

Independent Auditors' Report

and

Financial Statements

of

Sun Pharmaceutical (Bangladesh) Limited

As at 31 March 2024

And

For the period from 01 April 2023 to 31 March 2024

**INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
Sun Pharmaceutical (Bangladesh) Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Pharmaceutical (Bangladesh) Limited (the Company), which comprise the statement of financial position as at 31 March 2024, and 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 true and fair view of the financial position of the Company as at 31 March 2024, and 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 (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 and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 charge 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 judgement 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 gives a true and fair view.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, we also report the following:

- a) we have obtained all the information and explanation 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; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment Number-1960
DVC:2405111960AS306862

Sun Pharmaceutical (Bangladesh) Limited
Statement of financial position
As at 31 March 2024

Particulars	Notes	Amount in Taka	
		31-Mar-24	31-Mar-23
ASSETS			
Non current assets		2,520,344,637	1,693,897,380
Property, plant and equipment	4.00	386,813,646	432,415,197
Long term deposits	5.00	15,102,500	17,178,288
Loan to subsidiary	6.00	2,037,620,000	1,145,000,000
Right-of-use asset	7.00	20,808,591	39,303,995
Investment in shares	8.00	59,999,900	59,999,900
Current assets		2,268,093,277	2,654,473,503
Inventories	9.00	541,883,721	552,248,129
Trade and other receivables	10.00	318,904,133	299,597,201
Advances, deposits and prepayments	11.00	164,808,107	203,940,085
Cash and cash equivalents	12.00	1,242,497,316	1,598,688,088
TOTAL ASSETS		4,788,437,914	4,348,370,881
EQUITY AND LIABILITIES			
Equity		3,319,899,636	3,053,674,088
Share capital	13.00	60,000,000	60,000,000
Share money deposits	14.00	56,929,462	56,929,462
Retained earnings		3,202,970,174	2,936,744,626
Liabilities			
Non current liabilities		96,157,075	97,325,553
Deferred tax liabilities	15.00	74,375,785	71,429,601
Lease liability	16.00	21,781,289	25,895,952
Current liabilities		1,372,381,204	1,197,371,240
Lease liability	16.00	4,114,660	19,968,646
Trade payable and liability for expenses	17.00	1,365,124,759	1,199,630,260
Current tax liabilities	18.00	3,141,785	(22,227,666)
Total liabilities		1,468,538,278	1,294,696,793
TOTAL EQUITY AND LIABILITIES		4,788,437,914	4,348,370,881

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Regional Financial Controller

Director

As per our annexed report of same date.

Dated: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment Number-1960
DVC:2405111960AS306862

Sun Pharmaceutical (Bangladesh) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2024

Particulars	Notes	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Revenue		2,826,607,940	2,551,828,970
Net sales revenue	19.00	2,826,607,940	2,551,828,970
Less: Expenditures		2,456,622,270	2,167,308,124
Cost of materials	20.00	1,064,457,902	744,400,287
Changes in inventory of finished goods and WIP	21.00	2,675,783	(13,914,527)
Personnel expense	22.00	267,982,964	403,246,062
Operating and other expenses	23.00	287,439,805	269,184,429
Selling, marketing and distribution expenses	24.00	778,044,600	707,274,243
Depreciation	25.00	56,021,216	57,117,630
Profit From Operations		369,985,670	384,520,846
Other income	26.00	67,552,950	68,366,497
Less: Interest Expense- lease liability	27.00	3,687,684	6,037,321
Profit before contribution to WPPF		433,850,936	446,850,022
Contribution to Workers' Profit Participation Fund	29.00	-	21,278,572
Profit before income tax		433,850,936	425,571,450
Less: Income tax expenses		167,625,388	150,950,289
Current tax		164,679,204	157,370,586
Deferred tax	28.00	2,946,184	(6,420,297)
Net profit after income tax		266,225,548	274,621,161
Other comprehensive income		-	-
Total comprehensive income		266,225,548	274,621,161

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Regional Financial Controller

Director

As per our annexed report of same date.

