

Consolidated Financial Statements
Beximco Pharma and Its Subsidiaries
For the Year ended June 30, 2023

Independent Auditor's Report To the Shareholders of

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, 2023 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, Nuvista Pharma Limited and Synovia Pharma PLC, ends on the same date as of the 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 19, 2023. The Financial Statements of Nuvista Pharma Limited and Synovia Pharma PLC were audited by A. Qasem & Co. Chartered Accountants, who through their report dated September 24, 2023 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, 2023, 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 (PP&E)	
<p>The carrying value of the PPE was Tk. 42,245,615,338 as at June 30, 2023.</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>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.

Risk	Our response to the risk
Valuation of Property, Plant and Equipment (PP&E)	
<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>	<ul style="list-style-type: none"> • 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.
Valuation of Inventory	
<p>The inventory of Tk. 12,133,277,975 as at June 30, 2023 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 significant 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.
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.

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 19, 2023

M. J. ABEDIN & CO.
Chartered Accountants
Reg No. CAF-001-111



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

Beximco Pharmaceuticals Limited and its Subsidiaries

Consolidated Statement of Financial Position

As at June 30, 2023

Amount in Taka

	Notes	June 30, 2023	June 30, 2022
ASSETS			
Non-Current Assets		48,280,929,007	47,728,777,460
Property, Plant and Equipment- Carrying Value	4	42,245,615,338	41,593,480,364
Right-of-use Assets	4(a)	562,223,398	618,891,376
Intangible Assets	5	4,721,034,633	4,729,838,408
Deferred Tax Asset		56,512,081	88,640,228
Goodwill	6	674,570,185	674,570,185
Other Investments	7	20,973,372	23,356,899
Current Assets		20,875,854,240	18,419,258,282
Inventories	8	12,133,277,975	10,405,295,079
Spares & Supplies	9	819,740,355	718,797,256
Accounts Receivable	10	3,574,654,461	3,142,817,194
Loans, Advances and Deposits	11	2,984,876,883	2,787,039,904
Advance Income Tax		227,618,388	196,635,028
Cash and Cash Equivalents	12	1,135,686,178	1,168,673,821
TOTAL ASSETS		69,156,783,247	66,148,035,742
EQUITY AND LIABILITIES			
Equity Attributable to the Owners of the Company		43,680,703,738	40,600,497,817
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		1,141,177,755	1,116,896,688
Unrealized Gain/(Loss)		18,148,196	20,531,723
Retained Earnings		30,806,194,299	27,747,885,918
Non-Controlling Interest		3,938,962,240	4,035,506,641
TOTAL EQUITY		47,619,665,978	44,636,004,458
Non-Current Liabilities		8,272,093,233	8,776,099,208
Long Term Borrowings-Net of Current Maturity	15	2,550,833,254	3,454,188,843
Liability for Gratuity, Pension and WPPF & Welfare Funds	16	3,170,764,435	2,785,072,661
Deferred Tax Liability		2,550,495,544	2,536,837,704
Current Liabilities and Provisions		13,265,024,036	12,735,932,076
Short Term Borrowings	17	6,621,170,271	6,850,550,319
Long Term Borrowings-Current Maturity	18	1,439,895,168	2,065,962,471
Creditors and Other Payables	19	3,531,707,176	2,478,930,393
Accrued Expenses	20	1,129,699,385	1,152,990,410
Dividend Payable / Unclaimed Dividend	21	88,465,109	88,049,428
Income Tax Payable		454,086,927	99,449,055
TOTAL EQUITY AND LIABILITIES		69,156,783,247	66,148,035,742

The Notes are an integral part of the Financial Statements.

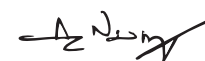
Approved and authorised for issue by the Board of Directors on October 19, 2023 and signed for and on behalf of the Board :



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 : CAF-001-111

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

Dhaka
October 19, 2023

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

For the Year ended June 30, 2023

	Notes	July 2022- June 2023	Amount in Taka July 2021- June 2022
Net Revenue	22	39,266,662,237	34,669,172,052
Cost of Goods Sold	23	(21,953,290,466)	(18,848,962,107)
Gross Profit		17,313,371,771	15,820,209,945
Operating Expenses		(10,097,131,808)	(8,938,466,002)
Administrative Expenses	26	(1,180,124,415)	(1,136,591,808)
Selling, Marketing and Distribution Expenses	27	(8,917,007,393)	(7,801,874,194)
Profit from Operations		7,216,239,963	6,881,743,943
Other Income	28	452,657,744	1,166,259,166
Finance Cost	29	(1,285,698,253)	(1,001,835,523)
Profit Before Contribution to WPPF & Welfare Funds		6,383,199,454	7,046,167,586
Contribution to WPPF & Welfare Funds		(314,430,512)	(359,222,585)
Profit Before Tax		6,068,768,942	6,686,945,001
Income Tax Expenses		(1,544,300,452)	(1,688,316,804)
Current Tax	30	(1,468,598,852)	(1,191,180,488)
Deferred Tax Income/ (Expense)		(75,701,600)	(497,136,316)
Profit After Tax		4,524,468,490	4,998,628,197
Profit/(Loss) Attributable to:			
Owners of the Company		4,614,066,147	5,123,136,712
Non-Controlling Interest		(89,597,657)	(124,508,515)
		4,524,468,490	4,998,628,197
Other Comprehensive Income/(Loss)	31	(2,383,527)	6,764,517
Total Comprehensive Income		4,522,084,963	5,005,392,714
Total Comprehensive Income Attributable to:			
Owners of the Company		4,611,682,620	5,129,901,229
Non-Controlling Interest		(89,597,657)	(124,508,515)
		4,522,084,963	5,005,392,714
Earnings Per Share (EPS)	32	10.34	11.48


The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 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 19, 2023

M.J. Abedin & Co.
 Chartered Accountants
 Reg No : CAF-001-111


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, 2023

Amount in Taka

As at June 30, 2023

	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, 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
Total Comprehensive Income:										
Profit for the Year	-	-	-	-	-	-	4,614,066,147	4,614,066,147	(89,597,657)	4,524,468,490
Other Comprehensive Income/(Loss)	-	-	-	-	-	(2,383,527)	-	(2,383,527)	-	(2,383,527)
Transferred from deferred tax	-	-	-	-	28,647,841	-	-	28,647,841	-	28,647,841
Transactions with the Shareholders:										
Cash Dividend	-	-	-	-	-	-	(1,561,392,312)	(1,561,392,312)	(6,946,744)	(1,568,339,056)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(5,634,546)	-	5,634,546	-	-	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	1,267,772	-	-	1,267,772	-	1,267,772
Balance as on June 30, 2023	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,141,177,755	18,148,196	30,806,194,299	43,680,703,738	3,938,962,240	47,619,665,978
Net Asset Value (NAV) Per Share (Note-33)								Tk.	97.91	

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	

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 and signed for and on behalf of the Board :

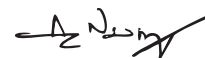


Osman Kaiser Chowdhury
Director



Nazmul Hassan
Managing Director

Per our report of even date



Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 19, 2023

M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111


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

Beximco Pharmaceuticals Limited and its Subsidiaries

Consolidated Statement of Cash Flows

For the Year ended June 30, 2023

	Notes	July 2022-June 2023	Amount in Taka July 2021-June 2022
Cash Flows from Operating Activities :			
Receipts from Customers and Others		39,440,236,428	36,145,521,249
Payments to Suppliers and Employees		(30,943,666,211)	(28,584,815,294)
Cash Generated from Operations		8,496,570,217	7,560,705,955
Interest Paid		(1,272,368,534)	(1,002,350,838)
Interest Received		5,529,516	3,055,358
Income Tax Paid		(1,144,944,341)	(1,347,234,025)
Net Cash Generated from Operating Activities	35	6,084,786,858	5,214,176,450
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,410,765,411)	(2,815,211,828)
Intangible Assets		(299,262,244)	(124,286,166)
Investment in Subsidiary		-	(4,766,635,704)
Disposal of Property, Plant and Equipment		23,353,504	24,063,832
Disposal of Intangible Assets		67,725,000	-
Dividend Received		1,931,517	2,015,444
Net Cash Used in Investing Activities		(2,617,017,634)	(7,680,054,422)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		(1,763,267,386)	2,730,647,211
Net Increase/(Decrease) in Short Term Borrowings		(229,380,048)	1,507,676,748
Dividend Paid		(1,567,923,375)	(1,623,098,759)
Net Cash (Used in) / from Financing Activities		(3,560,570,809)	2,615,225,200
Increase/(Decrease) in Cash and Cash Equivalents		(92,801,585)	149,347,228
Cash and Cash Equivalents at Beginning of Year		1,168,673,821	973,963,625
Effect of Exchange Rate Changes on Cash and Cash Equivalents	35	59,813,942	45,362,968
Cash and Cash Equivalents at End of Year	12	1,135,686,178	1,168,673,821
Net Operating Cash Flows Per Share	34	13.64	11.69

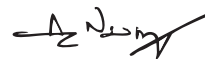
The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 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 19, 2023

M.J. Abedin & Co.
 Chartered Accountants
 Reg No : CAF-001-111


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, 2023

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). Company's shares were first listed on the Dhaka Stock Exchange in 1985 and subsequently on the Chittagong Stock Exchange in 1995. In 2005, BPL acquired Beximco Infusions Ltd., a publicly listed company specializing in the production and marketing of intravenous fluids. To expand its global presence, BPL issued Global Depository Receipts (GDRs) and secured a listing on the Alternative Investment Market (AIM) of the London Stock Exchange. In 2018, BPL acquired 85.2% shares of Nuvista Pharma Limited (Nuvista Pharma/NPL) – an unlisted 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. Sanofi Bangladesh Limited was subsequently renamed as Synovia Pharma PLC (Synovia Pharma/SPP). Bangladesh Government holds 45.4% shares of the company represented through the Bangladesh Chemical Industries Corporation (20%) and the Ministry of Industries (25.4%). SPP, like Nuvista Pharma, is an unlisted pharmaceutical company operating in Bangladesh. Shares of Beximco Pharma are traded on the Dhaka and Chittagong Stock Exchanges within Bangladesh, while its GDRs are traded on the 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 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. Following the divestment of Organon's equity to the local management in 2006, the company was renamed as Nuvista Pharma Limited. In 2018, Beximco Pharma acquired majority shareholdings in Nuvista Pharma and thus it became the immediate and ultimate parent of the company. NPL is an unlisted public limited 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 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

Beximco Pharma 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.

2.3 Reporting Period

Accounting year of Beximco Pharmaceuticals Limited (BPL) and its subsidiaries Synovia Pharma PLC (SPP), Nuvista Pharma Limited (NPL) and Beximco Pharma API Limited (BPAL) begins on July 1 and ends on June 30.

2.4 Comparative Information

The Company acquired majority stake in Synovia Pharma PLC (formerly Sanofi Bangladesh Limited) with effect from October 1, 2021. Therefore, the comparative prior period figures (July 2021 – June 2022) as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows include nine months' financials (October 2021-June 2022) of Synovia Pharma PLC.

Figures for earlier year have been re-arranged wherever considered necessary to ensure better comparability with the current year.

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 85.2% and 54.6% shares of Nuvista Pharma and Synovia Pharma PLC, respectively. These ownership interests are adequate enough to establish control over the companies 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 therefore, 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 between 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 the NCIs in proportion to their respective shares 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 2023 (includes provisional estimates for six months since its audited financials as on December 31,2022) exceeds its investment by an amount of Tk. 26,838,893. 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.

4. Property Plant and Equipment

As on June 30, 2023

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment
Cost							
As on July 01, 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
Additions	423,531,349	13,553,756	124,689,726	121,365,419	-	38,468,331	721,608,581
Transferred in & Capitalized	-	140,198,289	207,275,929	69,618,482	2,898,228	26,887,690	446,878,618
Transferred from Right-of-use Assets	-	-	-	-	62,708,000	-	62,708,000
Disposal during the Year	-	(511,210)	(57,079,965)	(45,975,506)	(30,448,400)	(100,985,576)	(235,000,657)
Cost as on June 30, 2023	7,892,408,445	16,689,690,908	28,922,220,187	811,149,199	968,085,139	1,045,204,681	56,328,758,559
Accumulated Depreciation							
As on July 01, 2022	-	3,407,250,642	9,210,174,678	289,717,754	767,553,171	732,219,217	14,406,915,462
Depreciation Charged	-	380,155,101	1,234,490,752	39,841,447	35,209,817	74,317,362	1,764,014,479
Depreciation (Fair Value Adjustment)	-	5,723,364	19,452,060	-	-	-	25,175,424
Transferred from Right-of-use Assets	-	-	-	-	46,269,474	-	46,269,474
Adjustment for Assets disposed off	-	(511,206)	(55,996,182)	(40,836,751)	(29,029,070)	(99,708,492)	(226,081,701)
Adjustment for policy conformity	-	(15,683,510)	(48,492,874)	(4,142,521)	(7,576,791)	(10,190,108)	(86,085,804)
Accumulated Depreciation as on June 30, 2023	-	3,776,934,391	10,359,628,434	284,579,929	812,426,601	696,637,979	15,930,207,334
Net Book Value June 30, 2023	7,892,408,445	12,912,756,517	18,562,591,753	526,569,270	155,658,538	348,566,702	40,398,551,225
Capital Work in Progress							1,847,064,113
Carrying Value as on June 30, 2023							42,245,615,338
Carrying Value as on June 30, 2022							41,593,480,364

4 (a) . Right of use Assets

As on June 30, 2023

Amount in Taka

Particulars	Property	Vehicle	Total Right-of-use Assets
Cost			
As on July 01, 2022	114,163,530	754,483,695	868,647,225
Additions		74,492,308	74,492,308
Transferred to Freehold Assets		(62,708,000)	(62,708,000)
Disposal During the Year		(15,065,704)	(15,065,704)
Cost as on June 30, 2023	114,163,530	751,202,299	865,365,829
Accumulated Depreciation			
As on July 01, 2022	1,268,486	248,487,363	249,755,849
Depreciation Charged	7,526,351	107,195,409	114,721,760
Transferred to Freehold Assets		(46,269,474)	(46,269,474)
Adjustment of Assets Disposal off		(15,065,704)	(15,065,704)
Accumulated Depreciation as on June 30, 2023	8,794,837	294,347,594	303,142,431
Net Book Value June 30, 2023	105,368,693	456,854,705	562,223,398
Net Book Value June 30, 2022	112,895,044	505,996,332	618,891,376

5. Intangible Assets

Particulars	Marketing Rights, Brand & Product development	ERP & Software	Trade Name & Trade Marks	Total
Cost				
As on July 01, 2022	4,960,011,737	283,211,071	68,870,674	5,312,093,482
Disposal during the Year	(67,725,000)	(16,657,377)	-	(84,382,377)
Addition / Transferred in & Capitalized	36,203,786	73,548,379	-	109,752,165
As on June 30, 2023	4,928,490,523	340,102,073	68,870,674	5,337,463,270
Amortization				
As on July 01, 2022	611,948,344	126,658,259	10,498,834	749,105,437
Amortized During the year	55,823,731	27,533,548	-	83,357,279
Amortization (Fair Value Adjustment)	129,120,000	-	30,200,000	159,320,000
Adjustment for retirement and disposal	-	(16,038,638)	-	(16,038,638)
As on June 30, 2023	796,892,075	138,153,169	40,698,834	975,744,078
Net Book Value June 30, 2023	4,131,598,448	201,948,904	28,171,840	4,361,719,192
Capital Work in Progress				359,315,441
Carrying Value as on June 30, 2023				4,721,034,633
Net Book Value June 30, 2022	4,348,063,393	156,552,812	58,371,840	4,562,988,045
Capital Work in Progress				166,850,363
Carrying Value as on June 30, 2022				4,729,838,408

6. Goodwill

	Amount in Taka	
	June 30, 2023	June 30, 2022
Acquisition of 85.2% stake in Nuvista Pharma Limited	546,691,213	546,691,213
Acquisition of 54.6% stake in Synovia Pharma PLC.	127,878,972	127,878,972
	674,570,185	674,570,185

7. Other Investments

Details	June 30, 2023		June 30, 2022	
	Number of Share	Value	Number of Share	Value
Bangladesh Export Import Co. Ltd.	167,854	19,403,922	167,854	21,787,449
Central Depository Bangladesh Ltd. (CDBL)	571,182	1,569,450	571,182	1,569,450
		20,973,372		23,356,899

a. The shares of Bangladesh Export Import Co. Ltd. are listed on Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. as on June 30, 2023 was Tk. 115.60 (June 30, 2022: Tk.129.80). The fair value Loss of Tk. 2,383,527 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, 2023	June 30, 2022
This consists of :		
Finished Goods	3,444,510,836	2,486,292,696
Work in Process	930,042,235	684,808,447
Raw Materials	4,722,534,133	4,751,533,955
Packing Materials	1,351,874,369	1,171,926,025
Laboratory Chemicals	102,921,941	98,605,393
Physician Samples	113,354,964	82,051,648
R&D Materials	43,029,486	37,709,095
Materials in Transit	1,425,010,011	1,092,367,820
	12,133,277,975	10,405,295,079

9. Spares & Supplies

This consists of :		
Spares & Accessories	634,125,746	558,966,964
Stock of Stationery	19,049,051	20,974,250
Literature & Other Materials	166,565,558	138,856,042
	819,740,355	718,797,256

10. Accounts Receivable

	Amount in Taka	
	June 30, 2023	June 30, 2022
This consists of :		
Trade Receivable	3,369,995,799	2,963,143,615
Other Receivable	204,658,662	179,673,579
	<u>3,574,654,461</u>	<u>3,142,817,194</u>

Accounts Receivable is reported net of provision for bad debts of Tk. 16,163,830. It includes an amount of Tk. 1,071,490,950, equivalent USD 10,013,934 (June 30, 2022: Tk. 1,016,268,270, equivalent USD 11,821,851) 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. 1,435,857,890 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.1,445,757,890 on April 30, 2023.

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 Receivables :

Amount due within 6 months	3,153,725,178	2,841,350,572
Amount due for 6 months & above	216,270,621	121,793,043
	<u>3,369,995,799</u>	<u>2,963,143,615</u>

11. Loans, Advances and Deposits

	Amount in Taka	
	June 30, 2023	June 30, 2022
This is unsecured, considered good and consists of as follows :		
Clearing & Forwarding	140,516,040	259,313,897
VAT	565,923,250	619,340,481
Claims Receivable	10,957,809	37,673,863
Security Deposit & Earnest Money	224,632,154	158,893,927
Lease Deposit	2,133,040	2,133,040
Advance for Expenses including Capital Expenditure	817,982,177	654,535,757
Bank Guarantee Margin	19,849,064	18,826,990
Salary Advance / Loan	109,156,995	93,892,900
Rent Advance	39,161,704	38,745,324
Vehicle Advance	236,599,418	225,975,541
Raw & Packing Material	519,527,265	449,393,148
Prepaid Insurance	60,957,643	53,234,921
Overseas Liaison Office	71,228,285	67,005,418
Others	166,252,039	108,074,697
	<u>2,984,876,883</u>	<u>2,787,039,904</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.

