

Consolidated Financial Statements
Beximco Pharma and Its Subsidiaries
For the Year ended June 30, 2022

Beximco Pharmaceuticals Limited and its Subsidiaries

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Beximco Pharmaceuticals Limited (the "Company"), which comprise the Consolidated Statement of Financial Position as at June 30, 2022 and Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies.

The Accounting year of the subsidiary companies- Beximco Pharma API Limited and Nuvista Pharma Limited ends on the same date as of the Company. The newly acquired subsidiary Synovia Pharma PLC used to follow January-December accounting year. However Synovia Pharma prepared audited financial statements for the six month ending June 30, 2022 to align its accounting year with that of the parent company. We have audited the Financial statements of Beximco Pharma API Limited and expressed our unmodified opinion on those statements vide our report dated October 27, 2022. The Financial Statements of Nuvista Pharma Limited and Synovia Pharma PLC were audited by A. Qasem & Co. Chartered Accountants, who through their report dated October 13, 2022 and October 12, 2022 respectively, have also expressed unmodified opinion on those statements.

In our opinion, the accompanying consolidated financial statements of the Company give a true and fair view of the consolidated financial position of the Company as at June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated 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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 41,760,330,727 as at June 30, 2022.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets 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.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the consolidated financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 4 to the consolidated financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none">• We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.• We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.• We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.• We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work

Risk	Our response to the risk
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Valuation of Inventory

<p>The inventory of Tk. 10,405,295,079 as at June 30, 2022 was held at different locations across the country.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the consolidated Financial Statements and there is measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 8 to the consolidated financial statements.</p>	<p>We verified the appropriateness of management’s assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls. • Attending inventory counts on sample basis and reconciling the count results to the inventory listing to test the completeness of data. • Reviewing the requirement of inventory provisioning and action there upon by the management. • Comparing 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.
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Related party transactions

<p>The Company has related party transactions as described in Note No. 36 of the Consolidated Financial Statements.</p> <p>We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Evaluated the transactions among the related parties and tested material accounts balances. • Evaluated the disclosures in the Consolidated financial statements in compliance with IAS 24.
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Other Information

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 internal controls of the Company.
- 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 Consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

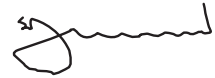
[Report on other Legal and Regulatory Requirements](#)

In accordance with the Companies Act 1994, The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's consolidated Statement of Financial Position (Balance sheet) and consolidated Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by this report are in agreement with the books of accounts and;
- d) The expenditures incurred and payment made were for the purpose of the Company's business for the year.

Dhaka
October 27, 2022

M. J. ABEDIN & CO.
Chartered Accountants
Reg No. N/A



Hasan Mahmood FCA
Enrollment No: 0564
DVC:N/A

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Financial Position

As at June 30, 2022

	Notes	June 30, 2022	Amount in Taka June 30, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment- Carrying Value	4	41,760,330,727	36,211,375,594
Right-of-use Assets	4(a)	618,891,376	319,884,849
Intangible Assets	5	4,562,988,045	1,380,693,809
Deferred Tax Asset		88,640,228	-
Goodwill	6	674,570,185	546,691,213
Other Investments	7	23,356,899	16,592,382
Current Assets		18,419,258,282	13,770,846,179
Inventories	8	10,405,295,079	7,142,863,477
Spares & Supplies	9	718,797,256	661,722,724
Accounts Receivable	10	3,142,817,194	2,873,844,874
Loans, Advances and Deposits	11	2,787,039,904	2,416,948,496
Advance Income Tax		196,635,028	-
Cash and Cash Equivalents	12	1,168,673,821	675,466,608
TOTAL ASSETS		66,148,035,742	52,246,084,026
EQUITY AND LIABILITIES			
Equity Attributable to the Owners of the Company			
Issued Share Capital	13	4,461,120,890	4,461,120,890
Share Premium		5,269,474,690	5,269,474,690
Excess of Issue Price over Face Value of GDRs		1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus		1,116,896,688	1,121,824,646
Unrealized Gain/(Loss)		20,531,723	13,767,206
Retained Earnings		27,747,885,918	24,179,782,862
Non-Controlling Interest	14	4,035,506,641	334,306,627
TOTAL EQUITY		44,636,004,458	37,364,864,829
Non-Current Liabilities			
Long Term Borrowings-Net of Current Maturity	15	3,454,188,843	1,206,717,094
Liability for Gratuity, Pension and WPPF & Welfare Funds	16	2,785,072,661	2,335,257,766
Deferred Tax Liability		2,536,837,704	1,989,565,929
Current Liabilities and Provisions		12,735,932,076	9,349,678,408
Short Term Borrowings	17	6,850,550,319	5,023,181,128
Long Term Borrowings-Current Maturity	18	2,065,962,471	1,401,406,013
Creditors and Other Payables	19	2,465,039,217	1,965,048,180
Accrued Expenses	20	1,166,881,586	619,399,363
Dividend Payable / Unclaimed Dividend	21	88,049,428	118,137,390
Income Tax Payable		99,449,055	222,506,334
TOTAL EQUITY AND LIABILITIES		66,148,035,742	52,246,084,026

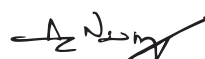
The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
 Director



Nazmul Hassan
 Managing Director

Per our report of even date


Mohammad Ali Nawaz
 Chief Financial Officer

Dhaka
 October 27, 2022

M.J. Abedin & Co.
 Chartered Accountants
 Reg No :N/A


Hasan Mahmood FCA
 Enrollment No : 0564
 DVC : N/A

Beximco Pharmaceuticals Limited and its Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended June 30, 2022

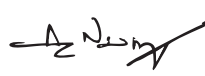
	Notes	July 2021- June 2022	July 2020- June 2021
Amount in Taka			
Net Revenue	22	34,669,172,052	29,493,573,869
Cost of Goods Sold	23	(18,854,919,733)	(15,570,071,581)
Gross Profit		15,814,252,319	13,923,502,288
Operating Expenses		(8,912,966,372)	(7,272,794,940)
Administrative Expenses	26	(1,163,406,037)	(896,648,965)
Selling, Marketing and Distribution Expenses	27	(7,749,560,335)	(6,376,145,975)
Profit from Operations		6,901,285,947	6,650,707,348
Other Income	28	1,146,717,162	908,275,284
Finance Cost	29	(1,001,835,523)	(858,685,146)
Profit Before Contribution to WPPF & Welfare Funds		7,046,167,586	6,700,297,486
Contribution to WPPF & Welfare Funds		(359,222,585)	(322,749,293)
Profit Before Tax		6,686,945,001	6,377,548,193
Income Tax Expenses	30	(1,688,316,804)	(1,211,798,461)
Current Tax		(1,191,180,488)	(1,386,678,310)
Deferred Tax Income/ (Expense)		(497,136,316)	174,879,849
Profit After Tax		4,998,628,197	5,165,749,732
Profit/(Loss) Attributable to:			
Owners of the Company		5,123,136,712	5,127,693,711
Non-Controlling Interest		(124,508,515)	38,056,021
		4,998,628,197	5,165,749,732
Other Comprehensive Income/(Loss)	31	6,764,517	12,840,831
Total Comprehensive Income		5,005,392,714	5,178,590,563
Total Comprehensive Income Attributable to:			
Owners of the Company		5,129,901,229	5,140,534,542
Non-Controlling Interest		(124,508,515)	38,056,021
		5,005,392,714	5,178,590,563
Earnings Per Share (EPS)	32	11.48	11.49

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
 Director

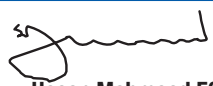

Nazmul Hassan
 Managing Director


Mohammad Ali Nawaz
 Chief Financial Officer

Per our report of even date

Dhaka
 October 27, 2022

M.J. Abedin & Co.
 Chartered Accountants
 Reg No :N/A


Hasan Mahmood FCA
 Enrollment No : 0564
 DVC : N/A

Beximco Pharmaceuticals Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the Year Ended June 30, 2022

Amount in Taka

As at June 30, 2022

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/(Loss)	Retained Earnings	Equity attributable to Owners of the Company	Non-Controlling Interests	Total Equity
Balance as on July 01, 2021	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,121,824,646	13,767,206	24,179,782,862	37,030,558,202	334,306,627	37,364,864,829
NCI at the date of acquisition-SPP	-	-	-	-	-	-	-	-	3,857,134,718	3,857,134,718
Total Comprehensive Income:										
Profit for the Year	-	-	-	-	-	-	5,123,136,712	5,123,136,712	(124,508,515)	4,998,628,197
Other Comprehensive Income/(Loss)	-	-	-	-	-	6,764,517	-	6,764,517	-	6,764,517
Transactions with the Shareholders:										
Cash Dividend	-	-	-	-	-	-	(1,561,392,312)	(1,561,392,312)	(31,426,189)	(1,592,818,501)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(6,358,656)	-	6,358,656	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	1,430,698	-	-	1,430,698	-	1,430,698
Balance as on June 30, 2022	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,116,896,688	20,531,723	27,747,885,918	40,600,497,817	4,035,506,641	44,636,004,458
Net Asset Value (NAV) Per Share (Note-33)							Tk.		91.01	

As at June 30, 2021

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/(Loss)	Retained Earnings	Equity attributable to Owners of the Company	Non-Controlling Interests	Total Equity
Balance as on July 01, 2020	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,125,767,451	926,375	20,058,799,733	32,495,120,607	302,329,006	32,797,449,613
Total Comprehensive Income:										
Profit for the Year	-	-	-	-	-	-	5,127,693,711	5,127,693,711	38,056,021	5,165,749,732
Other Comprehensive Income/(Loss)	-	-	-	-	-	12,840,831	-	12,840,831	-	12,840,831
Transactions with the Shareholders:										
Cash Dividend	-	-	-	-	-	-	(608,334,668)	(608,334,668)	(6,078,400)	(614,413,068)
Stock Dividend	405,556,440	-	-	-	-	-	(405,556,440)	-	-	-
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(7,180,526)	-	7,180,526	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	3,237,721	-	-	3,237,721	-	3,237,721
Balance as on June 30, 2021	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,121,824,646	13,767,206	24,179,782,862	37,030,558,202	334,306,627	37,364,864,829
Net Asset Value (NAV) Per Share (Note-33)							Tk.		83.01	

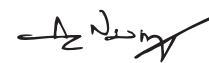
Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :



Osman Kaiser Chowdhury
Director




Nazmul Hassan
Managing Director



Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

M.J. Abedin & Co.
Chartered Accountants
Reg No :N/A



Hasan Mahmood FCA
Enrollment No : 0564
DVC : N/A

Dhaka
October 27, 2022

Beximco Pharmaceuticals Limited and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year ended June 30, 2022

	Notes	July 2021-June 2022	Amount in Taka July 2020-June 2021
Cash Flows from Operating Activities :			
Receipts from Customers and Others		36,125,979,245	30,833,168,257
Payments to Suppliers and Employees		(28,565,273,290)	(22,500,770,314)
Cash Generated from Operations		7,560,705,955	8,332,397,943
Interest Paid		(1,002,350,838)	(861,452,888)
Interest Received		3,055,358	2,377,286
Income Tax Paid		(1,347,234,025)	(1,450,058,386)
Net Cash Generated from Operating Activities	35	5,214,176,450	6,023,263,955
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,931,097,076)	(2,520,682,923)
Intangible Assets		(8,400,918)	(37,734,793)
Investment in Subsidiary		(4,766,635,704)	-
Disposal of Property, Plant and Equipment		24,063,832	32,831,171
Dividend Received		2,015,444	940,700
Net Cash Used in Investing Activities		(7,680,054,422)	(2,524,645,845)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		2,730,647,211	(504,636,764)
Net Increase/(Decrease) in Short Term Borrowings		1,507,676,748	(2,375,180,232)
Dividend Paid		(1,623,098,759)	(578,351,025)
Net Cash (Used in) / from Financing Activities		2,615,225,200	(3,458,168,021)
Increase/(Decrease) in Cash and Cash Equivalents		149,347,228	40,450,089
Cash and Cash Equivalents at Beginning of Year*		973,963,625	635,016,519
Effect of Exchange Rate Changes on Cash and Cash Equivalents	35	45,362,968	-
Cash and Cash Equivalents at End of Year	12	1,168,673,821	675,466,608
Net Operating Cash Flows Per Share	34	11.69	13.50

* Includes Cash and Cash Equivalents of Synovia Pharma PLC at the date of acquisition.

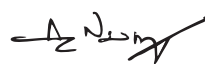
The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director



Nazmul Hassan
Managing Director

Per our report of even date


Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 27, 2022

M.J. Abedin & Co.
Chartered Accountants
Reg No :N/A


Hasan Mahmood FCA
Enrollment No : 0564
DVC : N/A

Beximco Pharmaceuticals Limited and its Subsidiaries

Notes to the Financial Statements

As at and for the year ended June 30, 2022

1. The Reporting Entity

1.1 About the Company

Beximco Pharmaceuticals Limited (Beximco Pharma/BPL/ the Company) is a public limited company incorporated in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). The Company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). Shares of the Company are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh. Its GDRs are traded in AIM of the London Stock Exchange.

In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited (Nuvista Pharma/NPL)— a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs. In October 2021, BPL acquired majority stake (54.6%) in Sanofi Bangladesh Limited from Sanofi Group represented through May & Baker Limited and Fisons Limited. The company was subsequently renamed as Synovia Pharma PLC (Synovia Pharma/SPP). Bangladesh Government holds 45.4% shares of the company represented through Bangladesh Chemical Industries Corporation (20%) and Ministry of Industries (25.4%). SPP is a non-listed pharmaceutical company based in Bangladesh.

The corporate headquarters of Beximco Pharma is based in Dhaka. The industrial units are located at Tongi and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2 The Subsidiaries

Nuvista Pharma Limited (NPL)

Nuvista Pharma, formerly Organon (Bangladesh) Ltd., was a subsidiary of Netherlands based Organon International. The Company has been operating in Bangladesh since 1964, with a local manufacturing facility at Tongi, Dhaka. In the post-independent Bangladesh, it was incorporated under Bangladesh Companies Act as a private limited company. In 2006 the foreign shareholding was sold out to Bangladeshi management and was renamed as Nuvista Pharma Limited. In 2011, the company through amendments to its memorandum of association converted it into a public limited company. In 2018, Beximco Pharma acquired majority shareholdings in Nuvista Pharma and thus it became the immediate and ultimate parent of the company.

Synovia Pharma PLC (SPP)

Synovia Pharma PLC (formerly Sanofi Bangladesh Limited) had been a part of Sanofi S.A., a global biopharmaceutical company focused on human health. The company has been operating in Bangladesh since 1958 as part of the British chemical company, May & Baker. Following series of mergers, it was renamed as Sanofi Bangladesh Limited in 2013 before being acquired by Beximco Pharma in 2021 and subsequently renamed as Synovia Pharma PLC. SPP's state-of-the-art manufacturing facilities, including a PIC/S certifiable manufacturing facility for the leading antibiotic, cephalosporin, are spread over c25 acres of land, located at Tongi, Gazipur. SPP has over 900 employees and produces approximately 100 branded generic products predominantly for the local market. The company also imports finished formulation products for distribution and sale in Bangladesh.

Beximco Pharma API Limited (BPAL)

Beximco Pharma API Limited was formed with an intend to set up a facility at API Industrial Park to manufacture Active Pharmaceutical Ingredients (APIs) for domestic and international markets. It is a private limited company with a paid up capital of Taka 20 million divided into 2 million shares of Taka 10 each, fully held by BPL excepting 10 shares. The company is still in the initial phase of establishment.

1.3 Nature of Business

BPL is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable and Large Volume Intravenous Fluids. Besides formulation products, BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the Company are sold in domestic and international markets.

NPL produces various pharmaceutical products including oral contraceptives, hormone, steroid, anti-histamine, anti-fibrinolytic, anti-infective, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women's health products which are sold predominantly in the domestic market.

SPP produces generic pharmaceutical products and has a strong presence in cardiology, diabetes, oncology, dermatology and CNS. SPP

also imports certain global brands of Sanofi including vaccines, insulins and chemotherapy drugs for sale in Bangladesh market.

NPL and SPP also provide contract manufacturing services.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 2020, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRSs).

2.2 Basis of Measurement

The financial statements have been prepared on Historical Cost basis except for certain Property, Plant and Equipment measured at revalued amount. The Tangible and Intangible Assets and Liabilities of the acquired subsidiaries have been reported at their fair values at the date of acquisition. Investment in Shares of listed companies have been valued at the year- end quoted prices. Cash flow statement has been prepared on cash basis.

2.3 Reporting Period

Accounting year of Beximco Pharmaceuticals Limited (BPL) and its subsidiaries Nuvista Pharma Limited (NPL) and Beximco Pharma API Limited (BPAL) begins on July 1 and ends on June 30. Synovia Pharma PLC (SPP) used to follow January-December accounting year. Following acquisition by Beximco Pharma, the accounting year of SPP has been changed to July-June which shall come into effect from July 1, 2022.

BPL acquired SPP on October 1, 2021 and as such consolidated financial statements covers nine months' financials (October 1, 2021 to June 30, 2022) for SPP. Synovia Pharma carried out full year's audit (January-December 2021) to comply with the regulatory requirement and facilitate tax submissions. The company had audited its financial statements at the date of acquisition covering January-September 2021 and subsequently carried out a half-yearly audit (January-June 2022) to align its accounting year with that of Beximco Pharma. Financials for the nine months has been consolidated based on the aforementioned audited statements.

2.4 Comparative Information

The current reporting being the first year of acquisition of the subsidiary Synovia Pharma, no comparable prior year information for SPP is relevant for reporting in the consolidated financial statements.

3. Significant Accounting Policies

3.1 Basis of Consolidation

The financial statements of the subsidiaries have been consolidated with those of Beximco Pharmaceuticals Limited in accordance with IFRS 10: Consolidated Financial Statements.

The Company acquired 85.22% and 54.6% shares of the issued and paid up capital of Nuvista Pharma and Synovia Pharma, respectively. These ownership interests are adequate enough to establish control over NPL & SPP and thus BPL meets the conditions as stated in IFRS 10: Consolidated Financial Statements to consider NPL and SPP as subsidiaries.

Beximco Pharma API Limited is fully owned by BPL and thus it meets the conditions stated in IFRS 10: Consolidated Financial Statements to consider it as a subsidiary.

3.2 Inter-Company Transactions

Assets, Liabilities, Equity, Income, Expenses and Cash Flows arising out of transactions among the Company and its subsidiaries have been eliminated in full in the Consolidated Financial Statements.

3.3 Non-Controlling Interests (NCIs)

Non-Controlling Interests (NCIs) at the date of acquisition have been measured at fair value of the net assets of the acquired companies in proportion to the shares held by the non-controlling shareholders. Profit or Loss and Other Comprehensive Income subsequent to the acquisitions have been allocated to the owners of the Company and to the NCIs in proportion to their respective share and disclosed in the financial statements.

3.4 Valuation of Goodwill

Goodwill has been determined in accordance with IFRS 3: Business Combination. This represents the excess of the aggregate of Purchase Consideration and the acquisition-date fair value of NCI's share in the identifiable net assets over the acquisition-date fair value of the identifiable net assets of the subsidiary.

3.5 Amortization of Intangible Asset

Fair value of identifiable intangible assets of subsidiaries at acquisition are amortized over a period of 25 years. Other intangible assets are amortized over their estimated useful period.

3.6 Investment in Associates

Investment in Associates has been accounted for using the Equity method as per IAS 28: Investment in Associates and Joint Ventures. This represents value of 3,900,000 Ordinary Shares of Malaysian Ringgit (RM) 1 each issued to Beximco Pharmaceuticals Ltd. by BioCare Manufacturing Sdn Bhd ("BioCare"), Malaysia. Beximco Pharmaceuticals Ltd. was issued 30% of the equity share of the Malaysian based company for providing technical support to set up a manufacturing facility to produce specialized pharmaceutical products in Malaysia. BioCare is considered to be an associate of BPL as per IAS 28: Investment in Associates and Joint Ventures.

Accounting year of BioCare ends on December 31 which is different from the date of preparation of this Consolidated Statement of Financial Positions. Beximco Pharma's share of accumulated loss of BioCare as on 30 June 2022 (includes provisional estimates for six months since its audited financials as on December 31, 2021) exceeds its investment by an amount of Tk. 33,458,283. Beximco Pharma has not recognized this loss following IAS 28: Investment in Associates and Joint Ventures as the Company has no obligation for any liability beyond the value of its investment in associates.

3.7. Basis of Estimation of Fair Values at Acquisition

The Company engaged PricewaterhouseCoopers Bangladesh Pvt. Ltd. to provide estimates of the Fair Value for the tangible assets and identified intangible assets of Synovia Pharma on acquisition date as per criteria set out in International Financial Reporting Standards-IFRS 3: Business Combination. Management has considered the report of the said independent firm in allocating the total consideration paid for the acquisition among various classes of acquired assets in compliance of the requirement of IFRS 3.

Tangible fixed assets other than land were valued using the depreciated replacement cost method. Depreciated replacement costs reflect adjustments for physical deterioration as well as functional and economic obsolescence. Land was valued at prevailing market price taking into consideration factors like location, size and industrial or other use, availability of infrastructure etc., among others. The intangible assets relating to Developed Products has been valued using the Multi-period Excess Earnings Method.

3.8. Acquisition related Costs

All advisory, accounting, valuation, legal or other professional/consulting fees and general administrative costs related to the acquisition of business has been accounted for as expense.

4. Property Plant and Equipment

As on June 30, 2022

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 2021	4,067,829,596	8,128,721,500	16,847,213,658	352,874,914	809,125,327	653,815,476	30,859,580,471	520,397,410	31,379,977,881
SPP's assets (at cost)	1,010,047,500	952,490,521	1,099,807,163	126,346,894	-	282,370,491	3,471,062,569	140,256,509	3,611,319,078
Fair value adjustment (SPP)	2,391,000,000	48,000,000	98,000,000	-	-	-	2,537,000,000	-	2,537,000,000
Additions	-	153,183,693	402,456,266	91,358,324	-	51,054,159	698,052,442	360,555,764	1,058,608,206
Transferred in & Capitalized	-	7,254,054,359	10,253,459,155	96,202,893	24,214,260	96,105,405	17,724,036,072	-	17,724,036,072
Transferred from Right-of-use Assets	-	-	-	-	130,522,554	-	130,522,554	(130,522,554)	-
Disposal during the Year	-	-	(53,601,745)	(642,221)	(30,934,830)	(2,511,295)	(87,690,091)	(22,039,905)	(109,729,996)
Cost as on June 30, 2022	7,468,877,096	16,536,450,073	28,647,334,497	666,140,804	932,927,311	1,080,834,236	55,332,564,017	868,647,224	56,201,211,241
Accumulated Depreciation									
As on July 01, 2021	-	2,371,058,300	7,507,387,594	176,748,894	650,960,136	449,486,989	11,155,641,913	200,512,561	11,356,154,474
Accumulated balance (SPP)	-	747,700,772	783,105,286	87,622,496	-	221,388,943	1,839,817,497	97,088,324	1,936,905,821
Depreciation Charged	-	283,608,206	948,712,422	25,952,697	39,151,781	63,846,658	1,361,271,764	78,737,938	1,440,009,702
Depreciation (Fair value adjustment)	-	4,883,364	17,002,060	-	-	-	21,885,424	-	21,885,424
Transferred from Right-of-use Assets	-	-	-	-	104,543,070	-	104,543,070	(104,543,070)	-
Adjustment for Assets disposed off	-	-	(46,032,684)	(606,333)	(27,101,816)	(2,503,373)	(76,244,206)	(22,039,905)	(98,284,111)
Accumulated Depreciation as on June 30, 2022	-	3,407,250,642	9,210,174,678	289,717,754	767,553,171	732,219,217	14,406,915,462	249,755,848	14,656,671,310
Net Book Value June 30, 2022	7,468,877,096	13,129,199,431	19,437,159,819	376,423,050	165,374,140	348,615,019	40,925,648,555	618,891,376	41,544,539,931
Capital Work in Progress							834,682,172	-	834,682,172
Carrying Value as on June 30, 2022							41,760,330,727	618,891,376	42,379,222,103
Carrying Value as on June 30, 2021							36,211,375,594	319,884,849	36,531,260,443

4 (a). Right-of-use Assets

Amount in Taka

	June 30, 2022	June 30, 2021
At Cost	868,647,224	520,397,410
Accumulated Depreciation	(249,755,848)	(200,512,561)
	618,891,376	319,884,849

4 (b). Capital Work in Progress

The unit 3 manufacturing facility of Beximco Pharma has been completed and now in ready-to-use status. The commercial operation has partially commenced during the reporting period. The plant will be fully commercially operational once the product/technology transfer, which is being done in phases, are complete. The Capital Work in Progress has been transferred to respective assets under Property, Plant and Equipment category and related depreciation has been charged accordingly.

