

INDO-BANGLA PHARMACEUTICALS LIMITED

Auditor's Report

&

Financial Statements

For the year ended 30th June, 2023



শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF INDO-BANGLA PHARMACEUTICALS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Indo-Bangla Pharmaceuticals Limited** (the "Company"), which comprise the Statement of Financial Position as at **30 June 2023** and 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 and other explanatory information.

In our opinion, Except for the effects of the matters describe in the basis of qualified opinion section of our report the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at **30 June 2023** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) the company act 1994 and security exchange rules 2020 and other applicable laws and regulations.

Basis for Opinion

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

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of key audit matters	Our response to key audit matters
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE amounted to BDT 1,315,423,346 as at 30 June 2023. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none">We reviewed the opening balances of PPE which was audited by FAMES & R Chartered Accountants and we assessed the addition during the year under our audit, checked the related accounting treatment and associated deferred tax as recognized by the company.We inspected a sample of invoices documents to determine whether the classification between capital and operating expenditure was appropriate;

period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets:

- We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market price;
- We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the classification from capital in progress to ready for use, with the date of the act of completion of the work.
- We performed physical asset verification at the year end, observed procedures of asset acquisition, depreciation and disposal and finally assessed the appropriateness and presentation of disclosures as per relevant accounting standards.

[See note number 3.00 for details]

Valuation of Inventory

The Company had inventory of BDT 178,611,529 at 30th June 2023 which includes Finished Goods, Raw Materials, Packing Materials, Spare Parts and Work in Process etc.

Inventory value is measured as follows:

Inventories are stated at the lower of cost and net realizable value in accordance with IAS-2 'Inventories'. As result, the management apply judgment in determining the appropriate values for value in use, work-in-progress, values for slow moving or obsolete items and need to apply impairment provision.

While excess holding of inventories could impact level of inventories can result in stock outs or irregular supply to the market.

We verified the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

- We evaluated the design and implementation of key inventory controls operating across the company's factory and warehouse;
- We challenged the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow-moving/obsolete stock are valid and complete.
- We reviewed the historical accuracy of inventory provisioning and the level of inventory write-offs during the year;
- We attended inventory counts and reconciling the count results to the inventory listing to test the completeness of data;
- We compared the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete;
- We discussed with management about their sales forecasting procedures and ordering of inventories, and inquired about remedial action taken in case of excess or shortage of inventories due to difference in forecast and actual results.

[See note number 5.00 for details]



Measurement of Deferred Tax Liabilities

The Company reported net deferred tax liabilities to totaling BDT as at 129,144,490 Significant judgments is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the company over the recognition and measurement and the assumptions used in estimating the future taxable income.
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.
- We involved our tax expertise to assess key assumptions, controls, recognition and measurement of Taxes.
- Finally, assessed the appropriateness and presentation of disclosure against IAS 12 Income Tax.

[See note number 11.00 for details]

Revenue Recognition

At year end the Company reported total revenue of BDT 374,482,590 Revenue is measured net of discounts, incentives and rebates earned by customers on the Company's sales.

Within a number of the Company's markets, the estimation of discounts, incentives and rebates recognized based on sales made during the year is material and considered to be complex and judgmental. Therefore, there is a risk of revenue being misstated as a result of faulty estimations over discounts, incentives and rebates.

There is also a risk that revenue may be overstated due to fraud through manipulation of the discounts, incentives and rebates recognized resulting from the pressure of local management may feel to achieve performance targets.

We have tested the design and operating effectiveness of key controls focusing on the following:

- Calculation of discounts, incentives and rebates;
- Segregation of duties in invoice creation and modification; and
- Timing of revenue recognition.

Our substantive procedures in relation to the revenue recognition comprises the following:

- Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period;
- Within a number of the Company's markets, comparing current year rebate accruals to the prior year and, where relevant, completing further inquiries and testing.
- Agreeing a sample of claims and rebate accruals to supporting documentation;
- Critically assessing manual journals posted to revenue to identify unusual or irregular items; and
- Finally assessed the appropriateness and presentation of disclosure against relevant accounting standards.

[See note number 18.00 for details]



Employee Benefits

<p>(a) Short-term employee benefits, such as the following, if expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services:</p> <ul style="list-style-type: none">(i) wages, salaries and social security contributions;(ii) paid annual leave and paid sick leave;(iii) profit sharing and bonuses; and(iv) non-monetary benefits (such as medical care, housing, cars and free of subsidized goods or services) for current employees;	<p>The objectives of this standard are to prescribe the accounting and disclosure for employee benefits. The standard requires an entity to recognize;</p> <ul style="list-style-type: none">(a) a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and(b) An expense when the entity consumes the economic benefit arising from service provided by an employee in exchange for employee benefits.(c) The company has no any other long-term employee benefits, such as following:<ul style="list-style-type: none">(i) long-term paid absences such as long-service leave or sabbatical leave;(ii) jubilee or other long-service benefits; and(iii) long-term disability benefits; and(d) Termination benefits
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WPPF and Welfare Fund.