Dated: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment Number-1960
DVC:2405111960AS306862

Sun Pharmaceutical (Bangladesh) Limited
Statement of changes in equity
For the year ended 31 March 2024

Particulars	Amount in Taka			
	Share capital	Share money deposits	Retained Earnings	Total
Balance as at 01 April 2022	60,000,000	56,929,462	2,662,123,465	2,779,052,927
Total comprehensive income	-	-	274,621,161	274,621,161
Balance as at 31 March 2023	60,000,000	56,929,462	2,936,744,626	3,053,674,088
Balance as at 01 April 2023	60,000,000	56,929,462	2,936,744,626	3,053,674,088
Total comprehensive income	-	-	266,225,548	266,225,548
Balance as at 31 March 2024	60,000,000	56,929,462	3,202,970,174	3,319,899,636

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Regional Financial Controller

Director

Dated: 11 May 2024
Dhaka.

Sun Pharmaceutical (Bangladesh) Limited
Statement of cash flows
For the year ended 31 March 2024

Particulars	Amount in Taka	
	31-Mar-24	31-Mar-23
Cash flows from operating activities		
Receipts from customers	2,795,311,065	2,491,779,876
Payments to suppliers, employees and other	(2,207,190,453)	(2,145,877,134)
Other Income	12,902	-
Income tax paid	(139,309,753)	(193,878,079)
Net cash generated from/(used in) operating activities (A)	448,823,760	152,024,663
Cash flows from investing activities		
Acquisition of property, plant and equipment and CWIP	(834,702)	(6,075,090)
Loan to subsidiary	(892,620,000)	(925,000,000)
Sale proceeds from property, plant and equipment	8,910,179	578,124
Interest received	79,529,991	40,310,778
Net cash provided by/(used in) investing activities (B)	(805,014,533)	(890,186,188)
Cash flows from financing activities		
Net cash used in financing activities (C)	-	-
Net changes in cash and cash equivalents (A+B+C)	(356,190,772)	(738,161,525)
Cash and cash equivalents at the beginning of the year	1,598,688,088	2,336,849,613
Cash and cash equivalents at the end of the year	1,242,497,316	1,598,688,088

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Regional Financial Controller

Director

Dated: 11 May 2024
Dhaka.

Sun Pharmaceutical (Bangladesh) Limited
Notes, comprising significant accounting policies and other explanatory information
As at March 31, 2024 and for the period from 01 April 2023 to 31 March 2024

1.00 Company profile

1.01 Legal status of the company

Sun Pharmaceutical (Bangladesh) Limited is a private limited company incorporated in 2001 in Bangladesh under the Companies Act, 1994 with an authorized capital of Tk. 60 millions divided into 600,000 ordinary shares of Tk 100 each. During the year 2005-06, Company had increased its authorized capital from Tk. 60 millions to Tk 500 millions. The company was formed jointly with Sun pharmaceutical Industries Limited (SPIL), a company incorporated in India, City Overseas Limited (COL), a company incorporated in Bangladesh and Sun Pharma Holdings (earstwhile Nogad Holdings), a company incorporated in Mauritius.

1.02 Address of the Registered office

The registered office of the Company is located at Chandana, Joydevpur, Gazipur.

1.03 Nature of business

The company produces various pharmaceutical products, which are sold in the local market.

2.00 Basis of preparation

2.01 Statement of compliance

These financial statements have been prepared and the disclosure of information are made in accordance with International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by Financial Reporting Council (FRC), the Companies Act, 1994 and other relevant local Laws as applicable. The statement of financial position and the statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standards (IASs) 1: "Presentation of Financial Statements" on accrual basis of accounting following going concern assumption under generally accepted accounting principles.

Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

IASs or IFRSs No.	Name of IASs or IFRSs
IAS-1	Presentation of Financial Statements
IAS-2	Inventories
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and
IAS-10	Events After the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-24	Related Party Disclosures
IAS- 32	Financial Instruments: Presentation
IAS- 36	Impairment of Assets
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IAS-39	Financial Instruments: Recognition and Measurement
IFRS-7	Financial Instruments: Disclosures
IFRS-9	Financial Instruments
IFRS-13	Fair Value Measurement
IFRS-15	Revenue from Contracts with Customers
IFRS-16	Leases

2.02 Reporting period

The financial period of the company has been determined to be from April 01 to March 31 each year. These financial statements cover one year from April 01, 2023 to March 31, 2024 consistently.