Amount in Taka

June 30, 2023

June 30, 2022

12. Cash and Cash Equivalents

This consists of :

a. Cash in Hand (including Imprest Cash)	529,669,736	279,615,091
b. Cash at Bank :		
(i) Current & FC Account	606,016,442	736,688,901
(ii) FDR & SND Account	-	152,369,829
	1,135,686,178	1,168,673,821

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 Pharma 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 on AIM of London Stock Exchange.

C. Composition of Shareholding :

	June 30, 2023		June 30, 2022	
	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	116,305,973	26.07
	134,444,956	30.14	134,444,956	30.14
Other Shareholdings:				
Foreign Portfolio Investors (DSE/CSE)	44,433,722	9.96	43,246,139	9.69
Holders of GDRs (excluding Board Director)	84,386,054	18.92	84,386,054	18.92
Institutions (ICB, ICB Investors' Accounts & Others)	106,355,109	23.83	97,533,003	21.86
Individual Shareholders	76,492,248	17.15	86,501,937	19.39
	311,667,133	69.86	311,667,133	69.86
Total	446,112,089	100.00	446,112,089	100.00

	June 30, 2023	Amount in Taka June 30, 2022
14. Non-Controlling Interest		
a. NPL		
Non-Controlling Interest (Opening)	367,061,755	334,306,627
Proportionate profit/(loss)	38,119,234	39,701,872
Less: Cash Dividend	(6,946,744)	(6,946,744)
	398,234,245	367,061,755
b. SPP		
Non-Controlling Interest (Opening)	3,668,444,886	-
Non-controlling Interest at the date of acquisition	-	3,857,134,718
Proportionate profit/(loss)	(127,716,891)	(164,210,387)
Less: Cash Dividend	-	(24,479,445)
	3,540,727,995	3,668,444,886
Total (NPL & SPP)	3,938,962,240	4,035,506,641

15. Long Term Borrowings - Net of Current Maturity

This is arrived at as follows :

Project Loan - ODDO BHF SE, Frankfurt, Germany	236,117,255	670,863,306
Term Loan-Agrani Bank	1,915,856,341	2,313,748,864
Lease Liability	393,116,228	456,761,583
Term Loan-Dhaka Bank	5,743,430	12,815,090
	2,550,833,254	3,454,188,843

Lease Liability

This consists of :

Payable in one year	146,521,840	160,579,032
Payable beyond one year	393,116,228	456,761,583
	539,638,068	617,340,615

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

Gratuity Payable	1,870,737,474	1,618,961,997
Pension Payable	5,334,216	5,334,216
Workers Profit Participation and Welfare Fund	1,294,692,745	1,160,776,448
	3,170,764,435	2,785,072,661

	June 30, 2023	Amount in Taka June 30, 2022
17. Short Term Borrowings		
Janata Bank Limited	4,474,809,399	4,817,103,014
AB Bank Limited	505,552,356	409,733,361
First Security Islamic Bank Limited	497,141,234	492,341,234
Liability for UPAS Letter of Credit	269,132,312	644,508,608
Dhaka Bank Limited	874,534,970	461,766,072
Standard Chartered Bank	-	24,913,289
Citybank Limited	-	184,741
	<u>6,621,170,271</u>	<u>6,850,550,319</u>

18. Long Term Borrowings-Current Maturity

This consists of :

Project Loan - ODDO BHF SE, Frankfurt, Germany	621,801,668	938,924,362
Term Loan-Agrani Bank	664,500,000	960,000,000
Lease Liability	146,521,840	160,579,032
Term Loan-Dhaka Bank	7,071,660	6,459,077
	<u>1,439,895,168</u>	<u>2,065,962,471</u>

19. Creditors and Other Payables

Goods & Services	1,618,272,304	1,373,370,694
Provident Fund	1,450,986,422	889,344,958
Advance Against Sales	149,408,697	110,410,808
Others	313,039,753	105,803,933
	<u>3,531,707,176</u>	<u>2,478,930,393</u>

20. Accrued Expenses

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

For Expenses	815,268,873	793,767,825
Workers' Profit Participation and Welfare Funds -(current year)	314,430,512	359,222,585
	<u>1,129,699,385</u>	<u>1,152,990,410</u>

21. Dividend Payable / Unclaimed Dividend

The Dividend Payable/Unclaimed dividend as on June 30, 2023 consists of Tk. 15,477,101 relating to BPL's dividend for the year 2021-22 which has been paid but not yet claimed. The remaining balance relates to dividend for prior years unclaimed to date. During the year an amount of Tk. 13,786,791 of the unclaimed dividend outstanding for more than 3 years has been paid to the Capital Market Stabilization Fund (CMSF) following the directives of the Bangladesh Securities and Exchange Commission.

	Amount in Taka	
	July 2022- June 2023	July 2021- June 2022
22. Net Revenue		
Domestic Sales	36,334,152,216	31,889,033,479
Export Sales	2,763,246,905	2,685,096,151
Toll Income	169,263,116	95,042,422
	<u>39,266,662,237</u>	<u>34,669,172,052</u>

23. Cost of Goods Sold

This is made-up as follows :

Work-in-Process (Opening)	684,808,447	355,079,579
Materials Consumed (Note: 24)	16,873,468,924	14,971,042,279
Factory Overhead (Note: 25)	5,857,205,833	4,902,614,580
Total Manufacturing Cost	23,415,483,204	20,228,736,438
Work-in-Process (Closing)	(930,042,235)	(684,808,447)
Cost of Goods Manufactured	22,485,440,969	19,543,927,991
Finished Goods (Opening)	2,486,292,696	1,803,930,326
Purchase (Imported and processed)	804,670,592	295,801,260
Finished Goods available	25,776,404,257	21,643,659,577
Cost of Physician Sample transferred to Sample Stock	(378,602,955)	(308,404,774)
Finished Goods (Closing)	(3,444,510,836)	(2,486,292,696)
	<u>21,953,290,466</u>	<u>18,848,962,107</u>

24. Materials Consumed

This is made-up as follows :

Opening Stock	6,022,065,373	4,688,041,185
Purchase	17,028,733,994	16,305,066,467
Closing Stock	(6,177,330,443)	(6,022,065,373)
	<u>16,873,468,924</u>	<u>14,971,042,279</u>

25. Factory Overhead

		Amount in Taka
	July 2022- June 2023	July 2021- June 2022
Salaries and Allowances	2,258,988,455	1,978,710,523
Repairs and Maintenance	646,060,664	628,788,277
Insurance Premium	56,837,942	56,200,557
Municipal Tax & Land Revenue	9,753,993	9,223,410
Registration & Renewals	9,952,617	6,264,023
Travelling & Conveyance	42,323,586	50,000,748
Entertainment	5,085,555	9,902,080
Research and Development	363,020,013	345,983,852
Rent	9,628,020	7,835,447
Printing & Stationery	31,707,563	44,545,079
Telephone, Cellphone, Internet & Postage	10,518,543	12,513,215
Toll Expense	12,199,908	30,697,402
Electricity, Gas & Water	622,647,608	351,013,808
Training & Conference	14,685,407	13,789,240
Plant Certification and Regulatory Approvals	28,630,624	8,645,632
Depreciation	1,682,688,667	1,296,771,715
Security Expenses	34,162,972	35,053,987
Other Expenses	18,313,696	16,675,585
	<u>5,857,205,833</u>	<u>4,902,614,580</u>

26. Administrative Expenses

Salaries and Allowances	712,891,892	635,735,765
Rent	42,885,394	39,745,136
Repairs and Maintenance	105,398,992	89,621,545
Registration & Renewals	8,801,754	6,898,815
Travelling & Conveyance	32,097,565	35,297,173
Entertainment	10,548,711	9,891,702
Printing & Stationery	8,633,696	12,985,629
Audit Fee	3,470,000	3,095,000
Telephone, Cellphone, Internet & Postage	7,724,845	10,205,953
Electricity, Gas & Water	26,372,649	27,457,139
Legal & Consultancy	33,404,509	31,890,657
Business Acquisition Cost	-	57,302,224
Company Secretarial, Regulatory Fee and AGM Expense	45,896,460	41,725,709
Municipal Tax & Land Revenue	784,669	1,951,304
Training & Conference	14,240,935	7,195,687
Depreciation	45,619,482	54,687,077
Meeting Fee	3,454,508	2,899,082
Security Expenses	26,484,107	24,178,436
Other Expenses	51,414,247	43,827,775
	<u>1,180,124,415</u>	<u>1,136,591,808</u>

27. Selling, Marketing and Distribution Expenses

	Amount in Taka	
	July 2022- June 2023	July 2021- June 2022
Salaries and Allowances	3,419,024,044	3,061,082,335
Rent	160,024,069	118,272,362
Repairs and Maintenance	92,388,180	49,953,940
Travelling & Conveyance	858,858,287	736,860,051
Entertainment	85,799,736	76,900,893
Printing & Stationery	55,221,661	45,627,054
Telephone, Cellphone, Internet & Postage	120,811,372	84,600,340
Software & Licences	70,471,632	113,042,771
Electricity, Gas & Water	25,227,242	21,294,622
Market Research & New Products	101,986,509	81,286,612
Training & Conference	200,581,827	128,432,491
Insurance Premium	39,316,350	44,275,975
Sample Expense	444,472,514	395,734,497
Advertisement	3,868,099	15,502,443
Field Operation	65,708,828	54,330,763
Events, Programs & Campaigns	473,358,232	324,066,346
Brand Development	259,522,132	171,917,335
CSR Expenses	9,933,118	12,646,614
Sales Promotion Expenses	208,365,155	181,219,118
Books, Journals and Periodicals	11,122,460	8,875,134
Salesforce Logistics	52,643,478	49,179,523
Clinical Studies and Research	2,910,043	6,946,764
Pharmacovigilance	24,633,191	20,146,600
Literature and News Letter	362,269,143	297,847,820
Registration & Renewals	148,250,914	137,201,570
Export Insurance, Freight and C&F Expenses	143,725,244	208,693,377
Distribution Commission	613,597,539	527,996,777
Delivery Expense	491,888,971	448,553,137
Depreciation & Amortization	332,194,989	328,798,251
Security Expenses	20,398,163	19,313,099
Bad Debts	3,055,087	3,451,016
Other Expenses	15,379,184	27,824,564
	8,917,007,393	7,801,874,194

28. Other Income

		Amount in Taka
	July 2022- June 2023	July 2021- June 2022
Interest Income	5,529,516	3,055,358
Dividend	1,931,517	2,015,444
Royalty	61,461,940	112,139,232
Cash Incentive on Export	268,831,523	262,883,466
Exchange Rate Fluctuation Gain / (Loss)	66,944,083	50,115,273
Vaccine Distribution Fee	-	619,259,365
Forfeited PF refund	6,096,998	210,657
Technical know how Fee	-	79,552,390
Profit/(Loss) on Sale of Fixed Assets	13,815,805	12,617,947
Miscellaneous Income	28,046,362	24,410,034
	452,657,744	1,166,259,166

29. Finance Cost

Interest on Bank Borrowings	883,207,883	678,750,473
Interest on Lease Liability	58,059,511	47,069,776
Interest on Loan from PF, WPPF & Welfare Fund	300,393,065	199,775,709
Bank and Other Charges	44,037,794	76,239,565
	1,285,698,253	1,001,835,523

30. Income Tax Expenses

This consists of :

(a) Current Tax	1,468,598,852	1,191,180,488
(b) Deferred Tax Expense	75,701,600	497,136,316
	1,544,300,452	1,688,316,804

Deferred Tax Expense is arrived at as follows :

i. BPL

Property, Plant & Equipment (Difference in book value & Tax base)	12,608,874,084	12,125,676,008
Deferred liability (Gratuity)	(1,554,826,488)	(1,327,433,137)
Provision for Bad Debts	(13,172,086)	(10,647,866)
Temporary Difference	11,040,875,510	10,787,595,005
Tax Rate	22.5%	22.5%
Deferred Tax Liability at end of the year	2,484,196,990	2,427,208,876
Deferred Tax Liability at beginning of the year	2,427,208,876	1,871,974,397
Change in Deferred Tax Liability	56,988,114	555,234,479
Deferred tax on Revaluation Surplus	1,267,772	1,430,698
Deferred Tax charged to profit or Loss and Other Comprehensive Income	58,255,886	556,665,177

	Amount in Taka	
	July 2022- June 2023	July 2021- June 2022
ii. NPL		
Property, Plant & Equipment (Difference in book value & Tax base)	417,006,176	445,608,322
Deferred liability (Gratuity)	(193,019,251)	(173,210,822)
Provision for Bad Debts	(2,991,744)	(2,460,877)
Temporary Difference	220,995,181	269,936,623
Tax rate	30.0%	30.0%
Deferred Tax Liability	66,298,554	80,980,987
Deferred tax on revaluation surplus	-	28,647,841
Deferred tax liabilities at end of the year	66,298,554	109,628,828
Deferred tax liabilities at beginning of the year	109,628,828	117,591,532
Transferred to revaluation reserve	(28,647,841)	-
Deferred Tax charged to profit or Loss and Other Comprehensive Income	(14,682,433)	(7,962,704)
iii.SPP		
Property, Plant & Equipment (Difference in book value & Tax base)	195,693,431	206,672,792
Deferred Liability (Gratuity & Pension)	(128,225,951)	(123,652,254)
Provision for Bad Debts & Allowance for Inventory	-	(141,975,425)
Carried forward loss	(272,965,958)	(263,373,215)
Temporary difference	(205,498,478)	(322,328,102)
Tax rate	27.5%	27.5%
Deferred Tax Liability/(Asset) at end of the year	(56,512,081)	(88,640,228)
Deferred Tax Liability/(Asset) at beginning of the year	(88,640,228)	(37,074,071)
Deferred tax charged to profit or loss and other comprehensive income	32,128,147	(51,566,157)
Total (BPL, NPL &SPP)	75,701,600	497,136,316

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

Fair Value Gain/(Loss) on Investment in Listed Shares	(2,383,527)	6,764,517
	(2,383,527)	6,764,517

32. Earnings Per Share (EPS)

(a) Earnings attributable to the Owners of the Company	4,614,066,147	5,123,136,712
(b) Weighted average number of Shares outstanding during the year	446,112,089	446,112,089
Earnings Per Share (EPS)	10.34	11.48

33. Net Asset Value (NAV) Per Share

Amount in Taka

	June 30, 2023	June 30, 2022
Total Assets	69,156,783,247	66,148,035,742
Less Total Liabilities	(21,537,117,269)	(21,512,031,284)
Less Non-controlling Interest	(3,938,962,240)	(4,035,506,641)
Equity Attributable to the Owners of the Company	43,680,703,738	40,600,497,817
Number of Ordinary Shares	446,112,089	446,112,089
Net Asset Value (NAV) Per Share	97.91	91.01

34. Net Operating Cash Flows Per Share (NOCFPS)

July 2022- June 2023

July 2021- June 2022

Net Cash Generated from Operating Activities	6,084,786,858	5,214,176,450
Number of Ordinary Shares	446,112,089	446,112,089
Net Operating Cash Flows Per Share (NOCFPS)	13.64	11.69

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

Profit after Tax	4,524,468,490	4,998,628,197
Adjustment to reconcile net profit to net cash provided by operating activities :		
(a) Non-cash/ Non-operating Items :	2,294,487,968	2,124,987,969
Depreciation	1,817,825,859	1,461,895,126
Amortization	242,677,279	205,114,934
Deferred Tax	75,701,600	497,136,316
Exchange rate fluctuation (Gain) / Loss on Foreign Currency Bank Loan	233,844,494	20,837,952
Dividend Income	(1,931,517)	(2,015,444)
(Profit) / Loss on sale of Fixed Assets	(13,815,805)	(12,617,947)
Effect of exchange rate changes on Cash and Cash Equivalents	(59,813,942)	(45,362,968)
(b) Changes in working Capital	(734,169,600)	(1,909,439,716)
(Increase)/Decrease in Inventories	(1,727,982,896)	(2,508,003,069)
(Increase)/Decrease in Spares & Supplies	(100,943,099)	(57,074,532)
(Increase)/Decrease in Accounts Receivable	(431,837,267)	352,253,797
(Increase)/Decrease in Advance Income Tax	(30,983,360)	(32,996,258)
(Increase)/Decrease in Loans, Advances & Deposits	(218,535,999)	10,093,080
Increase/(Decrease) in Gratuity & WPPF	385,691,774	341,842,995
Increase/(Decrease) in Creditors and Other Payables	1,059,575,776	(9,722,474)
Increase/(Decrease) in Accrued Expenses	(23,792,401)	117,224,024
Increase/(Decrease) in Income Tax Payable	354,637,872	(123,057,279)
Net cash Generated from Operating Activities	6,084,786,858	5,214,176,450

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 Party	Nature of Transactions	Value of Transaction	Balance at year end
I & I Services Ltd.	Delivery of Products	35,252,390,952	1,435,857,890
	Distribution Commission	613,597,539	

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

37. Events after The Reporting Period

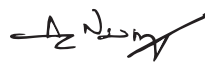
a. The Board of Directors of the Company recommended 35% cash dividend (i.e. Tk. 3.50 per share) for the year 2022-23. The dividend proposal is subject to shareholders' approval in the forthcoming Annual General Meeting.

b. Board of Directors of Nuvista Pharma Limited (NPL) has declared cash dividend @40%, i.e. Tk. 4.00 per share for the year 2022-23. The proposed dividend is subject to approval of the shareholders of NPL in the forthcoming Annual General Meeting.

c. Board of Directors of Synovia Pharma PLC (SPP) has declared 10% cash dividend (Tk. 10.00 per Share of Tk 100 each) for the year 2022-23. The proposed dividend is subject to approval of the shareholders of SPP in the forthcoming Annual General Meeting.