5. Intangible Assets

Amount in Taka

Particulars	Marketing Rights, Brand & Product development	ERP & Software	Trade Name & Trade Marks	Total
Cost				
As on July 01, 2021	1,514,157,713	192,609,453	68,870,674	1,775,637,840
Cost of SPP's Assets at acquisition date	104,124,112	77,035,587	-	181,159,699
Acquisition date Fair value of SPP's Intangibles	3,228,000,000	-	-	3,228,000,000
Addition / Transferred in & Capitalized	113,729,912	13,566,031	-	127,295,943
As on June 30, 2022	4,960,011,737	283,211,071	68,870,674	5,312,093,482
Amortization				
As on July 01, 2021	354,671,532	33,420,732	6,851,767	394,944,031
Accumulated balance of SPP at acquisition date	77,545,575	71,500,897	-	149,046,472
Amortized During the year	179,731,237	21,736,630	3,647,067	205,114,934
As on June 30, 2022	611,948,344	126,658,259	10,498,834	749,105,437
Balance as on June 30, 2022	4,348,063,393	156,552,812	58,371,840	4,562,988,045
Balance as on June 30, 2021	1,159,486,181	159,188,721	62,018,907	1,380,693,809

6. Goodwill

Amount in Taka

	June 30, 2022	June 30, 2021
Acquisition of 85.22% stake in Nuvista Pharma Limited	546,691,213	546,691,213
Acquisition of 54.6% stake in Synovia Pharma PLC.- Note (a) and (b)	127,878,972	-
	674,570,185	546,691,213

(a) Value of Goodwill from acquisition of SPP:

Purchase Consideration*	4,766,635,704
Share of Non-controlling Interest at acquisition date	3,857,134,718
	8,623,770,422
Less: Acquisition date Fair Value of Identifiable Net Assets	(8,495,891,450)
	127,878,972

*Purchase consideration includes share transfer fee of Taka 70,442,892 paid to the Registrar of Joint Stock Companies and Firms.

(b) Acquisition date Fair Value of Identifiable Net Assets is arrived at as follows:

	Amount in Taka
Assets:	
Land	3,401,047,500
Buildings	252,789,749
Plant and Machinery	414,701,877
Furniture and Fixture	38,724,398
Office Equipment	60,981,548
Capital Work in Progress	117,321,809
Intangible Assets	3,260,113,227
Right-of-Use Assets	43,168,185
Deferred Tax Assets	37,074,071
Current Assets	4,444,075,602
Total Assets (A)	12,069,997,966
Less Liabilities:	
Pension Fund	5,334,216
Gratuity Fund	105,759,453
Lease Liabilities	33,716,290
Current Liabilities	3,429,296,557
Total Liabilities (B)	3,574,106,516
Fair Value of Identifiable Net Assets (A-B)	8,495,891,450

7. Other Investments

Details	June 30, 2022		June 30, 2021	
	Number of Shares	Value	Number of Shares	Value
Bangladesh Export Import Co. Ltd.	167,854	21,787,449	167,854	15,022,932
Central Depository Bangladesh Ltd. (CDBL)	571,182	1,569,450	571,182	1,569,450
		23,356,899		16,592,382

a. The shares of Bangladesh Export Import Co. Ltd. are listed with Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. as on June 30, 2022 was Tk. 129.80 (June 30, 2021: Tk.89.50). The fair value gain of Tk. 6,764,517 has been accounted for, as Other Comprehensive Income following IFRS 9:Financial Instruments.

b. Shares of Central Depository Bangladesh Ltd.(CDBL) are not traded . The value at acquisition is considered to be the fair value as on the Balance Sheet date.

8. Inventories

	Amount in Taka	
	June 30, 2022	June 30, 2021
This consists of as follows :		
Finished Goods	2,486,292,696	1,299,682,358
Work in Process	684,808,447	340,572,871
Raw Materials	4,751,533,955	3,234,868,408
Packing Materials	1,171,926,025	1,134,669,306
Laboratory Chemicals	98,605,393	82,829,613
Physician Samples	82,051,648	79,764,262
R&D Materials	37,709,095	22,520,999
Materials in Transit	1,092,367,820	947,955,660
	10,405,295,079	7,142,863,477

9. Spares & Supplies

	Amount in Taka	
	June 30, 2022	June 30, 2021
This consists of as follows :		
Spares & Accessories	558,966,964	553,939,317
Stock of Stationery	20,974,250	16,841,919
Literature & Other Materials	138,856,042	90,941,488
	718,797,256	661,722,724

10. Accounts Receivable

	Amount in Taka	
	June 30, 2022	June 30, 2021
This consists of :		
Trade Receivable	2,963,143,615	2,725,572,936
Other Receivable	179,673,579	148,271,938
	3,142,817,194	2,873,844,874

Accounts Receivable is reported net of provision for bad debts of Tk. 28,354,845. It includes an amount of Tk. 1,016,268,270, equivalent USD 11,821,851 (June 30, 2021: Tk. 840,777,271, USD 9,985,468) receivable against export sales. Part of the export sales receivables are against Letter of Credit while the rest are unsecured but considered good.

Accounts Receivable also includes Tk. 1,020,929,771 due from I & I Services Ltd., who provides distribution service to the Company and a "Related Party". The maximum amount due from the company during the year was Tk.1,270,079,144 on March 31, 2022.

No amount was due from the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

Aging of Trade Receivable :	June 30, 2022	June 30, 2021
Amount due within 6 months	2,841,350,572	2,658,627,358
Amount due for 6 months & above	121,793,043	66,945,578
	2,963,143,615	2,725,572,936

11. Loans, Advances and Deposits

This is unsecured, considered good and consists of as follows :

	June 30, 2022	June 30, 2021
Clearing & Forwarding	259,313,897	249,538,566
VAT	619,340,481	488,144,349
Claims Receivable	37,673,863	25,777,861
Security Deposit & Earnest Money	158,893,927	167,929,080
Lease Deposit	2,133,040	2,650,135
Advance for Expenses including Capital Expenditure	654,535,757	423,936,402
Bank Guarantee Margin	18,826,990	20,831,185
Salary Advance / Loan	93,892,900	186,444,554
Rent Advance	38,745,324	34,886,833
Vehicle Advance	225,975,541	148,885,137
Raw & Packing Material	449,393,148	460,856,879
Prepaid Insurance	53,234,921	36,030,920
Overseas Liaison Office	67,005,418	58,207,996
Others	108,074,697	112,828,599
	<u>2,787,039,904</u>	<u>2,416,948,496</u>

No amount was due from the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person, except as stated above.

12. Cash and Cash Equivalents

This consists of as follows :

a. Cash in Hand (including Imprest Cash)	279,615,091	164,562,735
b. Cash at Bank :		
(i) Current & FC Account	736,688,901	470,765,642
(ii) FDR & SND Account	152,369,829	40,138,231
	<u>1,168,673,821</u>	<u>675,466,608</u>

13. Issued Share Capital

A. Authorized :

1,000,000,000 Ordinary Shares of Tk. 10 each	10,000,000,000	10,000,000,000
50,000,000 fully convertible 5 % Preference Shares of Tk. 100 each	5,000,000,000	5,000,000,000
	15,000,000,000	15,000,000,000

B. Issued, Subscribed and Paid-up :

51,775,750 Shares fully paid-up in cash	517,757,500	517,757,500
357,093,942 Ordinary Shares issued as stock dividend	3,570,939,420	3,570,939,420
5,951,250 Ordinary Shares issued in exchange of Shares of Beximco Infusions Ltd.	59,512,500	59,512,500
31,291,147 Ordinary Shares issued on conversion of Preference Shares	312,911,470	312,911,470
	4,461,120,890	4,461,120,890

5,951,250 Ordinary Shares of Tk.10 each were issued to the shareholders of Beximco Infusions Ltd. on its merger with Beximco Pharmaceuticals Ltd. In 2005.

41,000,000 fully convertible 5% preference shares of Tk.100 each were issued in 2009. 50% of the preference shares were converted into 16,169,191 ordinary shares of Tk.10 each on February 1, 2010. The rest 50% were converted into 15,121,956 ordinary shares of Tk.10 each on May 2, 2010.

100,037,989 Shares have been issued as underlying shares for the GDRs listed with AIM of London Stock Exchange.

C. Composition of Shareholding :

	June 30, 2022		June 30, 2021	
	Number of Shares	% of Share Capital	Number of Shares	% of Share Capital
Sponsors/Directors:				
A S F Rahman	9,058,888	2.03	9,058,888	2.03
Salman F Rahman	9,080,095	2.04	9,080,095	2.04
Other Directors and Associates	116,305,973	26.07	116,517,180	26.11
	134,444,956	30.14	134,656,163	30.18
Other Shareholdings:				
Foreign Portfolio Investors (DSE/CSE)	43,246,139	9.69	51,907,674	11.64
Holders of GDRs (excluding Board Director)	84,386,054	18.92	84,386,054	18.92
Institutions (ICB, ICB Investors' Accounts & Others)	97,533,003	21.86	87,784,924	19.68
Individual Shareholders	86,501,937	19.39	87,377,274	19.58
	311,667,133	69.86	311,455,926	69.82
Total	446,112,089	100.00	446,112,089	100.00

14. Non-Controlling Interest

	Amount in Taka	
	June 30, 2022	June 30, 2021
a. Nuvista Pharma		
Non-Controlling Interest (Opening)	334,306,627	302,329,006
Proportionate profit/(loss)	39,701,872	38,056,021
Less: Cash Dividend	(6,946,744)	(6,078,400)
	367,061,755	334,306,627
b. Synovia Pharma		
Non-Controlling Interest (Opening)	-	-
Non-controlling Interest at the date of acquisition	3,857,134,718	-
Proportionate profit/(loss)	(164,210,387)	-
Less: Cash Dividend	(24,479,445)	-
	3,668,444,886	-
	4,035,506,641	334,306,627

15. Long Term Borrowings - Net of Current Maturity

Amount in Taka

This is arrived at as follows :

	June 30, 2022	June 30, 2021
Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	670,863,306	972,696,465
Term Loan- Agrani Bank	2,313,748,864	-
Lease Liability	456,761,583	234,020,629
Term Loan-Dhaka Bank	12,815,090	-
	3,454,188,843	1,206,717,094

Lease Liability

This consists of as follows:

Within one year	160,579,032	113,976,268
More than one year	456,761,583	234,020,629
	617,340,615	347,996,897

16. Liability for Gratuity, Pension and WPPF & Welfare Funds

Gratuity Payable	1,618,961,997	1,322,046,817
Pension Payable	5,334,216	-
Workers Profit Participation and Welfare Fund	1,160,776,448	1,013,210,949
	2,785,072,661	2,335,257,766

17. Short Term Borrowings

Janata Bank Limited	4,817,103,014	3,077,454,947
AB Bank Limited	409,733,361	1,014,765,029
First Security Islamic Bank Limited	492,341,234	510,141,234
Liability for UPAS Letter of Credit	644,508,608	254,745,071
Dhaka Bank Limited	461,766,072	166,074,847
Standard Chartered Bank	24,913,289	-
Citibank	184,741	-
	6,850,550,319	5,023,181,128

18. Long Term Borrowings-Current Maturity

This consists of as follows:

Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	938,924,362	1,287,429,745
Term Loan- Agrani Bank	960,000,000	-
Lease Liability	160,579,032	113,976,268
Term Loan-Dhaka Bank	6,459,077	-
	2,065,962,471	1,401,406,013

19. Creditors and Other Payables

	Amount in Taka	
	June 30, 2022	June 30, 2021
Goods & Services	1,359,479,518	769,204,884
Provident Fund	889,344,958	800,770,806
Advance Against Sales	110,410,808	298,396,187
Others	105,803,933	96,676,303
	2,465,039,217	1,965,048,180

20. Accrued Expenses

This is unsecured, falling due within one year and consists of as follows :

For Expenses	807,659,001	296,650,070
Workers' Profit Participation and Welfare Funds -(current year)	359,222,585	322,749,293
	1,166,881,586	619,399,363

21. Dividend Payable / Unclaimed Dividend

The Dividend Payable/Unclaimed dividend as on June 30, 2022 includes Tk. 45,080,943 relating to BPL's dividend for 2020-21 which has been paid but not yet claimed.

	July 2021- June 2022	July 2020- June 2021
22. Net Revenue		
Domestic Sales	31,889,033,479	26,331,187,249
Export Sales	2,685,096,151	3,124,001,260
Toll Income	95,042,422	38,385,360
	34,669,172,052	29,493,573,869

23. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	355,079,579	294,258,178
Materials Consumed (Note: 24)	14,971,042,279	12,108,082,703
Factory Overhead (Note: 25)	4,908,572,206	3,958,532,311
Total Manufacturing Cost	20,234,694,064	16,360,873,192
Work-in-Process (Closing)	(684,808,447)	(340,572,871)
Cost of Goods Manufactured	19,549,885,617	16,020,300,321
Finished Goods (Opening)	1,803,930,326	1,128,728,172
Purchase (Imported and processed)	295,801,260	9,718,528
Finished Goods available	21,649,617,203	17,158,747,021
Cost of Physician Sample transferred to Sample Stock	(308,404,774)	(288,993,082)
Finished Goods (Closing)	(2,486,292,696)	(1,299,682,358)
	18,854,919,733	15,570,071,581

24. Materials Consumed

This is made-up as follows :

	July 2021- June 2022	July 2020- June 2021
Opening Stock	4,688,041,185	4,114,208,490
Purchase	16,305,066,467	12,446,241,540
Closing Stock	(6,022,065,373)	(4,452,367,327)
	14,971,042,279	12,108,082,703

25. Factory Overhead

Salary & Allowances	1,978,710,523	1,533,120,357
Repairs and Maintenance	622,009,889	446,218,960
Insurance Premium	56,200,557	39,656,024
Municipal Tax & Land Revenue	9,220,153	9,759,175
Registration & Renewals	6,264,023	17,174,084
Travelling & Conveyance	49,824,288	34,900,276
Entertainment	9,902,080	4,199,173
Research and Development	343,682,103	313,009,068
Rent	7,835,447	13,524,226
Printing & Stationery	59,582,841	32,694,658
Telephone, Cellphone, Internet & Postage	12,513,215	10,791,816
Toll Expense	30,697,402	235,447,825
Electricity, Gas & Water	351,013,808	296,679,254
Training & Conference	13,789,240	9,614,915
Plant Certification and Regulatory Approvals	8,645,632	15,156,941
Depreciation	1,296,771,715	910,223,457
Security Expenses	35,053,987	27,880,157
Other Expenses	16,855,303	8,481,945
	4,908,572,206	3,958,532,311

26. Administrative Expenses

Salary & Allowances	641,656,781	504,500,078
Rent	39,745,136	27,676,800
Repairs and Maintenance	88,998,284	68,232,587
Registration & Renewals	6,898,815	6,299,916
Travelling & Conveyance	35,297,173	28,167,143
Entertainment	9,891,702	7,455,924
Printing & Stationery	12,985,629	6,803,770
Audit Fee	3,095,000	2,420,000
Telephone, Cellphone, Internet & Postage	10,205,953	6,376,660
Electricity, Gas & Water	27,457,139	16,306,564
Legal & Consultancy	31,890,657	10,632,552
Business Acquisition Cost	57,302,224	18,208,232
Company Secretarial, Regulatory Fee and AGM Expense	41,725,709	37,042,133
Municipal Tax & Land Revenue	2,574,565	1,333,030
Training & Conference	7,195,687	2,825,669
Depreciation	75,477,019	34,843,193
Meeting Fee	2,899,082	3,416,000
Security Expenses	24,031,656	14,112,817
Other Expenses	44,077,826	99,995,897
	1,163,406,037	896,648,965

27. Selling, Marketing and Distribution Expenses

	Amount in Taka	
	July 2021- June 2022	July 2020- June 2021
Salary & Allowances	3,055,058,047	2,439,081,146
Rent	118,272,362	90,481,862
Repairs and Maintenance	42,930,956	38,956,827
Travelling & Conveyance	736,860,051	643,683,075
Entertainment	76,900,893	66,513,698
Printing & Stationery	53,377,818	41,586,524
Telephone, Cellphone, Internet & Postage	84,600,340	77,159,670
Software & Licences	100,790,126	33,596,270
Electricity, Gas & Water	21,294,622	21,142,416
Market Research & New Products	81,286,610	82,002,039
Training & Conference	128,432,491	127,964,742
Insurance Premium	44,275,975	34,805,887
Sample Expense	398,744,374	361,952,879
Advertisement	9,078,882	7,220,379
Field Operation	81,466,273	51,707,425
Events, Programs & Campaigns	306,616,741	274,549,019
Brand Development	192,982,223	146,192,749
CSR Expenses	12,646,614	11,036,539
Sales Promotion Expenses	181,219,118	152,775,395
Books, Journals and Periodicals	8,875,134	10,988,156
Salesforce Logistics	45,368,047	42,891,362
Clinical Studies and Research	6,946,764	6,488,050
Pharmacovigilance	20,146,600	27,087,836
Literature and News Letter	273,594,407	254,964,214
Registration & Renewals	136,542,443	140,902,326
Export Insurance, Freight and C&F Expenses	208,693,377	158,409,899
Distribution Commission	527,996,777	437,367,829
Delivery Expense	448,553,137	385,580,530
Depreciation & Amortization	294,761,326	169,120,696
Security Expenses	19,313,099	20,158,622
Bad Debts	3,451,016	3,499,431
Other Expenses	28,483,692	16,278,483
	<u>7,749,560,335</u>	<u>6,376,145,975</u>

28. Other Income

Interest Income	3,055,358	2,377,286
Dividend	2,015,444	940,700
Royalty	112,139,232	40,529,949
Cash Incentive on Export	262,883,466	309,745,032
Exchange Rate Fluctuation Gain / (Loss)	50,115,273	(3,716,895)
Vaccine Distribution Fee	619,259,365	542,265,041
Forfeited PF refund	210,657	10,722,438
Technical know how Fee	79,552,390	-
Profit/(Loss) on Sale of Fixed Assets	12,617,947	3,962,426
Miscellaneous Income	4,868,030	1,449,307
	<u>1,146,717,162</u>	<u>908,275,284</u>

29. Finance Cost

	Amount in Taka	
	July 2021- June 2022	July 2020- June 2021
Interest on Bank Borrowings	678,750,473	578,560,598
Interest on Lease Liability	47,069,776	36,342,986
Interest on Loan from PF, WPPF & Welfare Fund	199,775,709	190,970,118
Bank and Other Charges	76,239,565	52,811,444
	1,001,835,523	858,685,146

30. Income Tax Expenses

This consists of as follows :

(a) Current Tax	1,191,180,488	1,386,678,310
(b) Deferred Tax Expense / (Income)	497,136,316	(174,879,849)
	1,688,316,804	1,211,798,461

Deferred Tax Expense is arrived at as follows :

i. Beximco Pharma

Property, Plant & Equipment (Difference in book value & Tax base)	12,125,676,008	9,501,989,318
Deferred liability (Gratuity)	(1,327,433,137)	(1,173,933,757)
Provision for Bad Debts	(10,647,866)	(8,169,353)
Temporary Difference	10,787,595,005	8,319,886,208
Tax Rate	22.5%	22.5%
Deferred Tax Liability at end of the year	2,427,208,876	1,871,974,397
Deferred Tax Liability at beginning of the year	1,871,974,397	2,035,744,789
Change in Deferred Tax Liability	555,234,479	(163,770,392)
Deferred tax on Revaluation Surplus	1,430,698	3,237,721
Deferred Tax charged to profit or Loss and Other Comprehensive Income	556,665,177	(160,532,671)

ii. Nuvista Pharma

Property, Plant & Equipment (Difference in book value & Tax base)	445,608,322	446,476,889
Deferred liability (Gratuity)	(173,210,822)	(148,113,060)
Provision for Bad Debts	(2,460,877)	(1,884,860)
Temporary Difference	269,936,623	296,478,969
Tax rate	30.0%	30.0%
Deferred tax liabilities	80,980,987	88,943,691
Deferred tax on revaluation surplus	28,647,841	28,647,841
Deferred tax liabilities at end of the year	109,628,828	117,591,532
Deferred tax liabilities at beginning of the year	117,591,532	131,938,710
Deferred Tax charged to profit or Loss and Other Comprehensive Income	(7,962,704)	(14,347,178)

iii. Synovia Pharma

Property, Plant & Equipment (Difference in book value & Tax base)	206,672,792	-
Deferred Liability (Gratuity & Pension)	(123,652,254)	-
Provision for Bad Debts & Allowance for Inventory	(141,975,425)	-
Carried forward loss	(263,373,215)	-
Temporary Difference	(322,328,102)	-
Tax rate	27.5%	-
Deferred Tax Liability/(Asset) at end of the period	(88,640,228)	-
Deferred Tax Liability/(Asset) at beginning of the period	(37,074,071)	-
Deferred tax charged to profit or loss and other comprehensive income	(51,566,157)	-
	497,136,316	(174,879,849)

31. Other Comprehensive Income - Unrealized Gain/(Loss)

	Amount in Taka	
	July 2021- June 2022	July 2020- June 2021
Fair Value Gain/(Loss) on Investment in Listed Shares	6,764,517	12,840,831
	<u>6,764,517</u>	<u>12,840,831</u>

32. Earnings Per Share (EPS)

(a) Earnings attributable to the Owners of the Company	5,123,136,712	5,127,693,711
(b) Weighted average number of Shares outstanding during the year	446,112,089	446,112,089
Earnings Per Share (EPS)	11.48	11.49

33. Net Asset Value (NAV) Per Share

	Amount in Taka	
	June 30, 2022	June 30, 2021
Total Assets	66,148,035,742	52,246,084,026
Less Total Liabilities	(21,512,031,284)	(14,881,219,197)
Less Non-controlling Interest	(4,035,506,641)	(334,306,627)
Equity Attributable to the Owners of the Company	40,600,497,817	37,030,558,202
Number of Ordinary Shares	446,112,089	446,112,089
Net Asset Value (NAV) Per Share	91.01	83.01

34. Net Operating Cash Flows Per Share (NOCFPS)

	Amount in Taka	
	July 2021- June 2022	July 2020- June 2021
Net Cash Generated from Operating Activities	5,214,176,450	6,023,263,955
Number of Ordinary Shares	446,112,089	446,112,089
Net Operating Cash Flows Per Share (NOCFPS)	11.69	13.50

35. Reconciliation of Net Profit with Cash Flows from Operating Activities

Amount in Taka

July 2021- June 2022

July 2020- June 2021

Profit after Tax	4,998,628,197	5,165,749,732
Adjustment to reconcile net profit to net cash provided by operating activities :		
(a) Non-cash/ Non-operating Items :	2,466,830,964	1,132,466,191
Depreciation	1,461,895,126	1,016,483,738
Amortization	205,114,934	97,703,610
Gratuity & WPPF	341,842,995	191,204,332
Deferred Tax	497,136,316	(174,879,849)
Exchange rate fluctuation (Gain) / Loss on Foreign Currency Bank Loan	20,837,952	6,857,486
Dividend	(2,015,444)	(940,700)
(Profit) / Loss on sale of Fixed Assets	(12,617,947)	(3,962,426)
Effect of exchange rate changes on Cash and Cash Equivalents	(45,362,968)	-
(b) Changes in working Capital	(2,251,282,711)	(274,951,968)
(Increase)/Decrease in Inventories	(2,508,003,069)	(1,198,094,420)
(Increase)/Decrease in Spares & Supplies	(57,074,532)	113,806,063
(Increase)/Decrease in Accounts Receivable	352,253,797	431,606,560
(Increase)/Decrease in Advance Income Tax	(32,996,258)	-
(Increase)/Decrease in Loans, Advances & Deposits	10,093,080	(28,635,374)
(Increase)/Decrease in Other Assets	-	2,686,377
Increase/(Decrease) in Creditors and Other Payables	(23,613,650)	587,172,366
Increase/(Decrease) in Accrued Expenses	131,115,200	(120,113,463)
Increase/(Decrease) in Income Tax Payable	(123,057,279)	(63,380,076)
Net cash Generated from Operating Activities	5,214,176,450	6,023,263,955

36. Related Party Disclosures

a. Following transactions were carried out with related parties in the normal course of business on arms length basis:

Name of Related Parties	Nature of Transactions	Value of Transaction	Balance at year end
(i) I & I Services Ltd.	Delivery of Products	31,726,502,984	1,020,929,771
	Distribution Commission	527,996,777	

b. Related party transaction between the Company and its subsidiaries have been eliminated in the consolidation.

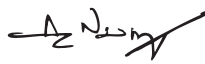
37. Events after the Reporting Period

a. The Board of Directors of the Company recommended 35% cash dividend (i.e. Tk. 3.50 per share) for the year 2021-22. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

b. Board of Directors of Nuvista Pharma has declared cash dividend @ 40%, i.e. Tk. 4.00 per share for the year 2021-22. The proposed dividend is subject to approval of the shareholders of NPL in the forthcoming Annual General Meeting.


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Financial Statements
Beximco Pharmaceuticals Limited
For the Year ended June 30, 2022

Independent Auditor's Report
To the Shareholders of
Beximco Pharmaceuticals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beximco Pharmaceuticals Limited (the "Company"), which comprise the Statement of Financial Position as at 30 June 2022 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.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and 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 period. 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.

Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PPE)	
<p>The carrying value of the PPE was Tk. 35,879,081,450 as at 30 June, 2022.</p> <p>Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets 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.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements and that there is significant measurement uncertainty involved in this valuation.</p> <p>See Note No. 4 to the financial statements</p>	<p>Our audit included the following procedure:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent. • We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate. • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice. • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.