2.03 Basis of accounting

The financial statements have been prepared under the accrual basis of accounting.

2.04 Going concern

The financial statements have been prepared on going concern basis. As per the management assessment, there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.05 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.06 Date of authorization for issue of financial statements

On 11 May 2024, the Board of Directors reviewed the financial statements and authorized for issue.

2.07 Use of estimates and judgment

The preparation of the financial statements in conformity with International Financial Reporting Standards (IFRSs) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Judgments

Information about judgments made in applying accounting policies that have most significant effect on the amount recognized in the financial statements is included in the following notes:

Note # 3.01	Depreciation
Note # 3.04	Inventories

Assumption and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is included in the following notes:

Note 16	Deferred tax liabilities
Note 18	Trade payable and liability for expenses
Note 19	Current tax liabilities

2.08 Functional and presentational currency and level of precision

The financial statements are presented in Bangladesh; Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest Taka.

3.00 Significant accounting policies

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are stated at cost net of accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets.

b) Subsequent cost

The cost of replacing component 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 are embodied within the component will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

c) Depreciation

Depreciation is provided to amortise the cost of the assets after commissioning, over the period of their expected useful lives in accordance with IAS-16. Depreciation on assets is charged from the day in which the asset is brought into use under straight-line basis at the following rates:

Leasehold land	2.51%
Factory building	1.63%
Plant and machinery	4.75%
Motor vehicle/motor cycle	16.21%
Equipments	4.75%
Computer equipment	4.75%
Furniture and fixtures	6.33%

d) Retirements and Disposals

On disposal of property, plant and equipment the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.02 Right-of-use assets and lease liability

The company is required to adopt IFRS 16 Leases from 01 April 2019 and applied accordingly.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Recognition

A right-of-use asset and a lease liability is recognized by the company at the commencement date.

Measurement

Initial measurement of the right-of-use asset

At the commencement date, the right-of-use asset are measured at cost.

Initial measurement of the lease liability

At the commencement date, the lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the *interest rate implicit in the lease/incremental borrowing rate* which is 10%.

Subsequent measurement of the right-of-use asset

After the commencement date, the right-of-use asset are measured applying a cost model.

Cost model

To apply a cost model, a lessee shall measure the right-of-use asset at cost:

- Less any accumulated depreciation and any accumulated impairment losses; and
- Adjusted for any remeasurement of the lease liability.

The straight-line depreciation is applying as per requirements in IAS-16: "*Property, Plant and Equipment*" is applied in depreciating the right-of-use asset.

IAS-36: "*Impairment of Assets*" is applied to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Subsequent measurement of the lease liability

After the commencement date, the lease liabilities are measured by:

- Increasing the carrying amount to reflect interest on the lease liability.
- Reducing the carrying amount to reflect the lease payments made; and
- Remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments

3.03 Investment

Investment are measured at cost value.

3.04 Inventories

Inventories are stated at the lower of cost and their corresponding net realisable value in accordance with IAS-2 "Inventories". Method used for valuation of inventory of Raw and Packing material is Specific identification method. Cost of finished stocks and work in progress are arrived by using weighted average method including allocation of manufacturing overheads related to bringing the inventories to their present condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.05 Trade and other receivables

Trade and other receivables are stated net of provisions.

3.06 Statement of cash flows

Statement of cash flows is prepared in accordance with IAS-7: "Statement of cash flows" under direct method.

3.07 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank deposits and investment in fixed deposit which were held and available for use by the company without any restriction.

3.08 Payables and accruals

Liabilities are recognized for amounts to be paid in future for goods and services received whether or not billed to the company.

3.09 Provisions

In accordance with the guidelines as prescribed by IAS-37: "*Provisions, Contingent Liabilities and Contingent Assets*" provisions are recognised when all the following criteria are met :

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

3.10 Revenue recognition

The Company has applied IFRS-15: "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 01 January 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

'The new standard is based on A new five-step process must be applied before revenue from contract with customer can be recognized:

- i. Identify the contracts with customers;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price of the contract;
- iv. Allocate the transaction price to each of the separate performance obligations; and
- v. Recognize the revenue as each performance obligation is satisfied.

3.11 Foreign currency translations

Transactions denominated in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladesh taka at the exchange rates ruling at the Statement of financial position. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladesh taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the Statement of profit or loss and other comprehensive income.