Osman Kaiser Chowdhury
Director


Nazmul Hassan
Managing Director


Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 19, 2023

Financial Statements
Beximco Pharmaceuticals Limited
For the Year ended June 30, 2023

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 2023 and Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 2023, 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 (PP&E)	
<p>The carrying value of the PPE was Tk. 36,136,306,483 as at 30 June, 2023.</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. 9,951,338,526 as at 30 June, 2023 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 significant 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 19, 2023

M. J. ABEDIN & CO.
Chartered Accountants
Reg No. CAF-001-111



Hasan Mahmood FCA
Enrollment No. 0564
DVC: 2310230564AS206358

Beximco Pharmaceuticals Limited

Statement of Financial Position

As at June 30, 2023

		Amount in Taka	
	Notes	June 30, 2023	June 30, 2022
ASSETS			
Non-Current Assets		44,680,252,471	44,161,617,726
Property, Plant and Equipment- Carrying Value	4	36,136,306,483	35,712,231,087
Right-of-use Assets	4 (b)	517,752,778	565,076,673
Intangible Assets	5	1,064,072,514	919,805,743
Investment in Subsidiaries	6	6,911,821,604	6,911,821,604
Investment in Associates	7	29,325,720	29,325,720
Other Investments	8	20,973,372	23,356,899
Current Assets		17,913,545,825	15,533,009,363
Inventories	9	9,951,338,526	8,802,040,026
Spares & Supplies	10	761,585,177	664,709,483
Accounts Receivable	11	3,622,624,044	2,739,772,443
Loans, Advances and Deposits	12	2,639,348,819	2,510,263,322
Cash and Cash Equivalents	13	938,649,259	816,224,089
TOTAL ASSETS		62,593,798,296	59,694,627,089
EQUITY AND LIABILITIES			
Shareholders' Equity		43,341,239,142	40,315,738,301
Issued Share Capital	14(b)	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)	1,112,529,914	1,116,896,688
Unrealized Gain/(Loss)		18,148,196	20,531,723
Retained Earnings		30,495,377,544	27,463,126,402
Non-Current Liabilities		7,837,897,000	8,311,592,939
Long Term Borrowings-Net of Current Maturity	16	2,509,415,964	3,401,537,415
Liability for Gratuity and WPPF & Welfare Funds	17	2,844,284,046	2,482,846,648
Deferred Tax Liability	18	2,484,196,990	2,427,208,876
Current Liabilities and Provisions		11,414,662,154	11,067,295,849
Short Term Borrowings	19	6,146,635,301	6,363,686,217
Long Term Borrowings-Current Maturity	20	1,415,956,691	2,039,694,209
Creditors and Other Payables	21	2,709,945,476	1,908,464,970
Accrued Expenses	22	627,094,074	576,413,875
Dividend Payable / Unclaimed Dividend	23	87,716,594	87,370,715
Income Tax Payable	24	427,314,018	91,665,863
TOTAL EQUITY AND LIABILITIES		62,593,798,296	59,694,627,089

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 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 19, 2023

M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111

Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2310230564AS206358

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

For the Year ended June 30, 2023

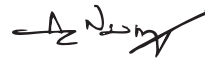
	Notes	July 2022 - June 2023	Amount in Taka July 2021 - June 2022
Net Sales Revenue	25	32,991,855,420	30,220,731,648
Cost of Goods Sold	26	(18,471,417,294)	(16,507,965,726)
Gross Profit		14,520,438,126	13,712,765,922
Operating Expenses		(7,913,668,032)	(7,118,937,516)
Administrative Expenses	29	(903,653,034)	(881,516,329)
Selling, Marketing and Distribution Expenses	30	(7,010,014,998)	(6,237,421,187)
Profit from Operations		6,606,770,094	6,593,828,406
Other Income	31	832,045,709	1,456,174,446
Finance Cost	32	(1,246,616,832)	(976,632,093)
Profit Before Contribution to WPPF & Welfare Funds		6,192,198,971	7,073,370,759
Contribution to WPPF & Welfare Funds	33	(294,866,618)	(336,827,179)
Profit Before Tax		5,897,332,353	6,736,543,580
Income Tax Expenses	34	(1,309,323,445)	(1,575,199,937)
Current Tax		(1,251,067,559)	(1,018,534,760)
Deferred Tax Income/ (Expense)		(58,255,886)	(556,665,177)
Profit after Tax		4,588,008,908	5,161,343,643
Other Comprehensive Income/(Loss)	35	(2,383,527)	6,764,517
Total Comprehensive Income		4,585,625,381	5,168,108,160
Earnings Per Share (EPS)	36	10.28	11.57

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 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 19, 2023


M.J. Abedin & Co.
 Chartered Accountants
 Reg No : CAF-001-111


Hasan Mahmood FCA
 Enrollment No : 0564
 DVC : 2310230564AS206358

Beximco Pharmaceuticals Limited
Statement of Changes in Equity
For the Year ended June 30, 2023

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, 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
Total Comprehensive Income :								
Profit for the Year	-	-	-	-	-	-	4,588,008,908	4,588,008,908
Other Comprehensive Income/(Loss)	-	-	-	-	-	(2,383,527)	-	(2,383,527)
Transactions with the Shareholders:								
Cash Dividend	-	-	-	-	-	-	(1,561,392,312)	(1,561,392,312)
Adjustment for Depreciation on Revalued Assets	-	-	-	-	(5,634,546)	-	5,634,546	-
Adjustment for Deferred Tax on Revalued Assets	-	-	-	-	1,267,772	-	-	1,267,772
Balance as on June 30, 2023	4,461,120,890	5,269,474,690	1,689,636,958	294,950,950	1,112,529,914	18,148,196	30,495,377,544	43,341,239,142
Net Asset Value (NAV) Per Share (Note-37)								97.15

For the Year ended 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	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

The Notes are an integral part of the Financial Statements.

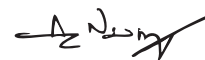
Approved and authorised for issue by the Board of Directors on October 19, 2023 and signed for and on behalf of the Board :



Osman Kaiser Chowdhury
Director



Nazmul Hassan
Managing Director

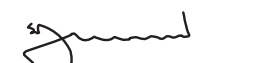


Mohammad Ali Nawaz
Chief Financial Officer

Per our report of even date

Dhaka
October 19, 2023

M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111



Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2310230564AS206358

Beximco Pharmaceuticals Limited

Statement of Cash Flows

For the Year ended June 30, 2023

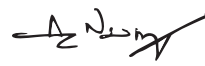
		Amount in Taka	
	Notes	July 2022 - June 2023	July 2021 - June 2022
Cash Flows from Operating Activities :			
Receipts from Customers and Others		33,062,769,123	31,670,123,381
Payments to Suppliers and Employees		(25,132,310,268)	(24,518,915,859)
Cash Generated from Operations		7,930,458,855	7,151,207,522
Interest Paid		(1,233,059,791)	(976,632,093)
Interest Received		205,684	699,570
Income Tax Paid		(915,419,404)	(1,147,310,332)
Net Cash Generated from Operating Activities	39	5,782,185,344	5,027,964,667
Cash Flows from Investing Activities :			
Acquisition of Property, Plant and Equipment		(2,028,517,002)	(2,712,188,566)
Intangible Assets		(286,712,648)	(123,761,166)
Synovia Acquisition		-	(4,766,635,704)
Disposal of Property, Plant and Equipment		13,992,690	13,163,510
Disposal of Intangible Assets		67,725,000	-
Dividend Received		41,985,413	71,517,955
Net Cash Used in Investing Activities		(2,191,526,547)	(7,517,903,971)
Cash Flows from Financing Activities :			
Net Increase /(Decrease) in Long Term Borrowings		(1,749,703,463)	2,698,107,035
Net Increase/(Decrease) in Short Term Borrowings		(217,050,916)	1,506,579,936
Dividend Paid		(1,561,046,433)	(1,591,791,129)
Net Cash (Used in) / from Financing Activities		(3,527,800,812)	2,612,895,842
Increase/(Decrease) in Cash and Cash Equivalents		62,857,985	122,956,538
Cash and Cash Equivalents at Beginning of Year		816,224,089	647,904,583
Effect of Exchange Rate Changes on Cash and Cash Equivalents	39	59,567,185	45,362,968
Cash and Cash Equivalents at End of Year	13	938,649,259	816,224,089
Net Operating Cash Flow Per Share	38	12.96	11.27

The Notes are an integral part of the Financial Statements.

Approved and authorised for issue by the Board of Directors on October 19, 2023 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 19, 2023


M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111


Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2310230564AS206358

Beximco Pharmaceuticals Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2023

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). Company's shares were first listed on the Dhaka Stock Exchange in 1985 and subsequently on the Chittagong Stock Exchange in 1995. In 2005, BPL acquired Beximco Infusions Ltd., a publicly listed company specializing in the production and marketing of intravenous fluids. To expand its global presence, BPL issued Global Depository Receipts (GDRs) and secured a listing on the Alternative Investment Market (AIM) of the London Stock Exchange. In 2018, BPL acquired 85.2% shares of Nuvista Pharma Limited (Nuvista Pharma/NPL) – an unlisted 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. Sanofi Bangladesh Limited was subsequently renamed as Synovia Pharma PLC (Synovia Pharma/SPP). Bangladesh Government holds 45.4% shares of the company represented through the Bangladesh Chemical Industries Corporation (20%) and the Ministry of Industries (25.4%). SPP, like Nuvista Pharma, is an unlisted pharmaceutical company operating in Bangladesh. Shares of Beximco Pharma are traded on the Dhaka and Chittagong Stock Exchanges within Bangladesh, while its GDRs are traded on the 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 across diverse spectrum of therapeutic areas. The product portfolio includes a variety of dosage forms such as solid, liquid, creams and ointments, suppositories, metered dose inhalers, dry powder inhalers, nasal sprays, sterile items, lyophilized injectables, and large volume intravenous fluids. Additionally, BPL is involved in the manufacturing of Active Pharmaceutical Ingredients (APIs) and extends 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 was formed in 2017 and since then it has 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 Act, 2023;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax and Supplementary Duty Rules, 2016;
The Labour Act, 2006 with subsequent amendments in 2013; and
Others laws as applicable.

2.3 Basis of Measurement

The financial statements have been prepared using Historical Cost Basis with exception of land, building and plant & machinery which was revalued on 31 December 2008. The investment in shares of listed company has been valued at year end quoted price.

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 comprise of:

- (a) Statement of Financial Position as at the end of the year June 30, 2023;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2023;
- (c) Statement of Changes in Equity for the year ended June 30, 2023;
- (d) Statement of Cash Flows for the year ended June 30, 2023; and
- (e) notes, comprising summary of significant accounting policies and explanatory information.

2.5 Reporting Period and Comparative Information

The Financial statements cover a 12 months' period starting from July 1, 2022 to June 30, 2023. The last audited financial statements were prepared for the year ending June 30, 2022. 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 on October 19, 2023.

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 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, as well as 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 is recognized in the period in which the estimate is revised and in any future period affected. The key areas of estimation, uncertainty and critical judgements in applying accounting policies having 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 assets 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 recorded at cost. Additionally, the cost software for internal use is capitalized as intangible 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. All intangible assets are amortized over their estimated useful lives using the straight-line method.

3.5. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for 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 invoiced 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. Financial 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 effect 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 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, the applicable Tax Rate for profit generated from export is 12%. Additionally, income from certain other sources are taxed at rates different from the standard rate. Further details are available 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 where probable 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 the related tax benefit is unrealizable.

3.10. Other Income

Dividend

Cash dividend income on investment in shares is recognized on approval of the said dividend by the declaring company in their annual general meeting. 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.

Distribution Commission Income

Distribution Commission Income is recognized on an accrual basis.

3.11. Borrowing Cost

Borrowing costs are recognized as expenses in the period in which they are incurred except 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 (after charging such expenses) 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 salary, bonus and other allowances. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is availed.

3.12.5. Insurance Scheme

Employees of the Company are covered under insurance schemes.

3.13. Share Premium

The Share Premium is utilizable in accordance with the provisions of the Companies Act, 1994 and as per direction of the Securities and Exchange Commission.

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, 2023

Amount in Taka

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment
Cost							
As on July 01, 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
Additions	309,024,540	1,905,236	81,028,605	115,682,565	-	24,935,276	532,576,222
Transferred from Right-of-use Asset	-	-	-	-	62,708,000	-	62,708,000
Transferred in & Capitalized	-	123,288,931	114,500,800	18,778,132	-	5,308,922	261,876,785
Disposal during the Year	-	-	(829,000)	(9,746,278)	(22,899,200)	-	(33,474,478)
Cost as on June 30, 2023	3,652,765,982	15,295,369,823	26,251,452,386	607,738,850	815,990,232	788,799,769	47,412,117,042
Accumulated Depreciation							
As on July 01, 2022	-	2,558,680,562	7,669,003,574	165,834,945	637,478,804	459,779,614	11,490,777,499
Depreciation Charged	-	337,297,216	1,125,070,985	29,526,071	27,456,664	44,725,839	1,564,076,775
Transferred from Right-of-use Asset	-	-	-	-	46,269,474	-	46,269,474
Adjustment for Assets Disposed off	-	-	(653,434)	(7,715,077)	(21,479,894)	-	(29,848,405)
Accumulated Depreciation as on June 30, 2023	-	2,895,977,778	8,793,421,125	187,645,939	689,725,048	504,505,453	13,071,275,343
Net Book Value June 30, 2023	3,652,765,982	12,399,392,045	17,458,031,261	420,092,911	126,265,184	284,294,316	34,340,841,699
Capital Work in Progress 4 (a)							1,795,464,784
Carrying Value as on June 30, 2023							36,136,306,483

As on June 30, 2022

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Transport and Vehicle	Office Equipment	Total Property Plant & Equipment
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
Additions	-	146,850,857	400,709,986	87,932,769	-	41,517,297	677,010,909
Transferred from Right-of-use Asset	-	-	-	-	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
Disposal during the Year	-	-	(47,847,910)	(642,221)	(19,244,469)	-	(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
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
Depreciation Charged	-	259,835,485	849,632,109	18,331,605	28,180,786	36,570,893	1,192,550,878
Transferred from Right-of-use Asset	-	-	-	-	104,543,070	-	104,543,070
Adjustment for Assets Disposed off	-	-	(40,278,852)	(606,333)	(15,822,875)	-	(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
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
Capital Work in Progress 4 (a)							614,578,073
Carrying Value as on June 30, 2022							35,712,231,087

	June 30, 2023	Amount in Taka June 30, 2022
4 (a). Capital Work in Progress is arrived at as follows :		
Opening Balance	614,578,073	16,309,574,340
Addition during the year	1,442,763,496	1,876,308,015
	2,057,341,569	18,185,882,355
Transferred & Capitalized	261,876,785	17,571,304,282
Building and Other Constructions	123,288,931	7,221,661,130
Plant & Machinery	114,500,800	10,160,501,871
Furniture & Fixture	18,778,132	95,401,914
Office Equipment	5,308,922	93,739,367
Closing Balance	1,795,464,784	614,578,073

4 (b). Right of use Assets

As on June 30, 2023

Particulars	Property	Vehicle	Total Right-of-use Assets
Cost			
As on July 01, 2022	114,163,530	612,128,090	726,291,620
Additions	-	67,077,308	67,077,308
Transferred to Freehold Assets	-	(62,708,000)	(62,708,000)
Cost as on June 30, 2023	114,163,530	616,497,398	730,660,928
Accumulated Depreciation			
As on July 01, 2022	1,268,486	159,946,461	161,214,947
Depreciation Charged	7,526,351	90,436,326	97,962,677
Transferred to Freehold Assets	-	(46,269,474)	(46,269,474)
Accumulated Depreciation as on June 30, 2023	8,794,837	204,113,313	212,908,150
Net Book Value June 30, 2023	105,368,693	412,384,085	517,752,778

As on June 30, 2022

Particulars	Property	Vehicle	Total Right-of-use Assets
Cost			
As on July 01, 2021	-	520,397,410	520,397,410
Additions	114,163,530	222,253,234	336,416,764
Transferred to Freehold Assets	-	(130,522,554)	(130,522,554)
Cost as on June 30, 2022	114,163,530	612,128,090	726,291,620
Accumulated Depreciation			
As on July 01, 2021	-	200,512,561	200,512,561
Depreciation Charged	1,268,486	63,976,970	65,245,456
Transferred to Freehold Assets	-	(104,543,070)	(104,543,070)
Accumulated Depreciation as on June 30, 2022	1,268,486	159,946,461	161,214,947
Net Book Value June 30, 2022	112,895,044	452,181,629	565,076,673

	June 30, 2023	Amount in Taka June 30, 2022
4 (c). Revaluation Surplus		
Opening Balance	1,116,896,688	1,121,824,646
Adjustment for Depreciation on Revalued Assets	(5,634,546)	(6,358,656)
Adjustment for Deferred Tax on Revalued Assets	1,267,772	1,430,698
	1,112,529,914	1,116,896,688

5. Intangible Assets

Particulars	Marketing Rights & Product Development	ERP and Software	Total
Cost			
As on July 01, 2022	926,887,625	200,485,371	1,127,372,996
Disposal during the Year	(67,725,000)	-	(67,725,000)
Addition / Transferred in & Capitalized	36,203,786	58,043,784	94,247,570
As on June 30, 2023	895,366,411	258,529,155	1,153,895,566

Amortization			
As on July 01, 2022	320,973,012	53,444,604	374,417,616
Amortized During the year	51,383,493	23,337,384	74,720,877
As on June 30, 2023	372,356,505	76,781,988	449,138,493

Net Book Value June 30, 2023	523,009,906	181,747,167	704,757,073
Capital Work in Progress 5 (a)			359,315,441
Carrying Value as on June 30, 2023	523,009,906	181,747,167	1,064,072,514

Net Book Value June 30, 2022	605,914,613	147,040,767	752,955,380
Capital Work in Progress as on June 30, 2022			166,850,363
Carrying Value as on June 30, 2022	605,914,613	147,040,767	919,805,743

5 (a). Capital Work in Progress is arrived at as follows :

	June 30, 2023	June 30, 2022
Opening Balance	166,850,363	164,695,027
Addition during the year	228,668,864	115,885,248
	395,519,227	280,580,275
Transferred & Capitalized	36,203,786	113,729,912
Closing Balance	359,315,441	166,850,363

6. Investment in Subsidiaries

	Amount in Taka	
	June 30, 2023	June 30, 2022
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	4,766,635,704
	6,911,821,604	6,911,821,604

a. The Company holds 10,013,474 shares representing 85.2% of the Paid Up Capital of Nuvista Pharma Ltd (NPL) and 1,963,241 shares representing 54.6% of the Paid Up Capital of Synovia Pharma PLC (SPP). Beximco Pharma API Limited is a fully owned subsidiary.

b. 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 3,900,000 Ordinary Shares of Malaysian Ringgit (RM) 1 each issued by BioCare Manufacturing Sdn Bhd ("BioCare"), Malaysia. Beximco Pharma received 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 Seri Iskandar Pharmaceutical Park, Perak, 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, 2023		June 30, 2022	
	Number of Share	Value	Number of Share	Value
Bangladesh Export Import Co. Ltd.	167,854	19,403,922	167,854	21,787,449
Central Depository Bangladesh Ltd. (CDBL)	571,182	1,569,450	571,182	1,569,450
		20,973,372		23,356,899

a. The shares of Bangladesh Export Import Co. Ltd. are listed on Dhaka and Chittagong Stock Exchanges. The market value of each share of Bangladesh Export Import Co. Ltd. as on June 30, 2023 was Tk. 115.60 (June 30, 2022: Tk.129.80). The fair value Loss of Tk. 2,383,527 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	
	June 30, 2023	June 30, 2022
This consists of:		
Finished Goods	2,654,584,197	1,754,268,113
Work in Process	803,580,144	610,859,802
Raw Materials	3,987,274,966	4,226,671,044
Packing Materials	1,206,041,708	1,089,128,002
Laboratory Chemicals	102,921,941	73,772,507
Physician Samples	113,354,964	82,051,648
R & D Materials	43,029,486	37,709,095
Materials in Transit	1,040,551,120	927,579,815
	9,951,338,526	8,802,040,026

10. Spares & Supplies

	Amount in Taka	
	June 30, 2023	June 30, 2022
This consists of:		
Spares & Accessories	605,606,518	543,228,366
Stock of Stationery	19,049,051	20,974,250
Literature & Other Materials	136,929,608	100,506,867
	761,585,177	664,709,483

11. Accounts Receivable

This consists of :		
Trade Receivable	3,145,804,428	2,475,650,151
Other Receivable	476,819,616	264,122,292
	3,622,624,044	2,739,772,443

Accounts Receivable is reported net of provision for bad debts of Tk. 13,172,086. It includes an amount of Tk. 1,071,490,950, equivalent USD 10,013,934 (June 30, 2022: Tk. 1,016,268,270, equivalent USD 11,821,851) 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. 1,435,857,890 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.1,445,757,890 on April 30, 2023. Additionally, Tk 14,531,441, Tk 160,092,598 and Tk 745,350 are 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 Receivables :	Amount in Taka	
Amount due within 6 months	2,984,345,190	2,354,175,678
Amount due for 6 months & above	161,459,238	121,474,473
	3,145,804,428	2,475,650,151

12. Loans, Advances and Deposits

	Amount in Taka	
	June 30, 2023	June 30, 2022
This is unsecured, considered good and consists of :		
Clearing & Forwarding	140,516,040	259,313,897
VAT	508,850,046	563,667,556
Claims Receivable	10,957,809	37,673,863
Security Deposit & Earnest Money	171,677,678	105,873,150
Lease Deposit	2,133,040	2,133,040
Advance for Expenses including Capital Expenditure	775,239,192	611,453,338
Bank Guarantee Margin	19,849,064	18,826,990
Advance against Salary	106,942,014	91,220,656
Rent Advance	39,161,704	38,745,324
Vehicle Advance	142,172,413	154,557,458
Raw & Packing Material	464,428,527	439,514,602
Prepaid Insurance	46,340,198	36,757,137
Overseas Liaison Office	71,228,285	67,005,418
Others	139,852,809	83,520,893
	2,639,348,819	2,510,263,322

a. The maximum amount due from the employees during the year was Tk. 107,987,586 on November 2022

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.