Risk	Our response to the risk
Valuation of Inventory	
<p>The inventory of Tk. 8,802,040,026 as at 30 June, 2022 was held at different locations across the country.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the management apply judgment in determining the appropriate values for slow-moving or obsolete items.</p> <p>Since the value of Inventory is significant to the Financial Statements and there is measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p> <p>See Note No. 9 to the financial statements</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> • Evaluating the design and implementation of key inventory controls. • Attending inventory counts on sample basis and reconciling the count results to the inventory listing to test the completeness of data. • Reviewing the requirement of inventory provisioning and action there upon by the management. • Comparing 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.
Contingent Liability	
<p>The Company is subject to a number of claims and litigations. The amounts of claims are significant and estimates of the amounts of provisions or contingent liabilities are subject to management judgement. These claims and regulatory matters are uncertain in timing of resolutions and amount or consequences.</p> <p>These claims and litigation matters were a key audit matter due to the amounts involved, potential consequences and the inherent difficulty in assessing the outcome. The assessment of whether or not a liability should be recognized involves judgement from management.</p> <p>The Company also provided corporate guarantees to financial institutions in connection with working capital credit facilities predominantly for its subsidiaries.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the legal provision and contingency processes.</p> <p>We enquired to those charged with governance to obtain their view on the status of the litigations.</p> <p>We enquired of the Company's internal legal counsel for the litigation and inspected internal notes and reports. We also reviewed formal confirmations in this regard from external counsel.</p> <p>We also validated the completeness and appropriateness of the related disclosures in Note No. 49 of the financial statements.</p>
Related party transactions	
<p>The Company has related party transactions with its subsidiaries and other related parties as described in Note No. 40 of the financial statements.</p> <p>We focused on identification of related parties and disclosure of related party transactions in accordance with relevant accounting standards.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Evaluated the design and tested the operating effectiveness of controls over identification and disclosure of related party transactions. • Evaluated the transactions among the related parties and tested material accounts balances. • Evaluated the disclosures in the financial statements in compliance with IAS 24.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, The Companies Act 1994, The Securities and Exchange Rules 2020 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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 internal controls of the Company.
- 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

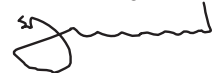
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, The Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's Statement of Financial Position (Balance sheet) and Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account) dealt with by this report are in agreement with the books of accounts and;
- d) The expenditures incurred and payment made were for the purpose of the Company's business for the year.

Dhaka
October 27, 2022

M. J. ABEDIN & CO.
Chartered Accountants
Reg No. N/A



Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS295927

Beximco Pharmaceuticals Limited

Statement of Financial Position

As at June 30, 2022

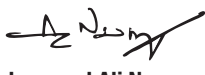
	Notes	June 30, 2022	Amount in Taka June 30, 2021
ASSETS			
Non-Current Assets		44,161,617,726	37,713,988,877
Property, Plant and Equipment- Carrying Value	4	35,879,081,450	34,501,205,124
Right-of-use Assets	4 (d)	565,076,673	319,884,849
Intangible Assets	5	752,955,380	701,794,902
Investment in Subsidiaries	6	6,911,821,604	2,145,185,900
Investment in Associates	7	29,325,720	29,325,720
Other Investments	8	23,356,899	16,592,382
Current Assets		15,533,009,363	13,150,677,229
Inventories	9	8,802,040,026	6,693,894,021
Spares & Supplies	10	664,709,483	622,433,282
Accounts Receivable	11	2,739,772,443	2,831,869,241
Loans, Advances and Deposits	12	2,510,263,322	2,354,576,102
Cash and Cash Equivalents	13	816,224,089	647,904,583
TOTAL ASSETS		59,694,627,089	50,864,666,106
EQUITY AND LIABILITIES			
Shareholders' Equity		40,315,738,301	36,707,591,755
Issued Share Capital	14	4,461,120,890	4,461,120,890
Share Premium		5,269,474,690	5,269,474,690
Excess of Issue Price over Face Value of GDRs	15	1,689,636,958	1,689,636,958
Capital Reserve on Merger		294,950,950	294,950,950
Revaluation Surplus	4(c)	1,116,896,688	1,121,824,646
Unrealized Gain/(Loss)		20,531,723	13,767,206
Retained Earnings		27,463,126,402	23,856,816,415
Non-Current Liabilities		8,311,592,939	5,265,836,197
Long Term Borrowings-Net of Current Maturity	16	3,401,537,415	1,206,717,094
Liability for Gratuity and WPPF & Welfare Funds	17	2,482,846,648	2,187,144,706
Deferred Tax Liability	18	2,427,208,876	1,871,974,397
Current Liabilities and Provisions		11,067,295,849	8,891,238,154
Short Term Borrowings	19	6,363,686,217	4,857,106,281
Long Term Borrowings-Current Maturity	20	2,039,694,209	1,401,406,013
Creditors and Other Payables	21	1,908,464,970	1,814,013,039
Accrued Expenses	22	576,413,875	480,501,854
Dividend Payable / Unclaimed Dividend	23	87,370,715	117,769,532
Income Tax Payable	24	91,665,863	220,441,435
TOTAL EQUITY AND LIABILITIES		59,694,627,089	50,864,666,106

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date


M.J. Abedin & Co.
Chartered Accountants
Reg No :N/A

Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS295927

Dhaka
October 27, 2022

Beximco Pharmaceuticals Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended June 30, 2022

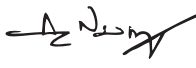
	Notes	July 2021 - June 2022	July 2020 - June 2021
Amount in Taka			
Net Sales Revenue	25	30,220,731,648	26,949,351,606
Cost of Goods Sold	26	(16,507,965,726)	(14,347,382,048)
Gross Profit		13,712,765,922	12,601,969,558
Operating Expenses		(7,118,937,516)	(6,532,965,326)
Administrative Expenses	29	(881,516,329)	(792,228,907)
Selling, Marketing and Distribution Expenses	30	(6,237,421,187)	(5,740,736,419)
Profit from Operations		6,593,828,406	6,069,004,232
Other Income	31	1,456,174,446	1,108,048,355
Finance Cost	32	(976,632,093)	(841,875,806)
Profit Before Contribution to WPPF & Welfare Funds		7,073,370,759	6,335,176,781
Contribution to WPPF & Welfare Funds	33	(336,827,179)	(301,675,085)
Profit Before Tax		6,736,543,580	6,033,501,696
Income Tax Expenses	34	(1,575,199,937)	(1,090,012,960)
Current Tax		(1,018,534,760)	(1,250,545,631)
Deferred Tax Income/ (Expense)		(556,665,177)	160,532,671
Profit after Tax		5,161,343,643	4,943,488,736
Other Comprehensive Income/(Loss)	35	6,764,517	12,840,831
Total Comprehensive Income		5,168,108,160	4,956,329,567
Earnings Per Share (EPS)	36	11.57	11.08

The Notes are an integral part of the Financial Statements.

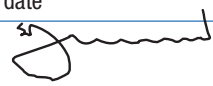
Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :


Osman Kaiser Chowdhury
Director


Nazmul Hassan
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Mohammad Ali Nawaz
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Per our report of even date


M.J. Abedin & Co.
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Reg No :N/A

Hasan Mahmood FCA
Enrollment No : 0564
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Dhaka
October 27, 2022

Beximco Pharmaceuticals Limited

Statement of Changes in Equity

For the Year ended June 30, 2022

Amount in Taka

	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/(Loss)	Retained Earnings	Total
Balance as on July 01, 2021	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,121,824,646	13,767,206	23,856,816,415	36,707,591,755
Total Comprehensive Income :								
Profit for the Year	-	-	-	-	-	-	5,161,343,643	5,161,343,643
Other Comprehensive Income/(Loss)	-	-	-	-	-	6,764,517	-	6,764,517
Transactions with the Shareholders:								
Cash Dividend	-	-	-	-	-	-	(1,561,392,312)	(1,561,392,312)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(6,358,656)	-	6,358,656	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	1,430,698	-	-	1,430,698
Balance as on June 30, 2022	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,116,896,688	20,531,723	27,463,126,402	40,315,738,301
Net Asset Value (NAV) Per Share (Note-37)								90.37

For the Year ended June 30, 2021

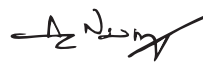
	Share Capital	Share Premium	Excess of Issue Price over Face Value of GDRs	Capital Reserve on Merger	Revaluation Surplus	Unrealized Gain/(Loss)	Retained Earnings	Total
Balance as on July 01, 2020	4,055,564,450	5,269,474,690	1,689,636,958	294,950,950	1,125,767,451	926,375	19,920,038,261	32,356,359,135
Total Comprehensive Income for the Year :								
Profit for the Year	-	-	-	-	-	-	4,943,488,736	4,943,488,736
Other Comprehensive Income/(Loss)	-	-	-	-	-	12,840,831	-	12,840,831
Transactions with the Shareholders:								
Cash Dividend	-	-	-	-	-	-	(608,334,668)	(608,334,668)
Stock Dividend	405,556,440						(405,556,440)	-
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(7,180,526)	-	7,180,526	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	3,237,721	-	-	3,237,721
Balance as on June 30, 2021	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,121,824,646	13,767,206	23,856,816,415	36,707,591,755
Net Asset Value (NAV) Per Share (Note-37)								82.28

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :



Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

Dhaka
October 27, 2022


M.J. Abedin & Co.
Chartered Accountants
Reg No :N/A


Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS295927

Beximco Pharmaceuticals Limited

Statement of Cash Flows

For the Year ended June 30, 2022

Amount in Taka

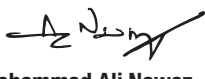
	Notes	July 2021 - June 2022	July 2020 - June 2021
Cash Flows from Operating Activities :			
Receipts from Customers and Others		31,670,123,381	28,403,792,004
Payments to Suppliers and Employees		(24,518,915,859)	(20,656,123,661)
Cash Generated from Operations		7,151,207,522	7,747,668,343
Interest Paid		(976,632,093)	(841,875,806)
Interest Received		699,570	2,377,286
Income Tax Paid		(1,147,310,332)	(1,293,252,888)
Net Cash Generated from Operating Activities	39	5,027,964,667	5,614,916,935
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,828,073,814)	(2,463,893,877)
Intangible Assets		(7,875,918)	(22,864,119)
Investment in Subsidiary		(4,766,635,704)	-
Disposal of Property, Plant and Equipment		13,163,510	32,751,038
Dividend Received		71,517,955	35,987,859
Net Cash Used in Investing Activities		(7,517,903,971)	(2,418,019,099)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		2,698,107,035	(462,155,826)
Net Increase/(Decrease) in Short Term Borrowings		1,506,579,936	(2,130,424,341)
Dividend Paid		(1,591,791,129)	(572,357,927)
Net Cash (Used in) / from Financing Activities		2,612,895,842	(3,164,938,094)
Increase/(Decrease) in Cash and Cash Equivalents		122,956,538	31,959,742
Cash and Cash Equivalents at Beginning of Year		647,904,583	615,944,841
Effect of Exchange Rate Changes on Cash and Cash Equivalents	39	45,362,968	-
Cash and Cash Equivalents at End of Year	13	816,224,089	647,904,583
Net Operating Cash Flow Per Share	38	11.27	12.59

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 27, 2022 and signed for and on behalf of the Board :

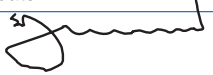

Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

Dhaka
October 27, 2022


M.J. Abedin & Co.
Chartered Accountants
Reg No :N/A

Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS295927

Beximco Pharmaceuticals Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2022

1. Reporting Entity

1.1. About the Company

Beximco Pharmaceuticals Limited (Beximco Pharma/BPL/the Company) is a public limited company incorporated in Bangladesh in 1976. It is a leading manufacturer of pharmaceutical formulations and Active Pharmaceutical Ingredients (APIs). The Company was listed with Dhaka Stock Exchange in 1985 and with Chittagong Stock Exchange on its debut in 1995. In 2005, BPL took over Beximco Infusions Ltd., a listed company engaged in manufacturing and marketing of intravenous fluids and got enlisted with the Alternative Investment Market (AIM) of the London Stock Exchange through issuance of Global Depository Receipts (GDRs). In 2018, BPL acquired 85.22% shares of Nuvista Pharma Limited (Nuvista Pharma/NPL) – a non-listed pharmaceutical company in Bangladesh specializing in hormones and steroid drugs. In October 2021, BPL acquired majority stake (54.6%) in Sanofi Bangladesh Limited from Sanofi Group represented through May & Baker Limited and Fisons Limited. The company was subsequently renamed as Synovia Pharma PLC (Synovia Pharma/SPP). Bangladesh Government holds 45.4% shares of the company represented through Bangladesh Chemical Industries Corporation (20%) and Ministry of Industries (25.4%). SPP is a non-listed pharmaceutical company based in Bangladesh. Shares of Beximco Pharma are traded in Dhaka and Chittagong Stock Exchanges of Bangladesh and its GDRs are traded in AIM of the London Stock Exchange.

The registered office of the Company is located at House No. 17, Road No. 2, Dhanmondi R/A, Dhaka. The industrial units are located at Tongi and Kaliakoir of Gazipur district – vicinities close to the capital city Dhaka. The manufacturing facilities of the Company are certified by leading global regulatory authorities including United States Food and Drug Administration (USFDA).

1.2. Nature of Business

The Company is engaged in manufacturing and marketing of generic pharmaceuticals formulation products covering a wide range of therapeutic categories. It offers products in different dosage forms including Solid, Liquid, Cream and Ointment, Suppositories, Metered Dose Inhaler, Dry Powder Inhaler, Nasal Spray, Sterile, Lyophilized Injectable and Large Volume Intravenous Fluids. BPL also manufactures Active Pharmaceutical Ingredients (APIs) and renders contract manufacturing services to other companies. Products of the Company are sold in domestic and international markets.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, the Securities & Exchange Rules 2020, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRSs).

2.2 Reporting Framework and Compliance thereof

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 and has since then adopted International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as the applicable Financial Reporting Standards with effect from 2 November 2020.

Accordingly, the financial statements have been prepared in accordance with IFRSs (including IASs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

The Company also complied with the requirements of following laws and regulations from various Government bodies:

Bangladesh Securities and Exchange Rules, 2020;
The Income Tax Ordinance, 1984 with subsequent amendments;
The Income Tax Rules, 1984 with subsequent amendments;
The Value Added Tax and Supplementary Duty Act, 2012 with subsequent amendments;
The Value Added Tax and Supplementary Duty Rules, 2016 with subsequent amendments;
The Labour Law, 2006 with subsequent amendments in 2013; and
Others as applicable.

2.3 Basis of Measurement

The financial statements have been prepared on Historical Cost Basis except land, building and plant & machinery revalued on 31 December 2008, investment in shares of listed company valued at year end quoted price and the cash flow statement prepared on cash basis.

2.4 Presentation of Financial Statements

The presentation of the financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements.

The financial statements comprises of:

- (a) Statement of Financial Position as at the end of the year June 30, 2022;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2022;
- (c) Statement of Changes in Equity for the year ended June 30, 2022;
- (d) Statement of Cash Flows for the year ended June 30, 2022; and
- (e) notes, comprising summary of significant accounting policies and explanatory information.

2.5. Reporting Period and Comparative Information

The Financial statements cover 12 months' period starting from July 1, 2021 to June 30, 2022. The last audited financial statements were prepared for the year ending June 30, 2021. Figures for earlier year have been re-arranged wherever considered necessary to ensure better comparability with the current year.

2.6. Authorization for issue

The financial statements have been authorized for issue by the Board of Directors October 27, 2022.

2.7. Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.8. Use of Estimates and Judgements

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses, others payable, capitalization of assets and deferred liability for gratuity.

3. Significant Accounting Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

3.1. Revenue from Contracts with Customers

In compliance with the requirements of IFRS 15: Revenue from Contracts with Customers, revenue is recognized when the Company fulfills the performance obligations in contract with the customers. It usually occurs when customers take possession of the products or goods are delivered at destination specified in the contracts and recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

3.2. Property, Plant and Equipment (PP&E)

3.2.1. Recognition and Measurement

This has been stated at cost or revalued amount less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2.2. Maintenance Activities

The Company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.2.3. Depreciation

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

Building and Other Construction	2% - 10%
Plant and Machinery	4% - 15%
Furniture & Fixtures	7.5% - 10%
Transport & Vehicle	20%
Office Equipment	10% - 15%

3.2.4. Retirements and Disposals

On disposal of fixed assets, 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.

3.3. Right-of-use Assets

IFRS 16: Leases has introduced a single on-balance sheet lease accounting model for leases and replaces the previously adopted IAS 17: Leases. The standard requires that an asset acquired under a lease be recognized as Right of use Asset and the corresponding liability as lease liability. The Lessee shall measure the lease liability at the present value of the future lease payment discounted using the interest rate implicit in the lease. The asset shall be depreciated over the lease period and the interest on the lease shall be charged as finance expense.

Assets acquired under lease are reported as "Right-of-use Assets" following IFRS 16. Interest costs on lease liabilities and depreciation of Right-of-use Assets are charged to the profit or loss account.

3.4. Intangible Assets

Intangible assets are stated at cost less provisions for amortization and impairments. Licenses, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight line basis, from the time they are available for use. The cost of acquiring software for internal use are capitalized as intangible fixed assets where the software supports a significant business system and the expenditure leads to the creation of a durable asset. Also, the research and development expenditures that are definite to yield benefit to the Company are capitalized.

3.5. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial Instruments comprise Financial Assets and Financial Liabilities which are recognized, classified, measured and reported following IFRS-9: Financial Instruments.

3.5.1. Financial assets

Financial assets of the Company include cash and cash equivalents, accounts receivable, other receivables and investments in marketable securities.

The Company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the transaction. The Company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.5.1. (a) Accounts Receivable

Accounts receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit or loss account.

3.5.1.(b) Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, in transit and with banks on current and deposit accounts which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the same.

3.5.1. (c) Investment in Shares

Investment in shares of listed company is valued at a price quoted in the stock exchange at year end. Investment in other shares is valued at cost.

3.5.2. Financial Liability

Financial liabilities are recognized initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.6. Impairment

3.6.1. Financial Assets

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effects on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

3.6.2. Non-Financial Assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.7. Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.8. Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event. It is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.9. Income Tax Expense

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Taxes.

Current Tax

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The Company qualifies as a "Publicly Traded Company" and as such the applicable Tax Rate is 22.5%. However, applicable Tax Rate for profit generated from export is 12%. Additionally, certain other income are also liable to lower tax rates which can be found in Note: 34

Deferred Tax

The Company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The Company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities reported in the Financial Statements and its tax base, and accordingly, deferred tax income/expenses are recognized as profit or loss.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.10. Other Income

Dividend

Cash dividend income on investment in shares is recognized on approval of the said dividend. Stock dividend income (Bonus Shares) is not considered as revenue.

Cash Incentives on Export

Cash Incentives on Export is recognized when all conditions as laid down in the relevant incentive scheme including receipt of export remittances are satisfied and the right to claim the incentive is established.

Royalty

Royalty income is accounted for on accrual basis on fulfillment of the terms laid down in the agreement between the contracting parties.

Vaccine Distribution Fee

Vaccine Distribution fee is recognized on delivery of Vaccine to the designated government warehouses across the country, fulfilling the terms and conditions of the agreement. The income is reported net of relevant expenses.

3.11. Borrowing Cost

Borrowing costs are recognized as expenses in the period in which they are incurred excepting those that qualifies for capitalization under IAS 23: Borrowing Costs.

3.12. Employee Benefits

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 complying applicable laws.

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:

3.12.1. Defined Contribution Plan (Provident Fund)

The Company has a recognized 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. Employees contribute 10% of their basic salary to the provident fund along with the Company that makes an 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 limited to the amount it agrees to contribute to the fund.

3.12.2. Defined Benefit Plan (Gratuity)

The Company has gratuity scheme duly approved by the National Board of Revenue. Though no valuation was done to quantify actuarial liabilities as per the IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

3.12.3. Contribution to Workers' Profit Participation and Welfare Funds (WPPF)

This represents 5% of net profit before tax contributed by the Company as per provisions of the Bangladesh Labor (amendment) Act 2013 and is payable to workers as defined in the said law.

3.12.4. 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.

3.12.5. Insurance Scheme

Employees of the Company are covered under insurance schemes.

3.13. Share Premium

The Share Premium shall be utilized in accordance with the provisions of the Companies Act, 1994 and as per direction of the Securities and Exchange Commission in this respect.

3.14. Proposed Dividend

The amount of proposed dividend is not accounted for but disclosed in the notes to the accounts in accordance with the requirements of the International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events After The Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.15. Earnings per Share (EPS)

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share 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.

3.16. Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Exchange Rates.

3.17. Statement of Cash Flows

The Statement of Cash Flows has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method.

3.18. Events after The Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

4 . Property, Plant and Equipment

As on June 30, 2022

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 2021	3,343,741,442	7,801,663,669	15,543,388,034	300,331,969	664,903,347	623,298,907	28,277,327,368	520,397,410	28,797,724,778
Additions	-	146,850,857	400,709,986	87,932,769	-	41,517,297	677,010,909	336,416,764	1,013,427,673
Transferred from Right-of-use Asset	-	-	-	-	130,522,554	-	130,522,554	(130,522,554)	-
Transferred in & Capitalized	-	7,221,661,130	10,160,501,871	95,401,914	-	93,739,367	17,571,304,282	-	17,571,304,282
Disposal during the Year	-	-	(47,847,910)	(642,221)	(19,244,469)	-	(67,734,600)	-	(67,734,600)
Cost as on June 30, 2022	3,343,741,442	15,170,175,656	26,056,751,981	483,024,431	776,181,432	758,555,571	46,588,430,513	726,291,620	47,314,722,133
Accumulated Depreciation									
As on July 01, 2021	-	2,298,845,077	6,859,650,317	148,109,673	520,577,823	423,208,721	10,250,391,611	200,512,561	10,450,904,172
Depreciation Charged	-	259,835,485	849,632,109	18,331,605	28,180,786	36,570,893	1,192,550,878	65,245,456	1,257,796,334
Transferred from Right-of-use Asset	-	-	-	-	104,543,070	-	104,543,070	(104,543,070)	-
Adjustment for Assets disposed off	-	-	(40,278,852)	(606,333)	(15,822,875)	-	(56,708,060)	-	(56,708,060)
Accumulated Depreciation as on June 30, 2022	-	2,558,680,562	7,669,003,574	165,834,945	637,478,804	459,779,614	11,490,777,499	161,214,947	11,651,992,446
Net Book Value June 30, 2022	3,343,741,442	12,611,495,094	18,387,748,407	317,189,486	138,702,628	298,775,957	35,097,653,014	565,076,673	35,662,729,687
Capital Work in Progress 4 (a)							781,428,436	-	781,428,436
Carrying Value as on June 30, 2022							35,879,081,450	565,076,673	36,444,158,123

As on June 30, 2021

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost									
As on July 01, 2020	3,343,741,442	7,499,761,533	14,495,139,238	281,071,740	686,005,246	585,815,483	26,891,534,682	390,192,696	27,281,727,378
Additions	-	3,694,494	119,455,263	18,597,471	-	34,888,865	176,636,093	130,204,714	306,840,807
Transferred in & Capitalized	-	298,207,642	965,316,704	1,558,986	-	2,848,259	1,267,931,591	-	1,267,931,591
Disposal during the Year	-	-	(36,523,171)	(896,228)	(21,101,899)	(253,700)	(58,774,998)	-	(58,774,998)
Cost as on June 30, 2021	3,343,741,442	7,801,663,669	15,543,388,034	300,331,969	664,903,347	623,298,907	28,277,327,368	520,397,410	28,797,724,778
Accumulated Depreciation									
As on July 01, 2020	-	2,116,657,101	6,272,267,313	133,699,879	498,744,471	394,798,590	9,416,167,354	153,092,527	9,569,259,881
Depreciation Charged	-	182,187,976	602,682,764	14,673,982	36,081,381	28,519,516	864,145,619	47,420,034	911,565,653
Adjustment for Assets disposed off	-	-	(15,299,760)	(264,188)	(14,248,029)	(109,385)	(29,921,362)	-	(29,921,362)
Accumulated Depreciation as on June 30, 2021	-	2,298,845,077	6,859,650,317	148,109,673	520,577,823	423,208,721	10,250,391,611	200,512,561	10,450,904,172
Net Book Value June 30, 2021	3,343,741,442	5,502,818,592	8,683,737,717	152,222,296	144,325,524	200,090,186	18,026,935,757	319,884,849	18,346,820,606
Capital Work in Progress 4 (a)							16,474,269,367	-	16,474,269,367
Carrying Value as on June 30, 2021							34,501,205,124	319,884,849	34,821,089,973

	June 30, 2022	Amount in Taka June 30, 2021
4 (a) Capital Work in Progress is arrived at as follows :		
Opening Balance	16,474,269,367	15,769,289,002
Addition during the year	1,992,193,263	2,138,014,252
	18,466,462,630	17,907,303,254
Transferred & Capitalized	17,685,034,194	1,433,033,887
Building and Other Constructions	7,221,661,130	298,207,642
Plant & Machinery	10,160,501,871	965,316,704
Furniture & Fixture	95,401,914	1,558,986
Office Equipment	93,739,367	2,848,259
Intangible Assets	113,729,912	165,102,296
Closing Balance	781,428,436	16,474,269,367

4 (b). Capital Work in Progress

The unit 3 manufacturing facility has been completed and now in ready-to-use status. The commercial operation has partially commenced during the reporting period. The plant will be fully commercially operational once the product/technology transfer, which is being done in phases, are complete. The Capital Work in Progress has been transferred to respective assets under Property, Plant and Equipment category and related depreciation has been charged accordingly.

