

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2013

Amount in Taka	
30.06.2013	30.06.2012
94,302,123	72,347,455

**05. Accounts Receivable :**

This is unsecured, considered good and is falling due within one year. Classification schedule as required by schedule XI of Companies Act 1994 are as follows:

**Aging of the above balance is as follows:**

Below 180 days	94,302,123	72,347,455
Above 180 days	-	-
	94,302,123	72,347,455

Particulars	Amount in BDT	
	30.06.2013	30.06.2012
I. Accounts Receivable considered good in respect of which the company is fully secured	94,302,123	72,347,455
II. Accounts Receivable considered good in respect of which the company holds no security other than the debtor personal security	-	-
III. Accounts Receivable considered doubtful or bad	-	-
IV. Accounts Receivable due by any director or other officer of the company	-	-
V. Accounts Receivable due by Common management	-	-
VI. The maximum amount of receivable due by any director or other officer of the company	-	-
<b>TOTAL</b>	<b>94,302,123</b>	<b>72,347,455</b>

(i) The company did not make a provision against accounts receivable as accounts receivable are good and the amount is not a material item.

(ii) There was no amount due by the Directors (including Managing Director), Managing Agent of the company and any of them severally or jointly with any other person.

(iii) There was also no other amount due by associate undertakings.

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		Amount in Taka	
		30.06.2013	30.06.2012
<b>06. Advances, Deposits &amp; Prepayments :</b>			
The amount consists as follows :			
<b>Advances :</b>			
Travel and Other Advances		637,245	1,336,594
Advance paid to Suppliers		4,215,060	5,647,995
Motor Cycle Advance		1,662,563	1,615,171
Advance Income Tax	Note 06.01	31,030,030	29,811,343
	<b>Sub-Total:</b>	<b>37,544,898</b>	<b>38,411,103</b>
<b>Deposits :</b>			
VAT Deposit		64,323	4,717
Security Deposit		2,116,905	1,947,533
Earnest Money		625,780	670,180
Collection & Other Advance		7,092,602	6,744,230
	<b>Sub-Total:</b>	<b>9,899,610</b>	<b>9,366,660</b>
	<b>Grand Total:</b>	<b>47,444,508</b>	<b>47,777,763</b>

The receivables are unsecured but considered good. No amount was due by the Directors, Managing Agent, Managers and any other officers of the company and any of them severally or jointly liable with any other person except Motor cycle advance, travel and other advance.

**06.01. Advance Income Tax :**

Opening Balance	29,811,343	28,183,666
Less: Short adjustment of AIT for prior years	-	2,738,572
	<b>29,811,343</b>	<b>30,922,238</b>
Add: Income tax paid and deducted at source during the year	10,907,387	9,688,700
Less: Adjustment made during the year	(9,688,700)	(10,799,595)
	<b>31,030,030</b>	<b>29,811,343</b>

**07. CASH AND CASH EQUIVALENTS:**

The amount consists as follows:

(a) Cash in Hand/Imprest Cash	1,188,895	2,692,488
(b) Cash at Bank (Annexure - "C")	60,629,332	3,192,535
Current Account (Main)	56,860,252	659,795
Current Account (Collection)	2,519,186	682,690
Short Term Deposit Account	1,249,894	1,850,050
<b>Total</b>	<b>61,818,227</b>	<b>5,885,023</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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	Amount in Taka	
	30.06.2013	30.06.2012
<b>08. Share Capital :</b>		
<b>a) Authorized Capital :</b>		
100,000,000 Ordinary Shares of Taka 10/- each	1,000,000,000	1,000,000,000
<b>b) Issued, Subscribed and Paid-up Capital:</b>		
20,359,760 Ordinary Shares of Taka 10/- each	203,597,600	203,597,600

**c) Distribution Schedule:**

The detailed schedule showing the number of shareholders and their shareholding in percentage has been disclosed below as a requirement of the Regulation 37(3) of Dhaka Stock Exchange and Chittagong Stock Exchange.