13. Cash and Cash Equivalents	June 30, 2023	Amount in Taka June 30, 2022
This consists of:		
a. Cash in Hand (including Imprest Cash)	529,658,970	279,392,725
b. Cash at Bank :		
Current & FC Account	408,990,289	536,831,364
	<u>938,649,259</u>	<u>816,224,089</u>

14. 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
	<u>15,000,000,000</u>	<u>15,000,000,000</u>

b. Issued, Subscribed and Paid-up :

	June 30, 2023	June 30, 2022
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
	<u>4,461,120,890</u>	<u>4,461,120,890</u>

5,951,250 Ordinary Shares of Tk. 10 each were issued to the shareholders of Beximco Infusions Ltd. on it's merger with Beximco Pharma 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 on AIM of London Stock Exchange.

c. Composition of Shareholding :

	June 30, 2023		June 30, 2022	
	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	116,305,973	26.07
	134,444,956	30.14	134,444,956	30.14
Other Shareholdings:				
Foreign Portfolio Investors (DSE/CSE)	44,433,722	9.96	43,246,139	9.69
Holders of GDRs (excluding Board Director)	84,386,054	18.92	84,386,054	18.92
Institutions (ICB, ICB Investors' Accounts & Others)	106,355,109	23.83	97,533,003	21.86
Individual Shareholders	76,492,248	17.15	86,501,937	19.39
	311,667,133	69.86	311,667,133	69.86
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, 2023		June 30, 2022		June 30, 2023		June 30, 2022	
	Number of Shareholders	% of Holding	Number of Shareholders	% of Holding	Number of Shares	% of Holding	Number of Shares	% of Holding
1 to 499	41,903	76.66%	41,440	76.11%	4,268,126	0.96%	4,189,826	0.94%
500 to 5,000	10,465	19.15%	10,587	19.45%	15,819,525	3.56%	16,225,509	3.64%
5,001 to 10,000	984	1.80%	1,042	1.91%	7,194,582	1.61%	7,545,996	1.69%
10,001 to 20,000	530	0.97%	560	1.03%	7,699,156	1.73%	8,156,027	1.89%
20,001 to 30,000	201	0.37%	209	0.38%	5,035,520	1.13%	5,180,289	1.16%
30,001 to 40,000	126	0.23%	113	0.21%	4,415,006	0.99%	3,949,472	0.88%
40,001 to 50,000	67	0.12%	70	0.13%	3,028,518	0.68%	3,225,851	0.72%
50,001 to 100,000	154	0.28%	166	0.30%	11,436,351	2.56%	12,079,301	2.71%
100,001 to 1,000,000	208	0.38%	221	0.41%	64,445,367	14.45%	66,057,769	14.80%
Over 1,000,000	24	0.04%	38	0.07%	322,769,938	72.35%	319,502,049	71.57%
Total	54,662	100%	54,446	100%	446,112,089	100%	446,112,089	100%

e. Market Price of Ordinary Shares:

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

		June 30, 2023	June 30, 2022
Dhaka Stock Exchange	Tk.	146.20	154.60
Chittagong Stock Exchange	Tk.	145.70	155.30
AIM	GBP	0.355	0.705

f. Option on unissued Ordinary Shares :

There is no option on unissued shares as on June 30, 2023.

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

	June 30, 2023	June 30, 2022
This is arrived at as follows :		
Project Loan - ODDO BHF SE, Frankfurt, Germany	236,117,255	670,863,306
Term Loan-Agrani Bank	1,915,856,341	2,313,748,864
Lease Liability	357,442,368	416,925,245
	2,509,415,964	3,401,537,415

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

This represents part of foreign currency loan of Euro 19.05 million taken for the expansion and diversification project being implemented by the Company. Interest for this loan is 6 month's EURIBOR plus 1.30% per annum. The loan is secured negative pledge against machinery and equipment procured under the pertinent loan.

b. Term Loan-Agrani Bank

The Company availed a Term Loan of Taka 3,750 million from Agrani Bank Limited to partly finance the acquisition of Synovia Pharma PLC. The Loan is secured by a lien on the acquired shares of Synovia Pharma plc.

	June 30, 2023	June 30, 2022
This consists of:		
Payable in one year	129,655,023	140,769,847
Payable beyond one year	357,442,368	416,925,245
	487,097,391	557,695,092

17. Liability for Gratuity and WPPF & Welfare Funds

	June 30, 2023	Amount in Taka June 30, 2022
a. Gratuity Payable		
Opening Balance	1,384,751,512	1,213,933,757
Provisions during the year	238,017,009	215,143,980
	1,622,768,521	1,429,077,737
Paid to Employees during the year	(59,933,297)	(44,326,225)
	1,562,835,224	1,384,751,512
Investment - Gratuity Fund		
Opening Balance	57,318,375	40,000,000
Transfer In	10,000,000	60,000,000
Interest Received during the year	623,658	1,644,600
	67,942,033	101,644,600
Paid to Employees during the year	(59,933,297)	(44,326,225)
	8,008,736	57,318,375
Closing Balance	1,554,826,488	1,327,433,137
b. Workers Profit Participation and Welfare Fund	1,289,457,558	1,155,413,511
	2,844,284,046	2,482,846,648

18. Deferred Tax Liability

Opening Balance	2,427,208,876	1,871,974,397
Addition during the Year :		
Deferred Tax on Assets -Note : 34	58,255,886	556,665,177
Adjustment for Deferred Tax on revalued amount	(1,267,772)	(1,430,698)
Closing Balance	2,484,196,990	2,427,208,876

19. Short Term Borrowings

Janata Bank Limited	4,474,809,399	4,817,103,014
AB Bank Limited	505,552,356	409,733,361
First Security Islamic Bank Limited	497,141,234	492,341,234
Loan from Nuvista Pharma	400,000,000	-
Liability for UPAS Letter of Credit	269,132,312	644,508,608
	6,146,635,301	6,363,686,217

a. Short term borrowings from Janata Bank represents revolving credit facilities renewable annually.

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 SE, 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 SE, Frankfurt, Germany.

e. Applicable Interest rate on working capital borrowings during the year was 9% compounding quarterly while the short term borrowing from the subsidiary Nuvista Pharma carries 8% interest payable quarterly.

20. Long Term Borrowings-Current Maturity

Amount in Taka

	June 30, 2023	June 30, 2022
Project Loan - ODDO BHF SE, Frankfurt, Germany	621,801,668	938,924,362
Term Loan-Agrani Bank	664,500,000	960,000,000
Lease Liability	129,655,023	140,769,847
	1,415,956,691	2,039,694,209

21. Creditors and Other Payables

Goods & Services	801,452,349	807,139,594
Provident Fund	1,450,986,422	886,263,961
Advance Against Sales	149,408,697	110,410,808
Others	308,098,008	104,650,607
	2,709,945,476	1,908,464,970

22. Accrued Expenses

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

For Expenses	332,227,456	239,586,696
Workers' Profit Participation and Welfare Funds - (current year)	294,866,618	336,827,179
	627,094,074	576,413,875

23. Dividend Payable / Unclaimed Dividend

The Dividend Payable/Unclaimed dividend as on June 30, 2023 consists of Tk. 15,477,101 relating to year 2021-22 which has been paid but not yet claimed. The remaining balance relates to dividend for prior years unclaimed to date. During the year an amount of Tk. 13,786,791 of the unclaimed dividend outstanding for more than 3 years has been paid to the Capital Market Stabilization Fund (CMSF) following the directives of the Bangladesh Securities and Exchange Commission.

24. Income Tax Payable

Opening Balance	91,665,863	220,441,435
Provision for current year	1,239,940,051	914,346,139
Short provision for prior year(s)	11,127,508	104,188,621
	1,342,733,422	1,238,976,195
Income Tax Paid	(915,419,404)	(1,147,310,332)
	427,314,018	91,665,863

25. Net Sales Revenue

	Amount in Taka	
	July 2022 - June 2023	July 2021 - June 2022
Domestic Sales	30,238,890,754	27,553,566,457
Export Sales	2,752,964,666	2,667,165,191
	32,991,855,420	30,220,731,648

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 2022 - June 2023	July 2021 - June 2022
Tablet, Capsule, Suppository & DPI	Million pcs.	7,672.74	7,988.60
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	144.87	152.80
Active Pharmaceutical Ingredients	Kg	67,532	121,022
Liquid Nitrogen	Liter	179,448	258,829

b. The value of Export Sales in equivalent US Dollar is 27,330,603 in 2022-23 as against US Dollar 31,274,602 in 2021-22.

26. Cost of Goods Sold

	Amount in Taka	
	July 2022 - June 2023	July 2021 - June 2022
This is made-up as follows :		
Work-in-Process (Opening)	610,859,802	282,756,046
Materials Consumed (Note: 27)	14,992,146,672	13,638,376,755
Factory Overhead (Note: 28)	4,935,917,537	4,060,497,699
Total Manufacturing Cost	20,538,924,011	17,981,630,500
Work-in-Process (Closing)	(803,580,144)	(610,859,802)
Cost of Goods Manufactured	19,735,343,867	17,370,770,698
Finished Goods (Opening)	1,754,268,113	1,188,526,554
Finished Goods available	21,489,611,980	18,559,297,252
Cost of Physician Sample transferred to Sample Stock	(363,610,489)	(297,063,413)
Finished Goods (Closing)	(2,654,584,197)	(1,754,268,113)
	18,471,417,294	16,507,965,726

Finished Goods Stock comprises as follows :

Product Category	Unit	Quantity	
		June 30, 2023	June 30, 2022
Tablet, Capsule, Suppository & DPI	Million pcs.	1,152.63	699.14
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million pcs.	13.98	13.61
Active Pharmaceutical Ingredients	Kg	13,913	4,162
Total Value	Taka	2,654,584,197	1,754,268,113

27. Materials Consumed

Amount in Taka

	July 2022 - June 2023	July 2021 - June 2022
This is made-up as follows :		
Opening Stock	5,389,571,553	4,173,915,422
Purchase	14,898,813,734	14,854,032,886
Closing Stock	(5,296,238,615)	(5,389,571,553)
	14,992,146,672	13,638,376,755

28. Factory Overhead

Salaries and Allowances	1,665,111,045	1,484,594,001
Repairs and Maintenance	429,242,602	432,152,866
Insurance Premium	42,328,137	40,024,639
Municipal Tax & Land Revenue	5,960,026	5,687,728
Registration & Renewals	8,470,371	6,264,023
Travelling & Conveyance	35,736,593	39,995,731
Entertainment	1,043,698	3,314,819
Research and Development	318,736,340	303,847,832
Rent	9,628,020	7,835,447
Printing & Stationery	21,034,294	30,189,536
Telephone, Cellphone, Internet & Postage	8,854,188	11,175,180
Toll Expense	280,195,247	249,432,471
Electricity, Gas & Water	476,067,335	248,709,658
Training & Conference	12,216,914	11,097,180
Plant Certification and Regulatory Approvals	28,630,624	8,645,632
Depreciation	1,560,048,243	1,138,305,681
Security Expenses	24,916,985	27,415,344
Other Expenses	7,696,875	11,809,931
	4,935,917,537	4,060,497,699

a. Salaries and Allowances include Company's Contribution to provident fund amounting to Tk. 32,191,727

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

Amount in Taka

	July 2022 - June 2023	July 2021 - June 2022
Salaries and Allowances	525,328,018	471,393,956
Rent	27,191,452	26,468,207
Repairs & Maintenance	79,568,159	71,324,489
Registration & Renewals	5,872,324	5,265,798
Travelling & Conveyance	29,821,643	27,053,843
Entertainment	8,842,194	8,227,022
Printing & Stationery	3,984,294	4,404,963
Audit Fee	2,200,000	2,100,000
Telephone, Cellphone, Internet & Postage	4,486,544	6,309,245
Electricity, Gas & Water	20,740,321	22,413,302
Legal & Consultancy	27,972,378	25,736,959
Business Acquisition Cost	-	57,302,224
Company Secretarial, Regulatory Fee & AGM Expense	45,510,222	41,725,709
Municipal Tax & Land Revenue	565,340	1,951,304
Training & Conference	12,840,870	4,598,977
Depreciation	40,796,484	44,022,872
Meeting Fee	2,505,800	2,203,200
Security Expenses	19,938,432	18,858,186
Other Expenses	45,488,559	40,156,073
	903,653,034	881,516,329

- Salaries and Allowances include Company's Contribution to provident fund amounting to Tk.10,886,301
- Repairs & maintenance includes maintenance of office, premises, vehicles, building, equipment and other infrastructures.
- Meeting Fee is paid to the Directors for attending Board and other Committee Meetings.
- Other expenses does not include any item exceeding 1% of total revenue.

30. Selling, Marketing and Distribution Expenses

Amount in Taka

	July 2022 - June 2023	July 2021 - June 2022
Salaries and Allowances	2,498,739,741	2,278,252,477
Rent	151,801,583	113,663,438
Repairs & Maintenance	51,332,512	33,389,342
Travelling & Conveyance	661,523,842	597,509,675
Entertainment	79,309,202	71,270,659
Printing & Stationery	52,486,520	41,365,401
Telephone, Cellphone, Internet & Postage	89,590,784	61,501,956
Software & Licenses	31,653,863	27,436,672
Electricity, Gas & Water	24,607,743	20,261,165
Market Research & New Products	82,785,246	66,845,465
Training & Conference	182,172,504	112,510,501
Insurance Premium	27,066,247	31,351,563
Sample Expense	423,097,133	376,783,020
Advertisement	440,081	835,673
Field Operation	55,498,404	45,784,860
Events, Programs & Campaign	330,962,450	261,461,875
Brand Development	182,943,502	141,621,329
CSR Expenses	9,933,118	12,646,614
Sales Promotion Expenses	170,392,623	153,209,813
Books, Journal & Periodicals	7,538,568	5,639,310
Salesforce Logistics	27,098,354	25,219,903
Clinical Studies and Research	2,910,043	6,946,764
Pharmacovigilance	24,633,191	20,146,600
Literature and News Letter	275,783,634	234,061,330
Registration & Renewals	144,905,253	135,590,529
Export Insurance, Freight and C&F Expenses	143,336,060	208,027,169
Distribution Commission	613,597,539	527,996,777
Delivery Expense	491,888,971	448,553,137
Depreciation & Amortization	135,915,602	145,913,133
Security Expenses	20,398,163	19,313,099
Bad Debts	2,524,220	2,875,000
Other Expenses	13,148,302	9,436,938
	7,010,014,998	6,237,421,187

a. Salaries and Allowances include Company's Contribution to provident fund amounting to Tk. 53,051,780

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 2022 - June 2023	July 2021 - June 2022
Interest Income	205,684	699,570
Dividend	41,985,413	71,517,955
Royalty	88,455,727	149,208,374
Distribution Commission Income	355,890,287	222,559,867
Cash Incentive on Export	267,842,723	261,154,366
Exchange Rate Fluctuation Gain / (Loss)	66,693,332	49,926,288
Vaccine Distribution Fee	-	619,259,365
Forfeited PF refund	605,926	159,301
Technical know how Fee	-	79,552,390
Profit/(Loss) on Sale of Fixed Assets (Note 41)	10,366,617	2,136,970
	832,045,709	1,456,174,446

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

b. 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.

c. Exchange rate fluctuation losses has been netted off with the exchange rate fluctuation gains. An exchange loss of Tk. 233,844,494 has arisen from the translation of outstanding foreign currency loan translated at the exchange rate prevailing on the financial position date.