4 (c). Revaluation Surplus

Opening Balance	1,121,824,646	1,125,767,451
Adjustment for depreciation on revalued assets	(6,358,656)	(7,180,526)
Adjustment for Deferred Tax on revalued assets	1,430,698	3,237,721
	1,116,896,688	1,121,824,646

4 (d). Right-of-use Assets

At Cost	726,291,620	520,397,410
Accumulated Depreciation	(161,214,947)	(200,512,561)
	565,076,673	319,884,849

5. Intangible Assets

Amount in Taka

Particulars	Marketing Rights & Product Development	ERP and Software	Total
Cost			
As on July 01, 2021	813,157,713	192,609,453	1,005,767,166
Addition / Transferred in & Capitalized	113,729,912	7,875,918	121,605,830
As on June 30, 2022	926,887,625	200,485,371	1,127,372,996

Amortization			
As on July 01, 2021	270,551,532	33,420,732	303,972,264
Amortized During the year	50,421,480	20,023,872	70,445,352
As on June 30, 2022	320,973,012	53,444,604	374,417,616

Carrying Value as on June 30, 2022	605,914,613	147,040,767	752,955,380
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Carrying Value as on June 30, 2021	542,606,181	159,188,721	701,794,902
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6. Investment in Subsidiaries

	June 30, 2022	June 30, 2021
Nuvista Pharma Ltd.	2,125,186,000	2,125,186,000
Beximco Pharma API Ltd.	19,999,900	19,999,900
Synovia Pharma PLC	4,766,635,704	-
	6,911,821,604	2,145,185,900

a. The Company holds 10,013,474 shares representing 85.22% of the Paid Up Capital of Nuvista Pharma Ltd (NPL) while Beximco Pharma API Limited is a fully owned subsidiary.

b. During the current financial year the Company acquired 1,963,241 shares representing 54.607% of the Paid Up Capital of Sanofi Bangladesh Limited subsequently renamed as Synovia Pharma PLC (SPP) .

c. Investment in subsidiary is accounted for using cost method as per IAS 27: Separate Financial Statements, in preparing financial statements of the Company.

7. Investment in Associates

This represents value of 3,900,000 Ordinary Shares of Malaysian Ringgit (RM) 1 each issued to Beximco Pharmaceuticals Ltd. (BPL) by BioCare Manufacturing Sdn Bhd ("BioCare"), Malaysia. Beximco Pharmaceuticals Ltd. was issued 30% of the equity share of the Malaysian based company for providing full technical support to set up a manufacturing facility to produce specialized pharmaceutical products in Malaysia. BioCare is considered to be an associate of BPL as per IAS 28: Investment in Associates and Joint Ventures. The Company follows Cost method for the investment as per IAS 27: Separate Financial Statements.

8. Other Investments

Amount in Taka

	June 30,2022		June 30,2021	
	Number of Shares	Value	Number of Shares	Value
Bangladesh Export Import Co. Ltd.	167,854	21,787,449	167,854	15,022,932
Central Depository Bangladesh Ltd. (CDBL)	571,182	1,569,450	571,182	1,569,450
		23,356,899		16,592,382

a. The shares of Bangladesh Export Import Co. Ltd. are listed with Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. as on June 30, 2022 was Tk. 129.80 (June 30, 2021: Tk.89.50). The fair value gain of Tk. 6,764,517 has been accounted for as Other Comprehensive Income following IFRS 9:Financial Instruments.

b. Shares of Central Depository Bangladesh Ltd.(CDBL) are not traded . The value at acquisition is considered to be the fair value as on the Balance Sheet date.

9. Inventories

Amount in Taka

This consists of as follows :

	June 30, 2022	June 30, 2021
Finished Goods	1,754,268,113	1,188,526,554
Work in Process	610,859,802	282,756,046
Raw Materials	4,226,671,044	3,007,666,959
Packing Materials	1,089,128,002	1,104,206,746
Laboratory Chemicals	73,772,507	62,041,717
Physician Samples	82,051,648	79,764,262
R & D Materials	37,709,095	22,520,999
Materials in Transit	927,579,815	946,410,738
	8,802,040,026	6,693,894,021

10. Spares & Supplies

This consists of as follows :

Spares & Accessories	543,228,366	545,385,920
Stock of Stationery	20,974,250	16,841,919
Literature & Other Materials	100,506,867	60,205,443
	664,709,483	622,433,282

11. Accounts Receivable

This consists of :

Trade Receivable	2,475,650,151	2,657,960,805
Other Receivable	264,122,292	173,908,436
	2,739,772,443	2,831,869,241

Accounts Receivable is reported net of provision for bad debts of Tk. 10,647,866. It includes an amount of Tk. 1,016,268,270, equivalent USD 11,821,851 (June 30, 2021: Tk. 840,777,271, equivalent USD 9,985,468) receivable against export sales. Part of the export sales receivables are against Letter of Credit while the rest are unsecured but considered good.

Accounts Receivable also includes Tk. 1,020,929,770 due from I & I Services Ltd., who provides distribution service to the Company and a "Related Party". The maximum amount due from the company during the year was Tk.1,270,079,144 on March 31, 2022. Additionally Tk 26,540,378, Tk 36,929,751 and Tk 729,830 is receivable from its subsidiary companies Nuvista Pharma Ltd., Synovia Pharma PLC and Beximco Pharma API Ltd., respectively.

No amount was due from the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person.

Aging of Trade Receivable:

Amount in Taka

Amount due within 6 months	2,354,175,678	2,593,603,554
Amount due for 6 months & above	121,474,473	64,357,251
	2,475,650,151	2,657,960,805

12. Loans, Advances and Deposits

Amount in Taka

This is unsecured, considered good and consists of as follows :

	June 30, 2022	June 30, 2021
Clearing & Forwarding	259,313,897	249,538,566
VAT	563,667,556	463,448,047
Claims Receivable	37,673,863	25,777,861
Security Deposit & Earnest Money	105,873,150	164,445,896
Lease Deposit	2,133,040	2,650,135
Advance for Expenses including Capital Expenditure	611,453,338	422,347,443
Bank Guarantee Margin	18,826,990	20,831,185
Advance against Salary	91,220,656	173,756,608
Rent Advance	38,745,324	34,886,833
Vehicle Advance	154,557,458	148,885,137
Raw & Packing Material	439,514,602	460,856,879
Prepaid Insurance	36,757,137	30,641,155
Overseas Liaison Office	67,005,418	58,207,996
Others	83,520,893	98,302,361
	2,510,263,322	2,354,576,102

a. The maximum amount due from the employees during the year was Tk. 179,077,115 on November 2021

b. No amount was due from the directors, managing agent, managers and other officers of the company and any of them severally or jointly with any other person, except as stated above.

Amount in Taka

13. Cash and Cash Equivalents

June 30, 2022

June 30, 2021

This consists of as follows :

a. Cash in Hand (including Imprest Cash)	279,392,725	164,391,788
b. Cash at Bank :		
Current & FC Account	536,831,364	443,374,564
FDR Account	-	40,138,231
	816,224,089	647,904,583

14. Issued Share Capital

Amount in Taka

a. Authorized :	June 30, 2022	June 30, 2021
1,000,000,000 Ordinary Shares of Tk. 10 each	10,000,000,000	10,000,000,000
50,000,000 fully convertible 5 % Preference Shares of Tk. 100 each	5,000,000,000	5,000,000,000
	15,000,000,000	15,000,000,000
b. Issued, Subscribed and Paid-up :		
51,775,750 Shares fully paid-up in cash	517,757,500	517,757,500
357,093,942 Ordinary Shares issued as stock dividend	3,570,939,420	3,570,939,420
5,951,250 Ordinary Shares issued in exchange of Shares of Beximco Infusions Ltd.	59,512,500	59,512,500
31,291,147 Ordinary Shares issued on conversion of Preference Shares	312,911,470	312,911,470
	4,461,120,890	4,461,120,890

5,951,250 Ordinary Shares of Tk. 10 each were issued to the shareholders of Beximco Infusions Ltd. on its merger with Beximco Pharmaceuticals Ltd. in 2005.

41,000,000 fully convertible 5% preference shares of Tk. 100 each were issued in 2009. 50% of the preference shares were converted into 16,169,191 ordinary shares of Tk. 10 each on February 1, 2010. The rest 50% were converted into 15,121,956 ordinary shares of Tk. 10 each on May 2, 2010.

100,037,989 Shares have been issued as underlying shares for the GDRs listed with AIM of London Stock Exchange.

c. Composition of Shareholding :

	June 30, 2022		June 30, 2021	
	Number of Shares	% of Share Capital	Number of Shares	% of Share Capital
Sponsors/Directors:				
A S F Rahman	9,058,888	2.03	9,058,888	2.03
Salman F Rahman	9,080,095	2.04	9,080,095	2.04
Other Directors and Associates	116,305,973	26.07	116,517,180	26.11
	134,444,956	30.14	134,656,163	30.18
Other Shareholdings:				
Foreign Portfolio Investors (DSE/CSE)	43,246,139	9.69	51,907,674	11.64
Holders of GDRs (excluding Board Director)	84,386,054	18.92	84,386,054	18.92
Institutions (ICB, ICB Investors' Accounts & Others)	97,533,003	21.86	87,784,924	19.68
Individual Shareholders	86,501,937	19.39	87,377,274	19.58
	311,667,133	69.86	311,455,926	69.82
Total	446,112,089	100.00	446,112,089	100.00

d. Distribution Schedule of Ordinary Shares:

Range of Shareholdings In number of shares	June 30, 2022		June 30, 2021		June 30, 2022		June 30, 2021	
	Number of Shareholders	% of Holding	Number of Shareholders	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
1 to 499	41,440	76.11%	38,764	70.16%	4,189,826	0.94%	5,274,349	1.18%
500 to 5,000	10,587	19.45%	14,059	25.45%	16,225,509	3.64%	19,890,718	4.46%
5,001 to 10,000	1,042	1.91%	1,098	1.99%	7,545,996	1.69%	7,895,652	1.77%
10,001 to 20,000	560	1.03%	567	1.03%	8,156,027	1.89%	8,078,197	1.81%
20,001 to 30,000	209	0.38%	185	0.33%	5,180,289	1.16%	4,575,664	1.03%
30,001 to 40,000	113	0.21%	84	0.15%	3,949,472	0.88%	2,947,573	0.66%
40,001 to 50,000	70	0.13%	76	0.14%	3,225,851	0.72%	3,495,456	0.81%
50,001 to 100,000	166	0.30%	150	0.27%	12,079,301	2.71%	11,069,746	2.48%
100,001 to 1,000,000	221	0.41%	227	0.41%	66,057,769	14.80%	66,828,442	14.98%
Over 1,000,000	38	0.07%	38	0.07%	319,502,049	71.57%	316,056,292	70.83%
Total	54,446	100%	55,248	100%	446,112,089	100%	446,112,089	100%

e. Market Price of Ordinary Shares:

The shares are listed with Dhaka and Chittagong Stock Exchanges of Bangladesh while the GDRs with the AIM of London Stock Exchange. Price of each Share/ GDR on the last working day of the fiscal year were:

		June 30, 2022	June 30, 2021
Dhaka Stock Exchange	Tk.	154.60	177.30
Chittagong Stock Exchange	Tk.	155.30	176.60
AIM	GBP	0.705	0.860

f. Option on unissued Ordinary Shares :

There is no option on unissued shares as on June 30, 2022.

15. Excess of Issue Price over Face Value of GDRs

This represents excess of issue price of GDRs over the face value of underlying 28,175,750 ordinary shares issued against the same number of GDRs less GDRs issue expenses.

16. Long Term Borrowings - Net of Current Maturity

Amount in Taka

This is arrived at as follows :

	June 30, 2022	June 30, 2021
Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	670,863,306	972,696,465
Term Loan-Agrani Bank	2,313,748,864	-
Lease Liability	416,925,245	234,020,629
	3,401,537,415	1,206,717,094

a. Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany

This represents part of the foreign currency loan of US\$ 51.559 million and Euro 19.05 million taken for the expansion and diversification project implemented by the Company. Interest of US\$ loan is 6 month's USD LIBOR plus 2.25% while the same for Euro loan is 6 month's EURIBOR plus 1.30% per annum. Both the loans are secured by exclusive first charge by way of hypothecation against machinery and equipment procured under the pertinent loans.

b. Term Loan-Agrani Bank

The Company availed a Term Loan of Taka 3,750 million from Agrani Bank Limited, Principal Branch Dhaka to partly finance the acquisition of Synovia Pharma PLC (formerly Sanofi Bangladesh Limited).

c. Lease Liability	Amount in Taka	
	June 30, 2022	June 30, 2021
This consists of as follows:		
Within one year	140,769,847	113,976,268
More than one year	416,925,245	234,020,629
	<u>557,695,092</u>	<u>347,996,897</u>

17. Liability for Gratuity and WPPF & Welfare Funds

a. Gratuity Payable

Opening Balance	1,213,933,757	1,056,920,260
Provisions during the year	215,143,980	221,588,892
	<u>1,429,077,737</u>	<u>1,278,509,152</u>
Paid to Employees during the year	(44,326,225)	(64,575,395)
	<u>1,384,751,512</u>	<u>1,213,933,757</u>

Investment - Gratuity Fund

Opening Balance	40,000,000	-
Addition	60,000,000	40,000,000
Interest Received during the year	1,644,600	-
	<u>101,644,600</u>	<u>40,000,000</u>
Paid to Employees during the year	(44,326,225)	-
	<u>57,318,375</u>	<u>40,000,000</u>

Closing Balance	1,327,433,137	1,173,933,757
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b. Workers Profit Participation and Welfare Fund

	1,155,413,511	1,013,210,949
	<u>2,482,846,648</u>	<u>2,187,144,706</u>

18. Deferred Tax Liability

Amount in Taka

	June 30, 2022	June 30, 2021
Opening Balance	1,871,974,397	2,035,744,789
Addition during the Year :		
Deferred Tax on Assets -Note : 34	556,665,177	(160,532,671)
Adjustment for Deferred Tax on revalued amount	(1,430,698)	(3,237,721)
Closing Balance	2,427,208,876	1,871,974,397

19. Short Term Borrowings

Janata Bank Limited	4,817,103,014	3,077,454,947
AB Bank Limited	409,733,361	1,014,765,029
First Security Islamic Bank Limited	492,341,234	510,141,234
Liability for UPAS Letter of Credit	644,508,608	254,745,071
	6,363,686,217	4,857,106,281

- a. Short term borrowings from Janata Bank represents revolving credit facilities renewable annually. The borrowing carries 9% interest.
- b. Loan from AB Bank represents a revolving overdraft limit of Tk 50 Crore.
- c. The loan from Janata Bank and AB Bank is secured by hypothecation of fixed and floating assets of the Company excepting the machinery and equipment financed by ODDO BHF Aktiengesellschaft, Frankfurt, Germany.
- d. The borrowing from First Security Islamic Bank Ltd represents a Bai-Murabaha (Hypo) Credit facility of Tk.50 crore for purchasing raw and packing materials. The facility is secured by second charge by way of hypothecation on present and future fixed and floating assets of the Company excepting the machinery and equipment financed by ODDO BHF Aktiengesellschaft, Frankfurt, Germany.

20. Long Term Borrowings-Current Maturity

Amount in Taka

	June 30, 2022	June 30, 2021
Project Loan - ODDO BHF Aktiengesellschaft, Frankfurt, Germany	938,924,362	1,287,429,745
Term Loan-Agrani Bank	960,000,000	-
Lease Liability	140,769,847	113,976,268
	2,039,694,209	1,401,406,013

21. Creditors and Other Payables

Goods & Services	807,139,594	622,523,948
Provident Fund	886,263,961	797,569,927
Advance Against Sales	110,410,808	298,396,187
Others	104,650,607	95,522,977
	1,908,464,970	1,814,013,039

22. Accrued Expenses

	Amount in Taka	
	June 30, 2022	June 30, 2021
This is unsecured, falling due within one year and consists of as follows :		
For Expenses	239,586,696	178,826,769
Workers' Profit Participation and Welfare Funds - (current year)	336,827,179	301,675,085
	576,413,875	480,501,854

23. Dividend Payable / Unclaimed Dividend

The Dividend Payable/Unclaimed dividend as on June 30, 2022 includes Tk. 45,080,943 relating to year 2020-21 which has been paid but not yet claimed. The remaining balance relates to dividend for prior years unclaimed to date.

24. Income Tax Payable

Opening Balance	220,441,435	263,148,692
Provision for current year	914,346,139	1,250,545,631
Short provision for prior years	104,188,621	-
	1,238,976,195	1,513,694,323
Income Tax Paid	(1,147,310,332)	(1,293,252,888)
	91,665,863	220,441,435

25. Net Sales Revenue

	Amount in Taka	
	July 2021 - June 2022	July 2020 - June 2021
Domestic Sales	27,553,566,457	23,825,350,346
Export Sales	2,667,165,191	3,124,001,260
	30,220,731,648	26,949,351,606

a. Revenue consists of sales of pharmaceutical formulation products of wide range of therapeutic categories in different dosage forms and strengths and Active Pharmaceutical Ingredients (APIs). The quantity sold under different broad categories are as follows:

Product Category	Unit	Quantity	
		July 2021 - June 2022	July 2020 - June 2021
Tablet, Capsule, Suppository & DPI	Million pcs.	7,988.60	7,316.90
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	152.80	119.19
Active Pharmaceutical Ingredients	Kg	121,022	181,903
Liquid Nitrogen	Liter	258,829	352,970

b. The value of Export Sales in equivalent US Dollar is 31,274,602 in 2021-22 as against US Dollar 37,106,411 in 2020-21.

26. Cost of Goods Sold

	Amount in Taka	
This is made-up as follows :	July 2021 - June 2022	July 2020 - June 2021
Work-in-Process (Opening)	282,756,046	249,838,762
Materials Consumed (Note: 27)	13,638,376,755	11,428,162,801
Factory Overhead (Note: 28)	4,060,497,699	3,446,781,489
Total Manufacturing Cost	17,981,630,500	15,124,783,052
Work-in-Process (Closing)	(610,859,802)	(282,756,046)
Cost of Goods Manufactured	17,370,770,698	14,842,027,006
Finished Goods (Opening)	1,188,526,554	972,564,349
Finished Goods available	18,559,297,252	15,814,591,355
Cost of Physician Sample transferred to Sample Stock	(297,063,413)	(278,682,753)
Finished Goods (Closing)	(1,754,268,113)	(1,188,526,554)
	<u>16,507,965,726</u>	<u>14,347,382,048</u>

Finished Goods Stock comprises as follows :

Product Category	Unit	Quantity	
		June 30, 2022	June 30, 2021
Tablet, Capsule, Suppository & DPI	Million pcs.	699.14	504.72
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	13.61	9.77
Active Pharmaceutical Ingredients	Kg	4,162	5,890
Total Value	Taka	1,754,268,113	1,188,526,554

27. Materials Consumed

	Amount in Taka	
This is made-up as follows :	July 2021 - June 2022	July 2020 - June 2021
Opening Stock	4,173,915,422	3,915,389,246
Purchase	14,854,032,886	11,686,688,977
Closing Stock	(5,389,571,553)	(4,173,915,422)
	<u>13,638,376,755</u>	<u>11,428,162,801</u>

28. Factory Overhead

	Amount in Taka	
	July 2021 - June 2022	July 2020 - June 2021
Salary & Allowances	1,484,594,001	1,328,827,639
Repairs and Maintenance	432,152,866	316,507,536
Insurance Premium	40,024,639	34,761,486
Municipal Tax & Land Revenue	5,687,728	8,898,435
Registration & Renewals	6,264,023	17,174,084
Travelling & Conveyance	39,995,731	34,900,276
Entertainment	3,314,819	2,644,001
Research and Development	303,847,832	280,881,455
Rent	7,835,447	13,524,226
Printing & Stationery	30,189,536	31,165,292
Telephone, Cellphone, Internet & Postage	11,175,180	10,791,816
Toll Expense	249,432,471	257,499,789
Electricity, Gas & Water	248,709,658	227,941,467
Training & Conference	11,097,180	9,614,915
Plant Certification and Regulatory Approvals	8,645,632	15,156,941
Depreciation	1,138,305,681	824,966,915
Security Expenses	27,415,344	25,624,559
Other Expenses	11,809,931	5,900,657
	4,060,497,699	3,446,781,489

- a. Salary and Allowances include Company's Contribution to provident fund amounting to Tk. 26,512,220
- b. Repairs and Maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures. Also included therein, imported stores and spares that has been consumed during the year.
- c. Other expenses does not include any item exceeding 1% of total revenue.

29. Administrative Expenses

Salary & Allowances	471,393,956	439,818,179
Rent	26,468,207	16,222,800
Repairs and Maintenance	71,324,489	56,771,422
Registration & Renewals	5,265,798	6,299,916
Travelling & Conveyance	27,053,843	26,851,992
Entertainment	8,227,022	6,498,289
Printing & Stationery	4,404,963	5,725,309
Audit Fee	2,100,000	2,000,000
Telephone, Cellphone, Internet & Postage	6,309,245	4,272,321
Electricity, Gas & Water	22,413,302	14,078,915
Legal & Consultancy	25,736,959	10,456,662
Business Acquisition Cost	57,302,224	18,208,232
Company Secretarial, Regulatory Fee and AGM Expense	41,725,709	37,042,133
Municipal Tax & Land Revenue	1,951,304	353,080
Training & Conference	4,598,977	783,336
Depreciation	44,022,872	31,904,798
Meeting Fee	2,203,200	3,128,000
Security Expenses	18,858,186	14,112,817
Other Expenses	40,156,073	97,700,706
	881,516,329	792,228,907

- a. Salary and Allowances include Company's Contribution to provident fund amounting to Tk.9,472,426
- b. Repairs and maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
- c. Meeting Fee is paid to the Directors for attending Board and other Committee Meetings.
- d. Travelling & Conveyance includes foreign travel of Tk. 5,045,526 (in 2021 Tk. 1,015,336)
- e. Other expenses does not include any item exceeding 1% of total revenue.

30. Selling, Marketing and Distribution Expenses

Amount in Taka

	July 2021 - June 2022	July 2020 - June 2021
Salary & Allowances	2,278,252,477	2,111,616,016
Rent	113,663,438	82,752,962
Repairs and Maintenance	33,389,342	31,561,657
Travelling & Conveyance	597,509,675	552,791,027
Entertainment	71,270,659	64,055,502
Printing & Stationery	41,365,401	39,958,791
Telephone, Cellphone, Internet & Postage	61,501,956	65,439,973
Software & Licenses	27,436,672	33,596,270
Electricity, Gas & Water	20,261,165	20,107,493
Market Research & New Products	66,845,465	71,595,632
Training & Conference	112,510,501	120,555,180
Insurance Premium	31,351,563	32,094,000
Sample Expense	376,783,020	347,209,107
Advertisement	835,673	1,769,732
Field Operation	45,784,860	44,864,430
Events, Programs & Campaign	261,461,875	266,667,446
Brand Development	141,621,329	139,998,190
CSR Expenses	12,646,614	11,036,539
Sales Promotion Expenses	153,209,813	135,410,431
Books, Journal and Periodicals	5,639,310	8,047,595
Salesforce Logistics	25,219,903	23,398,324
Clinical Studies and Research	6,946,764	6,488,050
Pharmacovigilance	20,146,600	27,087,836
Literature and News Letter	234,061,330	221,415,292
Registration & Renewals	135,590,529	139,697,491
Export Insurance, Freight and C&F Expenses	208,027,169	158,409,899
Distribution Commission	527,996,777	437,367,829
Delivery Expense	448,553,137	385,580,530
Depreciation & Amortization	145,913,133	121,825,781
Security Expenses	19,313,099	20,158,622
Bad Debts	2,875,000	3,025,000
Other Expenses	9,436,938	15,153,792
	6,237,421,187	5,740,736,419

a. Salary and Allowances include Company's Contribution to provident fund amounting to Tk. 47,730,687

b. Distribution Commission is paid to I & I Services Ltd., a " Related Party" for rendering distribution services throughout the country.

c. Repairs and Maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.

d. Sample Expense includes VAT on sample.

e. Other expenses does not include any item exceeding 1% of total revenue.