Range of holding in number of shares	No. of Shareholders	No. of Shareholders	30.06.2013 Holding(%)	30.06.2012 Holding(%)
Up to 500 shares	2,802	1,162,360	5.71%	3.77%
501 to 5,000 shares	2,295	1,750,200	8.60%	9.22%
5,001 to 10,000 shares	281	1,801,800	8.83%	7.53%
10,001 to 20,000 shares	96	1,485,200	7.29%	7.93%
20,001 to above	107	14,160,200	69.55%	71.55%
	<b>5,581</b>	<b>20,359,760</b>	<b>100%</b>	<b>100%</b>

**d) Shareholding Position as on 30 June 2013 is as follows:**

	No. of Shareholders	No. of Shareholders	% of Shareholding 30.06.2013	% of Shareholding 30.06.2012
Sponsors	4	8,268,400	40.61%	40.61%
Foreign Investors	5	7,000	0.03%	0.03%
Financial Institutions	235	5,299,645	26.03%	17.92%
General Public	5,337	6,784,715	33.33%	41.44%
	<b>5,581</b>	<b>20,359,760</b>	<b>100%</b>	<b>100%</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2013

	Amount in Taka	
	30.06.2013	30.06.2012
<b>09. Reserves:</b>		
Revaluation surplus on Property, Plant and Equipment (note: 9.01)	150,677,852	151,387,763
Fair value changes in investment (note: 9.02)	16,005,931	(11,062,779)
	<u>166,683,783</u>	<u>140,324,984</u>
<b>9.01 Revaluation surplus on Property, plant and</b>		
Balance as on 01 July 2012	151,387,763	165,022,948
Adjustment for deferred tax on revaluation surplus	-	(12,925,274)
Restated balance of revaluation surplus	151,387,763	152,097,674
Depreciation on revalued asset net of tax transferred to retained earnings	(709,911)	(709,911)
Balance as on 30 June 2013	<u>150,677,852</u>	<u>151,387,763</u>
<b>9.02 Fair value changes in investment</b>		
Balance as on 01 July 2012	(11,062,779)	(4,083,591)
Fair Value Gain/(Loss) on Marketable Securities	27,068,710	(6,979,188)
Balance as on 30 June 2013	<u>16,005,931</u>	<u>(11,062,779)</u>
<b>10. Liabilities for Other Finance :</b>		
Inter Company Current Account	209,031,619	226,371,147
	<u>209,031,619</u>	<u>226,371,147</u>
<b>11. Deferred Tax Liabilities :</b>		
Balance as on 01 July 2012	26,802,921	-
Deferred tax attributable to PPE on cost	-	36,626,370
Deferred tax attributable to revaluation reserve	-	12,925,272
Deferred tax attributable to unabsorbed depreciation	-	(20,500,551)
Restated opening balance as on 01 July	26,802,921	29,051,091
Less : Adjusted during the year	(2,294,667)	(2,248,170)
Balance as on 30 June 2013	<u>24,508,254</u>	<u>26,802,921</u>

# NOTES TO THE FINANCIAL STATEMENTS

## For the Year Ended 30 June 2013

### Reconciliation of Deferred tax liabilities/(assets):

	Carrying amount on the date of statement of financial position	Tax base	Taxable/ (Deductible) temporary difference
	Taka	Taka	Taka
(a) As at 30 June 2013			
Property, plant and equipment	223,066,235	59,397,855	163,668,380
Unabsorbed depreciation	-	74,547,457	(74,547,457)
Net taxable temporary difference			89,120,923
Deferred tax liabilities/(asset) @ 27.5%			<u>24,508,254</u>
(b) As at 30 June 2012			
Property, plant and equipment	230,191,818	58,179,192	172,012,626
Unabsorbed depreciation	-	74,547,457	(74,547,457)
Net taxable temporary difference			97,465,169
Deferred tax liabilities/(asset) @ 27.5%			<u>26,802,921</u>

The deferred tax liability includes deferred tax implications on revaluation surplus of building which has been restated retrospectively and is adjusted with the opening balance of deferred tax liability. The company has unabsorbed tax depreciation balances and the management believes that the company will be able to utilise these in near future.

### 12. Provision for current tax

	Amount in Taka	
	30.06.2013	30.06.2012
Balance as on 01 July	29,619,031	-
Add: Adjustment for prior years	-	28,148,436
Restated balance as on 01 July	29,619,031	28,148,436
Add: Provision made during the year	12,513,922	12,270,190
Less: Adjustment during the year	(9,688,700)	(10,799,595)
Balance as on 30 June	<u>32,444,253</u>	<u>29,619,031</u>

The management of the entity intends to settle the amount on a net basis and the amount of the taxes originates from the same authority which is in compliance with BAS-12 "Income taxes"

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2013

**13. Short Term Borrowings (Secured) :**

The amount consists as follows :

**Pledge & Hypothecation :**

Agrani Bank C.C. (Pledge) - 543, WASA Branch

Agrani Bank C.C. (Hypothecation) - 147, WASA Branch

**LIM :**

Agrani Bank, WASA Branch,

Loan Against Purchase of Marketable Securities

Amount in Taka	
30.06.2013	30.06.2012
15,340,543	20,995,493
203,625,017	124,625,412
8,688,384	11,549,169
120,746	-
<b>227,774,690</b>	<b>157,170,074</b>

These loans are secured by mortgage on land and building, hypothecation of plant and machinery, raw and packing materials, work-in-process, finished stocks and book debts respectively. The interest rate of C.C (Pledge) is 16% and C.C (Hypo) is 16%.