<p>The company makes a Regular allocation of 5 % (of 1,228,635 tk.) on Net Profit Before Charging such expenses to this fund as per provisions of labor laws-2006 and which is a material item to the financial statements.</p> <p>There is a significant risk regarding payment to the Government fund and Labor welfare fund of the amounts and misstatement of the items. As such, management is required to make judgments in determining whether WPPF and Welfare Fund are being appropriately transferred and also need to make provision for aged WPPF and Welfare Fund, if required.</p>	<ul style="list-style-type: none">• Tested the operating effectiveness of key controls over WPPF and Welfare Fund.• Being a part of auditor's responsibility as regarding external confirmation, we requested for external confirmation.• Tested on a sample basis the value disclosed according to the reply obtained.• Assessed whether appropriate provisions have been recognized for aged WPPF and Welfare Fund, if required and evaluating management's basis for determining the refundable. <p>Please refer to note 14.00 to the financial statements.</p>
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Appropriateness of implication of leases and disclosure on the impact of the initial application of IFRS 16.

<p>The company currently has low value lease agreements at of its offices. The leases are short term leases. Resultantly the leases are not treated as right-of-use assets. As such the effect of IFRS 16 is very immaterial compared to the volume of whole financial statements.</p>	<p>With regard to the impact of the initial application of IFRS 16 from the financial year 2023 onward, we assessed the impact determined after the implementation of the new standard. Our audit approach included, among other items.</p> <p>Please refer to the note 20.00 to financial statements.</p>
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Other information

Management is responsible for the other information. The other information comprises all of 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 auditors' 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) the companies act 1994, the security exchange rules 2020 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 International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that 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 company's financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have not come across any other key audit issue for the year under audit, and as such nothing is reportable.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules 2020, 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.



Sheikh Zahidul Islam, FCA, MBA
Partner
Enrolment No-1394
Shafiq Basak & Co.
Chartered Accountants
DVC: 2311021394AS940986

Date: October 28, 2023
Place: Dhaka



INDO-BANGLA PHARMACEUTICALS LTD
STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

Particulars	Notes	Amounts in Taka		
		30-Jun-23	30-Jun-22	1st July,2022 (Re- Stated)
ASSETS:				
Non-current Assets:		1,344,573,299	1,354,903,129	1,354,903,129
Property, Plant and Equipment	3.00	1,315,423,346	1,331,343,626	1,331,343,626
Capital Work In Progress	4.00	29,149,953	23,559,503	23,559,503
Current Assets:		531,196,611	538,891,584	538,891,584
Inventories	5.00	178,611,529	181,085,873	181,085,873
Trade & Other Receivables	6.00	223,651,430	213,933,121	218,933,121
Advance, Deposits and Prepayments	7.00	117,629,867	110,181,070	110,181,070
Cash and Cash equivalents	8.00	11,303,785	33,691,519	28,691,519
TOTAL ASSETS		1,875,769,910	1,893,794,713	1,893,794,713
EQUITY AND LIABILITIES				
Shareholders' Equity:		1,621,822,173	1,625,035,557	1,625,035,557
Share Capital	9.00	1,162,051,780	1,162,051,780	1,162,051,780
Retained Earnings	10.00	459,770,393	462,983,777	462,983,777
NON-CURRENT LIABILITIES		129,144,490	114,560,897	114,560,897
Deferred Tax Liability	11.00	129,144,490	114,560,897	114,560,897
Current Liabilities:		124,803,247	154,198,259	154,198,259
Short Term Loan	12.00	43,610,000	75,357,000	75,357,000
Unclaimed Dividend:	13.00	15,099,614	13,880,231	13,880,231
Provision for WPPF	14.00	1,228,635	1,586,028	1,586,028
Trade Payables	15.00	832,555	926,961	926,961
Provision for Taxes	16.00	52,459,325	50,877,345	50,877,345
Liabilities for Expenses	17.00	11,573,118	11,570,694	11,570,694
Total Liabilities :		253,947,737	268,759,157	268,759,157
TOTAL OWNER'S EQUITY AND LIABILITIES		1,875,769,910	1,893,794,713	1,893,794,713
Net Asset Value (NAV) Per Share	26.00	13.96	13.98	13.98

The annexed notes form an integral part of the financial statements.


Chief Financial Officer



Company Secretary


Director


Managing Director

Signed as per our separate report on same date.

Place: Dhaka
Date: October 28 , 2023


Sheikh Zahidul Islam FCA, MBA.
Partner
Enrolment No-1394
Shafiq Basak & Co.
Chartered Accountants
DVC: 2311021394AS940986




INDO-BANGLA PHARMACEUTICALS LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June, 2023

Particulars	Notes	Amount In BDT	
		30-Jun-23	30-Jun-22
Net Sales Revenue	18.00	374,482,590	484,679,693
Less: Cost of Sales	19.00	277,919,331	337,751,759
Gross Profit		96,563,258	146,927,934
Less: Operating Expenses:		71,882,165	114,424,523
Administrative Expenses	20.00	37,412,685	51,352,257
Financial Expenses	21.00	5,231,224	4,881,097
Selling & Distributing Expenses	22.00	29,238,255	58,191,169
Profit from Operations		24,681,093	32,503,411
Add: Non Operating Income:	23.00	1,120,250	803,180
Profit before Contribution to WPPF & Welfare Fund		25,801,343	33,306,591
Less: Contribution to WPPF & Welfare Fund	14.00	1,228,635	1,586,028
Profit before Tax		24,572,708	31,720,563
Less: Income Tax Expenses:		16,165,573	6,546,530
Current Tax	24.00	1,581,980	160,636
Deferred Tax	11.00	14,583,593	6,385,894
Net Profit for the year		8,407,134	25,174,033
Earnings per share (EPS)	25.00	0.07	0.22

The annexed notes form an integral part of the financial statements.