3.12 Income tax expenses

Income tax expenses comprises current and deferred tax. current tax and deferred tax is recognised

in profit or loss except to the extent that it relates to items recognised directly in equity in which case it is recognized in equity.

Current tax:

Income tax expense is recognized in the Statement of profit or loss and other comprehensive income as per the Income Tax Ordinance, 1984.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.13 Earning per share

The Company calculates its earnings per share in accordance with IAS-33: "Earning per Share" which has been shown on the face of Statement of profit or loss and other comprehensive income.

Basic earnings

This represents earnings for the year attributable to ordinary shareholders. As there were no preference shares requiring returns or dividends, minority interest or extraordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

Basic earnings per share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.14 Employees' benefit schemes

The company maintains both defined contribution plan and 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 benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 8.33% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is

has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

(b) Short-term Employee Benefits

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

(c) Contribution to Workers' Profit Participation Funds

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour Act, 2006 and is payable to workers as defined in the said law.

(d) Insurance Scheme

The company has a personal accident insurance scheme for its permanent employees, premium for which is being charged to statement of comprehensive income annually as per the insurance policy.

3.15 Events after the reporting date

In accordance with IAS-10: "Events after the reporting period", amount recognized in the financial statements are adjusted for event after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for event after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

3.16 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with IAS-37: "Provision, Contingent Liabilities and Contingent Assets", they are disclosed in the notes to the financial statements.

3.17 Financial risk management policies

The management of the company has the overall responsibility for the establishment and oversight of the company's risk management framework. Financial risk management policies require establishing standard procedures to identify and analyze the main risks to which the company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact.

The company is exposed to credit risk, liquidity risk and market risk.

3.18 Comparative figures

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year financial statements.

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

4.00 Property, plant and equipment

Amount in Taka

Sl.	Name of assets	Cost				Depreciation					Carrying value
		Balance as at 01 April 2023	Addition during the year	Disposal during the year	Balance as at 31 March 2024	Rate	Balance as at 01 April 2023	Charged during the year	Disposal during the year	Balance as at 31 March 2024	As at 31 March 2024
1	Leasehold land	33,000		-	33,000	2.51%	18,476	807	-	19,283	13,717
2	Factory building	123,235,703		-	123,235,703	1.63%	25,662,401	2,070,923	-	27,733,324	95,502,378
3	Plant and machinery	432,600,227	68,800	-	432,669,027	4.75%	192,954,027	21,144,421	-	214,098,448	218,570,579
4	Motor vehicles/Motor cycles	93,851,113		35,852,237	57,998,876	16.21%	40,383,787	8,177,589	26,942,058	21,619,318	36,379,558
5	Equipments	40,897,313		-	40,897,313	4.75%	17,742,468	2,089,669	-	19,832,137	21,065,176
6	Computer equipment	32,500,103	750,956	11,555,298	21,695,760	4.75%	24,169,586	2,980,695	11,555,298	15,594,983	6,100,777
7	Furniture and fixtures	19,691,784	14,947	-	19,706,731	6.33%	9,463,301	1,061,970	-	10,525,271	9,181,460
As on March 31, 2024		742,809,242	834,702	47,407,535	696,236,409		310,394,045	37,526,075	38,497,356	309,422,763	386,813,646
As on March 31, 2023		718,723,240	25,473,199	1,387,196	742,809,242		272,580,892	38,622,226	809,072	310,394,045	432,415,197