**14. Trade Creditors :**

Suppliers

34,817,173	30,266,358
<b>34,817,173</b>	<b>30,266,358</b>

**15. Accrued Expenses :**

This consists as follows :

Utilities

Salary and Wages

Workers Profits Participation Fund

Audit Fee

Dividend Payable

Others Payable

557,481	453,002
15,049,478	14,245,061
1,764,725	3,405,337
50,000	50,000
12,174,017	7,276,913
2,964,214	2,279,772
<b>32,559,915</b>	<b>27,710,085</b>

**16. Contingent Liabilities :**

<b>37,798,752</b>	<b>37,798,752</b>
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The balance is as per last account. The above claim has been raised by the VAT authority against the company for Value Added Tax (VAT) amounting to Tk. 37,798,752. In this respect the Company filed a Writ Appeal against the said claim to the High Court Division which is a waiting final decision.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2013

	Amount in Taka	
	30.06.2013	30.06.2012
<b>17. Revenue :</b>		
Gross Sales	716,399,914	703,544,862
Less: VAT Payment	104,585,417	102,128,456
<b>Net Sales</b>	<b>611,774,497</b>	<b>601,416,406</b>

This represents sale of 8,380,581 units consisting of 35 products, as against 7,891,874 units in 2011-2012 of 35 products.

**18. Cost of Goods Sold :**

The amount consists as follows :

Raw Materials Consumed	Note- 18.01	102,477,004	100,122,258
Packing Materials Consumed	Note- 18.02	189,941,394	190,403,019
		<u>292,418,398</u>	<u>290,525,277</u>
Work in process-Opening		4,688,814	7,509,532
Work in process-Closing		(2,859,258)	(4,688,814)
<b>Total Consumption</b>		<b>294,247,954</b>	<b>293,345,995</b>
Manufacturing Overhead	Note- 18.03	79,407,730	83,640,111
<b>Cost of Production</b>		<b>373,655,684</b>	<b>376,986,106</b>
Finished Goods-Opening		41,173,159	43,227,924
Finished Goods-Closing		(32,069,575)	(41,173,159)
		<u>382,759,268</u>	<u>379,040,871</u>
Cost of Physician Sample		(3,675,225)	(3,725,711)
<b>Cost of Goods Sold</b>		<b>379,084,043</b>	<b>375,315,160</b>

**18.01 Raw Materials Consumed :**

The amount consists as follows :

Opening Stock	21,225,463	26,061,498
Add : Purchase	93,083,062	95,286,223
Less : Closing Stock	(11,831,521)	(21,225,463)
	<u>102,477,004</u>	<u>100,122,258</u>

**18.02 Packing Materials Consumed :**

The amount consists as follows :

Opening Stock	22,078,586	33,111,649
Add : Purchase	186,414,836	179,369,956
Less : Closing Stock	(18,552,028)	(22,078,586)
	<u>189,941,394</u>	<u>190,403,019</u>

Details in respect of quantity of packing materials as well as value of each items of packing materials are not given as the number of items as well as classes of items are numerous.

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**18.03 Manufacturing Overhead :**

The amount consists as follows :

Wages, Allowances and Bonus
Contributory Provident Fund
Spare parts
Gas
Electricity
Fuel and Lubricant
Security Guard Expenses
Repair & Maintenance
Research, Test and Analysis Expenses
Nitrogen Gas
Travelling & Conveyance
Entertainment
Workers Food Expenses
Misc. Expenses
Fees & Taxes
Telephone, Postage & Courier
Insurance Premium
Carriage Inwards
Printing & Stationery
Depreciation

Note- 02

**Total**

Amount in Taka	
30.06.2013	30.06.2012
32,599,470	29,036,772
951,602	824,866
3,064,177	10,796,619
5,330,458	5,718,636
177,545	294,953
819,355	412,906
1,237,046	797,254
5,615,614	5,578,581
54,676	799,438
1,416,800	1,881,170
1,008,123	792,768
116,450	147,897
5,212,942	4,838,560
798,223	1,006,462
137,434	122,287
453,569	437,027
563,558	563,558
160,061	76,975
1,286,624	1,321,250
18,404,003	18,192,112
<b>79,407,730</b>	<b>83,640,111</b>

