,945,375                | -                          | -                          | 1,945,375            | 10%                         | -                          | 128,036                  | 1,152,324                           |
| <b>Balance as on 30 June,2020</b> | <b>801,514,939</b>       | <b>347,522,885</b>         | <b>-</b>                   | <b>1,149,037,824</b> |                             | <b>-</b>                   | <b>28,898,203</b>        | <b>1,061,759,460</b>                |
| <b>Balance as on 30 June,2019</b> | <b>686,464,201</b>       | <b>126,821,731</b>         | <b>11,770,992</b>          | <b>801,514,939</b>   |                             | <b>1,584,685</b>           | <b>21,974,546</b>        | <b>743,134,778</b>                  |

**Allocation of Depreciation**

|                |                   |
|----------------|-------------------|
| Factory        | 24,618,153        |
| Administration | 4,280,050         |
|                | <b>28,898,203</b> |