		Amount in Taka	
		31-Mar-24	31-Mar-23
5.00 Long term deposits			
Opening balance		17,178,288	17,178,288
Addition during the year		-	-
Less: Encashment during the year		(2,075,788)	-
Closing balance		15,102,500	17,178,288
6.00 Loan to subsidiary			
Sun Pharmaceuticals (EZ) Limited		2,037,620,000	1,145,000,000
		2,037,620,000	1,145,000,000
<i>The amount has been paid through banking channel</i>			
7.00 Right-of-use asset			
Initial/Opening Balance		39,303,995	57,799,399
Addition during the year		-	-
Depreciation during the year		(18,495,404)	(18,495,404)
Closing balance		20,808,591	39,303,995
<i>"The company has already adopted IFRS-16: "Leases" and the above 'Right-of-use assets' created against lease contracts. Detail requirements described in Note 3.02."</i>			
8.00 Investment in shares			
Sun Pharmaceuticals (EZ) Limited		59,999,900	59,999,900
		59,999,900	59,999,900
9.00 Inventories			
Finished products - depot & factory		214,275,840	234,287,131
Raw materials		256,486,346	257,641,210
Packing materials		33,169,586	33,503,588
Work in progress		35,762,980	18,427,472
Stores and spares		2,188,970	1,385,895
Goods in transit		-	7,002,833
		541,883,721	552,248,129
10.00 Trade and other receivables			
Trade receivables		299,126,988	267,830,114
Interest receivable		19,777,145	31,754,186
Insurance receivable		-	12,902
		318,904,133	299,597,201
11.00 Advances, deposits and prepayments			
Advances:			
Advance VAT on depots stock		107,308,704	124,846,263
Advance to suppliers and others		44,230,853	66,295,653
Imprest money with employees		-	1,779,858
		151,539,557	192,921,774
Deposits:			
Security deposits		-	123,000
		-	123,000
Prepayments:			
Prepaid expenses		13,268,549	10,895,311
		13,268,549	10,895,311
		164,808,107	203,940,085
12.00 Cash and cash equivalents			
Cash in hand		1,517,710	1,755,304
Cash at bank :	Note 12.01	404,011,274	646,375,351
Margin money		16,410,900	-
Fixed deposit		820,557,432	950,557,433
		1,242,497,316	1,598,688,088

	Amount in Taka	
	31-Mar-24	31-Mar-23
12.01 Current account		
Eastern Bank Ltd. (C/A # 0104-106-0005667)	9,632,722	10,430,838
Standard Chartered bank (C/A # 0111-8462001)	37,675,837	43,934,452
Dutch-Bangla Bank Limited (C/A # 138-110-1281)	535,176	3,258,650
Standard Chartered bank (Ac/No # 32-118462001)	16,036,773	1,035,675
Citi bank N.A. (C/A # 0200352009)	219,931,295	586,945,555
Citi bank N.A. (C/A # 0200352017)	90,000	90,000
State Bank of India (C/A # 05120686920201)	14,554,763	680,180
DHAKABANK_1201540000059	105,554,708	-
	404,011,274	646,375,351

13.00 Share capital		
Authorized share capital :		
5,000,000 Ordinary shares of Tk 100 each	500,000,000	500,000,000
Issued, subscribed and paid-up:		
600,000 Ordinary shares of Tk 100 each	60,000,000	60,000,000

Shareholding position of the company is as follows:

	31-Mar-24		31-Mar-23	
	Nominal value (Tk)	% of present holding	Nominal value (Tk)	% of present holding
Sun Pharmaceutical Industries Limited, India	43,446,900	72.41	43,446,900	72.41
City Overseas Limited	16,500,000	27.50	16,500,000	27.50
Sun Pharma Holdings	53,100	0.09	53,100	0.09
	60,000,000	100	60,000,000	100

14.00 Share money deposits		
Sun Pharmaceutical Industries Limited, India	38,213,466	38,213,466
City Overseas Limited	18,702,944	18,702,944
Sun Pharma Holdings	13,052	13,052
	56,929,462	56,929,462

15.00 Deferred tax liabilities

Deferred tax has been recognized and measured in accordance with the provision of IAS-12: "Income Taxes"

Name of assets	Carrying amount as at 31 March 2024	Tax base 31 March 2024	Taxable/ (deductible) Temporary difference
Factory building	95,502,378	25,653,884	69,848,495
Plant and Machinery	218,570,579	74,862,202	143,708,377
Motor Vehicles/Motor Cycles	36,379,558	-	36,379,558
Equipments	21,065,176	9,402,199	11,662,977
Computer Equipment	6,100,777	-	6,100,777
Furniture and Fixtures	9,181,460	6,424,243	2,757,217
Property, plant and equipment	386,799,928	116,342,527	270,457,401
Total Taxable temporary difference			270,457,401
Tax rate			27.50%
Deferred tax liability/ (assets) on temporary difference			74,375,785
Closing Deferred tax (assets)/ liability		74,375,785	71,429,601
Opening Deferred tax (assets)/ liability		71,429,601	77,849,898
Deferred tax expense/(income)		2,946,184	(6,420,297)