**19. Administrative Expenses :**

The amount consists as follows :

Salaries, Allowances and Bonus
Contributory Provident Fund
Postage, Telephone and Telegram
Printing & Stationery
Fuel & Vehicle Maintenance
Advertisement & Publicity
Travelling & Conveyance
Repair & Maintenance
Bank Charges & Commission
News Paper & Periodicals
Software Consultancy
Entertainment
Audit Fee
Rent, Rates and Taxes
Sundry Expenses
Insurance Premium
A.G.M. Expenses
Depreciation

Note- 02

**Total**

13,437,918	11,032,270
487,504	423,560
434,108	397,329
236,764	263,980
538,980	741,351
1,717,920	1,735,920
1,127,443	927,492
153,270	22,614
1,163,305	1,252,059
3,112	2,960
681,476	510,000
161,399	86,162
50,000	50,000
448,820	753,337
513,736	503,894
1,325,263	170,648
1,058,657	1,030,015
137,321	130,905
<b>23,676,996</b>	<b>20,034,496</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2013

## 20. Selling and Distribution Expenses :

The amount consists as follows :

Salary, Allowances and Bonus	
Contributory Provident Fund & Gratuity	
Carrying and Delivery Expenses	
Sales Force Expenses	
Postage, Telephone and Telegram	
Training & Conference Expenses	
Other Expenses	
Office Rent-Depot	
Printing & Stationery	
Product Development Expenses	
Fuel & Vehicle Maintenance	
Travelling & Conveyance	
Product Sample	
Promotional Expenses (Pad & Literature)	
Sales Discount to Retailers	
Depreciation	Note-02
<b>Total</b>	

Amount in Taka	
30.06.2013	30.06.2012
92,917,150	90,187,361
2,956,323	2,670,440
13,146,283	12,326,943
13,852,628	12,830,105
2,994,657	2,752,052
1,449,449	1,596,571
988,062	1,106,276
4,157,489	3,633,100
1,986,789	2,035,140
177,108	106,203
1,887,954	1,728,289
1,673,805	1,534,998
3,675,225	3,725,711
4,635,785	4,884,311
685,940	696,480
1,125,715	732,283
<b>147,910,362</b>	<b>142,546,263</b>

## 21. Financial Expenses :

The amount consists as follows :

Cash Credit (H)-147, Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	
Cash Credit (P)-543, Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	
LJM Agrani Bank Ltd. (WASA Corpt. Branch, Dhaka)	
Interest on Marketable Securities	
<b>Total</b>	

19,658,570	10,028,413
3,917,812	17,670,924
470,214	675,956
94,128	51,053
<b>24,140,724</b>	<b>28,426,346</b>

## 22. Non Operative Income :

The amount consists as follows :

Sale of Scrap	
Bank Interest	
Capital Gain/(Loss) on Marketable Securities	
Dividend Income	
<b>Total</b>	

1,138,665	804,755
92,219	111,789
(282,800)	-
52,200	45,932
<b>1,000,284</b>	<b>962,476</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 30 June 2013

**23. Earning Per Share (EPS):**

The computation is given below;

**(a) EPS on Continuing Operation:**

	Amount in Taka	
	30.06.2013	30.06.2012
Net Profit after Tax	25,935,656	35,272,194
Less: Capital Gain/(Loss) on Marketable Securities	(282,800)	-
Profit from Continuing Operation	26,218,456	35,272,194
Ordinary shares outstanding during the year	20,359,760	20,359,760
	1.29	1.73
<b>EPS on continuing operation-Restated</b>		1.19

**(b) EPS on Non Operating Income:**

Capital Gain/(Loss) on Marketable Securities	(282,800)	-
Ordinary shares outstanding during the year	20,359,760	20,359,760
	(0.01)	-

**(c) EPS on Comprehensive Income:**

Comprehensive Income/(Loss)	27,068,710	(6,979,188)
Ordinary shares outstanding during the year	20,359,760	20,359,760
	1.33	(0.34)

<b>Basic EPS on Total Comprehensive Income</b>	<b>2.60</b>	<b>1.39</b>
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During the year no share was issued, hence calculating of weighted average number of share was not required.

**24. Production Capacity, Yearly Production in 2012-2013 and Reason of Excess/ (Shortfall) :**

Quantity in million

Item	Production Capacity		Yearly Production		Capacity Utilized	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Intravenous Fluids and Injections	12.00	12.00	8.41	7.74	70.08%	64.50%

**25. Events After Reporting Period:**

There is no post-balance sheet event that requires adjustment of the financial statements.