32. Finance Cost

	Amount in Taka	
	July 2022 - June 2023	July 2021 - June 2022
Interest on Bank Borrowings	852,970,585	662,823,473
Interest on Lease Finance	52,360,188	42,741,408
Interest on Loan from PF, WPPF & Welfare Fund	300,393,065	199,775,709
Bank and Other Charges	40,892,994	71,291,503
	1,246,616,832	976,632,093

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

July 2022 - June 2023 **July 2021 - June 2022**

This consists of as follows :

a. Current Tax

Provision for current year	1,239,940,051	914,346,139
Short provision for prior year(s)	11,127,508	104,188,621

	1,251,067,559	1,018,534,760
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b. Deferred Tax Expense

	58,255,886	556,665,177
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Total	1,309,323,445	1,575,199,937
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Deferred Tax Expense is arrived at as follows :

Property, Plant & Equipment (Difference in book value & Tax base)	12,608,874,084	12,125,676,008
Deferred liability (Gratuity)	(1,554,826,488)	(1,327,433,137)
Provision for Bad Debts	(13,172,086)	(10,647,866)
Temporary Difference	11,040,875,510	10,787,595,005
Tax Rate	22.5%	22.5%
Deferred Tax Liability at end of the year	2,484,196,990	2,427,208,876
Deferred Tax Liability at beginning of the year	2,427,208,876	1,871,974,397
Change in Deferred Tax Liability	56,988,114	555,234,479
Deferred Tax on Revaluation Surplus	1,267,772	1,430,698
Deferred Tax charged to profit or Loss and Other Comprehensive Income	58,255,886	556,665,177

Reconciliation of Effective tax rate

	2022-23		2021-22	
	%	Tk.	%	Tk.
Profit before Tax		5,897,332,353		6,736,543,580
Applicable Tax	22.50%	1,326,899,779	22.50%	1,515,722,306
Effect of lower rate on Export Profit excluding Cash Incentive	-1.03%	(60,689,630)	-0.97%	(65,093,147)
Effect of lower rate on cash incentive	-0.57%	(33,480,340)	-0.48%	(32,644,296)
Effect of lower rate on dividend income	-0.02%	(1,049,635)	-0.03%	(1,787,949)
Effect of permanent disallowances	1.10%	65,107,667	0.79%	52,924,459
Short provision of prior year	0.19%	11,127,508	1.55%	104,188,621
Deferred tax impact	0.02%	1,408,096	0.03%	1,889,943
Income Tax Expense	22.20%	1,309,323,445	23.38%	1,575,199,937

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)

July 2022 - June 2023 **July 2021 - June 2022**

Fair Value Gain/(Loss) on Investment in Listed Shares	(2,383,527)	6,764,517
	(2,383,527)	6,764,517

36. Earnings Per Share (EPS)

	Amount in Taka	
	July 2022 - June 2023	July 2021 - June 2022
a. Earnings attributable to the Ordinary Shareholder	4,588,008,908	5,161,343,643
b. Weighted average number of shares outstanding during the year (Note 3.15)	446,112,089	446,112,089
Earnings Per Share (EPS)	10.28	11.57

37. Net Asset Value (NAV) Per Share

	June 30, 2023	June 30, 2022
Total Assets	62,593,798,296	59,694,627,089
Less Total Liabilities	(19,252,559,154)	(19,378,888,788)
Net Assets	43,341,239,142	40,315,738,301
Number of Shares	446,112,089	446,112,089
Net Asset Value (NAV) Per Share	97.15	90.37

38. Net Operating Cash Flow Per Share (NOCFPS)

	July 2022 - June 2023	July 2021 - June 2022
Net Cash Generated from Operating Activities	5,782,185,344	5,027,964,667
Number of Ordinary Shares	446,112,089	446,112,089
Net Operating Cash Flows Per Share (NOCFPS)	12.96	11.27

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

Profit after Tax	4,588,008,908	5,161,343,643
Adjustment to reconcile net profit to net cash provided by operating activities :		
Non-cash/ Non-operating items:	1,916,941,494	1,786,726,922
Depreciation	1,662,039,452	1,257,796,334
Amortization	74,720,877	70,445,352
Deferred tax	58,255,886	556,665,177
Exchange rate fluctuation (Gain)/loss	233,844,494	20,837,952
Dividend Income	(41,985,413)	(71,517,955)
(Profit) /Loss on sale of Fixed Assets	(10,366,617)	(2,136,970)
Effect of exchange rate changes on Cash and Cash Equivalents	(59,567,185)	(45,362,968)
Changes in working Capital	(722,765,058)	(1,920,105,898)
(Increase)/Decrease in Inventories	(1,149,298,500)	(2,108,146,005)
(Increase)/Decrease in Spares & Supplies	(96,875,694)	(42,276,201)
(Increase)/Decrease in Accounts Receivable	(882,851,601)	92,096,798
(Increase)/Decrease in Loans, Advances & Deposits	(149,784,517)	(204,141,220)
Increase/(Decrease) Gratuity & WPPF	361,437,398	295,701,942
Increase/(Decrease) in Creditors and Other Payables	808,279,502	79,522,339
Increase/(Decrease) in Accrued Expenses	50,680,199	95,912,021
Increase/(Decrease) in Income Tax Payable	335,648,155	(128,775,572)
Net cash Generated from Operating Activities	5,782,185,344	5,027,964,667

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 Distribution Commission	35,252,390,952 613,597,539	1,435,857,890	Dr.
b. Nuvista Pharma Ltd	Short Term Borrowings	400,000,000	400,000,000	Cr.
	Toll Manufacturing Expenses	41,989,696	14,531,441	Dr.
	Cost of Services	62,452,672		
	Royalty	26,993,787		
	Dividend	40,053,896		
Distribution Commission	179,845,848			
c. Synovia Pharma PLC	Toll Manufacturing Cost of Goods & Services Purchase Distribution Commission	246,862,902 213,239,237 176,044,439	160,092,598	Dr.
d. Beximco Pharma API Limited	Short Term Advance	15,520	745,350	Dr.

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, 2023:

Particulars of Assets	Cost	Accumulated Depreciation	Written Down Value	Sales Price	Profit / (Loss)	Mode of Disposal
Plant & Machinery	829,000	653,434	175,566	33,750	(141,816)	Negotiation
Furniture & Fixtures	9,746,278	7,715,077	2,031,201	613,750	(1,417,451)	Negotiation
Transport & Vehicle	22,899,200	21,479,894	1,419,306	13,345,190	11,925,884	Negotiation
Total	33,474,478	29,848,405	3,626,073	13,992,690	10,366,617	

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	490,733,754
Gratuity	54,492,264
Contribution to Provident Fund	19,552,942
Bonus	65,796,520
Medical	12,603,543
Others	14,291,454
Total	657,470,477

a. The above includes salary, allowances, and perquisites amounting Tk. 73,621,099 paid to the Managing Director.

b. No remuneration is paid to the Directors of the Board other than the meeting attendance fees.

c. No amount of money was expended by the Company for compensating any member of the Board for any special services rendered.

43. Production Capacity and Utilization

Item	Unit	Production Capacity		Actual Production and Capacity Utilization			
		June 2023	June 2022	July 22 to June 23		July 21 to June 2022	
		Quantity	Quantity	Quantity	%	Quantity	%
Tablet, Capsule, Suppository & DPI	Million Pcs	7,592.49	6,481.61	8,033.38	105.81%	7,962.28	122.84%
Liquid, Cream and Ointment, Suspension, IV Fluid, Amino Acid, Ophthalmic, Nebulizer Solution, Injectable, Inhaler and Insulin	Million Pcs	153.05	148.74	141.25	92.29%	151.39	101.78%
Active Pharmaceuticals Ingredient	Matric Ton	22.00	22.00	3.42	15.55%	4.48	20.36%

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, 2023.

45. Claim not Acknowledged as Debt

There was no claim against the Company not acknowledged as debt as on June 30, 2023.

46. Un-availed Credit Facilities

There is no credit facilities available to the company under any contract, not availed of as on June 30, 2023 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	123,991,836	12,563,824,151
Foreign Currency Loans, Fees & Expenses	11,298,051	1,157,076,104
Receipts :		
	Foreign Currency (US\$)	Taka
Export Sales & Others	30,770,017	3,106,545,786

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 150 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 2022-23. The dividend proposal is subject to shareholders' approval in 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 2022-23. The proposed dividend is subject to approval of the shareholders of NPL in the forthcoming Annual General Meeting.

c. Board of Directors of Synovia Pharma PLC (SPP) has declared 10% cash dividend (Tk. 10.00 per Share of Tk 100 each) for the year 2022-23. The proposed dividend is subject to approval of the shareholders of SPP 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, 2023 substantial part of the receivables are those from its related company and subject to insignificant credit risk. Risk exposures from other financial assets. i.e. Cash at bank and other external receivables are nominal.

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 timeline 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 avail support from the related companies 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 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, machinery and equipment. Most of the Company's foreign currency transactions are denominated in USD. Additionally, it has EURO denominated overseas loan. Beximco Pharma has consistent export revenue earned in foreign currency predominantly in US Dollar. These are utilized for the payment of its foreign currency obligation including paying for imports of materials. This partly contributes to minimize the currency risk associated with payments in foreign currency.

b. Interest rate risk

Interest rate risk pertains to the potential impact of fluctuating interest rates on a Company's borrowing costs. An increase in interest rate can lead to increased expenses associated with borrowing, which can, in turn, affect the Company's overall profitability. For several years, Bangladesh maintained a 9% interest rate cap for corporate loans. However, Bangladesh Bank has recently introduced a variable interest rate on lending. Under this new framework, the interest on borrowed funds is determined by adding a 3% premium to the six-month weighted average treasury bill rate. This transition in lending policy has introduced a higher degree of volatility in interest rates.

Moreover, benchmark rates for foreign loans, such as SOFR and EURIBOR, have seen significant increases, making overseas borrowing more costly and exposing the Company to greater interest rate risk. To mitigate these risks, the Company continuously monitors the situation and engages in negotiations to secure favorable arrangement to minimize its exposure to interest rate fluctuations. The company possesses a robust capacity to consistently generate cash flows from its operational activities, enabling it to avoid unplanned borrowing requirements. Additionally, the Company has established arrangements with banks to facilitate real-time transfer of sales proceeds into its overdraft account via the RTGS system, thereby minimizing borrowing costs.

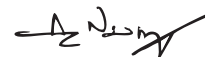
The foreign currency loan is subject to floating rates of interest. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.



Osman Kaiser Chowdhury
Director



Nazmul Hassan
Managing Director



Mohammad Ali Nawaz
Chief Financial Officer

Dhaka
October 19, 2023

Financial Statements
Nuvista Pharma Limited
For the Year ended June 30, 2023

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 2023, 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 2023, 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 requirement that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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
Partner
Enrolment Number: 0950

DVC: 2309240950AS614141

Dhaka, 24 September 2023

Nuvista Pharma Limited
Statement of financial position
As at 30 June 2023

	Notes	30 June 2023	Amount in Taka 30 June 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,093,178,051	1,058,252,911
Capital work-in-progress	5	26,116,398	7,547,385
Intangible assets	6	11,524,773	13,011,840
Total non-current assets		1,130,819,222	1,078,812,136
Current assets			
Inventories	7	613,750,701	591,585,003
Accounts receivable	8	79,194,346	102,889,638
Loans, advances and deposits	9	95,634,587	72,751,430
Short term investment	10	400,000,000	-
Cash and cash equivalents	11	137,201,008	180,824,117
Total current assets		1,325,780,642	948,050,188
Total assets		2,456,599,864	2,026,862,324
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	12	117,501,600	117,501,600
Reserves and surplus	13	1,412,207,911	1,166,304,413
Total equity		1,529,709,511	1,283,806,013
Non-current liabilities			
Long term bank borrowings	14	5,743,430	12,815,090
Gratuity payable	15	193,019,251	173,210,822
Deferred tax liabilities	16	66,298,554	109,628,828
Total non-current liabilities		265,061,235	295,654,740
Current liabilities			
Short term bank borrowings	17	252,918,126	146,988,152
Trade payables	18	222,857,737	136,174,578
Liabilities for expenses	19	107,227,051	100,392,374
Income tax payable	20	26,772,909	7,783,192
Other liabilities	21	52,053,295	56,063,275
Total current liabilities		661,829,118	447,401,571
Total liabilities		926,890,353	743,056,311
Total equity and liabilities		2,456,599,864	2,026,862,324


The annexed notes 1 to 35 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: 2309240950AS614141

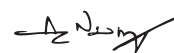
Dhaka, 24 September 2023



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 2023

		Amount in Taka	
	Notes	30 June 2023	30 June 2022
Revenue	22	3,033,677,226	2,802,357,818
Cost of goods sold	23	(1,548,646,950)	(1,362,782,151)
Gross profit		1,485,030,276	1,439,575,667
General and administration expenses	24	(138,619,310)	(115,250,781)
Selling and distribution expenses	25	(951,502,812)	(860,919,037)
Profit from operations		394,908,154	463,405,849
Non-operating income	26	31,711,678	11,855,910
Interest expenses	27	(15,778,049)	(4,958,236)
Profit before tax and WPPF		410,841,783	470,303,523
Contribution to WPPF		(19,563,894)	(22,395,406)
Profit before tax		391,277,889	447,908,117
Income tax expense			
Current tax	28	(141,704,025)	(145,036,508)
Deferred tax income/(expense)	28	14,682,433	7,962,704
		(127,021,592)	(137,073,804)
Profit after tax		264,256,297	310,834,313
Other comprehensive income		-	-
Total comprehensive income for the year		264,256,297	310,834,313
Earnings Per Share (EPS)		22.49	26.45

The annexed notes 1 to 35 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: 2309240950AS614141

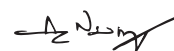
Dhaka, 24 September 2023



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 2023

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 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
Transferred from deferred tax					28,647,841		28,647,841	28,647,841
Dividend paid						(47,000,640)	(47,000,640)	(47,000,640)
Profit after tax for the year ended 30 June 2023						264,256,297	264,256,297	264,256,297
Balance as at 30 June 2023	117,501,600	7,511,991	30,844,170	243,737	190,985,607	1,182,622,406	1,412,207,911	1,529,709,511
Number of shares								11,750,160
Net assets value per share								130.19
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	12.0	13.0	13.1	13.0	13.2	13.0	13.0	
Number of shares								11,750,160
Net assets value per share								109.26

The annexed notes 1 to 35 form an integral part of these financial statements.

Nuvista Pharma Limited
Statement of cash flows
For the year ended 30 June 2023

	Notes	30 June 2023	Amount in Taka 30 June 2022
A. Cash flows from operating activities			
Cash receipts from customers and others		3,068,159,879	2,771,904,931
Cash paid to suppliers and employees		(2,511,261,552)	(2,386,536,146)
Cash generated from operation		556,898,327	385,368,785
Interest paid	19 & 27	(11,926,377)	(5,473,551)
Interest received	26	19,612,039	2,679,248
Income tax paid	20	(122,714,308)	(139,318,215)
Net cash generated from operating activities		441,869,681	243,256,267
B. Cash flows from investing activities			
Purchase of property, plant and equipment		(142,605,253)	(43,346,746)
Short term investment		(400,000,000)	-
Proceeds from disposal of property, plant and equipment		4,938,230	6,577,717
Net cash used in investing activities		(537,667,023)	(36,769,029)
C. Cash flows from financing activities			
Proceeds from/(payment to) long term bank borrowings	14	(7,071,660)	12,815,090
Proceeds from/(payment to) short term bank borrowings	17	105,929,974	(19,086,695)
Dividend paid		(46,930,838)	(46,898,461)
Net cash (used in)/from financing activities		51,927,476	(53,170,066)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		(43,869,866)	153,317,172
E. Opening cash and cash equivalents		180,824,117	27,506,945
F. Effect of exchange rate fluctuation on cash and cash equivalents		246,757	-
G. Closing cash and cash equivalents (D+E+F)		137,201,008	180,824,117
Net operating cash flows per share		37.62	20.70
Number of shares		11,750,160	11,750,160

The annexed notes 1 to 35 form an integral part of these financial statements.

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 17 Dhanmondi R/A, Road No. 2, Dhaka-1205, Bangladesh. Its operational headquarters is located at Mirpur DOHS Cultural Center (6th. Floor), Road No. 9, Mirpur DOHS, Pallabi, Dhaka-1216, 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 24 September 2023.

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 2022 to 30 June 2023.

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, recognizes 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, 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 180 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 vehicles	20%-25%
Plant, machinery and equipment	5% -15%
IT equipment	30%
Furniture and fixtures	6% -7%

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 2023.

3.7.2 Calculation of recoverable amount

The recoverable amount of an asset is the greater of net selling price and value in use. Net selling price is the selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Value in use is the estimated future cash flows that 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, if no impairment loss had been recognized for the asset in prior years.

There was no reversal of impairment in the year ended 30 June 2023.

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 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 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.

3.18 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	IT equipment	Other equipments	Furniture & fixtures	Total
Cost or valuation									
As at 1 July 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
Addition/transfer during the year	-	4,503,388	-	25,774,822	2,898,228	14,002,266	26,518,562	50,840,350	124,537,616
Adjustment/disposal	-	-	-	-	(7,549,200)	(2,585,213)	(5,249,690)	(14,854,500)	(30,238,603)
As at 30 June 2023	275,608,713	243,685,166	21,077,823	536,982,735	152,094,907	41,891,013	726,245,259	89,329,774	2,086,915,390
Accumulated depreciation									
As at 1 July 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
Charge during the year	-	5,976,526	526,946	21,539,194	7,753,153	3,654,136	43,208,483	3,081,329	85,739,767
Adjustment/disposal	-	-	-	-	(7,549,176)	(2,316,653)	(4,341,633)	(12,158,432)	(26,365,894)
As at 30 June 2023	-	72,077,228	5,446,569	258,564,585	130,278,344	27,864,203	477,473,452	22,032,958	993,737,339
Net book value									
As at 30 June 2023	275,608,713	171,607,938	15,631,254	278,418,150	21,816,563	14,026,810	248,771,807	67,296,816	1,093,178,051
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

4.1 Allocation of depreciation:

	30 June 2023	30 June 2022
Factory overhead (Note 23.3)	74,289,770	74,443,171
General and administration expenses (Note 24)	2,897,606	1,968,906
Selling and distribution expenses (Note 25)	8,552,391	11,184,711
	85,739,767	87,596,788

4.2 Revalued assets

The Company revalued its land in 1976, 2006 and 2010. The Company's plant, machinery and equipment was revalued once in 2006 when Organon (Bangladesh) Limited divested its shares. Thus the land, plant, machinery and equipment represents revalued amount.

5. Capital work-in-progress

Amount in Taka

	As at 1 July 2022	Addition during the year	Transfer to property, plant and equipment	As at 30 June 2023
Factory building	-	4,503,388	4,503,388	-
Plant and machinery	7,544,085	34,242,920	25,774,822	16,012,183
Furniture & fixtures	-	50,840,350	50,840,350	-
Other equipments	3,300	26,515,262	26,518,562	-
IT equipment	-	14,002,266	14,002,266	-
Motor vehicles	-	2,898,228	2,898,228	-
Intangible assets	-	10,104,215	-	10,104,215
	7,547,385	143,106,629	124,537,616	26,116,398

6. Intangible assets

Amount in Taka

Cost	As at	
	30 June 2023	30 June 2022
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	1,858,834	371,767
Amortized during the year (Note 25)	1,487,067	1,487,067
Balance as at 30 June	3,345,901	1,858,834
Net carrying value as at 30 June	11,524,773	13,011,840

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

Stocks

Finished goods	148,047,552	154,016,608
Work-in-process	73,278,156	50,867,317
Raw materials	291,441,216	294,335,371
Packing materials	47,097,880	37,618,353
Materials-in-transit	6,056,793	659,581
	565,921,597	537,497,230

Stores

Spares and accessories	18,193,154	15,439,501
Laboratory consumables	-	299,097
Literature, brochure and other materials	29,635,950	38,349,175
	47,829,104	54,087,773
	613,750,701	591,585,003

8. Accounts receivable

	30 June 2023	Amount in Taka 30 June 2023
Trade receivables	71,105,457	101,333,448
Other receivables	8,088,889	1,556,190
	79,194,346	102,889,638

Ageing of the trade receivables is as follows:

Receivables due below six months	71,069,044	101,014,878
Receivables due over six months	36,413	318,570
	71,105,457	101,333,448

Trade receivables is net off provision for bad debts Tk. 2,991,744. Receivables are unsecured but considered good.