Chief Financial Officer


Company Secretary


Director


Managing Director

Signed as per our separate report on same date.



Sheikh Zahidul Islam FCA, MBA.

Partner

Enrolment No-1394

Shafiq Basak & Co.

Chartered Accountants

DVC: 2311021394AS940986

Dated: Dhaka
Date: October 28, 2023



INDO-BANGLA PHARMACEUTICALS LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01-07-2022	1,162,051,780	462,983,777	1,625,035,557
Issue of share Capital (Bonus)	-	-	-
Cash Dividend	-	(11,620,518)	(11,620,518)
Net Profit for the period	-	8,407,134	8,407,134
Balance as at 30-06-2023	1,162,051,780	459,770,393	1,621,822,173


INDO-BANGLA PHARMACEUTICALS LTD

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2022

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as at 01-07-2021	1,137,371,400	488,046,975	1,625,418,375
Issue of share Capital (Bonus)	24,680,380	(24,680,380)	-
Cash Dividend	-	(25,556,851)	(25,556,851)
Net Profit for the period	-	25,174,033	25,174,033
Balance as at 30-06-2022	1,162,051,780	462,983,777	1,625,035,557


Chief Financial Officer


Company Secretary


Director


Managing Director

Place: Dhaka

Date: October 28 , 2023



INDO-BANGLA PHARMACEUTICALS LTD
STATEMENT OF CASH FLOWS
For the year ended 30 June, 2023

Particulars	Notes	Amount in Taka		
		30-Jun-23	30-Jun-22	1st July,2022 (Re- Stated)
Cash Flows from Operating Activities				
Cash receipts from customers	28.00	369,764,281	516,498,737	511,498,737
Cash receipts from others income	29.00	420,250	803,180	803,180
Cash payment to Suppliers	30.00	(199,559,994)	(268,042,206)	(268,042,206)
Cash payment to Employees		(47,132,814)	(69,797,462)	(69,797,462)
Cash payment to Others		(44,222,797)	(73,460,840)	(73,460,840)
Cash Generate from operation		79,268,926	106,001,409	101,001,409
Cash payment against income Tax		(6,319,403)	(13,716,871)	(13,716,871)
Net Cash generated from Operating Activities	33.00	72,949,523	92,284,538	87,284,538
Cash Flow from Investing Activities				
Acquisition of property, plant and equipment		(6,941,500)	(16,122,530)	(16,122,530)
Receive from Sale of land		2,700,000	-	-
Paid for Capital Work In Progress		(23,090,450)	(23,559,503)	(23,559,503)
Paid for land (BSCIC Barisal)		(16,135,000)	(14,500,000)	(14,500,000)
Net Cash used in Investing Activities		(43,466,950)	(54,182,033)	(54,182,033)
Cash Flows from Financing Activities				
Short Term Loan		(31,747,000)	(9,586,000)	(9,586,000)
Paid for Interest on Loan		(4,722,171)	(5,628,155)	(5,628,155)
Paid for Dividend Previous Year		(1,546,841)	(1,158,509)	(1,158,509)
Paid for Dividend 2022		(8,854,295)	(23,627,825)	(23,627,825)
Net Cash Used in Financing Activities		(46,870,307)	(40,000,489)	(40,000,489)
Net increase/(Decrease) in Cash and Cash equivalents		(17,387,735)	(1,897,984)	(6,897,983)
Cash and Cash Equivalents at beginning of the period		28,691,519	35,589,502	35,589,502
Cash and Cash Equivalents on Dividend Accounts		-	-	-
Cash and Cash Equivalent at end of the Period		11,303,785	33,691,519	28,691,519
Net Operating Cash Flows Per Share (NOCFPS)		0.63	0.79	0.75


Chief Financial Officer


Company Secretary


Director


Managing Director

Place: Dhaka
Date: October 28 , 2023



INDO-BANGLA PHARMACEUTICALS LTD.
Notes to the Financial Statements and other explanatory information.
As at and for the year ended June 30, 2023

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.1,162,051,780 divided into 116,205,178 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 (7th 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 (IAS), International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 2020 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, 2022 to June 30, 2023.

2.05 Components of the Financial Statements

According to IFRS-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, 2023;
- b) Statement of Profit or Loss and other Comprehensive Income for the period from 1st July 2022 to 30th June, 2023;
- c) Statement of Changes in Equity for the year ended June 30, 2023;
- d) Statement of Cash Flows for the year ended June 30, 2023; and
- e) Notes comprising a summary of significant accounting policies and other explanatory information.



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 Equipment
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	Lease;

2.10 Property, Plant and Equipment

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 Equipment". 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 equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its 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 Equipment 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 th June 2023	As at 30 th June 2022
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%
Sub-Station (electricity) 630 KVA	10%	-
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 with 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
- 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
- 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 @ 20%.

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-32 "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, 2023.

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 Re-arrangement

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

Re-Statement

In finalizing the financial statements for the year ended June 30, 2023 some figures of previous year were restated to confirm the provisions of IAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors". During the year the following accounting errors has been rectified in compliance with IAS -8:

2.24 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.

2.25 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.