31. Other Income

	Amount in Taka	
	July 2021 - June 2022	July 2020 - June 2021
Interest Income	699,570	2,377,286
Dividend	71,517,955	35,987,859
Royalty	149,208,374	69,272,533
Distribution Commission Income	222,559,867	139,631,437
Cash Incentive on Export	261,154,366	309,745,032
Exchange Rate Fluctuation Gain / (Loss)	49,926,288	(3,716,895)
Vaccine Distribution Fee	619,259,365	542,265,041
Forfeited PF refund	159,301	8,588,660
Technical know how fee	79,552,390	-
Profit/(Loss) on Sale of Fixed Assets (Note 41)	2,136,970	3,897,402
	1,456,174,446	1,108,048,355

a. Vaccine Distribution Fee is received against the delivery of Oxford University/AstraZeneca SARS-CoV-2 vaccine, AZD1222 as per the tripartite agreement with the Government of Bangladesh (GOB) and the Serum Institute of India Pvt. Ltd (“SII”). Income from Vaccine Distribution Fee is reported net of related expenses.

b. The Distribution Commission is received from the subsidiary companies Nuvista Pharma Limited and Synovia Pharma PLC for the delivery of products using BPL's distribution network across the country as per the agreement entered into with the companies on an arm's length basis.

c. Government provides 10% incentives on net FOB value of export of finished pharmaceutical formulation products subject to fulfillment of certain conditions. The incentive claimed during the reporting period has been accrued and accounted for. Further details are available in Note 3.10.

d. Exchange rate fluctuation losses has been netted off with the exchange rate fluctuation gains. An exchange loss of Tk. 20,837,952 has arisen from the translation of outstanding foreign currency loan from ODDO BHF Aktiengesellschaft, Frankfurt, Germany translated at the exchange rate prevailing on the financial position date.

32. Finance Cost

	Amount in Taka	
	July 2021 -June 2022	July 2020 - June 2021
Interest on Bank Borrowings	662,823,473	562,867,528
Interest on Lease Finance	42,741,408	35,970,714
Interest on Loan from PF, WPPF & Welfare Fund	199,775,709	190,970,118
Bank and Other Charges	71,291,503	52,067,446
	976,632,093	841,875,806

33. Contribution to WPPF & Welfare Funds

This represents statutory contribution by the Company as per Bangladesh Labour Act 2013. The amount is computed @ 5% of net profit before tax (after charging such contribution).

34. Income Tax Expenses

Amount in Taka

This consists of as follows :

a. Current Tax

Tax provision for current Year	914,346,139	1,250,545,631
Income tax short provision	104,188,621	-
	1,018,534,760	1,250,545,631

b. Deferred Tax Expense / (Income)

	556,665,177	(160,532,671)
Total	1,575,199,937	1,090,012,960

Deferred Tax Expense / (Income) is arrived at as follows :

Property, Plant & Equipment (Difference in book value & Tax base)	12,125,676,008	9,501,989,318
Deferred liability (Gratuity)	(1,327,433,137)	(1,173,933,757)
Provision for Bad Debts	(10,647,866)	(8,169,353)
Temporary Difference	10,787,595,005	8,319,886,208
Tax Rate	22.5%	22.5%
Deferred Tax Liability at end of the year	2,427,208,876	1,871,974,397
Deferred Tax Liability at beginning of the year	1,871,974,397	2,035,744,789
Change in Deferred Tax Liability	555,234,479	(163,770,392)
Deferred tax on Revaluation Surplus	1,430,698	3,237,721
Deferred Tax charged to profit or Loss and Other Comprehensive Income	556,665,177	(160,532,671)

Reconciliation of Effective tax rate

	2021-22		2020-21	
	%	Tk.	%	Tk.
Profit before Tax		6,736,543,580		6,033,501,696
Applicable Tax	22.50%	1,515,722,306	22.50%	1,357,537,882
Effect of lower rate on Export Profit excluding Cash Incentive	-0.97%	(65,093,147)	-1.56%	(94,206,509)
Effect of lower rate on cash incentive	-0.48%	(32,644,296)	-0.64%	(38,718,129)
Effect of lower rate on dividend income	-0.03%	(1,787,949)	-0.01%	(899,696)
Effect of permanent disallowances	0.79%	52,924,459	0.86%	51,624,342
Short provision of prior year	1.55%	104,188,621	0.00%	-
Deferred tax impact	0.03%	1,889,943	-3.07%	(185,324,930)
Income Tax Expense	23.38%	1,575,199,937	18.07%	1,090,012,960

a. Export Profits are subject to 12% Tax rate

b. 10% Tax deductible at source on the cash incentives are treated as final tax liability on such income as per the Income Tax regulations.

c. Dividend Income is taxable @ 20%

35. Other Comprehensive Income - Unrealized Gain/(Loss)

	Amount in Taka	
	July 2021 - June 2022	July 2020 - June 2021
Fair Value Gain/(Loss) on Investment in Listed Shares	6,764,517	12,840,831
	6,764,517	12,840,831

36. Earnings Per Share (EPS)

a. Earnings attributable to the ordinary shareholders	5,161,343,643	4,943,488,736
b. Weighted average number of shares outstanding during the year (Note 3.15)	446,112,089	446,112,089
Earnings Per Share (EPS)	11.57	11.08

37. Net Asset Value (NAV) Per Share

	June 30, 2022	June 30, 2021
Total Assets	59,694,627,089	50,864,666,106
Less Total Liabilities	(19,378,888,788)	(14,157,074,351)
Net Assets	40,315,738,301	36,707,591,755
Number of Shares	446,112,089	446,112,089
Net Asset Value (NAV) Per Share	90.37	82.28

38. Net Operating Cash Flow Per Share (NOCFPS)

	July 2021 - June 2022	July 2020 - June 2021
Net Cash Generated from Operating Activities	5,027,964,667	5,614,916,935
Number of Ordinary Shares	446,112,089	446,112,089
Net Operating Cash Flows Per Share (NOCFPS)	11.27	12.59

39. Reconciliation of Net Profit with Cash Flows from Operating Activities

Amount in Taka

	July 2021 - June 2022	July 2020 - June 2021
Profit after Tax	5,161,343,643	4,943,488,736
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash/ Non-operating items:	2,082,428,864	956,977,173
Depreciation	1,257,796,334	911,565,653
Amortization	70,445,352	67,131,843
Gratuity & WPPF	295,701,942	171,840,123
Deferred tax	556,665,177	(160,532,671)
Exchange rate fluctuation (Gain)/loss	20,837,952	6,857,486
Dividend Income	(71,517,955)	(35,987,859)
(Profit) /Loss on sale of Fixed Assets	(2,136,970)	(3,897,402)
Effect of exchange rate changes on Cash and Cash Equivalents	(45,362,968)	-
Changes in working Capital	(2,215,807,840)	(285,548,974)
(Increase)/Decrease in Inventories	(2,108,146,005)	(1,165,455,856)
(Increase)/Decrease in Spares & Supplies	(42,276,201)	113,270,668
(Increase)/Decrease in Accounts Receivable	92,096,798	381,797,104
(Increase)/Decrease in Loans, Advances & Deposits	(204,141,220)	(9,536,230)
Increase/(Decrease) in Creditors and Other Payables	79,522,339	565,982,015
Increase/(Decrease) in Accrued Expenses	95,912,021	(128,899,418)
Increase/(Decrease) in Income Tax Payable	(128,775,572)	(42,707,258)
Net cash Generated from Operating Activities	5,027,964,667	5,614,916,935

40. Related Party Disclosures

Following transactions were carried out with related parties in the normal course of business on arms length basis:

Name of Related Parties	Nature of Transactions	Value of Transaction	Balance at year end	Balance Type
a. I & I Services Ltd.	Delivery of Products	31,726,502,984	1,020,929,771	Dr.
	Distribution Commission	527,996,777		
b. Nuvista Pharma Ltd	Toll Manufacturing	28,912,990	26,540,378	Dr.
	Cost of Services	58,761,237		
	Royalty	37,069,142		
	Dividend	40,053,896		
c. Synovia Pharma PLC	Distribution Commission	152,747,023	36,929,751	Dr.
	Toll Manufacturing	121,481,156		
	Cost of Goods & Services purchase	107,979,512		
	Dividend	29,448,615		
d. Beximco Pharma API Limited	Distribution Commission	69,812,844	729,830	Dr.
	Short Term Advance	50,000		

The Companies are subject to common control from same source.

41. Particulars of Disposal of Property, Plant and Equipment

The following assets were disposed off during the year ended June 30, 2022:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal
Plant & Machinery	47,847,910	40,278,852	7,569,058	3,535,000	(4,034,058)	Negotiation
Furniture & Fixtures	642,221	606,333	35,888	36,227	339	Negotiation
Transport & Vehicle	19,244,469	15,822,875	3,421,594	9,592,283	6,170,689	Negotiation
Tk.	67,734,600	56,708,060	11,026,540	13,163,510	2,136,970	

42. Payment / Perquisites to Managers and Directors

The aggregate amounts paid to/ provided for the Managers and above of the company is disclosed below :

	Amount in Taka
Remuneration	466,129,751
Gratuity	47,002,387
Contribution to Provident Fund	18,305,734
Bonus	46,952,209
Medical	12,816,076
Others	11,475,178
Total	602,681,335

- The above includes salary, allowances, and perquisites amounting Tk. 71,852,248 paid to the Managing Director.
- No remuneration is paid to Directors of the board other than meeting attendance fees which has been separately reported.
- No amount of money was expended by the company for compensating any member of the board for special services rendered.

43. Production Capacity and Utilization

Item	Unit	Production Capacity		Actual Production and Capacity Utilization			
		June 2022	June 21	July 21 to June 22		July 20 to June 2021	
		Quantity	Quantity	Quantity	%	Quantity	%
Tablet, Capsule, Suppository & DPI	Million Pcs	6,481.61	5,885.53	7,962.28	122.84%	7,093.47	120.52%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million Pcs	148.74	102.70	151.39	101.78%	115.36	112.33%
Active Pharmaceuticals Ingredient	Matric Ton	22.00	22.00	4.48	20.36%	4.61	20.95%

Production does not include goods manufactured under contract manufacturing arrangement from third party manufacturing sites.

44. Capital Expenditure Commitment

There was no capital expenditure contracted but not incurred or provided for at June 30, 2022.

45. Claim not Acknowledged as Debt

There was no claim against the Company not acknowledged as debt as on June 30, 2022.

46. Un-availed Credit Facilities

There is no credit facilities available to the company under any contract, not availed of as on June 30, 2022 other than trade credit available in the ordinary course of business.

47. Foreign Currency Payments & Receipts :

	Foreign Currency (Equivalent US\$)	Taka
Payments :		
Materials, Spares and Capital Machinery	116,761,400	10,121,755,005
Foreign Currency Loans, Fees & Expenses	20,537,797	1,752,550,996
Receipts :		
Export Sales & Others	30,846,371	2,642,465,551

48. Commission / Brokerage to selling agent :

No commission was incurred or paid to any sales agent nor any brokerage or discount other than conventional trade discount was incurred or paid against sales.

49. Contingent Liability

a. The Company has contingent liabilities aggregating Tk. 150,788,789 relating to disputed income tax claims for the year 1999, 2007, 2008 and 2010. The Company has filed Income Tax Reference cases with the High Court Division of the Supreme Court against these claims.

b. There is also a disputed VAT claim aggregating Tk. 144,113,691 against the Company. The Company won the verdict of the Appellate Tribunal in its favor. The concerned authority has filed appeal to the honorable High Court against this verdict. Additionally, there are claims of custom duty aggregating Tk. 22,507,358 against the indemnity bonds issued by the Company in connection with import of certain plant and machinery. The company has filed writ petitions with the honorable High Court against these claims. Liability if any, arises on disposal of the cases, the Company shall provide for such liability in the year of final disposal.

c. The Company has provided corporate guarantees to Dhaka Bank Limited for funded and non-funded working capital facilities upto Taka 105 Crore for Nuvista Pharma and Taka 100 Crore for Synovia Pharma. Both the companies are subsidiaries of Beximco Pharma. The liabilities are primarily secured by fixed and floating assets of the respective companies. Additionally, Beximco Pharma also issued corporate guarantees to Agrani Bank Limited for non-funded facilities upto Taka 20 Crore and Taka 15 Crore in favour of Pharmatek Chemicals Limited and Shuktara Printers Limited, respectively- two exclusive material suppliers of the Company and its subsidiaries.

50. Events after the Reporting Period

- a. The Board of Directors of the Company recommended 35% cash dividend (i.e. Tk. 3.50 per share) for the year 2021-22. The dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.
- b. Board of Directors of Nuvista Pharma Limited (NPL) has declared cash dividend @ 40%, i.e. Tk. 4.00 per share for the year 2021-22. The proposed dividend is subject to approval of the shareholders of NPL in the forthcoming Annual General Meeting.

Excepting above, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

51. Financial Risk Management

The management of Company has overall responsibility 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 risks for its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

51.01 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 is monitored on an ongoing basis. As at June 30, 2022 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.

51.02 Liquidity Risk

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

51.03 Market Risk

Market risk is the risk that any change 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 export revenues and import of raw material, machineries and equipment. Majority of the Company's foreign currency transactions are denominated in USD. Additionally the Company has foreign currency loan which shall be repaid in foreign currency. However, The Company maintains an Export Retention Quota (ERQ) account in USD where 60% of the export earnings are deposited. This partly contributes to minimize the currency risk associated with payments in foreign currency.

b. Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. An increase in interest rates will result in higher borrowing costs and impact the Company's profitability. The Company continuously monitors and negotiates viable deals to minimize the interest rate risk. Further, the Company tries to remain at a lower level of gearing to minimize the impact of financing costs. With its strong ability to generate cash flows from operating activities, the Company tries to pay off its debts on due time to minimize the impact of an increase in interest rates. The Company has arrangement with banks to transfer the sales proceeds into its overdraft account on a real time basis through RTGS system to minimize borrowing cost.

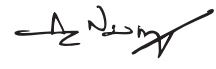
The foreign currency loan is subject to floating rates of interest. The Company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.



Osman Kaiser Chowdhury
Director



Nazmul Hassan
Managing Director



Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 27, 2022

Financial Statements
Nuvista Pharma Limited

Independent Auditor's Report

To the Shareholders of Nuvista Pharma Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Nuvista Pharma Limited (the Company), which comprise the statement of financial position as at 30 June 2022, 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 a true and fair view of the financial position of the Company as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 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 purpose 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 and returns.

A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202



Mohammad Motaleb Hossain FCA
Enrolment Number: 0950
DVC: 2210200950AS448233


Dhaka, 13 October 2022

Nuvista Pharma Limited
Statement of financial position
As at 30 June 2022

	Notes	30 June 2022	Amount in Taka 30 June 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,058,252,911	1,094,483,583
Capital work-in-progress	5	7,547,385	13,167,670
Intangible assets	6	13,011,840	14,498,907
Total non-current assets		1,078,812,136	1,122,150,160
Current assets			
Inventories	7	591,585,003	488,258,898
Trade receivables	8	102,889,638	68,992,110
Loans, advances and deposits	9	72,751,430	62,372,394
Cash and cash equivalents	10	180,824,117	27,506,945
Total current assets		948,050,188	647,130,347
Total assets		2,026,862,324	1,769,280,507
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	11	117,501,600	117,501,600
Reserves and surplus	12	1,166,304,413	902,470,740
Total equity		1,283,806,013	1,019,972,340
Non-current liabilities			
Long term bank borrowings	13	12,815,090	-
Gratuity payable	14	173,210,822	148,113,060
Deferred tax liabilities	15	109,628,828	117,591,532
Total non-current liabilities		295,654,740	265,704,592
Current liabilities			
Short term bank borrowings	16	146,988,152	166,074,847
Trade payables	17	122,283,402	146,680,936
Liabilities for expenses	18	100,392,374	96,229,644
Income tax payable	19	7,783,192	2,064,899
Other liabilities	20	69,954,451	72,553,249
Total current liabilities		447,401,571	483,603,575
Total liabilities		743,056,311	749,308,167
Total equity and liabilities		2,026,862,324	1,769,280,507


The annexed notes 1 to 36 form an integral part of these financial statements.
As per our report of same date

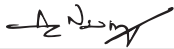
A. Qasem & Co.
Chartered Accountants
RJSC Registration No.: 2-PC7202


Mohammad Motaleb Hossain FCA
Enrolment Number: 0950
DVC: 2210200950AS448233

Dhaka, 13 October 2022


Nazmul Hassan
Chairman


S. M. Rabbur Reza
Managing Director


Mohammad Ali Nawaz
Director

Nuvista Pharma Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2022

	Notes	30 June 2022	Amount in Taka 30 June 2021
Revenue	21	2,802,357,818	2,572,104,337
Cost of goods sold	22	(1,362,782,151)	(1,238,556,183)
Gross profit		1,439,575,667	1,333,548,154
General and administration expenses	23	(115,250,781)	(104,244,983)
Selling and distribution expenses	24	(860,919,037)	(773,583,577)
Profit from operations		463,405,849	455,719,594
Non-operating income	25	11,855,910	3,648,109
Interest expenses	26	(4,958,236)	(16,809,340)
Profit before tax and WPPF		470,303,523	442,558,363
Contribution to WPPF		(22,395,406)	(21,074,208)
Profit before tax		447,908,117	421,484,155
Income tax expense			
Current tax	27	(145,036,508)	(136,132,679)
Deferred tax income/(expense)	27	7,962,704	14,347,178
		(137,073,804)	(121,785,501)
Profit after tax		310,834,313	299,698,654
Other comprehensive income		-	-
Total comprehensive income for the year		310,834,313	299,698,654
Earnings Per Share (EPS)		26.45	25.51

The annexed notes 1 to 36 form an integral part of these financial statements.
As per our report of same date

A. Qasem & Co.

Chartered Accountants

RJSC Registration No.: 2-PC7202

Mohammad Motaleb Hossain FCA

Enrolment Number: 0950

DVC: 2210200950AS448233

Dhaka, 13 October 2022

Nazmul Hassan

Chairman

S. M. Rabbur Reza

Managing Director

Mohammad Ali Nawaz

Director

Nuvista Pharma Limited
Statement of changes in equity
For the year ended 30 June 2022

Amount in Taka

Particulars	Share capital	Reserves and surplus						Total
		General reserve	Share premium	Pre- incorporation profit	Revaluation reserve	Retained earnings	Total reserves and surplus	
Balance as at 1 July 2020	117,501,600	7,511,991	30,844,170	243,737	162,337,766	442,959,982	643,897,646	761,399,246
Dividend paid	-	-	-	-	-	(41,125,560)	(41,125,560)	(41,125,560)
Profit after tax for the year ended 30 June 2021	-	-	-	-	-	299,698,654	299,698,654	299,698,654
Balance as at 30 June 2021	117,501,600	7,511,991	30,844,170	243,737	162,337,766	701,533,076	902,470,740	1,019,972,340
Number of shares								11,750,160
Net assets value per share								86.80
Balance as at 1 July 2021	117,501,600	7,511,991	30,844,170	243,737	162,337,766	701,533,076	902,470,740	1,019,972,340
Dividend paid	-	-	-	-	-	(47,000,640)	(47,000,640)	(47,000,640)
Profit after tax for the year ended 30 June 2022	-	-	-	-	-	310,834,313	310,834,313	310,834,313
Balance as at 30 June 2022	117,501,600	7,511,991	30,844,170	243,737	162,337,766	965,366,749	1,166,304,413	1,283,806,013
Notes	11.0	12.0	12.1	12.0	12.2	12.0	12.0	
Number of shares								11,750,160
Net assets value per share								109.26

The annexed notes 1 to 36 form an integral part of these financial statements.

Nuvista Pharma Limited
Statement of cash flows
For the year ended 30 June 2022

	Notes	30 June 2022	Amount in Taka 30 June 2021
A. Cash flows from operating activities			
Cash receipts from customers and others		2,771,904,931	2,618,368,138
Cash paid to suppliers and employees		(2,386,536,146)	(2,033,598,933)
Cash generated from operation		385,368,785	584,769,205
Interest paid	18 & 26	(5,473,551)	(19,577,082)
Interest received	25	2,679,248	-
Income tax paid	19	(139,318,215)	(156,805,498)
Net cash generated from operating activities		243,256,267	408,386,625
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(43,346,746)	(56,789,046)
Purchase of intangible assets		-	(14,870,674)
Proceeds from disposal of property, plant and equipment		6,577,717	80,133
Net cash used in investing activities		(36,769,029)	(71,579,587)
C. Cash flows from financing activities			
Proceeds from/(payment to) long term bank borrowings	13	12,815,090	(36,034,605)
Payment to short term bank borrowings	16	(19,086,695)	(244,755,891)
Payment for lease liability		-	(6,446,333)
Dividend paid		(46,898,461)	(41,040,257)
Net cash used in financing activities		(53,170,066)	(328,277,086)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		153,317,172	8,529,952
E. Opening cash and cash equivalents		27,506,945	18,976,993
F. Closing cash and cash equivalents (D+E)		180,824,117	27,506,945
Net operating cash flows per share		20.70	34.76
Number of shares		11,750,160	11,750,160

The annexed notes 1 to 36 form an integral part of these financial statements.

Notes to the financial statements

As at and for the year ended 30 June 2022

1. Reporting entity

- 1.1** Nuvista Pharma Limited (“the Company”) was originally a subsidiary of Netherlands-based Organon International. The Company has been operating in Bangladesh since 1964, with a local manufacturing facility at Tongi, Dhaka. In the post-independent Bangladesh, it was incorporated as Organon (Bangladesh) Limited under Bangladesh Companies Act as a private limited company. Following the divestment of Organon’s equity to the local management in 2006, the Company was renamed as Nuvista Pharma Limited. In 2011, the Company, through amendments to its Memorandum and Articles of Association, became a public Limited Company under the Companies Act 1994.

In 2018, Beximco Pharmaceuticals Limited, a public limited company listed with Bangladesh Stock Exchanges and AIM of London Stock Exchange, acquired majority shareholdings in Nuvista Pharma Limited. Beximco Pharma, through this acquisition, became the immediate and ultimate parent of Nuvista Pharma with 85.22% of Nuvista’s equity. Government of Bangladesh holds 12.92% shares of the Company while the rest is held by other local shareholders.

- 1.2** The registered office of the Company is located at Plot no. 107/A, Mascot Plaza (8th floor), Sonargaon Janapath, Sector-7, Uttara C/A, Dhaka-1230, Bangladesh.
- 1.3** The Company produces various pharmaceutical products including oral contraceptives, hormone, steroid, anti-histamine, anti-fibrinolytic, gastrointestinal, musculoskeletal, respiratory, vitamin & mineral supplement and women’s health products which are sold in the domestic and international markets. The Company also provides toll manufacturing services to other pharmaceutical companies.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

2.2 Date of authorisation

These financial statements are authorised for issue by the Company’s Board of Directors on 13 October 2022.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except revaluation of certain property, plant and equipment.

2.4 Functional and presentational currency

These financial statements are prepared in Bangladeshi Taka (Taka/Tk.), which is the Company’s functional currency. All financial information has been presented in Taka and rounded off to the nearest integer.

2.5 Use of estimates and judgments

The preparation of financial statements 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.

Estimates and underlying assumptions are reviewed on an on going basis.

2.6 Going concern

The Company has adequate resources to continue its operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current resources and credit facilities of the Company are sufficient to meet the present requirements of its existing business.

2.7 Statement of cash flows

Statement of cash flows has been prepared in accordance with as per IAS 7: "Statement of cash flows" under direct method.

2.8 Reporting period

These financial statements cover one year from 1 July 2021 to 30 June 2022.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Share capital

Share capital represents the total amount of shareholders capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time.

3.2 Leases

IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Company, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

3.2.1 Office rent

As per IFRS 16, a contract is a lease if the contract conveys the right to control the use of an identified asset. As per terms of the agreement of office rent (clause 4.13, 17(m), 4.8, 4.9, 4.15, 4.18, 4.23) lessor has the right to control the use of office building. Furthermore, the lessee and lessor each has the right to terminate the lease by giving 90 days notice period without permission from the other party with no penalty clause. As a result, the contract does not meet the criteria of lease as defined under IFRS 16.

3.3 Staff gratuity fund

The Company operates a funded gratuity scheme which was approved by the National Board of Revenue. Gratuity payable to all eligible employees at the end of each year is determined on the basis of the existing rules and regulations of the Company. Though no valuation was done to quantify actuarial liabilities as per IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

3.4 Employees provident fund

The Company subscribes to a contributory provident fund for its permanent employees which is administered by a Board of Trustees and is funded by contributions from employees and from the Company @ 10% of the basic pay. These contributions are invested separately from the Company's business.

3.5 Property, plant and equipment

3.5.1 Recognition and measurement

Property, plant and equipment (PPE) is recognized as an asset if it is probable that future economic benefits associated with the asset will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the assets, bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

3.5.2 Subsequent costs

The costs 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 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.

3.5.3 Depreciation

Depreciation is recognized in the Statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each item of property, plant and equipment. Depreciation on property, plant and equipment is charged from the month of acquisition. In case of disposals, depreciation is charged up to the immediate previous month of disposal. No depreciation is charged on leasehold land and capital work-in-progress. Depreciation is calculated and charged on all other property, plant and equipment at the following rates on cost or valuation, considering the estimated useful lives of the assets:

Factory building and warehouse	2.5%
Motor cars and vans	20%-25%
Plant, machinery and equipment	5% -15%
Computer and IT equipment	30%
Electric fixtures and fittings	7%
Furniture and fittings	6%

Gain or loss on sale of property, plant and equipment is recognized in the Statement of profit or loss and other comprehensive income as per provision of IAS 16: "Property, plant and equipment".