9. Loans, advances and deposits

Motor cycle and car loan	24,293,694	20,839,130
General loan	2,214,981	1,850,981
Advance for expenses	2,648,455	2,683,454
Security deposits	12,420,559	3,478,251
VAT	23,101,095	26,594,909
Prepaid insurance and rent	4,913,638	5,644,596
LC margin	22,351,773	9,878,546
Others	3,690,392	1,781,563
	95,634,587	72,751,430

10. Short term investment

The Company has invested its surplus fund with Beximco Pharmaceuticals Limited under corporate loan agreement at a competitive interest rate which was approved by the Board of Directors. The applicable interest rate on the investment during the year was 8%.

11. Cash and cash equivalents

Cash in hand	8,651	196,446
Cash in foreign currency account	1,227,784	2,272,087
Cash at other bank accounts	135,964,573	178,355,584
	137,201,008	180,824,117

12. Share capital

		Amount in Taka	
		As at	
Authorized		30 June 2023	30 June 2022
50,000,000	Ordinary shares of Tk. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
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
<u>11,750,160</u>		<u>117,501,600</u>	<u>117,501,600</u>

Shareholding position

	Nominal value (Taka)		Percentage of holding (%)	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
Beximco Pharmaceuticals Limited	100,134,740	100,134,740	85.22	85.22
Govt. of Bangladesh (Ministry of Industries)	15,186,000	15,186,000	12.92	12.92
Other shareholders	2,180,860	2,180,860	1.86	1.86
	<u>117,501,600</u>	<u>117,501,600</u>	<u>100</u>	<u>100</u>

- 12.1** 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 each share held). Subsequently 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 each share held).

13. Reserves and surplus

		Amount in Taka	
		As at	
		30 June 2023	30 June 2022
General reserve		7,511,991	7,511,991
Share premium (Note 13.1)		30,844,170	30,844,170
Pre-incorporation profit		243,737	243,737
Revaluation reserve (Note 13.2)		190,985,607	162,337,766
Retained earnings		1,182,622,406	965,366,749
		<u>1,412,207,911</u>	<u>1,166,304,413</u>

13.1 Share premium

This represents the amount received on 48,959 ordinary shares issued in 1997 at a premium of Tk. 630 each.

13.2 Revaluation reserve

Revaluation reserve relates to surplus arising from revaluation of land.

	Amount in Taka	
	As at	
	30 June 2023	30 June 2022
14. Long term bank borrowings		
Dhaka Bank Limited (Note 14.1)	12,815,090	19,274,167
Less: Current portion (Note 17)	(7,071,660)	(6,459,077)
	5,743,430	12,815,090

- 14.1** All borrowings-short and long term are secured by a registered mortgage of factory land and buildings along with hypothecation of fixed and floating assets of the Company. Additionally, there is a corporate guarantee issued by Beximco Pharmaceuticals Limited.

15. Gratuity payable

A. Liability for gratuity

Balance as at 1 July	180,145,272	148,113,060
Add : Provision made during the year	40,010,531	32,314,278
Add : Liability for transferred employees	-	5,520,350
	<u>220,155,803</u>	<u>185,947,688</u>
Less: Payments to outgoing employees	(15,167,856)	(5,802,416)
	204,987,947	180,145,272

B. Gratuity investment

Balance as at 1 July	6,934,450	-
Add : Amount paid to the Fund	20,000,000	12,500,000
Add: Interest income on gratuity investment	202,102	236,866
Less: Payments to outgoing employees	(15,167,856)	(5,802,416)
	<u>11,968,696</u>	<u>6,934,450</u>
Net gratuity payable (A-B)	193,019,251	173,210,822

16. Deferred tax liabilities

Balance as at 1 July	109,628,828	117,591,532
Transferred to revaluation reserve (Note 16.1)	(28,647,841)	-
Deferred tax expense/(income) (Note 28)	(14,682,433)	(7,962,704)
Balance as at 30 June	66,298,554	109,628,828

- 16.1** Deferred tax liabilities recognised earlier on revalued land has been reversed in the current year since the Company has no intention to dispose of the land and its carrying value will not be recovered through disposal.

	30 June 2023	30 June 2022
		Amount in Taka As at
17. Short term bank borrowings		
Bank overdrafts		
Dhaka Bank Limited (Limit Tk. 200,000,000)	22,821,049	34,516,939
Short term bank loans		
Dhaka Bank Limited	223,025,417	106,012,136
Current portion of long term bank borrowings (Note 14)	7,071,660	6,459,077
	252,918,126	146,988,152

Details of collateral securities against Short term bank borrowings are given in note no. 14. Short term bank borrowings carrying interest @ 8%-9% per annum.

18. Trade payables

Trade payables	222,857,737	136,174,578
	222,857,737	136,174,578

This represents amount due against supply of goods and services.

19. Liabilities for expenses

Accrued expenses	102,526,608	99,568,603
Audit fees	450,000	425,000
Accrued interest	4,250,443	398,771
	107,227,051	100,392,374

20. Income tax payable

Balance as at 1 July	7,783,192	2,064,899
Add: Income tax provision for current year	134,858,390	143,091,029
Provision for prior years	6,845,635	1,945,479
Less: AIT and treasury deposits for current year	(120,300,664)	(109,340,155)
For prior years	(2,413,644)	(29,978,060)
Balance as at 30 June	26,772,909	7,783,192

21. Other liabilities

Salary and allowances	1,165,858	2,150,695
Provident fund dues	3,788,419	3,080,997
Workers' profit participation fund	19,563,894	22,395,406
Tax deducted at source	72,081	1,811,832
VAT payable	23,426,631	23,831,849
Advance against sales	3,190,088	-
Unclaimed dividend	539,838	470,036
Others	306,486	2,322,460
	52,053,295	56,063,275

22. Revenue

	July 2022-June 2023	Amount in Taka July 2021-June 2022
Domestic sales	2,953,314,794	2,740,596,167
Export sales	10,282,239	17,930,960
Toll income	70,080,193	43,830,691
	3,033,677,226	2,802,357,818

Quantitative details of sales

	Unit	Quantity	Quantity
	Tabs	349,933,889	434,218,178
	Caps	41,318,955	41,777,416
	Amps, Suspensions and Cream	16,442,714	15,634,554
	Bottles	11,345	8,118

23. Cost of goods sold

	July 2022-June 2023	Amount in Taka July 2021-June 2022
Opening stock of finished goods	154,016,608	111,155,804
Cost of production (Note 23.1)	1,554,938,840	1,416,984,316
Cost of goods available for sale	1,708,955,448	1,528,140,120
Cost of physician sample	(12,260,946)	(11,341,361)
Closing stock of finished goods	(148,047,552)	(154,016,608)
	1,548,646,950	1,362,782,151

23.1 Cost of production

Opening work-in-process	50,867,317	57,816,825
Materials consumed (Note 23.2)	929,443,680	810,601,118
Factory overhead (Note 23.3)	647,905,999	599,433,690
	1,628,216,996	1,467,851,633
Closing work-in-process	(73,278,156)	(50,867,317)
	1,554,938,840	1,416,984,316

23.2 Materials consumed

	July 2022-June 2023	Amount in Taka July 2021-June 2022
Opening stock	331,953,724	278,451,905
Purchase	936,029,052	864,102,937
Closing stock	(338,539,096)	(331,953,724)
	929,443,680	810,601,118

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

Stock as June 30, 2023	Unit	Quantity	Value (Taka)
Tabs	pcs.	50,502,931	97,362,405
Caps	pcs.	4,477,527	19,006,969
Amps, Suspensions and Cream	pcs.	919,373	28,967,369
Bottles	pcs.	12,207	2,710,809
			148,047,552
Stock as June 30, 2022	Unit	Quantity	Value (Taka)
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
Bottles	pcs.	30,273	6,722,626
			154,016,608

23.3 Factory overhead

	Amount in Taka	
	July 2022-June 2023	July 2021-June 2022
Salaries and allowances	241,798,930	217,552,063
Power and fuel	77,088,749	71,105,220
Factory supplies	43,649,291	40,079,383
Software and hardware expenses	1,963,277	1,727,182
Canteen expenses	18,095,980	14,990,002
Insurance	5,180,755	4,788,602
Repair and maintenance	56,236,985	51,274,033
Security services	2,331,816	2,243,972
Toll manufacturing charges	10,372,480	9,116,702
Store materials consumed	54,155,243	56,507,079
Product development cost	42,155,691	39,834,271
Uniform	3,363,407	3,277,516
Printing and stationery	2,185,283	1,639,324
Entertainment	2,003,871	1,866,206
Vehicle repair, maintenance and running cost	4,764,815	4,279,816
Local authority taxes	2,490,732	1,393,719
Travelling & conveyance	2,376,100	176,460
Overseas travelling expenses	102,793	-
Depreciation (Note 4.1)	74,289,770	74,443,171
Other expenses	3,300,031	3,138,969
	647,905,999	599,433,690

Salaries and allowances include Company's contribution to provident fund amounting to Tk. 2,645,366.

24. General and administration expenses

Salaries and allowances	79,827,750	69,957,063
Directors' fees	456,000	273,600
Office rent	15,693,942	11,740,350
Local travelling expenses	1,492,483	1,412,838
Entertainment	1,141,625	1,149,162
Vehicle repair, maintenance and running cost	7,179,899	5,880,749
Postage, telephone, cellphone and internet	2,538,684	2,416,201
Printing and stationery	1,256,892	1,187,849
Repairs and maintenance	4,467,213	3,342,312
Software and hardware expenses	7,556,200	4,273,121
Utilities	2,169,353	2,331,589
Canteen expenses	6,311,178	4,037,583
Insurance premium	144,426	102,198
Statutory audit fees	450,000	425,000
Legal and professional expenses	294,500	340,500
Meeting and seminars	1,011,542	2,100,431
Overseas travelling expenses	239,779	-
Security services	949,982	146,780
Depreciation (Note 4.1)	2,897,606	1,968,906
Other expenses	2,540,256	2,164,549
	138,619,310	115,250,781

a. Salaries and allowances include Company's contribution to provident fund amounting to Tk. 1,321,978.

b. Directors' fees relates to Board meeting attendance fee paid to Directors.

Amount in Taka

July 2022-June 2023 July 2021-June 2022

25. Selling and distribution expenses

Salaries and allowances	416,966,810	368,318,221
Travelling expenses - local	110,457,569	100,679,981
Entertainment	3,916,076	3,449,835
Samples	17,515,633	16,218,149
Sales promotion expenses	19,827,301	18,851,461
Brand development	7,558,223	6,784,385
Product launch expenses	12,336,942	10,869,884
Sales force logistic	22,455,070	19,811,924
Employee welfare	1,558,012	1,313,769
Field operation	9,144,659	8,545,903
Books and periodicals	3,583,892	3,235,824
Royalty expenses	26,993,787	37,069,142
Literature, brochure and printed materials	45,066,414	39,533,077
Distribution commission	179,845,848	152,747,023
Event, program and campaign	9,646,404	8,726,102
Sales meeting and conference	7,638,469	5,677,709
Advertisement	2,813,841	8,243,209
Vehicle repair, maintenance and running cost	10,126,049	8,666,858
Postage, telephone, cellphone and internet	12,688,237	12,305,833
Printing and stationery	2,041,587	1,809,279
Training expenses	4,096,845	3,295,291
Market survey and research	713,456	700,535
Registration and renewals	1,902,383	783,309
Insurance premium	1,832,557	2,579,234
Export Insurance, freight and C&F expenses	389,184	666,208
Office rent	7,764,072	4,608,924
Bad debts	530,867	576,016
Utilities	619,499	1,033,457
Overseas travelling expenses	41,750	-
Amortization (Note 6)	1,487,067	1,487,067
Depreciation (Note 4.1)	8,552,391	11,184,711
Other expenses	1,391,918	1,146,717
	951,502,812	860,919,037

a. Salaries and allowances include Company's contribution to provident fund amounting to Tk. 10,194,425.

b. Sample expense includes VAT on sample.

26. Non-operating income

Gain on disposal of property, plant and equipment	1,065,521	5,732,021
Rental income	866,400	866,400
Cash incentive on export	988,800	1,729,100
Interest on Short term investment	22,377,778	-
Other interest income	5,323,150	2,679,248
Exchange rate fluctuation gain	250,751	188,985
Sale of miscellaneous items	784,460	608,800
Forfeited PF refund (Note: 26.1)	54,818	51,356
	31,711,678	11,855,910

26.1 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 2022-June 2023	July 2021-June 2022
Interest on		
Long term bank borrowings	1,446,863	599,439
Short term bank borrowings	13,969,716	4,055,776
Bank charges	361,470	303,021
	15,778,049	4,958,236

28. Income tax expense

Current tax (Note 20)	141,704,025	145,036,508
Deferred tax (income)/expense	(14,682,433)	(7,962,704)
	127,021,592	137,073,804

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

Property, plant & equipment (Difference in book value and tax base)	417,006,176	445,608,322
Gratuity payable	(193,019,251)	(173,210,822)
Allowance for expected credit loss	(2,991,744)	(2,460,877)
Temporary Difference	220,995,181	269,936,623
Tax rate	30.00%	30.00%
Deferred tax liabilities	66,298,554	80,980,987
Deferred tax on revaluation surplus	-	28,647,841
Deferred tax liabilities at end of the year	66,298,554	109,628,828
Deferred tax liabilities at beginning of the year	109,628,828	117,591,532
Transferred to revaluation reserve	(28,647,841)	-
Deferred tax charged to profit or loss and other comprehensive income	(14,682,433)	(7,962,704)

Reconciliation of effective tax rate	2022-23		2021-22	
	%	Taka	%	Taka
Profit before tax		391,277,889		447,908,117
Applicable tax rate	30.00%	117,383,367	30.00%	134,372,435
Effect of lower rate on export profit	-0.06%	(239,247)	-0.26%	(1,185,798)
Effect of lower rate on cash incentive	-0.05%	(197,760)	-0.08%	(345,820)
Effect of non deductible expenses	0.83%	3,229,597	0.56%	2,508,933
Effect of temporary difference	3.75%	14,682,433	1.73%	7,741,279
Tax impact of prior year adjustment	1.75%	6,845,635	0.43%	1,945,479
Deferred tax impact	-3.75%	(14,682,433)	-1.78%	(7,962,704)
	32.46%	127,021,592	30.60%	137,073,804

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

	Amount in Taka	
	July 2022-June 2023	July 2021-June 2022
Profit after tax	264,256,297	310,834,313
Adjustments to reconcile net profit to net cash with operating activities:		
Non-cash expenses		
Depreciation	85,739,767	87,596,788
Amortization	1,487,067	1,487,067
Effect of exchange rate fluctuation on cash and cash equivalents	(246,757)	-
Deferred tax	(14,682,433)	(7,962,704)
	72,297,644	81,121,151
Non-operating items		
Profit on sale of property, plant and equipment	(1,065,521)	(5,732,021)
	(1,065,521)	(5,732,021)
Changes in working capital		
(Increase)/decrease in inventories	(22,165,698)	(103,326,105)
(Increase)/decrease in accounts receivable	23,695,292	(33,897,528)
(Increase)/decrease in loans, advances and deposits	(22,883,157)	(10,344,036)
Increase/(decrease) Provision for staff gratuity	19,808,429	25,097,762
Increase/(decrease) in trade payable	86,683,159	(24,397,534)
Increase/(decrease) in liabilities for expenses and other liabilities	2,253,519	(1,818,028)
Increase/(decrease) in income tax payable	18,989,717	5,718,293
	106,381,261	(142,967,176)
Net cash generated from operating activities	441,869,681	243,256,267

30. Capacity utilization

	Installed capacity	Actual production	Actual Utilization
	Unit	Unit	%
Amps, Suspensions and Cream	21,622,400	19,180,165	88.71%
Tablets	1,322,390,400	457,938,539	34.63%
Capsules	56,044,880	37,462,971	66.84%

Capacity utilization is calculated based on single shift production. Actual production includes product manufactured for third parties but does not include NPL's products manufactured at third party plants on toll manufacturing basis.

31. Foreign currency payments and receipts

Particulars	July 2022-June 2023		July 2021-June 2022
	Foreign currency (Equivalent USD)	Taka	Taka
Payments:			
Import of raw, chemicals and packing materials	5,454,275	601,056,712	657,737,659
Import of machinery, spare parts and others	402,030	43,713,687	21,596,947
		644,770,399	679,334,606
Receipts:			
Export sales	133,861	13,472,327	17,930,960

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 2023	Balance type
Beximco Pharmaceuticals Limited	Immediate and ultimate parent	Toll income	41,989,696	419,052,198	Dr.
		Short term investment	400,000,000		
		Investment income	22,377,778		
		Advance office rent	2,424,240		
		Royalty expenses	26,993,787	33,583,639	Cr.
		Cost of services/goods	77,150,475		
		Distribution commission	179,845,848		
		Dividend paid	40,053,896		
		Oracle EBS-Software	10,104,215		

33. Capital expenditure commitment

There was no capital expenditure contracted but not incurred or provided for at 30 June 2023.

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. Events after reporting period

The Board in its meeting dated 24 September 2023 recommended that 40% cash dividend i.e. Tk. 4.00 per share, totaling Tk. 47,000,640 be paid for the year 2022-23. The dividend proposal is subject to shareholders' approval at the forthcoming annual general meeting.

Nazmul Hassan

Nazmul Hassan
Chairman

Rabbur Reza

S. M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz

Mohammad Ali Nawaz
Director

Financial Statements
Synovia Pharma PLC
For the Year ended June 30, 2023

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 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2023, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the company as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and comply with the Companies Act, 1994 and other applicable laws and regulations.