16.00 Lease liability		
Non current liability	21,781,289	25,895,952
Current liability	4,114,660	19,968,646
Total	25,895,949	45,864,598
Movement of lease liability as follows		
Opening lease liability	45,864,599	63,816,910
Addition during the year	-	-
Interest charge on lease liability	3,687,684	5,578,399
Actual rent paid during the year	(23,530,710)	(23,530,710)
Closing balance	26,021,573	45,864,599

		Amount in Taka	
		31-Mar-24	31-Mar-23
17.00 Trade payable and liability for expenses			
Management fee payable		475,723,466	764,504,519
VAT on management fee payable		74,822,921	90,955,112
Trade and other payable		514,227,250	37,105,358
Provision for Workers' Profit Participation Fund		-	21,278,572
Other liabilities	Note: 17.01	300,351,121	285,786,699
		1,365,124,759	1,199,630,260
17.01 Other liabilities			
Outstanding expenses		274,963,007	248,686,579
VAT current account		25,388,114	19,928,046
Payable to employees		-	590,199
Deposits for motor cycle from employees		-	23,967,172
Withholding income tax and VAT payable		-	(7,385,297)
		300,351,121	285,786,699
18.00 Current tax liabilities			
Provision for income tax	Note: 18.01	315,773,343	360,746,854
Advance income tax	Note: 18.02	312,631,557	(382,974,520)
		3,141,785	(22,227,666)
18.01 Provision for income tax			
Opening balance		360,746,854	1,326,109,220
Provision made during the year		162,591,821	153,181,521
Provision made for Assessment year -2022-2023		2,087,383	-
Adjustment during the year		(209,652,715)	(1,118,543,887)
Closing balance		315,773,343	360,746,854
18.02 Advance income tax			
Opening balance		382,974,520	1,311,829,393
Add: Addition during the year		132,005,735	197,692,052
Adjustment during the year		(202,348,697)	(1,126,546,925)
Closing balance		312,631,557	382,974,520

		Amount in Taka	
		01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
19.00 Net sales revenue			
Sale of manufactured goods		2,826,607,940	2,551,828,970
Total		2,826,607,940	2,551,828,970
20.00 Cost of materials			
Raw material consumed	Notes: 20.01	1,003,869,904	674,444,924
Packing material consumed	Notes: 20.02	60,587,998	69,955,364
		1,064,457,902	744,400,287
20.01 Raw material consumed			
Opening inventory		257,641,210	150,586,824
Add: Addition during the year-RM		1,002,715,040	774,496,477
Add: Stock in transit		-	7,002,833
Less: Closing inventory		(256,486,346)	(257,641,210)
		1,003,869,904	674,444,924
20.02 Packing material consumed			
Opening inventory		33,503,588	20,046,963
Add: Addition during the year-PM		60,253,996	83,411,988
Less: Closing inventory		(33,169,586)	(33,503,588)
		60,587,998	69,955,364
21.00 Changes in inventory of finished goods and WIP			
Opening finished goods -depot & factory		234,287,131	203,736,409
Closing finished goods -depot & factory		(214,275,840)	(234,287,131)
Opening work in progress		18,427,472	36,435,614
Closing work in progress		(35,762,980)	(18,427,472)
		2,675,783	(13,914,527)
22.00 Personnel expense			
Salaries, wages, bonus and benefits		261,713,047	394,057,455
Contribution to provident fund		6,269,917	9,188,607
		267,982,964	403,246,062
23.00 Operating and other expenses			
Stores and spares consumed		9,792,379	28,926,878
Conversion and other manufacturing charges		13,017,358	4,992,375
Electricity, Gas and other Utilities		1,545,300	1,131,307
Bank charges		1,640,434	1,977,013
License fees		1,569,460	1,196,216
Power and fuel		30,391,547	23,230,307
Management fees (Royalty fee)		169,596,477	153,109,738
Rent		1,989,604	1,919,416
Insurance		13,646,145	13,251,112
Repairs and maintenance-building		258,740	513,160
Repairs and maintenance-plant and machinery		6,625,456	7,103,420
Repairs/Maintenance- Others		4,570,646	7,844,110
Printing and stationery		4,648,719	5,848,722
Traveling and conveyance - Local		9,357,598	5,229,999
Traveling and conveyance - Foreign		208,278	428,075
Communication		1,767,231	2,292,599
Briefing materials & stationery		192,079	-
Statutory audit fees		328,750	250,000
Professional and consultancy fees		2,204,878	2,032,487
Security services		4,672,215	4,888,441
Rates & taxes		-	929,078
Gain/(loss) from disposal of assets		6,618,933	-
Entertainment		846,577	581,472
Miscellaneous expenses		1,951,000	1,508,502
		287,439,805	269,184,429