3.6 Intangible assets

Intangible assets represent rights, titles and assigned trademark. Acquired intangible asset is initially capitalized at cost which includes the purchase price and other directly attributable costs. It is subsequently carried at cost less accumulated amortization and any accumulated impairment losses. Amortization is calculated to write off the cost of intangible assets using the straight-line method over its estimated useful life.

3.7 Impairment

3.7.1 Recognition

The carrying value of the Company's assets, other than inventories, are reviewed at each Statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the Statement of profit or loss and other comprehensive income. For the assets that have indefinite useful life, the recoverable amount is estimated at each Statement of financial position date.

No indication of impairment was observed in the year ended 30 June 2022.

3.7.2 Calculation of recoverable amount

The recoverable amount of an asset is the greater of net selling price and value in use. The estimated future cash flows are discounted to their present value using discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

3.7.3 Reversal of impairment

An impairment loss recognized in prior periods for an asset shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset in prior years.

There was no reversal of impairment in the year ended 30 June 2022.

3.8 Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that were not ready for use at the year end and these are stated at cost.

3.9 Taxation

Tax on the Statement of profit or loss and other comprehensive income for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.9.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the Statement of financial position date, and any adjustment to tax payable in respect of previous years.

3.9.2 Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are offset if there is a legal 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.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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 realized.

3.10 Inventories

Inventories include raw materials, raw materials in transit, work-in-process, finished goods and spare parts. These are valued at the lower of cost and net realizable value, with appropriate provisions for obsolete and slow-moving items. Cost is determined using the weighted average method and includes all expenses incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains three principal classification categories for financial assets such as measured at amortized cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and the contractual cash flow characteristics. IFRS 9 replaces the previous financial assets categories defined under IAS 39.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

3.12 Foreign currency

3.12.1 Foreign currency transactions

Foreign currency transactions are converted into equivalent Taka at the ruling exchange rates on the respective dates of such transactions and subsequently retranslated using the rate at the date of settlement.

3.12.2 Foreign currency translations

Monetary assets and liabilities denominated in foreign currencies have been converted into Taka at the exchange rate ruling at the year end.

3.12.3 Translation gains and losses

Foreign exchange difference arising on translation are recognized in the Statement of profit or loss and other comprehensive income.

3.13 Provisions

A provision is recognized in the Statement of financial position when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3.14 Revenue from Contracts with Customers

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control over a good or service to a customer. The following steps provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract and
- Recognize revenue when the entity satisfies a performance obligation.

3.15 Interest expenses

Interest expense comprises interest expense on overdraft, import loan, demand loan, finance lease and term loan. All interest expenses are recognized in the Statement of profit or loss and other comprehensive income when it accrues.

3.16 Workers' Profit Participation Fund (WPPF)

The Company provides 5% of its net profit before tax (after charging such expense) as WPPF in accordance with Bangladesh Labor Act 2006.

3.17 Standards adopted but not yet effective-IFRS 17: Insurance Contracts

A new Standard IFRS 17:Insurance Contracts, has been made effective for the reporting period beginning on or after 1 January 2023. This standard, however, has no material issue that might affect the reported financial statements of the Company.

3.18 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.19 General

Previous year's figures have been rearranged/reclassified wherever considered necessary to conform to current year's presentation.

4. Property, plant and equipment

Amount in Taka

Particulars	Land	Factory building	Factory warehouse	Plant and machinery	Motor vehicles	Computer and IT equipment	Equipment and electric fixtures and fittings	Furniture fittings	Total
Cost or valuation									
As at 1 July 2021	275,608,713	239,181,778	20,351,322	496,417,215	144,221,980	30,516,567	701,843,238	52,542,945	1,960,683,758
Addition/transfer during the year	-	-	726,501	16,444,533	24,214,260	2,366,038	7,233,149	800,979	51,785,460
Adjustment/disposal	-	-	-	(1,653,835)	(11,690,361)	(2,408,645)	(4,100,000)	-	(19,852,841)
As at 30 June 2022	275,608,713	239,181,778	21,077,823	511,207,913	156,745,879	30,473,960	704,976,387	53,343,924	1,992,616,377
Accumulated depreciation									
As at 1 July 2021	-	60,133,558	4,398,732	216,060,846	130,382,313	26,278,268	400,307,237	28,639,221	866,200,175
Charge during the year	-	5,967,144	520,891	22,618,377	10,970,995	2,649,176	42,399,365	2,470,840	87,596,788
Adjustment/disposal	-	-	-	(1,653,832)	(11,278,941)	(2,400,724)	(4,100,000)	-	(19,433,497)
As at 30 June 2022	-	66,100,702	4,919,623	237,025,391	130,074,367	26,526,720	438,606,602	31,110,061	934,363,466
Net book value									
As at 30 June 2022	275,608,713	173,081,076	16,158,200	274,182,522	26,671,512	3,947,240	266,369,785	22,233,863	1,058,252,911
As at 30 June 2021	275,608,713	179,048,220	15,952,590	280,356,369	13,839,667	4,238,299	301,536,001	23,903,724	1,094,483,583

4.1 Depreciation charge has been allocated as under:

	30 June 2022	30 June 2021
Factory overhead included in cost of goods sold (Note 22.3)	74,443,171	73,241,118
General and administration expenses (Note 23)	1,968,906	2,938,395
Selling and distribution expenses (Note 24)	11,184,711	16,723,148
	87,596,788	92,902,661

4.2 Disclosure for revalued assets

The land is stated at revalued amount on the basis of the reports of external surveyor. The surplus on revaluation over the original cost of the assets was credited to revaluation reserve.

Land was revalued in 1976 for the first time. The Company once again revalued its land, plant and machinery, and equipment at the time of divestment of Organon (Bangladesh) Limited in 2006. The Company's land was further revalued in 2010.

5. Capital work-in-progress

	Amount in Taka			As at 30 June 2022
	As at 1 July 2021	Addition during the year	Transfer to property, plant and equipment	
Factory Building	-	-	-	-
Factory Warehouse	-	726,501	726,501	-
Plant and machinery	11,665,571	12,323,047	16,444,533	7,544,085
Furniture	-	800,979	800,979	-
Equipment and Electric fixture and fittings	1,502,099	5,734,350	7,233,149	3,300
Computer and IT equipment	-	2,366,038	2,366,038	-
Motor Vehicles	-	24,214,260	24,214,260	-
	13,167,670	46,165,175	51,785,460	7,547,385

6. Intangible assets

Cost

	Amount in Taka	
	30 June 2022	30 June 2021
Balance as at 1 July	14,870,674	-
Addition during the year	-	14,870,674
Balance as at 30 June	14,870,674	14,870,674

Amortization

Balance as at 1 July	371,767	-
Amortized during the year	1,487,067	371,767
Balance as at 30 June	1,858,834	371,767
Net carrying value as at 30 June	13,011,840	14,498,907

This represents rights, titles and assigned trademark of ovestin brand purchased from Merck Sharp & Dohme B. V., the Netherlands on 1 April 2021 and is amortized over 10 years.

7. Inventories

Amount in Taka

As at

30 June 2022 **30 June 2021**

Stocks

Finished goods	154,016,608	111,155,804
Semi-finished and work-in-process	50,867,317	57,816,825
Raw materials	269,502,485	227,201,449
Chemicals	24,832,886	20,787,896
Packing materials	37,618,353	30,462,560
Materials-in-transit	659,581	1,544,922
	537,497,230	448,969,456

Stores

Spares and accessories	15,385,676	8,458,918
Laboratory consumables	299,097	299,097
Literature, brochure and other materials	38,349,175	30,436,948
Spares-in-transit	53,825	94,479
	54,087,773	39,289,442
	591,585,003	488,258,898

8. Trade receivables

Trade receivables	101,333,448	68,992,110
Other receivables	1,556,190	-
	102,889,638	68,992,110

Ageing of the trade receivables is as follows:

Receivables due over six months	318,570	2,588,327
Receivables due below six months	101,014,878	66,403,783
	101,333,448	68,992,110

Above receivables are unsecured and considered good.

Trade receivables is net off provision for bad debts Tk. 2,460,877.

9. Loans, advances and deposits

Motor cycle and car loan	20,839,130	10,931,774
General loan	1,850,981	1,756,172
Advance against operating expenses	2,683,454	1,588,959
Security deposits	3,478,251	3,483,184
VAT	26,594,909	24,696,302
Prepaid insurance and rent	5,644,596	5,389,765
LC margin	9,878,546	14,120,004
Others	1,781,563	406,234
	72,751,430	62,372,394

10. Cash and cash equivalents

	Amount in Taka	
	As at	
	30 June 2022	30 June 2021
Cash in hand	196,446	115,867
Cash at banks		
Eastern Bank Limited	73,694	75,189
The City Bank Limited	591,818	520,407
Dhaka Bank Limited-SND	152,369,829	-
Dhaka Bank Limited	310	655
IFIC Bank Limited	19,864,090	19,945,406
Shimanto Bank Limited	28,975	33,240
Janata Bank Limited	5,059,802	6,627,594
Janata Bank Limited-ERQ	2,272,087	-
National Bank Limited	367,066	188,587
	180,627,671	27,391,078
	180,824,117	27,506,945

11. Share capital

Authorized			
50,000,000	Ordinary shares of Tk. 10 each	500,000,000	500,000,000
Issued, subscribed and paid-up			
11,579,160	Ordinary shares of Tk. 10 each issued for cash	115,791,600	115,791,600
171,000	Ordinary shares of Tk. 10 each issued for consideration other than cash	1,710,000	1,710,000
11,750,160		117,501,600	117,501,600

Shareholding position

	Nominal value (Taka)		Percentage of holding (%)	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Beximco Pharmaceuticals Limited	100,134,740	100,134,740	85.22	85.22
Government of Bangladesh	15,186,000	15,186,000	12.92	12.92
Other shareholders	2,180,860	2,180,860	1.86	1.86
	117,501,600	117,501,600	100	100

11.1 In 2012, the Company raised its paid-up capital from Tk. 9,791,800 to Tk. 58,750,800 by issuing 4,895,900 rights share to the existing shareholders on the basis of 5R:1 (i.e. five rights share against one existing share held on the record date). However, the subscription against the rights share (632,750 share of Tk. 10 each) held by the Ministry of Industries, Govt. of Bangladesh was received on 20 June 2013.

11.2 In 2017, the Company further raised its paid-up capital from Tk. 58,750,800 to Tk. 117,501,600 by issuing 5,875,080 rights share to the existing shareholders on the basis of 1R:1 (i.e. one rights share against one existing share held on the record date).

12. Reserves and surplus

	Amount in Taka	
		As at
	30 June 2022	30 June 2021
General reserve	7,511,991	7,511,991
Share premium (Note 12.1)	30,844,170	30,844,170
Pre-incorporation profit	243,737	243,737
Revaluation reserve (Note 12.2)	162,337,766	162,337,766
Retained earnings	965,366,749	701,533,076
	1,166,304,413	902,470,740

12.1 Share premium

This represents the amount received on 48,959 ordinary shares @ Tk. 630 each issued in 1997.

12.2 Revaluation reserve

This represents revaluation surplus on revaluation of land made during 2006 and 2010.

13. Long term bank borrowings

Dhaka Bank Limited (Note 13.1)	19,274,167	-
Less: Current portion (Note 16)	(6,459,077)	-
	12,815,090	-

13.1 Dhaka Bank Limited

Term loan financed by Dhaka Bank Limited for motor vehicles.

13.2 Collateral

All loans are secured by a registered mortgage on specific factory land and buildings of the Company.

13.3 Security

The loan is secured by hypothecation of fixed and floating assets of the Company including plant and machinery, equipment, furniture and fixture, inventories and receivables. Additionally, there is a corporate guarantee issued by Beximco Pharmaceuticals Limited.

14. Gratuity payable

	Amount in Taka	
	30 June 2022	30 June 2021
A. Liability for gratuity		
Balance as at 1 July	148,113,060	128,748,851
Add : Provision made during the year	32,314,278	29,392,589
Add : Liability for transferred employees	5,520,350	-
	<u>185,947,688</u>	<u>158,141,440</u>
Less: Payments made during the year	(5,802,416)	(10,028,380)
	<u>180,145,272</u>	<u>148,113,060</u>
B. Gratuity investment		
Balance as at 1 July	-	-
Add : Amount paid to the Fund	12,500,000	-
Add: Interest income on gratuity investment	236,866	-
Less: Payments made during the year	(5,802,416)	-
	<u>6,934,450</u>	<u>-</u>
Net gratuity payable (A-B)	<u>173,210,822</u>	<u>148,113,060</u>

15. Deferred tax liabilities

Balance as at 1 July	117,591,532	131,938,710
Deferred tax expense/(income) (Note 27)	(7,962,704)	(14,347,178)
Balance as at 30 June	<u>109,628,828</u>	<u>117,591,532</u>

16. Short term bank borrowings

Bank overdrafts		
Dhaka Bank Limited (Limit Tk. 200,000,000)	34,516,939	22,608,979
Short term bank loans		
Dhaka Bank Limited	106,012,136	143,465,868
Current portion of long term loan (Note 13)	6,459,077	-
	<u>146,988,152</u>	<u>166,074,847</u>

Collateral and security given against short-term finance are a part of overall financing arrangement with Dhaka Bank Limited as indicated in note 13. The interest rate is 9.0% per annum and is payable on quarterly rests.

17. Trade payables

	Amount in Taka	
	As at	
	30 June 2022	30 June 2021
Trade payables	122,283,402	146,680,936
	122,283,402	146,680,936

This represents amount due against purchase of raw, chemical and packing materials.

18. Liabilities for expenses

Accrued expenses	99,568,603	94,915,558
Audit fees	425,000	400,000
Accrued interest	398,771	914,086
	100,392,374	96,229,644

19. Income tax payable

Balance as at 1 July	2,064,899	22,737,718
Add: Income tax provision for current year	143,091,029	136,132,679
Provision for prior years	1,945,479	-
Less: AIT and treasury deposits for current year	(109,340,155)	(106,851,067)
For prior years	(29,978,060)	(49,954,431)
Balance as at 30 June	7,783,192	2,064,899

20. Other liabilities

Salary and allowances	2,150,695	4,531,928
Provident fund dues	3,080,997	3,200,879
Workers' profit participation fund	22,395,406	21,074,208
Tax deducted at source	-	1,317,699
VAT payable	23,831,849	22,136,988
Tax on salaries	1,811,832	1,921,355
Final settlement of staff	2,322,460	3,371,107
Commission payable	13,891,176	14,631,227
Unpaid dividend	470,036	367,858
	69,954,451	72,553,249

21. Revenue

	Amount in Taka	
	July 2021-June 2022	July 2020-June 2021
Domestic sales	2,740,596,167	2,505,836,903
Export sales	17,930,960	-
Toll income	43,830,691	66,267,434
	2,802,357,818	2,572,104,337

Quantitative details of sales

Unit	Quantity	Quantity
Tabs	434,218,178	710,009,655
Caps	41,777,416	39,326,286
Amps & Suspensions	15,634,554	14,050,488
Bottles	8,118	3,319

22. Cost of goods sold

	Amount in Taka	
	July 2021-June 2022	July 2020-June 2021
Opening stock of finished goods	111,155,804	156,163,823
Purchases (imported and processed products)	-	9,718,528
Cost of production (Note 22.1)	1,416,984,316	1,194,139,965
Cost of goods available for sale	1,528,140,120	1,360,022,316
Cost of physician sample	(11,341,361)	(10,310,329)
Closing stock of finished goods	(154,016,608)	(111,155,804)
	1,362,782,151	1,238,556,183

22.1 Cost of production

Opening stock of semi-finished and WIP	57,816,825	44,419,416
Materials consumed (Note 22.2)	810,601,118	679,919,902
Factory overhead (Note 22.3)	599,433,690	527,617,472
	1,467,851,633	1,251,956,790
Closing stock of semi-finished and WIP	(50,867,317)	(57,816,825)
	1,416,984,316	1,194,139,965

22.2 Materials consumed

		Amount in Taka
	July 2021-June 2022	July 2020-June 2021
Opening stock	278,451,905	198,819,244
Purchase	864,102,937	759,552,563
Closing stock	(331,953,724)	(278,451,905)
	<u>810,601,118</u>	<u>679,919,902</u>

The above cost of goods sold includes Tk. 10,043,868 which is related to export sales.

Item wise quantity and value of finished goods stock are as follows :

<u>Stock as June 30, 2022</u>	<u>Unit</u>	<u>Quantity</u>	<u>Value (Taka)</u>
Tabs	pcs.	55,264,143	86,154,901
Caps	pcs.	9,334,386	31,803,410
Amps & Suspensions	pcs.	1,801,840	29,335,671
Bottle	pcs.	30,273	6,722,626
			<u>154,016,608</u>
			<u>154,016,608</u>
<u>Stock as June 30, 2021</u>	<u>Unit</u>	<u>Quantity</u>	<u>Value (Taka)</u>
Tabs	pcs.	34,666,898	62,743,742
Caps	pcs.	5,765,220	18,016,722
Amps & Suspensions	pcs.	1,270,207	21,417,183
Bottle	pcs.	40,430	8,978,157
			<u>111,155,804</u>
			<u>111,155,804</u>

22.3 Factory overhead

	Amount in Taka	
	July 2021-June 2022	July 2020-June 2021
Salaries and allowances	217,552,063	189,823,190
Power and fuel	71,105,220	68,737,787
Factory supplies	40,079,383	32,904,388
Software and hardware support expenses	1,727,182	1,561,254
Canteen expenses	14,990,002	11,833,646
Insurance	4,788,602	4,894,538
Repair and maintenance	51,274,033	42,563,382
Security services	2,243,972	2,255,598
Toll manufacturing charges	9,116,702	5,830,110
Stores materials consumed	56,507,079	48,681,459
Product development cost	39,834,271	32,127,613
Factory staff uniform	3,277,516	2,635,882
Printing and stationery	1,639,324	1,529,366
Entertainment	1,866,206	1,555,172
Vehicle repair, maintenance and running cost	4,279,816	4,000,941
Local authority taxes	1,390,462	860,740
Other expenses	3,318,686	2,581,288
Depreciation (Note 4.1)	74,443,171	73,241,118
	599,433,690	527,617,472

Salaries and allowances include Company's contribution to provident fund amounting to Tk. 2,426,831.

23. General and administration expenses

Salaries and allowances	69,497,145	60,785,836
Directors fees (Note 30)	273,600	288,000
Office rent	11,740,350	11,454,000
Local travelling expenses	1,412,838	1,315,151
Entertainment	1,149,162	957,635
Vehicle repair, maintenance and running cost	5,257,488	4,216,010
Postage, telephone, cellphone and internet	2,416,201	2,104,339
Printing and stationery	1,187,849	1,078,461
Repairs and maintenance	1,950,489	1,909,231
Office supplies	1,391,823	1,376,625
Software and hardware support expenses	4,273,121	3,959,299
Utilities	2,331,589	2,227,649
Canteen expenses	4,037,583	3,599,911
Local authority taxes	623,261	979,950
Medical expenses	356,646	296,152
Insurance premium	205,470	207,495
Statutory audit fees	425,000	400,000
Legal and professional expenses	340,500	145,000
Meeting and seminars	2,100,431	2,042,333
Other expenses	2,311,329	1,963,511
Depreciation (Note 4.1)	1,968,906	2,938,395
	115,250,781	104,244,983

Salaries and allowances include Company's contribution to provident fund amounting to Tk. 1,192,173.

24. Selling and distribution expenses

	Amount in Taka	
	July 2021-June 2022	July 2020-June 2021
Salaries and allowances	366,083,876	323,220,113
Local travelling expenses	100,679,981	90,892,048
Entertainment	3,449,835	2,458,196
Samples	16,218,149	14,743,772
Sales promotion expenses	18,851,461	17,364,964
Brand development	6,784,385	6,194,559
Product launch expenses	10,869,884	9,769,607
Sales force logistic	19,811,924	19,493,038
Employee welfare	1,313,769	2,227,756
Field operation	8,545,903	6,842,995
Books and periodicals	3,235,824	2,940,561
Royalty expenses	37,069,142	28,742,584
Literature, brochure and printed materials	39,533,077	33,548,922
Distribution commission	152,747,023	139,631,437
Event, program and campaign	8,726,102	7,881,573
Sales meeting and conference	5,677,709	4,367,730
Advertisement	8,243,209	5,450,647
Vehicle repair, maintenance and running cost	8,666,858	7,395,170
Postage, telephone, cellphone and internet	12,305,833	11,719,697
Printing and stationery	1,809,279	1,627,733
Medical expenses	2,234,345	2,017,261
Training expenses	3,295,291	3,041,832
Market survey and research	700,535	636,800
Registration and renewals	783,309	1,204,835
Insurance premium	2,579,234	2,711,887
Export Insurance, freight and C&F expenses	666,208	-
Office rent	4,608,924	7,728,900
Bad debts	576,016	474,431
Utilities	1,033,457	1,034,923
Other expenses	1,146,717	1,124,691
Amortization of intangible assets	1,487,067	371,767
Depreciation (Note 4.1)	11,184,711	16,723,148
	860,919,037	773,583,577

a. Salaries and allowances include Company's contribution to provident fund amounting to Tk. 9,456,390.

b. Literature, brochure and printed materials includes Tk. 621,681 for export sales.

25. Non-operating income

Gain on disposal of property, plant and equipment	5,732,021	65,024
Rental income	866,400	866,400
Cash incentive on export	1,729,100	-
Interest income	2,679,248	-
Exchange rate fluctuation gain	188,985	-
Sale of miscellaneous items	608,800	582,907
Forfeited PF refund (Note: 25.1)	51,356	2,133,778
	11,855,910	3,648,109

25.1 Forfeited PF refund

In compliance with the FRC circular number 179/FRC/FRM/Notification/2020/2, dated 07 July 2020, the Company has recovered the forfeited provident fund from the Provident Fund Trust.

Amount in Taka

July 2021-June 2022 July 2020-June 2021

26. Interest expenses

Interest on		
Long term loan	599,439	688,716
Short term finance	4,055,776	15,004,354
Finance lease	-	372,272
Bank charges	303,021	743,998
	4,958,236	16,809,340

Bank charges includes Tk. 11,439 which is related to export sales.

27. Income tax expense

Current tax (Note 19)	145,036,508	136,132,679
Deferred tax (income)/expense	(7,962,704)	(14,347,178)
	137,073,804	121,785,501

Deferred tax (income)/ expense is arrived as follows:

Property, plant & equipment (Difference in book value and tax base)	445,608,322	446,476,889
Gratuity payable	(173,210,822)	(148,113,060)
Allowance for expected credit loss	(2,460,877)	(1,884,860)
Temporary Difference	269,936,623	296,478,969
Tax rate	30.00%	30.00%
Deferred tax liabilities	80,980,987	88,943,691
Deferred tax on revaluation surplus	28,647,841	28,647,841
Deferred tax liabilities at end of the year	109,628,828	117,591,532
Deferred tax liabilities at beginning of the year	117,591,532	131,938,710
Deferred tax charged to profit or loss and other comprehensive income	(7,962,704)	(14,347,178)

Reconciliation of effective tax rate

	2021-22		2020-21	
	%	Taka	%	Taka
Profit before tax		447,908,117		421,484,155
Applicable tax rate	30.00%	134,372,435	30.00%	126,445,247
Effect of lower rate on export profit	-0.26%	(1,185,798)	-	-
Effect of lower rate on cash incentive	-0.08%	(345,820)	-	-
Effect of non deductible expenses	0.56%	2,508,933	0.52%	2,196,706
Effect of temporary difference	1.73%	7,741,279	1.78%	7,490,726
Tax impact of prior year adjustment	0.43%	1,945,479	-	-
Deferred tax impact	-1.78%	(7,962,704)	-3.40%	(14,347,178)
	30.60%	137,073,804	28.89%	121,785,501

28. Reconciliation of net profit with cash flows from operating activities

	Amount in Taka	
	July 2021-June 2022	July 2020-June 2021
Profit after tax	310,834,313	299,698,654
Adjustments to reconcile net profit to net cash with operating activities:		
Non-cash expenses:		
Depreciation	87,596,788	92,902,661
Amortization	1,487,067	371,767
Provision for staff gratuity	25,097,762	19,364,209
Deferred tax	(7,962,704)	(14,347,178)
	106,218,913	98,291,459
Non-operating items:		
Profit on sale of property, plant and equipment	(5,732,021)	(65,024)
	(5,732,021)	(65,024)
Changes in working capital:		
Increase in inventories	(103,326,105)	(32,103,169)
(Increase)/decrease in accounts receivable	(33,897,528)	42,680,716
Increase in loans, advances and deposits	(10,344,036)	(16,412,767)
(Decrease)/Increase in trade payable	(24,397,534)	46,223,570
Decrease in liabilities for expenses and other liabilities	(1,818,028)	(9,253,995)
Increase/(decrease) in income tax payable	5,718,293	(20,672,819)
	(168,064,938)	10,461,536
Net cash generated from operating activities	243,256,267	408,386,625

29. Capacity utilization

	Installed capacity Unit	Actual production Unit	Actual Utilization %
Amps and Suspensions	19,822,400	16,226,403	82%
Tablet	1,322,390,400	462,960,606	35%
Capsule	56,044,880	46,946,857	84%

30. Remuneration and fees to directors

This relates to Board meeting attendance fee paid to Directors.