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, the Companies Act, 1994 and other applicable laws and regulations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements 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 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 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: 2310291259AS248456
Place: Dhaka
Date: 24 September 2023

Synovia Pharma PLC

Statement of financial position

As at 30 June 2023

	Notes	30-June-23	Amount in Taka 30-June-22
Assets			
Non-current assets			
Property, plant and equipment	4	1,811,470,233	1,697,815,188
Right of use assets	5	44,470,619	53,814,702
Intangible assets	6	39,397,344	31,660,826
Deferred tax asset	7	56,512,081	88,640,228
		1,951,850,277	1,871,930,944
Current assets			
Inventories	8	1,626,343,926	1,065,757,823
Trade and other receivables	9	271,806,701	428,658,632
Advances, deposits and prepayments	10	249,893,477	204,025,153
Advance income tax	11	227,618,388	196,635,027
Cash and cash equivalents	12	59,833,796	171,599,695
		2,435,496,288	2,066,676,330
Total assets		4,387,346,565	3,938,607,274
Equity			
Equity attributable to share holders of the Company			
Share capital	13	359,520,400	359,520,400
Share premium	14	633,804,683	633,804,683
Reserves and surplus	15	3,786,810	3,786,810
Retained earnings		1,235,514,960	1,424,808,834
		2,232,626,853	2,421,920,727
Liabilities			
Non-current liabilities			
Liability for Pension fund	16	5,334,216	5,334,216
Liability for Gratuity and WPPF funds	17	128,126,922	123,680,975
Long term borrowings-net of current maturity	18.a	35,673,860	39,836,338
		169,134,998	168,851,529
Current liabilities			
Long term borrowings-current maturity	18.b	16,866,817	19,809,186
Short term borrowings	19	628,688,504	346,335,027
Trade and other payables	20	992,187,495	489,678,689
Accrued expenses	21	347,633,221	491,803,439
Dividend payable	22	208,677	208,677
		1,985,584,714	1,347,835,018
Total liabilities		2,154,719,712	1,516,686,547
Total equity and liabilities		4,387,346,565	3,938,607,274

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: 2310291259AS248456

Place: Dhaka

Date: 24 September 2023



Md. Golam Rabbani Akondo

Company Secretary

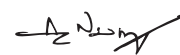
Synovia Pharma PLC



S.M. Rabbur Reza

Chief Executive Officer

Synovia Pharma PLC



Mohammad Ali Nawaz

Director

Synovia Pharma PLC



Md. Saidur Rahman

Chairman

Synovia Pharma PLC

Synovia Pharma PLC
Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	Amount in Taka		
		For the year ended 30 June 2023	For the six month period January-June 2022	For the year ended 31 December 2021
Net revenue	23	3,529,982,189	1,426,761,942	2,336,294,610
Cost of sales	24	(2,263,466,454)	(883,382,641)	(1,581,658,754)
Gross profit		1,266,515,735	543,379,301	754,635,856
Administrative expenses	25	(139,980,541)	(85,691,636)	(217,889,028)
Selling, marketing and distribution expenses	26	(1,196,408,608)	(572,599,104)	(796,714,805)
Operating profit		(69,873,414)	(114,911,439)	(259,967,977)
Finance cost	27	(45,681,150)	(13,724,162)	(28,376,273)
Other income	28	34,216,105	14,708,467	49,510,070
Profit before contribution to WPPF		(81,338,459)	(113,927,134)	(238,834,180)
Contribution to WPPF		-	-	-
Profit/(loss) before tax		(81,338,459)	(113,927,134)	(238,834,180)
Tax expenses				
Current tax	11	(75,827,268)	(28,137,982)	(56,236,195)
Deferred tax	7	(32,128,147)	17,843,783	(11,195,678)
		(107,955,415)	(10,294,199)	(67,431,873)
Profit/(loss) after tax		(189,293,874)	(124,221,333)	(306,266,053)
Other comprehensive income/(expenses)				
Actuarial gain/(loss) 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		(189,293,874)	(124,221,333)	(299,345,831)
Earnings Per Share (EPS)	30	(52.65)	(34.55)	(85.19)

Footnotes:

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A. Qasem & Co.

Chartered Accountants
RJSC Firm Registration Number: 2-PC7202



Ziaur Rahman Zia, FCA
Partner

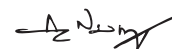
Enrolment Number: 1259
DVC: 2310291259AS248456
Place: Dhaka
Date: 24 September 2023



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



Md. Saidur Rahman
Chairman
Synovia Pharma PLC

Synovia Pharma PLC
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Amount in Taka				
	Share Capital	Share Premium Account	Other Reserve	Retained Earnings	Total
Balance as at 1 July 2022	359,520,400	633,804,683	3,786,810	1,424,808,834	2,421,920,727
Dividend paid for 2021	-	-	-	-	-
Total comprehensive income for the period from July 01, 2022 to June 30, 2023	-	-	-	(189,293,874)	(189,293,874)
Balance as at 30 June 2023	359,520,400	633,804,683	3,786,810	1,235,514,960	2,232,626,853
Net assets value (NAV) per share (Note-31)					621.00
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 from 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					723.21

Footnotes:

1. Auditor's report in page 1 and 2
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Chartered Accountants
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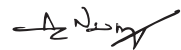
Ziaur Rahman Zia, FCA
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Synovia Pharma PLC



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Chief Executive Officer
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Mohammad Ali Nawaz
Director
Synovia Pharma PLC



Md. Saidur Rahman
Chairman
Synovia Pharma PLC

Synovia Pharma PLC
Statement of Cash Flows
For the year ended 30 June 2023

		Amount in Taka		
Notes	For the year ended 30 June 2023	For the six month period January- June 2022	For the year ended 31 December 2021	
A. Cash flows from operating activities:				
	3,718,665,876	1,554,336,072	2,441,925,370	
	(3,701,340,147)	(1,647,260,642)	(2,985,877,700)	
	Cash Generated from Operations	(92,924,570)	(543,952,330)	
	17,325,729	(92,924,570)	(543,952,330)	
	Interest paid 27 (49,760,144)	(13,724,162)	(28,376,273)	
	Interest received 28 682	101,577	1,740,043	
	Income tax paid 11 (106,810,629)	(39,325,095)	(114,325,728)	
	Net cash flows from operating activities	(145,872,250)	(684,914,288)	
	(139,244,361)	(145,872,250)	(684,914,288)	
B. Cash flows from investing activities:				
	(232,228,156)	(25,169,848)	(126,783,949)	
	(12,549,596)	(525,000)	(1,958,715)	
	4, 28 4,422,584	-	10,482,510	
	Net cash used in investing activities	(25,694,848)	(118,260,153)	
	(240,355,168)	(25,694,848)	(118,260,153)	
C. Cash flows from financing activities:				
	282,353,477	163,606,535	171,644,560	
	(14,519,847)	(7,679,180)	(10,101,402)	
	-	(53,911,680)	-	
	Net cash flows from/(used in) financing activities	102,015,675	161,543,158	
	267,833,630	102,015,675	161,543,158	
	(111,765,899)	(69,551,423)	(643,631,283)	
	171,599,695	241,151,118	882,782,401	
	59,833,796	171,599,695	241,151,118	
	59,833,796	171,599,695	241,151,118	
	32 (38.73)	(40.57)	(190.51)	
	(38.73)	(40.57)	(190.51)	

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
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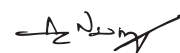


Md. Golam Rabbani Akondo

Company Secretary
Synovia Pharma PLC



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Director
Synovia Pharma PLC



Md. Saidur Rahman
Chairman
Synovia Pharma PLC

Synovia Pharma PLC

Notes to the financial Statements

As at and for the year ended 30 June 2023

1. Corporate information

1.1 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. Later, 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. Subsequent to the acquisition, it has been renamed as Synovia Pharma PLC. The Company is now operating as a subsidiary of Beximco Pharmaceuticals Limited. Government of Peoples Republic of Bangladesh holds 45.4% shares of the Company represented through Bangladesh Chemical Industries Corporation (20%) and Ministry of Industries (25.4%).

1.2 Nature of activity

Synovia Pharma produces generic pharmaceutical products with strong presence in cardiology, diabetes, oncology, dermatology and CNS. The Company also imports certain global brands of Sanofi including vaccine, insulin and chemotherapy drugs for sale in the Bangladesh market. It also provides contract manufacturing services to other pharmaceutical companies.

2. Basis of preparation

2.1 Statement of compliance

The Financial Statements have been prepared in compliance with the requirements of the Companies Act 1994 and the International Financial Reporting Standards (IFRS) as applicable in Bangladesh. Other relevant laws and regulations complied with includes:

- * Income Tax Act 2023;
- * Value Added Tax and Supplementary Duty Act, 2012;
- * Value Added Tax and Supplementary Duty Rules, 2016;
- * Financial Reporting Act 2015.

2.2 Basis of measurement

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

2.3 Consistency

The accounting principles, policies and estimates used in the preparation of the financial statements for the year ended June 30, 2023 are in consistent with those applied in preparing the financial statements for the six month period January-June 2022 and for the year ended 31 December 2021.

2.4 Functional and presentation currency

Financial statements have been prepared in Bangladeshi Taka /BDT, which is the Company's functional and presentation currency.

2.5 Reporting period

Synovia Pharma's financial year begins on July 1 and ends by June 30. The financial statements thus have been prepared for one year period ending in June 2023.

2.6 Comparatives and reclassification

Comparative information have been disclosed in respect of the six month period January-June 2022 and for the year ended 31 December 2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements. To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged/ reclassified whenever considered necessary to conform to current year'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.

2.8.1 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.

2.8.2 Significant estimates and assumptions

The key assumptions underlying the judgements and estimates made and the related uncertainties may pose significant risk requiring a material adjustment to the carrying amounts of assets and liabilities in future period. Described below are key assumptions and estimates used in the financial statements:

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 is disclosed in note-9.

Deferred 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 7.

Leases - Estimating the borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its borrowing rate (BR) to measure lease liabilities. The BR 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 BR therefore, reflects what the Company ‘would have to pay’, which requires estimation. Further details on leases are disclosed in Note 5 and Note 18.

2.9 Authorization for issue

The financial statements were authorized for issue by the Board of Directors on 24 September 2023.

2.10 Going Concern

There are no significant uncertainties regarding events and conditions that could risk the Company’s ability to continue its operations as a going concern. As a result, it has been deemed appropriate to prepare the financial statements on the basis of the going concern principle.

3. Summary of significant accounting policies

3.1 Property, plant and equipment

i. Recognition and measurement

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

ii. Subsequent costs

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

iii. Depreciation

Depreciation is recognized in the statement of profit or loss and other comprehensive income using 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
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)

Initially the company recognized brand names as intangible assets with indefinite useful life. Later, in 2021, brand names 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 name was Taka 26,578,537 at the beginning of 2021 and it is being amortized over a remaining period of 9 years.

3.3 Leases

Synovia Pharma PLC (SPP) as a lessee

SPP 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 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 using prevailing interest rate for the leases.

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 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 non-recoverability 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. It derecognizes a financial liability when the 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 of resources embodying economic benefits from the Company. The carrying amount of the trade and other payables approximates 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. 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 against the trade credits arising in the normal course of business.

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 Earning 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 throughout the year. Diluted earning per share (DEPS) is not applicable for these financial statements as there was no equity instruments with potential dilution.

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.

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 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 and Pension plans are considered as defined benefit plans as they meet 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, 2023.

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. The 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 payable to suppliers for import of raw-materials and cash at bank in foreign currency.

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

The Company has no exposure to the risk of changes in other price, such as equity price and commodity price volatility.

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 periods the events that occur between the end of the reporting period and the date when the financial statements are authorized for issue. These events can be classified into two categories:

Adjusting Events: These are events that provide further evidence of conditions that existed at the end of the reporting period and, therefore, require adjustments to the financial statements. Adjusting events affect the recognition and measurement of assets and liabilities.

Non-Adjusting Events: These are events that are indicative of conditions that arose after the reporting period and, therefore, do not require adjustments to the financial statements. Non-adjusting events are disclosed in the notes to the financial statements

3.16 General

a) All financial information presented has been rounded to the nearest Taka;

b) Previous year's figures and head of accounts in the financial statements have been re-arranged to confirm to current year's presentation wherever necessary.

4. Property, plant and equipment

As on June 30, 2023

Amount in Taka

Particulars	Land	Building and other constructions	Plant and machinery	Furniture and fixtures	Office equipment	Total
Cost						
As on July 01, 2022	1,010,047,500	990,490,085	1,170,833,045	129,772,449	291,804,703	3,592,947,782
Additions	114,506,809	11,648,520	43,661,121	5,682,854	13,533,055	189,032,359
Transferred and capitalized	-	12,405,970	40,481,745	-	7,576,502	60,464,217
Disposal during the year	-	(511,210)	(51,001,275)	(21,374,728)	(98,400,363)	(171,287,576)
Cost as on June 30, 2023	1,124,554,309	1,014,033,365	1,203,974,636	114,080,575	214,513,897	3,671,156,782
Accumulated Depreciation						
As on July 01, 2022	-	(764,985,458)	(817,167,857)	(92,772,748)	(245,912,884)	(1,920,838,947)
Depreciation charged	-	(36,354,413)	(44,672,090)	(7,234,047)	(25,937,387)	(114,197,937)
Adjustment for assets disposed off	-	511,206	51,001,115	20,963,242	97,391,839	169,867,402
Accumulated depreciation as on June 30, 2023	-	(800,828,665)	(810,838,832)	(79,043,553)	(174,458,432)	(1,865,169,482)
Net book value June 30, 2023	1,124,554,309	213,204,700	393,135,804	35,037,022	40,055,465	1,805,987,300
Capital work in progress 4 (a)						5,482,933
Carrying value as on June 30, 2023	1,124,554,309	213,204,700	393,135,804	35,037,022	40,055,465	1,811,470,233

As on June 30, 2022

Particulars	Land	Building and Other Constructions	Plant and Machinery	Furniture and Fixtures	Office Equipment	Total
Cost						
As on January 01, 2022	1,010,047,500	967,684,442	1,139,649,406	126,887,494	286,928,956	3,531,197,798
Additions	-	6,332,836	5,865,249	2,884,955	4,875,747	19,958,787
Transferred and capitalized	-	16,472,807	25,318,390	-	-	41,791,197
Disposal during the year	-	-	-	-	-	-
Cost as on June 30, 2022	1,010,047,500	990,490,085	1,170,833,045	129,772,449	291,804,703	3,592,947,782
Accumulated depreciation						
As on January 01, 2022	-	(753,388,053)	(794,476,661)	(89,323,599)	(230,742,801)	(1,867,931,114)
Depreciation charged	-	(11,597,405)	(22,691,196)	(3,449,149)	(15,170,083)	(52,907,833)
Adjustment for assets disposed off	-	-	-	-	-	-
Accumulated depreciation as on June 30, 2022	-	(764,985,458)	(817,167,857)	(92,772,748)	(245,912,884)	(1,920,838,947)
Net book value June 30, 2022	1,010,047,500	225,504,627	353,665,188	36,999,701	45,891,819	1,672,108,835
Capital work in progress 4 (a)						25,706,353
Carrying value as on June 30, 2022						1,697,815,188

	Amount in Taka	
	30 June 2023	30 June 2022
4 (a) Capital work in progress is arrived at as follows:		
Opening balance	25,706,353	67,451,601
Addition during the year	43,195,797	5,211,060
	68,902,150	72,662,661
Transferred and capitalized		
Building and other constructions	(12,405,970)	(16,472,807)
Plant and machinery	(40,481,745)	(25,318,390)
Office equipment	(7,576,502)	-
Intangible Assets	(2,955,000)	(5,165,111)
	(63,419,217)	(46,956,308)
Closing balance	5,482,933	25,706,353

5. Right-of-use Assets

Opening balance	142,355,604	142,355,604
Additions	7,415,000	-
Transferred and capitalized	-	-
Disposal during the year	(15,065,704)	-
Cost as on June 30, 2023	134,704,900	142,355,604
Opening balance	(88,540,902)	(79,203,139)
Depreciation charged	(16,759,083)	(9,337,763)
Adjustment for assets disposed off	15,065,704	-
Accumulated depreciation as on June 30, 2023	(90,234,281)	(88,540,902)
Net book value June 30, 2023	44,470,619	53,814,702

6. Intangible assets

Particulars	Brand Valuation	ERP and softwares	Total
Cost			
Opening balance	104,124,112	82,725,701	186,849,813
Additions	-	12,549,596	12,549,596
Transferred and capitalized	-	2,955,000	2,955,000
Retirement and disposal	-	(16,657,377)	(16,657,377)
As on June 30, 2023	104,124,112	81,572,920	185,697,032
Amortization			
Opening balance	(81,975,331)	(73,213,655)	(155,188,986)
Amortized during the year	(2,953,171)	(4,196,164)	(7,149,335)
Adjustment for retirement and disposal	-	16,038,634	16,038,634
As on June 30, 2023	(84,928,502)	(61,371,185)	(146,299,687)
Carrying value as on June 30, 2023	19,195,610	20,201,735	39,397,344
Carrying value as on June 30, 2022	22,148,780	9,512,046	31,660,826

		Amount in Taka
		30 June 2023
		30 June 2022
7. Deferred tax asset		
Opening balance		88,640,228
Deferred tax (expenses)/income	(Note-33.b)	(32,128,147)
Closing balance of net deferred tax asset		56,512,081
8. Inventories		
Raw materials		443,817,951
Packing materials		98,734,781
Work-in-progress		53,183,935
Material-in-transit		378,402,098
Finished goods		641,879,087
Spares and suppliers		10,326,074
		1,626,343,926
		255,360,426
		45,179,670
		23,081,328
		164,128,424
		578,007,975
		-
		1,065,757,823
9. Trade and other receivables		
Trade receivables		255,585,525
Other receivables		16,221,176
		271,806,701
Aging of Trade receivables:		
Amount due within 6 months		200,810,555
Amount due over 6 months		54,774,970
		255,585,525
		418,311,797
		10,346,835
		428,658,632
		-
		418,311,797
		-
		418,311,797
Accounts receivable is reported net of provision for bad debts of TK. 17,086,228.		
10. Advances, deposits and prepayments		
VAT		33,972,109
Security deposits		40,533,917
Motor vehicle advance		70,133,311
Advance to suppliers		32,746,965
Prepaid insurance		9,703,807
Advance for expenses		40,094,530
Others		22,708,838
		249,893,477
		29,078,016
		49,542,526
		50,578,953
		-
		10,833,188
		40,398,965
		23,593,505
		204,025,153
11. Advance income tax		
Opening balance		196,635,027
Provision made during the year		(75,827,268)
Paid during the year		106,810,629
Closing balance		227,618,388
		185,447,914
		(28,137,982)
		39,325,095
		196,635,027
12. Cash and cash equivalents		
Cash at Bank		21,605,978
Cash at Depot		38,227,818
		59,833,796
		171,599,695
		-
		171,599,695

Amounts in Taka

13. Share capital

a) Authorized capital

	30 June 2023	30 June 2022
	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)
Share holder of Ex Aventis Limited (1,794,210 share @ Tk 100 per share)

179,496,700	179,496,700
179,421,000	179,421,000
358,917,700	358,917,700
359,520,400	359,520,400

c) Shareholding position

	Shareholding			
	Quantity	%		
Beximco Pharmaceuticals Limited.	1,963,241	54.61%	196,324,100	196,324,100
Ministry of Industries	911,767	25.36%	91,176,700	91,176,700
Bangladesh Chemical Industries Corporation	717,679	19.96%	71,767,900	71,767,900
Other Shareholders	2,517	0.07%	251,700	251,700
	3,595,204	100%	359,520,400	359,520,400

14. 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 Limited 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.

15. Reserves and surplus

Non-distributable special reserve (note 15.1)
Capital reserve

3,777,710	3,777,710
9,100	9,100
3,786,810	3,786,810

15.1 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.