2.26 IFRS 16: Leases introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 1 January 2019, but also with permission for early adoption.

2.27 General

The figure has been rounded off to the nearest taka.



Indo-Bangla Pharmaceuticals Ltd.
Notes to the Financial Statements
As at and for the year ended 30 June 2023

Particulars	Amount in Taka	
	30 June'2023	30 June'2022
3.00 Property, Plant and Equipment		
(A) At Cost		
Opening balance	1,491,995,116	1,350,635,495
Add: Addition during the Period	24,441,500	141,359,621
Less: Disposal during the Period	(2,000,000)	-
Total	1,514,436,616	1,491,995,116
(B) Accumulated Depreciation		
Opening balance	160,651,490	121,521,452
Add: Depreciation Charged for the period	38,361,780	39,130,038
Less: Adjusted during the period	-	-
Total :	199,013,270	160,651,490
WDV as on 30.06.2023 (a-b)	1,315,423,346	1,331,343,626
4.00 Capital Work In Progress		
A. Machineries & Equipment:		
Opening Balance	17,500,000	66,177,091
Add: Addition during the year	24,090,450	18,358,250
Less: Transfer to Fixed Assets	(18,500,000)	(67,035,341)
Closing Plant & Machinery	23,090,450	17,500,000
B.Civil Works:		
Opening balance	6,059,503	-
Add: Addition during the year (BSCIC Plot)	-	6,059,503
	6,059,503	6,059,503
Total (A+B)	29,149,953	23,559,503
5.00 Inventories :		
Raw Material	61,310,515	73,228,004
Finished Goods	95,907,530	87,442,427
Work - in - Process	2,031,250	2,191,000
Maintenance of Machine & Consumable Items	625,420	752,450
Packing Materials	18,736,814	11,047,592
Store-In-Transit	-	6,424,400
	178,611,529	181,085,873



Particulars	Amount in Taka	
	30 June'2023	30 June'2022

6.00 Trade & Others Receivable:

A. Trade Receivable

Opening balance

Add: Sales during the period

Total

Less:Recovery

218,933,121	245,752,165
374,482,590	484,679,693
593,415,711	730,431,858
369,764,281	511,498,737
223,651,430	218,933,121

Ageing of Accounts Receivable

More than six months

Less than six month

223,651,430	218,933,121
223,651,430	218,933,121

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:

-	-
223,651,430	218,933,121
-	-
-	-
-	-
223,651,430	218,933,121

7.00 Advance, deposit and prepayments:

This consists of the following;

Advance

Advance Income Tax

Advance to Employees

Advance to others

43,847,105	37,527,702
2,365,500	2,545,650
71,417,262	70,107,718
117,629,867	110,181,070

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



Particulars	Amount in Taka	
	30 June'2023	30 June'2022
Advance, Deposit and pre-payments considered good and fully secured;	117,629,867	110,181,070
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.	-	-
	117,629,867	110,181,070

7.01 Advance Tax paid

Opening	37,527,702	23,810,831
Add: Advance Tax Paid Assessment year 2020-21	500,000	6,000,000
Add: Advance Tax paid during the year	5,819,403	7,716,871
Advance Tax paid for Assessment year 2018-2019	-	-
	43,847,105	37,527,702

7.02 Advance to Others

Goods and services	4,236,435	1,962,697
Tour	265,350	250,000
Office Rent	300,000	300,000
Land (Gazipur)	35,940,000	35,940,000
Land (BSCIC Barisal)	30,635,000	14,500,000
L/C Margin for Raw-materials	-	17,133,122
Prepaid Insurance	39,867	19,933
VAT current account	610	1,966
	71,417,262	70,107,718

8.00 Cash and Cash equivalents:

Cash in Hand	9,345,065	14,270,413
Cash at Bank	1,922,006	540,875
Cash at Dividend Bank Accounts	36,714	13,880,231
	11,303,785	28,691,519



Particulars	Amount in Taka	
	30 June'2023	30 June'2022
8.01 Cash at Bank	1,922,006	540,875
Pubali Bank Ltd. Barishal Sadar Branch A/C 54490	3,651	59,148
Sonali Bank Ltd. Barishal Corporate Branch A/C. 3953	61,141	34,759
Islami Bank Bangladesh Ltd. Barishal Branch A/C no.10807	-	18,127
Dutch-Bangla Bank Ltd. Barisal Branch A/C 1271100014683	19,377	20,184
Dutch-Bangla Bank Ltd. Bashundhara 1471100016286	166,126	215,436
City bank A/C no. 3102631598001	-	146
First Security Islami Bank Ltd. Bashundhara Br. A/C 302	1,376,186	156,160
First Security Islami Bank Ltd. Bashundhara Br. A/C 315	262,526	5,645
Social Bank Ltd.	1,849	-
Eastern Bank Ltd Principal Branch A/C 1011360459420	31,150	31,270
Dividend Account	36,714	13,880,231
First Security Islami Bank Ltd. A/C 0177-31-0040	21,742	11,951,206
First Security Islami Bank Ltd. A/C 0177-31-0046	14,972	1,929,026
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	730,000,000	730,000,000
20,000,000 Shares issued for IPO in 2018	200,000,000	200,000,000
9,300,000 Bonus Shares issued in 2018	93,000,000	93,000,000
9,207,000 Bonus Shares issued in 2019	92,070,000	92,070,000
2,230,140 Bonus Shares issued in 2020	22,301,400	22,301,400
2,468,038 Bonus Shares issued in 2021	24,680,380	24,680,380
116,205,178 Ordinary Shares of Tk. 10 each fully paid up.	1,162,051,780	1,162,051,780
10.00 Retained Earnings:		
Opening balance	462,983,777	488,046,975
Add :Net Profit for the year	8,407,134	25,174,033
Less: Transfer to Share capital	-	24,680,380
Less: Cash Dividend	11,620,518	25,556,851
	459,770,393	462,983,777
11.00 Deferred Tax Liability:		
Carrying Value of Property, Plant & Equipment (Annexure-A)	1,315,423,345	1,331,343,626
As Tax Base	669,700,894	758,539,139
Temporary Difference	645,722,451	572,804,487
Deferred Tax Liabilities @20%	129,144,490	114,560,897
Less: Opening Deferred Tax Liability	114,560,897	108,175,003
Deferred Tax Liability/Expenses (Income)	14,583,593	6,385,894