31. Payments made in foreign currency

Particulars	July 2021-June 2022		July 2020-June 2021
	Foreign currency (Equivalent USD)	Taka	Taka
Import of raw, chemicals and packing materials	7,276,651	657,737,659	521,323,600
Import of machinery and spare parts	244,786	21,596,947	37,381,755
		679,334,606	558,705,355

32. Related party disclosures

Following transactions were carried out with related parties in the normal course of business on arms length basis:

Name of related party	Relationship	Nature of transactions	Value of transaction	Balance as at 30 June 2022	Balance type
Beximco Pharmaceuticals Limited	Immediate and ultimate parent	Toll income	28,912,990	887,304	Dr.
		Royalty expenses	37,069,142	3,797,762	Cr.
		Cost of services	58,761,237	9,738,745	Cr.
		Dividend paid	40,053,896	-	
		Distribution commission	152,747,023	13,891,175	Cr.

33. Capital expenditure commitment

There was no capital expenditure contracted but not incurred or provided for at 30 June 2022.

34. Contingent liabilities

There is a contingent liability of Tk. 75,195,722 in respect of disputed tax claim for earlier years (from AY:1996-1997 to AY: 1999-2000). This matter has been referred to the High Court for a ruling and is still pending. If any liability arises on disposal of the cases, the Company shall provide for such liability in the year of disposal.

35. Number of employees engaged

The number of employees engaged for the whole period or part thereof who received a total remuneration of Tk. 36,000 and above were 1,324 (June 2021: 1,281).

36. Events after reporting period

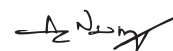
The Board in its meeting dated 13 October 2022 recommended that 40% cash dividend i.e. Tk. 4.00 per share, totaling Tk. 47,000,640 be paid for the year 2021-22. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.



Nazmul Hassan
Chairman



S. M. Rabbur Reza
Managing Director



Mohammad Ali Nawaz
Director

Financial Statements

Synovia Pharma PLC

For the six month period January - June 2022

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Synovia Pharma PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Synovia Pharma PLC (“the Company”), which comprise the Statement of Financial Position as at 30 June 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period from 01 January 2022 to 30 June 2022, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2022, and its financial performance and its cash flows for the year than ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 and fair presentation of the financial statements of the Company in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements of the Company, 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 of the Company 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 the 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 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.

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 explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books; and
- c) the statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

A. Qasem & Co.

Chartered Accountants

RJSC Firm Registration Number: 2-PC7202



Ziaur Rahman Zia, FCA

Partner

Enrolment Number: 1259

DVC: 2211061259AS352619

Place: Dhaka

Date: 12 October 2022

Synovia Pharma PLC
Statement of financial position

As at 30 June 2022

	Notes	30-Jun-22	31-Dec-21
Amounts in Taka			
Assets			
Non-current assets			
Property, plant and equipment	4	1,697,815,188	1,730,718,286
Right of use assets	4.b	53,814,702	63,152,466
Intangible assets	5	31,660,826	28,618,547
Deferred tax asset	6	88,640,228	70,796,445
		1,871,930,944	1,893,285,744
Current assets			
Inventories	7	1,065,757,823	1,081,033,357
Trade and other receivables	8	428,658,632	528,752,745
Advances, deposits and prepayments	9	204,025,153	215,199,712
Advance income tax	10	196,635,027	185,447,914
Cash and cash equivalents	11	171,599,695	241,151,118
		2,066,676,330	2,251,584,846
Total assets		3,938,607,274	4,144,870,590
Equity			
Equity attributable to holders of the Company			
Share capital	12	359,520,400	359,520,400
Share premium	13	633,804,683	633,804,683
Reserves and surplus	14	3,786,810	3,786,810
Retained earnings		1,424,808,834	1,602,958,227
		2,421,920,727	2,600,070,120
Liabilities			
Non-current Liabilities			
Long term liability for pension fund	15	5,334,216	5,334,216
Long term liability for gratuity and WPPF funds	16	123,680,975	123,535,725
Long term borrowings-net of current maturity	17	39,836,338	54,228,741
		168,851,529	183,098,682
Current liabilities			
Long term borrowings-current maturity	18	19,809,186	13,095,962
Short Term Borrowings	19	346,335,027	182,728,492
Trade and other payables	20	489,678,689	689,567,849
Accrued expenses	21	491,803,439	476,117,188
Unpaid dividend	22	208,677	192,297
		1,347,835,018	1,361,701,788
Total liabilities		1,516,686,547	1,544,800,470
Total equity and liabilities		3,938,607,274	4,144,870,590

Footnotes:

- Auditor's report in page 1 and 2
- The accompanying notes 1 to 42 form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants
 RJSC Firm Registration Number: 2-PC7202



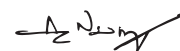
Ziaur Rahman Zia, FCA
 Partner
 Enrolment Number: 1259
 DVC: 2211061259AS352619
 Place: Dhaka
 Date: 12 October 2022



Md. Golam Rabbani Akondo
 Company Secretary
 Synovia Pharma PLC



S.M. Rabbur Reza
 Chief Executive Officer
 Synovia Pharma PLC



Mohammad Ali Nawaz
 Director
 Synovia Pharma PLC



Shah Md. Imdadul Haque
 Chairman
 Synovia Pharma PLC

Synovia Pharma PLC
Statement of Comprehensive Income

For the six month period January- June 2022

	Notes	For the six month period January-June 2022	Amounts in Taka For the year ended 31 December 2021
Sales	23	1,426,761,942	2,336,294,610
Cost of sales	24	(888,062,295)	(1,582,936,725)
Gross profit		538,699,647	753,357,885
Administrative expenses	25	(105,987,096)	(263,496,798)
Selling, marketing and distribution expenses	26	(560,497,117)	(767,493,982)
Operating profit		(127,784,566)	(277,632,895)
Finance cost	27	(13,724,162)	(28,376,273)
Other income	28	27,581,594	67,174,988
Profit before contribution to WPPF		(113,927,134)	(238,834,180)
Contribution to workers' profit participation fund		-	-
Profit before taxation		(113,927,134)	(238,834,180)
Tax expenses			
Current tax	10	(28,137,982)	(56,236,195)
Deferred tax	6	17,843,783	(11,195,678)
		(10,294,199)	(67,431,873)
Profit after taxation		(124,221,333)	(306,266,053)
Other comprehensive income/(expenses)			
Actuarial (loss)/gain on gratuity & pension		-	9,545,134
Deferred tax on actuarial valuation		-	(2,624,912)
Other comprehensive income, net of tax		-	6,920,222
Total comprehensive income		(124,221,333)	(299,345,831)
Earnings Per Share (EPS)	30	(34.55)	(85.19)

Footnotes:

1. Auditor's report in page 1 and 2
2. The accompanying notes 1 to 42 form an integral part of these financial statements.

A. Qasem & Co.

Chartered Accountants
 RJCSC Firm Registration Number: 2-PC7202



Ziaur Rahman Zia, FCA

Partner

Enrolment Number: 1259

DVC: 2211061259AS352619

Place: Dhaka

Date: 12 October 2022

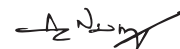


Md. Golam Rabbani Akondo

Company Secretary
 Synovia Pharma PLC



S.M. Rabbur Reza
 Chief Executive Officer
 Synovia Pharma PLC



Mohammad Ali Nawaz

Director
 Synovia Pharma PLC



Shah Md. Imdadul Haque
 Chairman
 Synovia Pharma PLC

Synovia Pharma PLC
Statement of Changes in Equity
For the six month period January- June 2022

Amounts in Taka

Particulars	Share Capital	Share Premium Account	Other Reserve	Retained Earnings	Total
Balance as at 1 January 2022	359,520,400	633,804,683	3,786,810	1,602,958,227	2,600,070,120
Dividend paid for 2020	-	-	-	(53,928,060)	(53,928,060)
Total comprehensive income for the period form Jan 01 to June 30, 2022	-	-	-	(124,221,333)	(124,221,333)
Balance as at 30 June 2022	359,520,400	633,804,683	3,786,810	1,424,808,834	2,421,920,727

Net assets value (NAV) per share (Note-31)

673.65

Balance as at 1 January 2021	359,520,400	633,804,683	3,786,810	1,902,304,058	2,899,415,951
Dividend paid for 2020	-	-	-	-	-
Total comprehensive income for the year 2021				(299,345,831)	(299,345,831)
Balance as at 31 December 2021	359,520,400	633,804,683	3,786,810	1,602,958,227	2,600,070,120

Net asset value (NAV) per share (Note-31)

723.21

Footnotes:

1. Auditor's report in page 1 and 2
2. The accompanying notes 1 to 42 form an integral part of these financial statements.

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Ziaur Rahman Zia, FCA

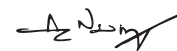
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Synovia Pharma PLC



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Director
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Shah Md. Imdadul Haque
Chairman
Synovia Pharma PLC

Synovia Pharma PLC
Statement of Cash Flows
For the six month period January- June 2022

	Notes	For the six month period January- June 2022	Amounts in Taka For the year ended 31 December 2021
A. Cash flows from operating activities:			
Receipts from Customers and Others		1,554,336,072	2,441,925,370
Payments to Suppliers and Employees		(1,647,260,642)	(2,985,877,700)
Cash Generated from Operations		(92,924,570)	(543,952,330)
Interest Paid	27	(13,724,162)	(28,376,273)
Interest Received	28	101,577	1,740,043
Income Tax Paid	10	(39,325,095)	(114,325,728)
Net cash flows from operating activities		(145,872,250)	(684,914,288)
B. Cash flows from investing activities:			
Acquisition of Property, Plant and Equipment	4	(25,169,848)	(126,783,949)
Intangible Assets	5	(525,000)	(1,958,714)
Disposal of Property, Plant and Equipment	28	-	10,482,510
Net cash used in investing activities		(25,694,848)	(118,260,153)
C. Cash flows from financing activities:			
Short term loan	19	163,606,535	171,644,560
Lease payment	17	(7,679,180)	(10,101,402)
Dividend paid	22	(53,911,680)	-
Net cash flows from/(used in) financing activities		102,015,675	161,543,158
D. Net increase in cash (A+B+C)		(69,551,423)	(641,631,283)
E. Opening cash and cash equivalents		241,151,118	882,782,401
F. Closing cash and cash equivalents (D+E)		171,599,695	241,151,118
Net operating cash flows per share	32	(40.57)	(190.51)

Footnotes:


1. Auditor's report in page 1 and 2
2. The accompanying notes 1 to 42 form an integral part of these financial statements.

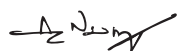
A. Qasem & Co.
Chartered Accountants
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Ziaur Rahman Zia, FCA
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Synovia Pharma PLC

Notes to the Financial Statements

For the six month period January- June 2022

1. Corporate information

Reporting entity

Synovia Pharma PLC (Synovia Pharma/SPP/the “Company”) is a public limited company incorporated in Bangladesh having registered office in 6/2/A, Segun Bagicha, Dhaka 1000. The Company has been operating in Bangladesh since 1958 as part of the British chemical company, May & Baker. Following series of mergers, it was renamed as Sanofi Bangladesh Limited in 2013. In October 2021, Beximco Pharmaceuticals Limited acquired 54.6% stake of Sanofi Bangladesh Limited held by the Sanofi Group represented through May & Baker and Fisons Limited. Following the acquisition, it has been renamed as Synovia Pharma PLC. The Company is now operating as a subsidiary of Beximco Pharmaceuticals Limited. Bangladesh Government holds 45.4% shares of the Company represented through Bangladesh Chemical Industries Corporation (20%) and Ministry of Industries (25.4%).

SPP produces generic pharmaceutical products and has a strong presence in cardiology, diabetes, oncology, dermatology and CNS. SPP also imports certain global brands of Sanofi including vaccines, insulins and chemotherapy drugs for sale in the Bangladesh market.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws in Bangladesh.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention following going concern principle.

2.3 Consistency

The accounting policies and methods of computation used in preparation of financial statements for the period from 01 January to 30 June 2022 are consistent with those policies and methods adopted in preparing the financial statements for the year ended 31 December 2021.

2.4 Functional currency and level of precision

These financial statements have been prepared in Bangladeshi Taka, which is the Company’s functional currency. All financial information presented has been rounded to the nearest Taka.

2.5 Reporting period

The financial statements have been prepared for a period of six months covering January-June, 2022. The Company used to follow January-December accounting year which has been changed to July-June to align with the accounting year of the parent company as well as to comply with the provisions of Income Tax Ordinance 1984 and the Companies Act 1994. The Board of Directors in its 200th meeting held on 22 November 2021 approved the change of the Accounting Year of the Company, to be effective from July 1, 2022.

2.6 Comparatives and reclassification

The current financial statements cover a period of 6 month starting from 01 January 2022 to 30 June 2022. The six-month audited financial statements became necessary as the Company will follow July-June fiscal year with effect from 01 July 2022. The last audited financial statements were prepared for a period of 12 month covering 01 January 2021 to 31 December 2021. Therefore, the financial statements for the current period are not entirely comparable.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/ reclassified wherever considered necessary to conform to current period’s presentation.

2.7 Statement of cash flows

Statement of cash flows is prepared in accordance with IAS 7 “Statement of Cash Flows” and the cash flow from the operating activities are shown under the direct method.

2.8 Use of accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Significant accounting judgements

In the process of applying the Company’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Determining the lease term of contracts – Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Significant estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate expected credit loss (ECL) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on historically observed default rates and then calibrated to adjust the historical credit loss experience with forward-looking information. The information about the ECL on the trade receivables are disclosed in note-8.

Taxes

Deferred tax assets are recognized to the extent that probable taxable profit will be available against which the assets can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Further details on deferred taxes are disclosed in Note 6.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore, reflects what the Company ‘would have to pay’, which requires estimation. Further details on leases are disclosed in Note 4.b and Note 17.

2.9 Authorization for issue

The financial statements were authorized for issue by the Board of Directors on 12 October 2022.

2.10 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. However, this is not an exhaustive list of all the standards issued, the following are the standards which according to the assessment of the Company is most likely to be applicable but are not expected to have a significant impact on the Company's financial statements.

- A. Amendments To References To Conceptual Framework in IFRS Standards
- B. IFRS 17 Insurance Contracts
- C. Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The amendments are effective for annual reporting periods beginning on or after 01 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice.

3. Summary of significant accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation except land which is measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment.

ii. Subsequent costs

The cost of replacing or upgrading part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. 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.

iii. Depreciation

Depreciation is recognized in the statement of profit or loss and other comprehensive income on the straight-line method. Land is not depreciated. Depreciation on additions made during the period is charged from the month in which the newly acquired assets are ready for use. The depreciation rates per annum applicable to different categories of property, plant and equipment and software are as follows:

Asset category	Rate %
Building	5-10
Air conditioner	10
Plant and machinery	6.67
Laboratory equipment	20
Office equipment	10
Computer and accessories	33.33
Furniture and fixtures	10
Motor vehicles	20-25
Information systems & software	20

3.2 Intangible assets (Valuation of brand names and software)

As per requirement of IAS 38, intangible assets have been divided into two categories; (i) intangible assets with definite useful life and (ii) intangible asset with indefinite useful life. As per provision of IFRS 3 and IAS 38, brand names identified as intangible assets with indefinite useful life and their individual value is assessable. Valuation of brand names consisting exclusively of products of the Company has been made under provision and guideline of IAS-38. 5% profit margin was applied on projected sales of 3 years from the year 2022 to 2024. The corporate tax @ 30% prevailing at the statement of financial position date was applied to arrive at the after tax sales forecast.

Valuation of brand name, consisting exclusively of products of the Company has been made under provisions and guideline of IAS 38. In 2021 financial year, intangible asset for brand valuation has been reassessed and its useful life has been changed from indefinite to finite useful life in accordance with IAS 8. The carrying value of brand amounting to Taka 26,578,537 will be amortized over a remaining period of 9 years.

3.3 Leases

IFRS 16 is applied using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

Synovia Pharma PLC (SPP) as a lessee

SPP recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. SPP presents right of use assets and lease liabilities as separate captions in the statement of financial position.

3.4 Inventories

Raw materials are valued at weighted average cost. Finished goods and work-in-progress are valued at the lower of cost and net realizable value including allocation of production overheads that relate to bringing the inventories to their ready to sale condition.

3.5 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits, which are subject to an insignificant risk of changes in value.

3.6 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on Company's accounting policies.

Financial assets

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Company's financial assets consists mainly of trade and other receivables.

Trade and other receivables

Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition, these are carried at cost less impairment losses, if any, due to uncollectible of any amount so recognized.

Financial liabilities

The company recognizes all financial liabilities on the trade date which is the date the company becomes a party to the contractual provisions of the instrument. The company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired. Financial liabilities comprise trade creditors and other financial obligations.

Trade and other payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the Company of resources embodying economic benefits. The carrying amount of the trade and other payables is approximate of its fair value due to its short term nature.

3.7 Impairment of assets

Impairment of financial assets (expected credit loss)

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

Impairment of tangible assets

At each statement of financial position date the Company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the irrecoverable amount of the such loss is recognized as expenses.

Impairment of intangible assets

Impairment test has been performed on the intangible assets with indefinite useful life derived from the valuation of brand names. In 2021 financial year, intangible asset for brand valuation has been reassessed and its useful life has been changed from indefinite to finite useful life in accordance with IAS 8.

3.8 Revenue recognition under IFRS 15

Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

The Company considers the terms of the contract with the customers and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Revenue from various services rendered is recognized when invoices are raised to customers on completion of the performance obligation of delivery of the goods or services.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognized by reference to the stage of completion of the transaction at the end of the year .

When the outcome of a transaction involving the rendering of services can not be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

3.9 Earnings per share

The Company presented Earnings Per Share (EPS) in accordance with IAS-33 Earnings Per Share which has been shown on the face of the statement of profit or loss and other comprehensive income. Basic EPS is calculated by dividing the net profit with weighted average number of shares outstanding through the year.

3.10 Employee benefits

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 trust deeds and rules.

Defined contribution plan (provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognized as an employee benefit expense in profit or loss in the period during which related services are rendered by employees. Advance contributions, if any, are recognized as an asset to the extent that a cash refund or a reduction in future payment is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period, if any, in which employees render the services are discounted to the present value.

In accordance with the Bangladesh Labour Act, 2006, every permanent worker, after completion of his probationary period of his service in the Company, subscribes to the provident fund, unless otherwise agreed upon, in every month for a sum, and the employer contributes to it an equal amount.

Defined contribution plan (Contribution to Workers Participation Fund and Welfare Fund)

The Company is required to provide 5% of net profit before tax after charging such expense as contribution to Workers Participation Fund and Welfare Fund in accordance with Bangladesh Labour Act, 2006 (as amended up to date).

Defined benefit plan (gratuity and pension fund)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

3.11 Taxation

Current tax

Income tax expense is recognized in the statement of profit or loss. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate is 27.5% for the Company as per Finance Act, 2022.

Deferred tax

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes 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 are reversed, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a 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.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilized. 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 realized. Tax rate of 27.5% has been applied to calculate the deferred taxes.

3.12 Foreign currency transactions

Foreign currency transactions are translated into Taka at the rates ruling on the dates of transactions and year end balances of monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the statement of financial position date as per IAS 21.

3.13 Related party transactions

As per IAS-24, parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has carried out transactions in the ordinary course of business at an arm's length basis at commercial rates with related parties. Related party disclosures have been provided in the financial statements under Note-35.

3.14 Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the operations. The Company's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

a. Interest rate risk

The Company's exposure to the risk of changes in market interest rates is to the extent of the debt obligations i.e. bank borrowings with floating interest rates.

b. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the receivable from and payable to group undertaking, which are current. Foreign currency risk is hedged.

c. Other price risk, such as equity price risk and commodity risk

The Company's exposure to the risk of changes in other price, such as equity price and commodity price volatility is nil.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions. Carrying amount represents the maximum exposure to credit risk.

Liquidity risk

The Company monitors its risk of a shortage of funds using a liquidity forecast. The Company's objective is to maintain continuity of funding through efficient use of working capital. The Company assessed the concentration of risk with respect to financing and concluded it to be low.

3.15 Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the reporting date or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Amounts recognized in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events 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.

4 . Property, Plant & Equipment

As at June 30, 2022

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost								
As on Jan 01, 2022	1,010,047,500	967,684,442	1,139,649,406	126,887,494	286,928,956	3,531,197,798	142,355,604	3,673,553,402
Additions during the period	-	6,332,836	5,865,249	2,884,955	4,875,747	19,958,787	-	19,958,787
Transferred in & Capitalized during the period	-	16,472,807	25,318,390	-	-	41,791,197	-	41,791,197
Cost as on Jun 30, 2022	1,010,047,500	990,490,085	1,170,833,045	129,772,449	291,804,703	3,592,947,782	142,355,604	3,735,303,386
Accumulated Depreciation								
As on Jan 01, 2022	-	(753,388,053)	(794,476,661)	(89,323,599)	(230,742,801)	(1,867,931,114)	(79,203,138)	(1,947,134,252)
Depreciation Charged	-	(11,597,405)	(22,691,196)	(3,449,149)	(15,170,083)	(52,907,833)	(9,337,764)	(62,245,597)
Accumulated Depreciation as on Jun 30, 2022	-	(764,985,458)	(817,167,857)	(92,772,748)	(245,912,884)	(1,920,838,947)	(88,540,902)	(2,009,379,849)
Net book value Jun 30, 2022	1,010,047,500	225,504,627	353,665,188	36,999,701	45,891,819	1,672,108,835	53,814,702	1,725,923,537
Capital Work in Progress 4 (a)						25,706,353	-	25,706,353
Carrying value as on Jun 30, 2022						1,697,815,188	53,814,702	1,751,629,890

As on December 31, 2021

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Office Equipment	Total Property Plant & Equipment	Right-of-use Assets	Total
Cost								
As on Jan 01, 2021	1,010,047,500	934,457,825	1,079,958,844	124,925,253	238,136,655	3,387,526,077	150,020,261	3,537,546,338
Additions	-	14,369,349	23,941,679	1,962,241	49,846,509	90,119,778	39,286,450	129,406,228
Transferred in & Capitalized	-	18,857,268	35,851,533	-	-	54,708,801	-	54,708,801
Diposal during the year	-	-	(102,650)	-	(1,054,208)	(1,156,858)	(46,951,107)	(48,107,965)
Cost as on Dec 31, 2021	1,010,047,500	967,684,442	1,139,649,406	126,887,494	286,928,956	3,531,197,798	142,355,604	3,673,553,402
Accumulated Depreciation								
As on Jan 01, 2021	-	(731,429,342)	(750,533,528)	(82,555,388)	(199,272,304)	(1,763,790,562)	(111,852,755)	(1,875,643,317)
Depreciation Charged	-	(21,958,711)	(44,045,782)	(6,768,211)	(32,524,695)	(105,297,398)	(14,301,476)	(119,598,874)
Adjustment for Assets disposed off	-	-	102,649	-	1,054,198	1,156,847	46,951,093	48,107,940
Accumulated Depreciation as on Dec 21, 2021	-	(753,388,053)	(794,476,661)	(89,323,599)	(230,742,801)	(1,867,931,113)	(79,203,138)	(1,947,134,251)
Net book value Dec 31, 2021	1,010,047,500	214,296,389	345,172,745	37,563,895	56,186,155	1,663,266,685	63,152,466	1,726,419,151
Capital Work in Progress 4 (a)						67,451,601	-	67,451,601
Carrying value as on December 31, 2021						1,730,718,286	63,152,466	1,793,870,753

	Jun 30, 2022	Amount in Taka Dec 31, 2021
4.a Capital Work in Progress is arrived at as follows:		
Opening Balance	67,451,601	85,496,230
Addition during the year	5,211,060	36,664,172
	72,662,661	122,160,402
Transferred & Capitalized	(46,956,310)	(54,708,801)
Building and Other Constructions	(16,472,807)	(18,857,268)
Plant and Machinery	(25,318,390)	(35,851,533)
Intangible Assets	(5,165,113)	-
Closing balance	25,706,353	67,451,601
4.b Right-of-use Assets		
At Cost	142,355,604	142,355,604
Accumulated Depreciation	(88,540,902)	(79,203,138)
	53,814,702	63,152,466

5. Intangible Assets

Particulars	Brand Valuation	ERP System	Total
Cost			
As on Jan 01, 2022	104,124,112	77,035,588	181,159,700
Additions	-	525,000	525,000
Transferred in & Capitalized	-	5,165,113	5,165,113
As on Jun 30, 2022	104,124,112	82,725,701	186,849,813
Amotization/ Impairment			
As on Jan 01, 2022	(80,498,746)	(72,042,406)	(152,541,152)
Amotized During the year	(1,476,585)	(1,171,249)	(2,647,834)
As on Jun 30, 2022	(81,975,331)	(73,213,655)	(155,188,987)
Carrying Value as on Jun 30, 2022	22,148,780	9,512,046	31,660,826
Carrying Value as on Dec 31, 2021	23,625,366	4,993,181	28,618,547

6. Deferred tax asset

	30-Jun-22	Amount in Taka 31-Dec-21
Balance as at 1 January	70,796,445	84,617,035
Deferred tax on actuarial valuation (Equity Impact)	-	(2,624,912)
Deferred tax (expenses)/income	17,843,783	(11,195,678)
Closing balance of net deferred tax asset	88,640,228	70,796,445

As per International Accounting Standards-12, Income Taxes, para 12.74, the company has offset deferred tax assets and liabilities as the entity has legally enforceable right to offset deferred tax assets and liabilities relate to income taxes levied by the same tax authority. IAS 12, Income Taxes, para 61a deferred tax on actuarial gain loss is recognized in other comprehensive income as actuarial gain or loss on defined benefit plans is recognized in other comprehensive income.