16. Long term liability for pension fund

	30 June 2023	Amount in Taka 30 June 2022
a. Pension Payable		
Opening balance	6,452,939	6,684,836
Provision made during the year	-	-
Accrued Interest	-	-
Paid to employees during the year	(568,524)	(231,897)
Actuarial adjustment loss/ (gain)	-	-
	5,884,415	6,452,939
b. Investment/Plan asset		
Opening balance	1,118,723	1,350,620
Transfer during the year	-	-
Interest income	-	-
Paid to employees during the year	(568,524)	(231,897)
	550,199	1,118,723
Closing balance	5,334,216	5,334,216

During the of transfer of ownership by Sanofi Group, the eligible current and ex-employees excepting 14 members of the fund expressed their desire to settle their pension benefits and the Board of Trustees of the Pension Fund accordingly paid Pension benefits fully and finally to each of them. Of the remaining 14 members, eight have expressed their intention to close their account. Company's provision is considered adequate to meet up the obligation of all the remaining members and as such no provision has been made on this account during the financial period.

17. Long term liability for gratuity and WPPF funds

a. Gratuity Payable		
Opening balance	222,065,152	199,282,939
Provision made during the year	17,040,500	24,933,606
Accrued Interest	4,093,721	-
Paid to employees during the year	(6,998,829)	(2,151,393)
	236,200,544	222,065,152
b. Investment/Plan asset		
Opening balance	103,747,114	80,964,901
Transfer during the year	12,466,803	24,933,606
Interest income	4,093,721	(2,151,393)
Paid to employees during the year	(6,998,829)	-
	113,308,809	103,747,114
Closing balance	122,891,735	118,318,038
c. Liability for workers' profit participation fund		
Opening balance	5,362,937	5,217,687
Loan recovery	371,000	145,250
Paid during the year	(498,750)	-
Closing balance	5,235,187	5,362,937
Total	128,126,922	123,680,975

Liability for WPPF represents excess provision made in previous periods.

	Amount in Taka	
	30 June 2023	30 June 2022
18. Long term borrowings		
Long term borrowings consist of:		
a. Lease liabilities- long term maturity	35,673,860	39,836,338
b. Lease liabilities- current maturity	16,866,817	19,809,185
	52,540,677	59,645,523
Total lease liability is arrived at as follows:		
Opening balance	59,645,523	67,324,703
Addition during the year	7,415,000	-
Payment during the year	(14,519,847)	(7,679,180)
Closing Balance	52,540,676	59,645,523
19 Short term borrowings		
19.1 Bank overdraft		
Standard Chartered Bank	-	24,913,289
Citibank	-	184,741
Dhaka Bank	509,965,518	321,236,997
	509,965,518	346,335,027
19.2 Short term loan		
Dhaka Bank Limited	118,722,986	-
	118,722,986	-
Closing balance	628,688,504	346,335,027
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	992,187,496	489,678,689
	992,187,496	489,678,689
21. Accrued expenses		
For expenses	347,633,221	491,803,439
	347,633,221	491,803,439
22. Dividend payable		
Opening balance	208,677	192,297
Dividend declared during the year	-	53,928,060
Paid for the year	-	(53,911,680)
Closing balance	208,677	208,677

Amount in Taka

23. Net revenue

	For the year ended 30 June 2023	For the six month period January-June 2022	For the year ended 31 December 2021
Locally manufactured product	2,104,696,765	816,831,755	1,268,065,964
Imported finished product	1,037,249,903	433,118,008	665,778,406
Toll manufactured income	388,035,521	176,812,179	385,634,691
Export	-	-	16,815,549
	<u>3,529,982,189</u>	<u>1,426,761,942</u>	<u>2,336,294,610</u>

24. Cost of sales

Opening work-in-process	23,081,328	18,709,237	10,632,569
Materials consumed (Note-24.1)	951,878,572	342,020,748	674,464,215
Factory overheads (Note-24.2)	603,622,529	324,907,295	533,521,110
Total Manufacturing cost	1,578,582,429	685,637,280	1,218,617,894
Closing work-in-process	(53,183,935)	(23,081,328)	(18,709,237)
Cost of goods Manufactured	1,525,398,494	662,555,952	1,199,908,657
Opening finished goods	578,007,975	556,966,127	390,053,623
Finished goods available	2,103,406,469	1,219,522,079	1,589,962,280
Finished goods purchased	804,670,592	241,868,537	548,662,601
Cost of sample	(2,731,520)	-	-
Closing finished goods	(641,879,087)	(578,007,975)	(556,966,127)
	<u>2,263,466,454</u>	<u>883,382,641</u>	<u>1,581,658,754</u>

24.1 Materials consumed

Opening stock	300,540,096	216,110,165	137,931,207
Purchase	1,193,891,208	426,450,679	752,643,173
Goods available for use	1,494,431,304	642,560,844	890,574,380
Closing stock	(542,552,732)	(300,540,096)	(216,110,165)
	<u>951,878,572</u>	<u>342,020,748</u>	<u>674,464,215</u>

24.2 Factory overhead

Salary and allowances	333,982,500	190,673,349	283,584,871
Depreciation and amortization	89,738,288	41,792,317	77,225,122
Printing and stationery	8,487,986	8,532,027	15,931,800
Repairs and maintenance	56,048,451	34,245,023	55,866,607
Telephone, cellphone, internet and postage	1,664,355	876,725	1,720,395
Travelling and conveyance	4,108,100	6,533,479	13,502,465
Toll expense	10,484,779	3,241,178	1,102,710
Electricity, gas and water	69,491,524	18,554,010	47,708,238
Entertainment	2,037,986	2,641,451	3,629,809
Insurance premium	9,329,050	7,523,442	16,643,384
Municipal tax	1,303,235	894,061	1,857,447
Training and conference	2,468,493	3,016,733	1,269,307
Security expenses	6,914,171	3,173,140	8,886,124
Research and development	2,127,982	924,778	1,376,971
Registration and renewal	1,482,246	630,617	1,233,433
Other Expenses	3,953,383	1,654,965	1,982,427
	<u>603,622,529</u>	<u>324,907,295</u>	<u>533,521,110</u>

a. Salary and allowance include Company's contribution to Provident fund amounting to Tk. 5,494,852 and Gratuity fund amounting to Tk. 4,320,551

b. Repairs and maintenance includes maintenance of office, premises, vehicle, building, equipment and other infrastructures.

Amount in Taka

	For the year ended 30 June 2023	For the six month period January-June 2022	For the year ended 31 December 2021
25. Administrative expenses			
Salary and allowances	101,424,946	53,299,145	120,883,335
Depreciation and amortization	4,093,187	5,438,321	13,027,913
Printing and stationery	3,392,510	4,463,152	8,964,229
Repairs and maintenance	6,627,521	3,410,965	3,767,638
Telephone, cellphone, internet and postage	699,617	1,026,242	1,541,639
Legal and consultancy	5,122,111	6,868,133	27,393,517
Travelling and conveyance	543,660	3,289,699	5,929,285
Audit fees	800,000	550,000	750,000
Electricity, gas and water	3,462,975	1,778,624	3,560,592
Entertainment	564,892	381,555	755,503
Registration and renewal	2,929,430	1,024,767	1,379,972
Training and conference	388,523	496,279	114,553
Municipal tax	219,329	-	-
Rent	-	-	6,151,353
Meeting fees	492,708	253,532	308,941
Security expenses	5,595,693	3,378,304	7,180,664
AGM expense	386,238	-	-
Other expenses	3,237,201	32,918	16,179,894
	139,980,541	85,691,636	217,889,028

- a. Salary and allowance includes Company's contribution to provident fund amounting to Tk. 1,693,232 and gratuity fund amounting to Tk. 1,201,298
- b. Repairs and maintenance includes maintenance of office, premises, vehicle, building, equipment and other infrastructures.

26. Selling, marketing and distribution expenses

Salary and allowances	501,759,481	295,415,956	471,127,649
Software and licenses	38,817,769	44,042,374	21,238,484
Depreciation and amortization	44,274,880	17,662,793	34,325,120
Printing and stationery	693,554	1,474,502	2,464,229
Repairs and maintenance	30,929,619	2,483,904	8,125,239
Telephone, cellphone, internet and postage	18,532,351	7,633,690	10,569,292
Travelling and conveyance	86,835,126	30,821,855	42,267,299
Trade subscription	-	-	1,239,525
Entertainment	2,574,458	866,468	3,052,381
Advertisement	614,177	1,111,000	3,432,891
Insurance premium	10,417,546	6,851,653	13,636,740
Registration and renewal	1,443,278	683,232	238,900
Training and conference	6,674,009	2,245,987	10,336,778
Salesforce logistics	3,090,054	1,311,476	2,836,220
Rent	458,414	-	2,820,712
Sample expense	3,859,748	2,109,856	2,027,618
Literature and news letter	41,419,095	10,750,476	13,502,937
Sales promotion expenses	18,145,231	7,741,574	10,512,863
Events, programs and campaign	132,749,378	47,894,915	49,284,478
Field operation	1,065,765	-	-
Brand development	69,020,407	19,314,238	17,335,292
Market research and new products	6,150,865	2,349,892	4,731,338
Distribution commission	176,044,438	69,812,844	-
Other expenses	838,965	20,419	71,608,820
	1,196,408,608	572,599,104	796,714,805

- a. Salary and allowance includes Company's contribution to provident fund amounting to Tk. 12,626,918 and gratuity fund amounting to Tk. 11,518,651
- b. Repairs and maintenance includes maintenance of office, premises, vehicle, building, equipment and other infrastructures.
- c. Sample expenses include VAT on sample.

Amount in Taka

For the year ended 30 June 2023	For the six month period January-June 2022	For the year ended 31 December 2021
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27. Finance cost

Interest on bank borrowings	37,198,497	7,072,392	6,719,310
Net interest cost-actuarial valuation	-	-	12,494,600
Interest on finance lease obligation	5,699,323	3,040,790	4,237,494
Bank charges	2,783,330	3,610,980	4,924,869
	45,681,150	13,724,162	28,376,273

28. Other income

Interest income	682	101,577	1,740,043
Profit/(loss) on sale of fixed assets	2,383,667	-	10,482,510
Forfeited PF refund	5,436,254	-	3,946,097
Rental income	26,395,502	14,606,890	33,341,420
	34,216,105	14,708,467	49,510,070

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 Tk. 364,473,968 for disputed VAT claims lying with honorable High Court. The Company has provisioned for Tk. 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 Tk. 18,670,102 in favor of "Titas Gas Transmission Distribution Company" and "Green Delta Insurance Company Limited" in connection with operation of the business.

	Amount in Taka	
	For the year ended 30 June 2023	For the six month period January- June 2022
30. Earnings per share (EPS)		
Earnings attributable to the ordinary shareholders	(189,293,874)	(124,221,333)
Number of share	3,595,204	3,595,204
Earnings per share (EPS)	(52.65)	(34.55)
31. Net asset value (NAV) per share		
Total assets	4,387,346,565	3,938,607,274
Less :Total liabilities	(2,154,719,712)	(1,516,686,547)
Net assets	2,232,626,853	2,421,920,727
Number of shares	3,595,204	3,595,204
Net asset value (NAV) per share	621.00	673.65
32. Net operating cash flows per share (NOCFPS)		
Net cash generated from operating activities	(139,244,361)	(145,872,250)
Number of ordinary share	3,595,204	3,595,204
Net operating cash flows per share (NOCFPS)	(38.73)	(40.57)
33. Income tax expenses		
This consists of as follows :		
a. Current Tax		
Tax provision for current year	(75,827,268)	(28,137,982)
b. Deferred tax expense		
Deferred tax expense is arrived at as follows :		
Property, Plant & Equipment (Difference in book value & Tax base)	195,693,431	206,672,792
Deferred Liability (Gratuity & Pension)	(128,225,951)	(123,652,254)
Allowance for Bad Debts, Inventory, Sales return provision	-	(141,975,425)
Carry forward loss	(272,965,958)	(263,373,215)
Temporary differences	(205,498,478)	(322,328,102)
Tax rate	27.50%	27.50%
Deferred Tax Liability/(Asset) at end of the period	(56,512,081)	(88,640,228)
Deferred Tax Liability/(Asset) at beginning of the period	(88,640,228)	(70,796,445)
Deferred Tax Expense/(Income)	32,128,147	(17,843,783)

Reconciliation of Effective tax rate:	July 2022- June 2023		Jan 2022-June 2022	
	%	Tk	%	Tk
Loss before tax		81,338,459		113,927,134
Applicable Tax	27.50%	-	27.50%	-
Effect of permanent disallowance	2.97%	3,209,980	16.02%	1,649,241
Effect of minimum tax	60.54%	65,358,337	257.32%	26,488,742
Effect of other income	6.72%	7,258,951	-	-
Deferred tax impact	29.76%	32,128,147	-173.34%	(17,843,783)
Income Tax Expense	100.00%	107,955,415	100.00%	10,294,200

Amount in Taka	
For the year ended 30 June 2023	For the six month period January- June 2022

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

Profit after tax	(189,293,874)	(124,221,333)
Adjustment to reconcile net profit to net cash Generated from Operating Activities :		
Non-cash/Non-operating items:	167,850,835	47,049,650
Depreciation	130,957,020	62,245,597
Amortization	7,149,335	2,647,834
Gain on disposal of fixed assets	(2,383,667)	-
Deferred Tax	32,128,147	(17,843,783)
Changes in Working Capital	(117,801,320)	(68,700,567)
Inventories	(560,586,103)	15,275,534
Trade and other receivables	156,851,931	100,094,113
Advance, deposits and prepayments	(45,868,324)	11,174,559
Trade and other payables	502,508,806	(199,889,160)
Accrued expenses	(144,170,218)	15,686,251
Gratuity, Pension & WPPF	4,445,947	145,249
Advance income tax	(30,983,361)	(11,187,113)
Net Cash Generated from Operating Activities	(139,244,361)	(145,872,250)

35. Related party disclosures

During the period ended 30 June 2023, 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 2023	Balance Type
Beximco Pharmaceuticals Limited	Toll income	246,862,902	160,092,598	Cr.
	Cost of goods and services	213,239,237		
	Distribution Commission	176,044,439		

36. Foreign currency payment & receipts:

The Company made payments of USD 13,262,900 equivalent to Tk. 1,458,919,018 in connection with import of materials, finished products, machinery, spares and IT related services during the reporting period.

37. Factory capacity

July 2022- June 2023

		Capacity	Production	Utilization (%)
Tablet , Capsule & suppository	Pcs	653,833,333	671,450,267	103%
Dry syrup, Injectables & Cream	Pcs	16,968,333	21,055,064	124%

Capacity utilization is calculated based on single shift production. Actual production includes product manufactured for third parties but does not include SPP's products manufactured at third party plants on toll manufacturing basis.

38. Capital management & Capital commitments

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

39. Directors' remuneration

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

40. Receivable from Directors

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

41. Employee details

The number of full time employees as on 30 June 2023 was 1,010 (June 2022: 824)

42. Events after the reporting period:

The Board of Directors of the Company recommended 10% cash dividend (i.e. TK. 10/- per share of TK. 100 each) for the year 2022-23. The Dividend proposal is subject to shareholders' approval at the forthcoming Annual General Meeting.

Financial Statements
Beximco Pharma API Limited
For the Year ended June 30, 2023

Independent Auditors' Report

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 2023, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with international Financial Reporting Standards (IFRSs), the 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities of the company to express an opinion on the 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.

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 19, 2023

M. J. ABEDIN & CO.
Chartered Accountants
Reg No. CAF-001-111



Hasan Mahmood FCA
Enrollment No. 0564
DVC: 2310230564AS237512

Beximco Pharma API Limited
Statement of Financial Position

As at June 30, 2023

Amount in Taka

	Notes	June 30, 2023	June 30, 2022
ASSETS			
Non-current Assets:			
Advance against purchase of Land		20,000,000	20,000,000
Current Assets:			
Cash and Cash Equivalents	4	2,115	25,920
TOTAL ASSETS		20,002,115	20,025,920
EQUITY AND LIABILITIES			
Shareholders' Equity			
Issued Share Capital	5	20,000,000	20,000,000
Retained Earnings		(1,916,561)	(1,877,236)
Current Liabilities and Provisions			
Short Term Advance		745,350	729,830
Creditors and Other Payables		1,153,326	1,153,326
Audit Fees Payable		20,000	20,000
TOTAL EQUITY AND LIABILITIES		20,002,115	20,025,920

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 19, 2023

M.J. Abedin & Co.
 Chartered Accountants
 Reg No : CAF-001-111

Hasan Mahmood FCA
 Enrollment No : 0564
 DVC : 2310230564AS237512

Beximco Pharma API Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year ended June 30, 2023

Amount in Taka

	Notes	July 2022 - June 2023	July 2021 - June 2022
Revenue		-	-
Cost of Revenue		-	-
Gross Operating Profit/(Loss)		-	-
Administrative Expenses	6	(39,325)	(79,160)
Profit/(Loss) from Operations		(39,325)	(79,160)
Income Tax Expense		-	-
Net Profit/(Loss) after Tax		(39,325)	(79,160)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the Year		(39,325)	(79,160)
Earnings Per Share (EPS)		(0.02)	(0.04)

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 19, 2023

M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111

Hasan Mahmood
Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2310230564AS237512

Beximco Pharma API Limited
Statement of Changes in Equity
For the Year ended June 30, 2023

As at June 30, 2023

Particulars	Amount in Taka		
	Share Capital	Retained Earnings	Total
Balance as on July 01,2022	20,000,000	(1,877,236)	18,122,764
Net Loss for the Year	-	(39,325)	(39,325)
Balance as on June 30, 2023	20,000,000	(1,916,561)	18,083,439
Net Asset Value (NAV) Per Share			9.04

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

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

Hasan Mahmood

Dhaka
October 19, 2023

M.J. Abedin & Co.
Chartered Accountants
Reg No : CAF-001-111

Hasan Mahmood FCA
Enrollment No : 0564
DVC : 2310230564AS237512

Beximco Pharma API Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2023

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, 2023;
- b) Statement of Profit or Loss and other Comprehensive Income for the year ended June 30, 2023;
- c) Statement of Changes in Shareholders' Equity for the year ended June 30, 2023;
- d) Statement of Cash Flows for the year ended June 30, 2023 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, 2022 to June 30, 2023.

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

This represents of as follows:

	June 30, 2023	Amount in Taka June 30, 2022
Cash at Bank	2,115	25,920
	2,115	25,920

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	100.000
S.M. Rabbur Reza	10	0.001
Total	2,000,000	100

6. Administrative Expenses

	July 2022 - June 2023	Amount in Taka July 2021 - June 2022
Legal Expenses	15,520	55,470
Audit Fees	20,000	20,000
Bank Charges	805	690
Other Expenses	3,000	3,000
	39,325	79,160

Rabbur Reza

S.M. Rabbur Reza
Managing Director

Mohammad Ali Nawaz

Mohammad Ali Nawaz
Director