Particulars	Amount in Taka	
	30 June'2023	30 June'2022
12.00 Short Term Loan:		
Bai Murabaha (Hypo)	20,000,000	20,000,000
Bai Murabaha (LTR)	23,610,000	28,557,000
Temporary Loan	-	26,800,000
Total:	43,610,000	75,357,000
13.00 Unclaimed Dividend:		
Dividend payable for the year 2018-2019	2,632,693	2,693,932
Dividend payable for the year 2019-2020	8,671,594	9,257,274
Dividend payable for the year 2020-2021	1,029,103	1,929,026
Dividend payable for the year 2021-2022	2,766,224	-
	15,099,614	13,880,231
14.00 Provision for WPPF:		
Opening WPPF	1,586,028	8,467,175
Add: Addition during the year	1,228,635	1,586,028
Less: Transfer to WPPF Bank Accounts	(1,586,028)	(8,467,175)
Total:	1,228,635	1,586,028
Profit before contribution for WPPF	25,801,343	33,306,591
Provision for contribution @5% Profit After WPPF(For the year)	1,228,635	1,586,028
15.00 Trade Payables		
Opening balance;	926,961	618,229
Add: Purchase during the year	220,749,372	267,123,062
Total:	221,676,333	267,741,291
Less: Adjustment during the year	220,843,778	266,814,331
Closing balance	832,555	926,961
16.00 Provision for Taxes		
This has been arrived as at under;		
Balance b/d	50,877,345	50,716,709
Add : Provision during the year	1,581,980	160,636
	52,459,325	50,877,345
17.00 Liabilities for Expenses :		
Telephone Bill	347	347
Electricity Bill	329,941	321,464
Directors Remuneration	400,000	400,000
Salary & Wages	2,743,072	3,258,178
Greatuty	5,503,385	5,503,385
Interest on Short Term Loan	1,253,925	744,872
Audit Fees	287,500	287,500
Others	1,054,948	1,054,948
	11,573,118	11,570,694



Particulars	Amount in BDT	
	30 June 2023	30 June 2022
18.00 Net Sales Revenue:		
Gross Sales Sales	430,654,978	557,381,647
Less: VAT @ 15%	56,172,388	72,701,954
Net Sales revenue	374,482,590	484,679,693
19.00 Cost of Sales :		
Raw Material Consumed	177,157,243	230,856,365
Add: Work in process (Opening)	2,191,000	7,822,000
Less: Work in Process (Closing)	2,031,250	2,191,000
Total Consumption	177,316,993	236,487,365
Add: Manufacturing Overhead	62,811,607	72,542,119
Add: Direct expenses	47,179,394	62,009,304
Cost of Production	287,307,994	371,038,788
Add: Finished Goods (Opening balance)	87,442,427	57,150,657
Finished Goods Available	374,750,421	428,189,445
Less: Finished Goods (Closing)	95,907,530	87,442,427
Less: Sample Costs	923,560	2,995,260
Cost of Sales:	277,919,331	337,751,759
19.01 Material Consumed :		
Opening balance	73,228,004	116,561,792
Add: Material Purchased	165,239,754	197,571,077
Import	137,482,055	163,826,705
Local	27,757,699	33,744,372
Less: Closing Materials	61,310,515	73,228,004
Expire date over destroyed Raw Materials	-	10,048,500
Total	177,157,243	230,856,365
19.02 Manufacturing Overhead:		
Salary & Wages	13,153,195	16,794,942
Cork & Cap	1,032,150	1,452,650
Carton & Label	1,525,630	2,456,240
Hand Glove, Tape, Gum Etc	167,250	185,230
Quality Control Expenses	-	635,320
Accessories	1,546,250	2,054,750
Apron & Uniform	325,680	618,580
Carriage Inward	941,537	821,450
Water bill	6,820	8,020
Washing Expenses	9,486	7,860
Maintenance of Machine & Consumable Iter Notes 19.02.01	1,855,812	4,662,680
Electricity Bill Factory	3,913,369	3,835,062
Staff Fooding	3,036,526	3,568,671
Fuel & Oil for Generator	544,400	-
Maintenance of Factory Building	667,269	946,528
Insurance Expense	219,266	244,184
Depreciation (Annexure-A)	33,866,967	34,249,952
Total	62,811,607	72,542,119