7. Inventories

Raw materials	255,360,426	184,057,824
Packing materials	45,179,670	32,052,341
Work-in-progress	23,081,328	18,709,237
Material-in-transit	164,128,424	289,247,828
Finished goods	578,007,975	556,966,127
	1,065,757,823	1,081,033,357

As per International Accounting Standards -2, Inventories, para 36 (a), the company measured inventories at the lower of cost or net realizable value.

8. Trade and other receivables

Trade receivables	418,311,797	524,062,876
Other receivables	10,346,835	4,689,869
	428,658,632	528,752,745

As at closing date, the ageing analysis of trade receivables is, as follows:

Amount due within 6 months	418,311,797	524,062,876
	418,311,797	524,062,876

9. Advances, deposits and prepayments

	Amount in Taka	
	30-Jun-22	31-Dec-21
Advance against salary	821,263	468,600
VAT	29,078,016	4,072,752
Security deposits	49,542,526	43,778,869
Motor vehicle	50,578,953	56,876,333
Prepaid Insurance	10,833,188	9,408,373
Expenses	40,398,965	42,105,679
Others	22,772,242	58,489,106
	204,025,153	215,199,712

10. Advance income tax

Opening balance	185,447,914	127,358,381
Provision made during the year	(28,137,982)	(56,236,195)
Paid during the year	39,325,095	114,325,728
Closing balance	196,635,027	185,447,914

11. Cash and cash equivalents

Cash at Bank

Current & FC account	171,599,695	241,151,118
	171,599,695	241,151,118

12. Share capital

a) Authorized capital

	360,000,000	360,000,000
	360,000,000	360,000,000

The authorized capital of the Company is Tk. 360,000,000 divided into 3,600,000 shares of Tk. 100 each.

b) Issued, subscribed and fully paid-up

Issued for cash:

6,027 shares of Taka 100 each	602,700	602,700
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Issued for consideration other than cash:

Share holder of Ex Fisons Limited (1,794,967 share @ Tk 100 per share)	179,496,700	179,496,700
Share holder of Ex Aventis Limited (1,794,210 share @ Tk 100 per share)	179,421,000	179,421,000
	358,917,700	358,917,700
	359,520,400	359,520,400

	Shareholding (June 30, 2022)		Amount in Taka	
			30-Jun-22	31-Dec-21
	Quantity	%		
Beximco Pharmaceutical Ltd.	1,963,241	54.607%	196,324,100	196,324,100
Ministry of Industries of Bangladesh Govt.	911,767	25.361%	91,176,700	91,176,700
Bangladesh Chemical Industries Corporation	717,679	19.962%	71,767,900	71,767,900
Other Shareholders	2,517	0.070%	251,700	251,700
	3,595,204	100%	359,520,400	359,520,400

13. Share premium

Share premium (1,794,210 share @ Tk. 353.25 per share)	633,804,683	633,804,683
	633,804,683	633,804,683

Fisons issued 1,794,210 shares in consideration other than cash to Aventis shareholders against net asset of Tk. 813,239,469. Each share having a par value of Tk. 100 were issued at Tk.453.25 thus resulting a premium of Tk. 353.25 per share.

14. Reserves and surplus

Non-distributable special reserve (note 14.1)	3,777,710	3,777,710
Capital reserve	9,100	9,100
	3,786,810	3,786,810

14.1 This represents 90% of cumulative post tax profit of certain categories of income up to the year 1992 as defined and directed by Bangladesh Bank.

15. Long term liability for pension fund

a. Pension Payable

Opening balance	6,684,836	374,095,392
Provision made during the year	-	12,104,682
Interest expense	-	2,602,642
Paid to employees during the year	(231,897)	(356,387,631)
Actuarial adjustment loss/ (gain)	-	(25,730,249)
	6,452,939	6,684,836

b. Investment/Plan asset

Opening balance	1,350,620	141,830,927
Transfer during the year	-	213,304,682
Interest income	-	2,602,642
Paid to employees during the year	(231,897)	(356,387,631)
	1,118,723	1,350,620
Closing balance	5,334,216	5,334,216

	Amount in Taka	
	30-Jun-22	31-Dec-21
16. Long term liability for gratuity and WPPF funds		
a. Gratuity Payable		
Opening balance	199,282,939	503,302,194
Provision made during the year	24,933,606	53,047,462
Interest expense	-	4,676,161
Paid to employees during the year	(2,151,393)	(312,319,345)
Settlement cost/ (credit)	-	(65,608,648)
Actuarial adjustment loss/ (gain)	-	16,185,115
	222,065,152	199,282,939
b. Investment/Plan asset		
Opening balance	80,964,901	303,674,479
Transfer during the year	24,933,606	84,933,606
Interest income	-	4,676,161
Paid to employees during the year	(2,151,393)	(312,319,345)
	103,747,114	80,964,901
Closing balance	118,318,038	118,318,038
c. Liability for workers' profit participation fund		
Opening balance	5,217,687	19,943,176
WPPF loan balance collected through salary	145,250	-
Paid during the year	-	(14,725,489)
Closing balance	5,362,937	5,217,687
Total	123,680,975	123,535,725

The Company operates two defined benefit plans, namely, management staff pension fund and employees' gratuity fund. Management of the funds is entrusted to two separate board of trustees that operates the funds under two sets of trust deeds.

17. Long term borrowings-net of current maturity

Lease liability (long term portion)	39,836,338	54,228,741
	39,836,338	54,228,741
Total lease liability is arrived at as follows:		
Opening balance	67,324,703	38,139,655
Addition during the year	-	39,286,450
Payment during the year	(7,679,180)	(10,101,402)
Closing Balance	59,645,523	67,324,703
Maturity wise presentation		
Long term lease liabilities	39,836,338	54,228,741
Short term lease liabilities	19,809,185	13,095,962
	59,645,523	67,324,703

	Amount in Taka	
	30-Jun-22	31-Dec-21
18. Long term borrowings-current maturity		
Lease liability (short term portion)	19,809,186	13,095,962
	19,809,186	13,095,962

19. Short Term Borrowings

1 Bank overdraft

Standard Chartered Bank	24,913,289	28,597,428
Citibank	184,741	184,741
Dhaka Bank	321,236,997	103,267,273
	346,335,027	132,049,442

2 Short term loan

Dhaka Bank Limited	-	50,679,050
	-	50,679,050

Closing balance	346,335,027	182,728,492
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Short Term Borrowing from Dhaka Bank Limited represents revolving credit facilities (Overdraft Facilities) renewable annually. The borrowing carries 9% Interest. The loan is secured against hypothecation of floating assets of the Company and a corporate guarantee by parent company, Beximco Pharmaceuticals Limited.

20. Trade and other payables

Payable for goods and services	489,678,689	689,567,849
	489,678,689	689,567,849

21. Accrued Expenses

For expenses	491,803,439	476,117,188
	491,803,439	476,117,188

22. Unpaid dividend

Opening balance	192,297	192,297
Dividend declared during the year	53,928,060	-
Paid for the year	(53,911,680)	-
Closing balance	208,677	192,297

Amount in Taka

For the six month period
January-June 2022

For the year ended
31 December 2021

23. Sales

Domestic	1,249,949,763	1,933,844,370
Toll service	176,812,179	385,634,691
Export	-	16,815,549
	1,426,761,942	2,336,294,610

24. Cost of sales

Opening work-in-process	18,709,237	10,632,569
Materials consumed (Note-24.1)	342,020,748	674,464,215
Factory overheads (Note-24.2)	329,586,949	534,799,081
Total Manufacturing cost	690,316,934	1,219,895,865
Closing work-in-process	(23,081,328)	(18,709,237)
Cost of goods Manufactured	667,235,606	1,201,186,628
Opening finished goods	556,966,127	390,053,623
Finished goods available	1,224,201,733	1,591,240,251
Finished goods purchased	241,868,537	548,662,601
Closing finished goods	(578,007,975)	(556,966,127)
	888,062,295	1,582,936,725

24.1 Materials consumed

Opening stock	216,110,165	137,931,207
Purchase	426,450,679	752,643,173
Goods available for use	642,560,844	890,574,380
Closing stock	(300,540,096)	(216,110,165)
	342,020,748	674,464,215

24.2 Factory overheads

Salary & Allowances	190,673,349	283,584,871
Depreciation and amortization	41,792,317	77,225,122
Printing and stationery	23,569,789	35,931,800
Repairs and maintenance	24,811,693	38,521,549
Telephone, cellphone, Internet & postage	876,725	1,720,395
Travelling and conveyance	6,533,479	13,502,465
Toll Expense	3,241,178	1,102,710
Electricity, gas and water	18,554,010	47,708,238
Entertainment	2,641,451	3,629,809
Insurance premium	7,523,442	16,643,384
Municipal Tax	1,524,678	3,090,880
Training & conference	3,016,733	1,269,307
Security Expenses	3,173,140	8,886,124
Other Expenses	1,654,965	1,982,427
	329,586,949	534,799,081

Amount in Taka

For the six month period
January-June 2022For the year ended 31
December 2021**25. Administrative expenses**

Remuneration to employees	62,157,651	143,891,135
Depreciation and amortization	16,875,275	35,627,883
Printing and stationery	4,463,152	8,964,229
Repairs and maintenance	3,410,965	3,767,638
Telephone, cellphone, Internet & postage	1,026,242	1,541,639
Legal and consultancy	6,868,133	27,393,517
Travelling and conveyance	3,289,699	5,929,285
Audit fees	550,000	750,000
Electricity, gas and water	1,778,624	3,560,592
Entertainment	381,555	755,503
Registration & Renewals	1,024,767	1,379,972
Training & conference	496,279	114,553
Rent	-	6,151,353
Meeting fees	253,532	308,941
Security charges	3,378,304	7,180,664
Other Expenses	32,918	16,179,894
	105,987,096	263,496,798

26. Selling, marketing and distribution expenses

Remuneration to employees	286,557,450	448,119,849
Software & licences	52,235,847	37,625,431
Depreciation and amortization	6,225,839	11,725,150
Printing and stationery	7,285,978	10,625,857
Repairs and maintenance	1,172,428	2,413,731
Postage and telephone	7,633,690	10,569,292
Travelling and transportation	30,821,855	42,267,299
Trade subscription	659,127	1,239,525
Entertainment	866,468	3,052,381
Advertisement	1,111,000	3,432,891
Insurance premium	6,851,653	13,636,740
Registration & Renewals	24,105	238,900
Training & conference	2,245,987	10,336,778
Salesforce logistics	-	336,220
Rent	-	2,820,712
Samples expenses	5,119,733	2,027,618
Sales promotion expenses	7,741,574	10,512,863
Events, programs & campaigns	27,808,002	28,327,627
Field operation	17,077,036	21,006,732
Brand development	26,876,190	30,838,229
Market research expenses	2,349,892	4,731,337
Distribution Commission	69,812,844	-
Other Expenses	20,419	71,608,820
	560,497,117	767,493,982

Amount in Taka

For the six month period **For the year ended**
January-June 2022 **31 December 2021**

26 (a) Remuneration to employees for Retirement benefit plan.

Remuneration to employees reported under factory overhead, administrative expenses, selling and distribution expenses include Company's annual contribution to the following retirement benefit plans:

Defined benefit plans - Gratuity & pension	24,933,606	65,152,144
Defined contribution plan - Provident fund	9,084,929	21,016,823
	34,018,535	86,168,967

27. Finance cost

Interest on bank borrowings	7,072,392	6,719,310
Net Interest cost-Actuarial Valuation	-	12,494,600
Interest on finance lease obligation	3,040,790	4,237,494
Bank Charges	3,610,980	4,924,869
	13,724,162	28,376,273

28. Other income

Interest income	101,577	1,740,043
Group contribution for ITS transformation	8,193,473	16,386,947
Miscellaneous income	4,679,654	1,277,971
Profit/(loss) on sale of Fixed Assets	-	10,482,510
Forfeited PF refund	-	3,946,097
Rental income	14,606,890	33,341,420
	27,581,594	67,174,988

Forfeited PF refund

In compliance to FRC circular no.179/FRC/FRM/Notification /2020/2 dated July 7, 2020 the company has recovered the forfeited PF contribution from the Provident Fund Trust which has been reported as forfeited PF refund.

29. Contingent liability

1. There are contingent liabilities aggregating Taka 372,315,102 for disputed VAT claims lying with honorable High Court. The Company has provisioned for Taka 49,124,874 in connection with aforesaid. Liability if any, arises in excess of the provisioned amount on disposal of the cases, shall be accounted for in the year of their final disposal.

2. The Company provided bank guarantees for a total amount of Taka 18,669,102 in favor of "Titas Gas Transmission and Distribution Company Limited" and "Green Delta Insurance Company Limited" in connection with operation of the business.

30. Earnings per share (EPS)

	For the six month period January-June 2022	Amount in Taka For the year ended 31 December 2021
Earnings attributable to the ordinary shareholders	(124,221,333)	(306,266,053)
Number of share	3,595,204	3,595,204
Earnings per share (EPS)	(34.55)	(85.19)

31. Net asset value (NAV) per share

Total assets	3,938,607,274	4,144,870,590
Less :Total liabilities	(1,516,686,547)	(1,544,800,470)
Net assets	2,421,920,727	2,600,070,120
Number of shares	3,595,204	3,595,204
Net asset value (NAV) per share	673.65	723.21

32. Net operating cash flows per share (NOCFPS)

Net cash generated from operating activities	(145,872,250)	(684,914,288)
Number of ordinary share	3,595,204	3,595,204
Net operating cash flows per share (NOCFPS)	(40.57)	(190.51)

33. Income tax expenses

This consists of as follows :

a. Current tax

Tax provision for current year	(28,137,982)	(56,236,195)
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b. Deferred tax expense

Deferred tax expense is arrived at as follows :

Property, Plant & Equipment (Difference in book value & Tax base)	206,672,792	222,557,297
Deferred Liability (Gratuity & Pension)	(123,652,254)	(123,652,254)
Allowance for Bad Debts, Inventory, Sales return provision	(141,975,425)	(151,819,863)
Carry forward loss	(263,373,215)	(214,071,932)
Temporary difference	(322,328,102)	(266,986,752)
Tax rate	27.5%	27.5%
Deferred Tax Liability/(Asset) at end of the period	(88,640,228)	(73,421,357)
Deferred tax on actuarial valuation (Equity Impact)	-	2,624,912
Deferred Tax Liability/(Asset) at end of the period	(88,640,228)	(70,796,445)
Deferred Tax Liability/(Asset) at beginning of the period	(70,796,445)	(84,617,035)
Change in Deferred Tax Liability	(17,843,783)	11,195,678
Deferred Tax Expense/(Income)	(17,843,783)	11,195,678

Amount in Taka

For the six month period
January-June 2022

For the year ended
31 December 2021

34. Reconciliation of Net Profit with Cash Flows from Operating Activities

Profit after tax	(124,221,333)	(306,266,053)
Adjustment to reconcile net profit to net cash Generated from Operating Activities :		
Non-cash/Non-operating items:	47,049,650	(188,128,934)
Depreciation	62,245,597	119,598,874
Amortization	2,647,834	4,979,282
Gain on disposal of fixed assets	-	(10,482,484)
Deferred Tax	(17,843,783)	11,195,678
Gratuity, Pension & WPPF	-	(313,420,283)
Changes in Working Capital	(68,700,567)	(190,519,302)
Inventories	15,275,534	(443,423,251)
Trade and other receivables	100,094,113	50,678,325
Advance, deposits and prepayments	11,174,559	(17,501,985)
Trade and other payables	(199,889,160)	199,573,381
Accrued expenses	15,686,251	78,243,761
Gratuity, Pension & WPPF	145,249	-
Advance income tax	(11,187,113)	(58,089,533)
Net Cash Generated from Operating Activities	(145,872,250)	(684,914,288)

35. Related party disclosures

During the period ended 30 June 2022, the Company entered into the following transactions with its related party:

Name of Related Parties	Nature of Transactions	Value of Transaction	Balance as of 30 June 2022	Balance Type
Beximco Pharmaceuticals Limited	Toll income	121,481,156	36,929,751	Cr.
	Cost of goods purchase/expense	62,979,512		
	Cost of service	45,000,000		
	Dividend paid for 2020	29,448,615		
	Distribution Commission	69,812,844		

36. Foreign currency payment & receipts:

The Company made payments of USD 7,333,930 equivalent to Taka 685,722,498 in connection with import of materials, finished products, machinery, spares and IT related services during the reporting period.

Amount in Taka

For the six month period
January-June 2022

For the year ended
31 December 2021

37. Factory capacity

		Jan- June 2022		
		Capacity	Production	Utilization (%)
Tablet , Capsule & suppository	Million Pcs	322,067,958	244,492,766	76%
Dry syrup, Injectables & Cream	Million Pcs	8,444,500	8,290,133	98%

38. Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves and surplus attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. Further details on capital are disclosed in Note 12, 13 and 14.

39. Capital commitments

There is no capital commitment at the statement of financial position date.

40. Directors' remuneration

No remuneration has been paid to the Directors other than the fee for attending board meetings.

41. Receivable from Directors

There is no receivable from the directors at statement of financial position date.

42. Employee details

The number of full time employees as on 30 June 2022 was 824 (December 2021: 927)

Financial Statements
Beximco Pharma API Limited
For the Year ended June 30, 2022

To the Shareholders of Beximco Pharma API Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beximco Pharma API Limited, which comprise the statement of financial position as at 30 June 2022, 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 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) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code. 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 and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs), the Companies Act 1994, 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 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional Skepticism throughout the audit. We 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 evidences that is sufficient and appropriate to provide a basis for audit 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.
- 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 evidences 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 evidences 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.

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and other applicable laws and regulations, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 these books and;
- c) The statement of Financial Position (Balance Sheet) and Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) dealt with by the report are in agreement with the books.

Dhaka
October 27, 2022

M. J. Abedin & Co.
Chartered Accountants
Reg No: N/A



Hasan Mahmood, FCA
Enrollment No: 0564
DVC: 2210300564AS706531

Beximco Pharma API Limited
Statement of Financial Position

As at June 30, 2022

		Amount in Taka	
	Notes	June 30, 2022	June 30, 2021
ASSETS			
Non-current Assets:			
Advance against purchase of Land		20,000,000	20,000,000
Current Assets:			
Cash and Cash Equivalents	4	25,920	55,080
TOTAL ASSETS		20,025,920	20,055,080
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	5	20,000,000	20,000,000
Retained Earnings		(1,877,236)	(1,798,076)
Current Liabilities and Provisions			
Short Term Advance		729,830	679,830
Creditors and Other Payables		1,153,326	1,153,326
Audit Fees Payable		20,000	20,000
TOTAL EQUITY AND LIABILITIES		20,025,920	20,055,080

The Notes are an integral part of the Financial Statements.

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz

Mohammad Ali Nawaz
Director

Per our report of even date.

Dhaka
 October 27, 2022

M. J. Abedin & Co.
 Chartered Accountants
 Reg No : N/A

Hasan Mahmood FCA

Hasan Mahmood FCA
 Enrollment No : 0564
 DVC : 2210300564AS706531


Beximco Pharma API Limited
Statement of Profit or Loss and Other Comprehensive Income

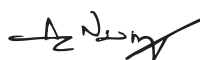
For the Year ended June 30, 2022

Amount in Taka

	Notes	July 2021 - June 2022	July 2020 - June 2021
Revenue		-	-
Cost of Revenue		-	-
Gross Operating Profit/(Loss)		-	-
Administrative Expenses	6	(79,160)	(175,075)
Profit/(Loss) from Operations		(79,160)	(175,075)
Income Tax Expense		-	-
Net Profit/(Loss) after Tax		(79,160)	(175,075)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		(79,160)	(175,075)
Earnings Per Share(EPS)		(0.04)	(0.09)


The Notes are an integral part of the Financial Statements.


S.M. Rabbur Reza
Managing Director


Mohammad Ali Nawaz
Director

Per our report of even date.

Dhaka
October 27, 2022

M. J. Abedin & Co.
Chartered Accountants
Reg No : N/A

Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS706531

Beximco Pharma API Limited
Statement of Changes in Equity

For the Year ended June 30, 2022

As at June 30, 2022

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on July 01,2021	20,000,000	(1,798,076)	18,201,924
Net Loss for the Year	-	(79,160)	(79,160)
Balance as on June 30, 2022	20,000,000	(1,877,236)	18,122,764

Net Asset Value (NAV) Per Share

9.06

As at June 30, 2021

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on July 01,2020	20,000,000	(1,623,001)	18,376,999
Net Loss for the Year		(175,075)	(175,075)
Balance as on June 30, 2021	20,000,000	(1,798,076)	18,201,924

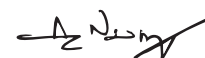
Net Asset Value (NAV) Per Share

9.10

The Notes are an integral part of the Financial Statements.



S.M. Rabbur Reza
Managing Director



Mohammad Ali Nawaz
Director

Per our report of even date.

Dhaka
October 27, 2022

M. J. Abedin & Co.
Chartered Accountants
Reg No : N/A



Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS706531

Beximco Pharma API Limited
Statement of Cash Flows
For the Year ended June 30, 2022

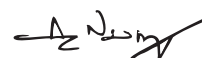
Amount in Taka

	July 2021 - June 2022	July 2020 - June 2021
Cash Flows from Operating Activities:		
Cash receipts from customers and others	50,000	135,470
Payments for expenses & others	(79,160)	(175,075)
Net Cash Generated / (Used in) From Operating Activities	(29,160)	(39,605)
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities	-	-
Increase / (Decrease) in Cash and Cash Equivalents	(29,160)	(39,605)
Cash and Cash Equivalents at Beginning of Year	55,080	94,685
Cash and Cash Equivalents at End of Year	25,920	55,080
Net Operating Cash Flows Per Share	(0.01)	(0.02)

The Notes are an integral part of the Financial Statements.



S.M. Rabbur Reza
Managing Director



Mohammad Ali Nawaz
Director

Per our report of even date.

Dhaka
October 27, 2022

M. J. Abedin & Co.
Chartered Accountants
Reg No : N/A



Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2210300564AS706531

Beximco Pharma API Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2022

1. Reporting Entity

1.1 Statutory Background of the Company

Beximco Pharma API Limited is incorporated in Bangladesh as a Private Limited Company under the Companies Act, 1994. The Company is a fully owned subsidiary of Beximco Pharmaceuticals Limited (BPL).

1.2 Nature of Business Activities

The company intends to set up a facility at API Industrial Park to manufacture Active Pharmaceutical Ingredients (APIs) for domestic and international markets. However, the Company is still in the initial phase of establishment and has carried out no operational activities.

2. Basis of Preparation

2.1 Basis of Measurement

The financial statements have been prepared under historical cost convention which does not take into consideration the effect of inflation.

2.2 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994 and International Financial Reporting Standards (IFRSs), and other relevant and applicable local laws and regulations.

2.3 Presentation of Financial Statements

The financial statements comprise of:

- a) Statement of Financial Position as at June 30, 2022;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2022;
- c) Statement of Changes in Shareholders' Equity for the year ended June 30, 2022;
- d) Statement of Cash Flows for the year ended June 30, 2022 and
- e) Notes, comprising summary of significant accounting policies and explanatory information.

2.4 Reporting Period

Financial Statements of the company cover the period of 12 months from July 01,2021 to June 30,2022.

3. Functional and Presentation Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All financial information presented has been rounded off to the nearest Taka.

4. Cash and Cash Equivalents

Amount in Taka

	June 30, 2022	June 30, 2021
This represents of as follows:		
Cash at Bank	25,920	55,080
	25,920	55,080

5. Issued Share Capital

A. Authorized:

100,000,000 Ordinary Shares of Tk. 10 each	1,000,000,000	1,000,000,000
	1,000,000,000	1,000,000,000

B. Issued and Paid-up:

2,000,000 Ordinary Shares of Tk. 10 each paid in cash	20,000,000	20,000,000
	20,000,000	20,000,000

C. Composition of Shareholding of Ordinary Shares

	No. of Shares	% of Shares Capital
Beximco Pharmaceuticals Limited	1,999,990	99.995
S.M. Rabbur Reza	10	0.005
Total	2,000,000	100

Amount in Taka

6. Administrative Expenses

July 2021 - June 2022 July 2020 - June 2021

Legal Expenses	55,470	30,890
Audit Fees	20,000	20,000
Bank Charges	690	1,185
Other Expenses	3,000	123,000
	79,160	175,075

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz

Mohammad Ali Nawaz
Director

Dhaka
October 27, 2022