	Amount in Taka	
	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
	24.00 Selling, marketing and distribution expenses	
Drug testing fees/license fees	4,528,962	2,190,467
Insurance	1,667,173	4,174,583
Traveling and conveyance - Local	12,845,540	16,044,268
Traveling and conveyance - Foreign	16,119,043	14,351,648
Sales promotion expenses	43,097,868	12,503,164
Depot conveyance expenses	1,690,139	1,735,350
Knowledge update expenses	245,113,335	206,848,805
Distribution service charge	193,940,979	219,856,759
Briefing materials & stationery	21,544,067	18,691,826
Training expenses	55,118,637	43,823,731
Field staff expenses	89,932,817	92,334,328
Breakage, expiry and samples	31,818,971	20,338,097
Entertainment	8,240,047	7,308,497
legal and consultancy fees	51,202,766	45,609,961
Miscellaneous expenses	1,184,255	1,462,757
	778,044,600	707,274,243
25.00 Depreciation		
Depreciation on property plant and equipments (Notes-4)	37,526,075	38,622,226
Depreciation on Right-of-use assets (RoU)	18,495,141	18,495,404
	56,021,216	57,117,630
26.00 Other Income		
Interest income	66,883,852	68,221,855
Gain on asset disposal	-	144,642
Scrap Sales	669,098	-
	67,552,950	68,366,497
27.00 Interest expenses		
Interest Expense- lease liability	3,687,684	5,578,399
Interest expenses on Upass loan	-	458,922
	3,687,684	6,037,321
28.00 Deferred tax expense		
Closing deferred tax liability	74,375,785	71,429,601
Opening deferred tax liability	71,429,601	77,849,898
Total	2,946,184	(6,420,297)
29.00 Workers' Profit Participation Fund		
Employer'S Contribution to the Fund	-	21,278,572
	-	21,278,572
As per Bangladesh Labour Act 2006 (under chapter 15), the company has made the provision of 5% on profit before tax to Workers' Profit Participation and Welfare Fund for the year ended 31 March 2024.		
30.00 Capacity utilization	2023-24	2022-23
Installed capacity (tablets/capsules) in pieces	363,000,000	348,932,000
Utilized capacity (tablets/capsules) in pieces	362,900,416	348,807,142
Percentage of utilization (%)	99.97%	99.96%
31.00 Information relating to consumption of materials		

	01 April, 2023 to 31 March, 2024		01 April, 2022 to 31 March, 2023	
	Quantity	Value	Quantity	Value
	Kg	Taka	Kg	Taka
Raw materials & packing materials	211,739	737,351,987	139,776	639,629,257

32.00 Value of imports calculated on CIF basis

During the year, the company imported the following items in foreign currencies including in transit :

Particulars	Currency	2023-2024		2022-2023	
		Foreign currency	Equivalent Taka	Foreign currency	Equivalent Taka
Raw materials and Packing materials	USD	7,693,689	843,511,773	7,237,455	707,683,087
	USD				
Capital machinery and spare parts & lab chemical	USD	17,394	1,907,483	54,581	5,620,251
	EURO	-	-	-	-
Total			845,419,256		713,303,338

33.00 Particulars of employees

The number of employees engaged by the company during the year and part thereof was 561 (2022: 571) and all the staff of the Company are drawing salary and allowances above Tk. 3,000 per month.

34.00 Basic earnings per share (EPS)

Profit after tax

Number of shares

EPS

Amount in Taka	
2023-2024	2022-2023
266,225,548	274,621,161
600,000	600,000
443.71	457.70

35.00 Contingent liability

(a) Bank guarantee

(b) Letter of credit

(c) Income tax :

For the Assessment Year 2019-20 & 2020-21

757,910	757,910
280,201,064	41,942,298
-	-
280,958,974	42,700,208

35.01

(a) The company has a contingent liability aggregating guarantees issued by the banker on behalf of the Company Tk. 557,432.