Particulars	Amount in BDT	
	30 June 2023	30 June 2022
19.02.1 Maintenance of Machine & Consumable Items		
Opening balance	752,450	2,956,350
Purchase during the period	1,728,782	2,458,780
Closing balance	(625,420)	(752,450)
Consumption	1,855,812	4,662,680
19.03 Direct expenses :		
Delivery Charges	675,245	552,520
Packing Materials	46,091,614	60,547,584
Medical Bag Expenses	412,535	405,250
Cost of Literature	-	102,320
Remission Settlement	-	401,630
Total	47,179,394	62,009,304
19.03.1 Packing Materials		
Opening balance	11,047,592	10,926,371
Purchase during the period	53,780,836	60,668,805
Less: Packing Materials(Closing balance)	(18,736,814)	(11,047,592)
Consumption	46,091,614	60,547,584
20.00 Administrative Expenses		
Salary & allowance	16,992,923	17,884,113
Director Remuneration	4,800,000	4,800,000
Board Meeting Fee	450,000	460,000
Travelling & Conveyance	699,671	1,203,520
Entertainment for Drugs, Legal Expenses & Others	1,440,725	1,203,680
Entertainment for Office	405,995	-
Greatuty	-	1,782,462
Staff Fooding	811,200	875,650
Office Rent	759,000	690,000
Printing & Stationery	832,650	1,252,630
News Paper & Megazine	116,640	120,530
Post & Telegram	320,655	352,450
License & Legal Fee	189,049	141,738
Telephone & Mobile Bill	252,000	282,987
Internet Bill	120,000	129,500
Audit Fee	287,500	287,500
Company Secretarial, Regulatory Fee and AGM Expenses	1,691,478	1,701,398
Electricity Bill & others charge	221,540	179,586
Maintenance of Transport	925,000	712,560
Securities service	-	720,150
Fuel & Oil	303,428	473,678
Bank Charge	349,868	276,979
Others expenses	948,550	892,560
Expire date over destroyed Raw Materials	-	10,048,500
Depreciation (Annexure-A)	4,494,813	4,880,086
Total	37,412,685	51,352,257



Particulars	Amount in BDT	
	30 June 2023	30 June 2022
21.00 Financial expenses		
Interest On Bai Murabaha (Hypo)	2,010,766	2,325,997
Interest On Bai Murabaha (LTR)	3,220,458	2,555,100
Total:	5,231,224	4,881,097
22.00 Selling & Distributing Expenses		
Salary & allowance(Including Depot Staff)	7,782,571	12,946,792
Incentive Bonus	330,000	2,064,142
Dealer's Commission	14,400,000	-
TA & DA of Field Staff/ Tour & Travelling	423,120	939,356
Carriage Outward/ Fuel & oil	1,395,764	1,455,680
Packing Materials-Selling & Distribution	1,525,360	2,126,344
Sales Promotion	350,000	2,010,230
Training & seminar Expenses	152,350	2,015,420
Depot Rent	690,000	690,000
Garage Rent	30,000	-
Entertainment for Conference	250,000	1,395,420
Gift & Presentation(Promotional Materials)	420,530	2,175,155
Sample expense	923,560	2,995,260
Condition & Bank Charge (Sales)	-	435,554
Breakage & Expire date over destroyed.	-	25,575,384
Travelling & Conveyance/ Deport Delivery	565,000	1,366,432
	29,238,255	58,191,169
23.00 Non Operating Income:		
Misc Sales	420,250	803,180
Profit/(Loss) on Sale of Fixed Assets	700,000	-
	1,120,250	803,180
24.00 Current Tax:		
Profit before tax as per account	24,572,708	31,720,563
Accounting depreciation	38,361,780	39,130,038
Tax base depreciation	(111,279,745)	(131,156,734)
Non Operating Income	(420,250)	(803,180)
Taxable profit	(48,765,507)	(61,109,312)
Current Tax@0.4% on Turnover Minimum Tax	1,497,930	-
Add: Tax on Non Operating Income @ 20%	84,050	160,636
	1,581,980	160,636
25.00 Basic Earnings Per Share :		
Net profit for the year	8,407,134	25,174,033
Weighted Average number of ordinary shares outstanding	116,205,178	116,205,178
Earnings Per Share (EPS)	0.07	0.22



Particulars	Amount in BDT	
	30 June 2023	30 June 2022
Weighted Average Number of Shares		
73000000 Shares	# 73,000,000	73,000,000
20000000 Shares	# 20,000,000	20,000,000
9300000 Shares	# 9,300,000	9,300,000
9207000 Shares	# 9,207,000	9,207,000
2230140 Shares	# 2,230,140	2,230,140
2468038 Shares	# 2,468,038	2,468,038
Weighted Average Number of Shares	116,205,178	116,205,178

26.00 Net Assets Value Per Share :

Total Assets	1,875,769,910	1,893,794,713
Less: Non-Current Liabilities+Current Liabilities	253,947,737	268,759,157
Net Assets Value	1,621,822,173	1,625,035,556
Number of ordinary shares outstanding	116,205,178	116,205,178
	13.96	13.98

27.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Cash from operating activities	Notes: 33	72,949,523	87,284,538
Weighted Average Number of Shares		116,205,178	116,205,178
		0.63	0.75



		Amounts in Taka	
		30 June 2023	30 June 2022
28.00	Cash receipts from customers		
	Opening receivable	218,933,121	245,752,165
	Add: Sales during the year	374,482,590	484,679,693
	Less: Closing receivable	(223,651,430)	(218,933,121)
		369,764,281	511,498,737
29.00	Cash receipts from others income		
	Misc. Sales	420,250	803,180
		420,250	803,180
30.00	Cash payment to suppliers		
	Purchase (RM,spare,packing)	214,324,972	260,446,542
	Opening Accounts Payable	926,961	618,229
	Closing Accounts Payable	(832,555)	(926,961)
	Opening Advance goods	(19,095,819)	(1,142,924)
	Closing Advance goods	4,236,435	19,095,819
	Expire date over destroyed Raw Materials	-	(10,048,500)
		199,559,994	268,042,206
31.00	Cash Flow for Acquisition of property, plant and equipment		
	Property, Plant & Equipment addition during the year	24,441,500	141,359,621
	Less: Adjustment:	17,500,000	125,237,091
	Opening Advance L/C Margin for Machinery	-	-
	Opening WIP Machinery	17,500,000	66,177,091
	Closing Advance for Land	(35,940,000)	(35,940,000)
	Opening Advance for land	35,940,000	95,000,000
	Opening land Development	6,059,503	-
	Closing land development	(6,059,503)	-
		6,941,500	16,122,530
32.00	Paid for Work In Progress	23,090,450	23,559,503
33.00	Reconciliation of Net Profit With Cashflows From Operationg Activities:		
	Profit before Tax	24,572,708	31,720,563
	Add: Depreciation on property, plant and equipment	38,361,780	39,130,038
		62,934,488	70,850,601
	Add/(Less):		
	Add: Decrease in Trade & Other Receivables	(4,718,309)	26,819,044
	Add: Decrease in Inventories	2,474,344	21,007,817
	Add: Increase in Trade Payables	(94,406)	308,732
	Less: Decrease in Liabilities for Expenses	2,424	(937,728)
	Less: Decrease in Liability for contribution to W.P.P.F	(357,393)	(6,881,147)
	Less : Increase in Advance, Deposit & Prepayments	15,005,606	(15,794,065)
	Add/(Less): Capital Gain or Loss for Sale of land	(700,000)	-
	Add: Paid for Interest on Loan	4,722,171	5,628,155
	Less: Income Tax Paid	(6,319,403)	(13,716,871)
		72,949,522	87,284,538
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	30.06.2023	30.06.2022
(a)	Managerial Allowances paid or payable during the period to the directors, including managing directors, a managing agent or manager;	4,800,000	4,800,000
(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:

(a) Remuneration

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M Anowarul Huq	Managing Director	Remuneration	4,800,000	4,800,000

(b) Board Meeting fee

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mrs. Aziza Yeasmin	Ex-Chairman	Board Meeting fee	-	40,000
Mr. A.F.M Anowarul Huq	Managing Director		90,000	90,000
Mrs. Aysha Siddika	Director		-	40,000
Mrs. Hafiza Yeasmin	Chairman		90,000	-
Sayedra Huq	Director		-	40,000
Fatima Parvin	Director		90,000	90,000
Mizanur Rahman	Director		-	-
Md. Golam Rabbani	Director (Represented of		90,000	60,000
Iftikhar Uz zaman	Independent Director		90,000	60,000
S.M. Harun Or Rashid	Independent Director		-	-
Md. Monirujjaman	Independent Director		-	40,000

(c) Short Term Loan

Name	Designation	Nature of Transaction	Amount in (BDT)	
			2022-2023	2021-2022
Mr. A.F.M Anowarul Huq	Managing Director	Temporary Loan	-	26,800,000

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

Employees	2023	2022
Number of employees whose salary was below Tk. 3,000.00	-	-
Number of employees whose salary was above Tk. 3,000.00	194	224



36.00 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 2023 and 2022. All purchase of raw materials by the company was at C&F price.

During the period 1st July 2022 to 30th June 2023 total Value of import in respect of raw materials stands equivalent USD **1,126,442.17** on CIF basis. Details are as follows:

Particulars	Amount In BDT	
	2023	2022
Import of raw Materials	137,482,055	163,826,705
Import of Packing Materials	19,273,200	37,823,854
Import of Capital goods	-	67,035,371
Total:	156,755,255	268,685,930

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 2023

Raw Materials:	Imported	Indigenous	Total
Opening balance	70,201,450	3,026,554	73,228,004
Add: Purchase during the year	137,482,055	27,757,699	165,239,754
	207,683,505	30,784,253	238,467,758
Less: Closing balance	53,465,325	7,845,190	61,310,515
Consumption during the year	154,218,180	22,939,063	177,157,243
Percentage of total Consumption during the year	87.05%	12.95%	100.00%
Spare Parts	Imported	Indigenous	Total
Opening balance	-	752,450	752,450
Add: Purchase during the year	-	1,728,782	1,728,782
	-	2,481,232	2,481,232
Less: Closing balance	-	625,420	625,420
Consumption during the year	-	1,855,812	1,855,812
Percentage of total Consumption during the year	0.00%	100	100.00%
Packing Materials	Imported	Indigenous	Total
Opening balance	7,512,540	3,535,052	11,047,592
Add: Purchase during the year	19,273,200	34,507,636	53,780,836
	26,785,740	38,042,688	64,828,428
Less: Closing balance	1,235,680	17,501,134	18,736,814
Consumption during the year	25,550,060	20,541,554	46,091,614
Percentage of total Consumption during the year	55.43%	44.57%	100.00%