(b) The company has a Letter of credit of Tk 280,201,064.

(c) The company has filed appeal at Tax Appellate Tribunal against the order of the Deputy Commissioner of Taxes as well as the Commissioner of Taxes (Appeal) on the matter of income tax assessments. Outcome of which is uncertain. However, the company's management feels that the claim by the Tax authority is unjustified and the company has fair grounds for having the judgment in their favor.

36.00 Financial risk management objective and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

36.01 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises of Trade and other receivables, bank balances and Advances, deposits and prepayments (except receivable from Govt.). The Company's maximum exposure to credit risk at the reporting date is as follows:

	Notes	Amounts in taka	
		31-Mar-24	31-Mar-23
Trade and other receivables	10.00	318,904,133	299,597,201
Cash and cash equivalents (except cash in hand)	12.00	1,242,497,316	1,596,932,784
Advances, deposits and prepayments (except receivable from Govt.)	11.00	164,808,107	203,940,085
		1,726,209,556	2,100,470,070

The aging of trade receivables at the reporting date is as follows:

	Amount in Taka	
	2023-2024	2022-2023
Due over twelve months	25261500.79	16,183,590
Due over six months	17653762.02	8,361,005
Due below six months	261941708.7	249,015,502
	304,856,972	273,560,097
Less: Provision for doubtful debts	5,729,983	5,729,983
	299,126,989	267,830,114

To mitigate the credit risk against trade receivables, the company has a system of specific credit line period to the parties. This outstanding period and amount are regularly monitored. The Company endeavors to cover the credit risks on all receivables, where possible, by restricting credit facility and stringent monitoring.

36.02 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The table below summarises the Company's financial liabilities as at the reporting date.

Trade payable and liability for expenses	17.00	1,365,124,759	1,199,630,260
Current tax liabilities	18.00	3,141,785	(22,227,666)
		1,368,266,544	1,177,402,594

Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk.

36.03 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

36.03.01 Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to company's operating activities with the foreign suppliers.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	Foreign currency	Amounts in tk	
		31-Mar-24	31-Mar-23
Current liabilities	EURO	-	-
	POUND	-	-
	USD	7,911,407	7,198,606

The Company did not experience with any unusual profit or loss causing from foreign exchange fluctuation till date.

36.03.02 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's short-term deposits.

At the reporting date, the average interest rate of the Company's investment in Fixed Deposit was as follows:

	Effective rates %		Amounts in tk	
	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
Investment in Fixed Deposit	0.50% - 5.00%	0.50% - 5.00%	820,557,432	950,557,433
			820,557,432	950,557,433

36.03.03 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares. The Company also is not exposed to commodity price risk.

37.00 Related party disclosures

(a) Related party transactions

During the year, the company made a number of transactions with related party in the normal course of business. Name of the related party, nature of those transactions and total value have been set out in accordance with the provisions of IAS-24: "Related Party Disclosures".

Name of the related party transaction	Nature of transaction	Relationship	31-Mar-24		31-Mar-23
			Transaction value	Amount due	Amount due
Sun Pharmaceutical Industries Limited, India	Raw materials	Parent company	16,017,270	657,000	7,002,833
	Management fees (Royalty fee)		169,600,107	475,723,466	759,480,690
			185,617,377	476,380,466	766,483,523

(b) Compensation of Key Management Personnel

The following disclosures are made in accordance with the provisions of IAS-24: "Related Party Disclosures", in respect of the compensation of key management personnel. Under IAS-24, 'Key Management Personnel' are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity. The transactions of the current members of the Board of Management is set out below.

Name of the related party transaction	Nature of transaction	Relationship	31-Mar-24		31-Mar-24
			Transaction value	Amount due	Amount due
Mr. Sukumar Ranjan Ghosh	Factory Land Rent	Director	1,193,400	298,350	298,350
Mrs. Abha Rani Ghosh	Factory Land Rent	Spouse of Director	1,432,068	358,017	358,017
			2,625,468	656,367	656,367