For the year 30 June 2022

Raw Materials:	Imported	Indigenous	Total
Opening balance	98,456,230	18,105,562	116,561,792
Add: Purchase during the year	163,826,705	33,744,372	197,571,077
	262,282,935	51,849,934	314,132,869
Less: Closing balance	70,201,450	3,026,554	73,228,004
Consumption during the year	192,081,485	48,823,380	240,904,865
Percentage of total Consumption during the year	79.73%	20.27%	100%
Spare Parts	Imported	Indigenous	Total
Opening balance	-	2,956,350	2,956,350
Add: Purchase during the year	-	2,458,780	2,458,780
	-	5,415,130	5,415,130
Less: Closing balance	-	752,450	752,450
Consumption during the year	-	4,662,680	4,662,680
Percentage of total Consumption during the year	0.00%	100%	100%



Packing Materials	Imported	Indigenous	Total
Opening balance	8,325,680	2,600,691	10,926,371
Add: Purchase during the year	37,823,854	22,844,951	60,668,805
	46,149,534	25,445,642	71,595,176
Less: Closing balance	7,512,540	3,535,052	11,047,592
Consumption during the year	38,636,994	21,910,590	60,547,584
Percentage of total Consumption during the year	63.81%	36.19%	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:

Heads	30.06.2023	30.06.2022
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

37.00 Events after the Reporting Period

a) The Board of Directors at its board meeting held on 28 October 2023 recommended no dividend for the year ended 30 June 2023. This decision is to final approval by the shareholders at the forthcoming annual General Meeting (AGM) of the company.

38.00 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 30th June 2023 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: 15)

Total

Amounts in Taka	
30-Jun-23	30-Jun-22
832,555	926,961
832,555	926,961

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.

39.00 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-23	30-Jun-22
4,800,000	4,800,000
-	-
-	-
-	-
-	-
4,800,000	4,800,000

*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 (EPS), Net Assets Value per share (NAV), Net Operating Cash Flows Per Share (NOCFPS) Decreased due to .taka devaluation against USD.



INDO-BANGLA PHARMACEUTICALS LTD
Schedule of Property Plant & Equipment
As at 30 June 2023

Particulars	COST				Total Cost as at 30.06.2023	Rate	DEPRECIATION			Written Down Value as on 30.06.2023
	Balance as on 01.07.2022	Addition during the Period	Disposal during the period				Balance as on 01.07.2022	Adjusted during the period	Charge during the period	
Land & Land Development	162,112,933	-	2,000,000	-	160,112,933	0%	-	-	-	160,112,933
Building	236,168,819	-	-	-	236,168,819	2.5%	27,450,620	5,217,955	32,668,575	203,500,244
Civil Works	16,082,250	-	-	-	16,082,250	5%	1,641,585	722,033	2,363,618	13,718,632
Machineries & Equipment	968,688,018	18,500,000	-	-	987,188,018	3%	102,233,606	26,271,132	128,504,738	858,683,280
Micro biological Lab	19,074,415	-	-	-	19,074,415	3%	1,773,297	519,034	2,292,331	16,782,084
Factory Air Condition	6,525,480	-	-	-	6,525,480	10%	2,315,469	421,001	2,736,470	3,789,010
Air Compressor	2,325,900	-	-	-	2,325,900	10%	551,820	177,408	729,228	1,596,672
Generator	10,603,229	-	-	-	10,603,229	3%	1,324,429	278,364	1,602,793	9,000,436
Sub-Station (electricity) 630 KVA	-	5,941,500	-	-	5,941,500	10%	-	49,513	49,513	5,891,988
Furniture & Fixture	14,446,419	-	-	-	14,446,419	10%	5,196,050	925,037	6,121,087	8,325,332
Office Equipment	4,962,146	-	-	-	4,962,146	10%	2,371,389	259,076	2,630,465	2,331,681
SEP Decoration	15,620,100	-	-	-	15,620,100	10%	5,051,142	1,056,896	6,108,038	9,512,062
Office Decoration	6,011,150	-	-	-	6,011,150	10%	1,681,644	432,951	2,114,594	3,896,556
Computer	1,307,990	-	-	-	1,307,990	10%	300,700	100,729	401,429	906,561
Air Condition	354,170	-	-	-	354,170	10%	148,662	20,551	169,212	184,958
Transport	23,253,762	-	-	-	23,253,762	10%	6,258,018	1,699,574	7,957,592	15,296,170
Water Plant	2,512,960	-	-	-	2,512,960	10%	1,341,067	117,189	1,458,257	1,054,703
ETP Plant	1,945,375	-	-	-	1,945,375	10%	1,011,993	93,338	1,105,331	840,044
Balance as on 30 June,2023	1,491,995,116	24,441,500	2,000,000	1,514,436,616			160,651,491	38,361,780	199,013,271	1,315,423,345
Balance as on 30 June,2022	1,350,635,495	141,359,621	-	1,491,995,116			121,521,452	39,130,038	160,651,490	1,331,343,626

Allocation of Depreciation

Factory	33,866,967
Administration	4,494,813
Total	38,361,780

