



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT
To the shareholders of
The Ibn Sina Pharmaceutical industry Ltd.

We have audited the accompanying Financial Statements of **The Ibn Sina Pharmaceutical industry Ltd.**, which comprises the statement of Financial Position as at 30th June 2016 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year/period then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements:

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines, which is necessary to enable the preparation of financial statements that are free from material misstatement, where due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance where the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standard (BAS)/Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of 30th June 2016 and of the results of its operations and its cash flows for the year/period then ended and comply with the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof ;
- 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 ;
- The Company's 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 accounts ;
- The expenditures incurred and payments made were for the purpose of the company's business.

Dated: Dhaka


Malek Siddiqui Wali

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.
STATEMENT OF FINANCIAL POSITION
As at 30th June, 2016

	Notes	Amount in Taka		
		As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
ASSETS:				
Non-Current Assets:				
Property, Plant and Equipment	04	951,723,570	870,486,005	515,907,382
Investment in Marketable Securities (AFS)	05	326,031,002	310,694,035	266,587,581
Investment	05.1	1,750,000	-	-
Current Assets :		451,450,553	434,659,631	412,684,597
Inventories	06	183,711,938	180,779,638	150,047,338
Accounts Receivables	07	8,101,219	7,735,798	4,783,652
Advances, Deposits & Prepayments	08	90,331,492	82,545,351	99,815,239
Cash & Cash Equivalents	09	169,305,904	163,598,844	158,038,368
TOTAL ASSETS		1,730,955,125	1,615,839,671	1,195,179,560
SHAREHOLDERS' EQUITY AND LIABILITIES:				
Shareholders' Equity:				
Share Capital	10	224,532,000	224,532,000	213,840,000
Tax Holiday Reserve	11	4,392,110	4,392,110	4,392,110
Net Gain on Marketable Securities (AFS)	05 (a)	259,716,820	245,913,549	206,217,741
Retained Earnings	12	380,790,698	358,108,009	254,894,853
LIABILITIES:				
Non-Current Liabilities:				
Long Term Finance-Net off current maturity	13	186,664,086	172,712,958	33,116,966
Retirement Benefit Obligations	14	21,772,882	31,705,572	50,927,728
Deferred Tax Liability	15	68,335,622	43,753,957	30,841,557
Current Liabilities:				
Short Term Finance	16	111,041,160	208,091,012	135,592,500
Long Term Finance- current maturity	17	25,264,618	33,686,157	10,713,865
Accounts and Other Payable	18	398,059,441	267,279,760	211,335,796
Income Tax Liability	19	50,385,688	25,664,587	43,306,444
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,730,955,125	1,615,839,671	1,195,179,560
Net Assets Value (NAV) Per Share		38.72	37.10	31.77

The annexed notes 1 to 43 form an integral part of these financial statements.

Shah Abdul Hannan
Chairman

Prof. Dr. A.K.M. Sadrul Islam
Managing Director (Acting)

Prof. Dr. Shah Md. Bulbul Islam
Director

Md. Shahid Farooqui, FCS
Company Secretary

As per our report of date annexed

Dated, Dhaka .
October 2, 2016.

Md. Jasim Uddin, FCA
Chief Financial Officer

MALEK SIDDIQUI WALI
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the period from 1st January, 2015 to 30th June, 2016

Amount in Taka

	Notes	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
REVENUE	20	4,965,267,914	1,802,642,806	3,162,625,108	1,474,467,913	2,678,909,367
Cost of goods sold	21	(2,977,465,353)	(1,080,681,348)	(1,896,784,005)	(895,435,370)	(1,609,797,641)
GROSS PROFIT		1,987,802,561	721,961,458	1,265,841,103	579,032,543	1,069,111,726
OPERATING EXPENSES		(1,644,099,131)	(609,567,064)	(1,034,532,067)	(514,595,780)	(896,400,801)
Administrative expenses	23	(114,298,980)	(42,354,682)	(71,944,298)	(34,852,910)	(59,781,918)
Selling & Distribution expenses	24	(1,529,800,151)	(567,212,382)	(962,587,769)	(479,742,870)	(836,618,883)
OPERATING PROFIT		343,703,430	112,394,394	231,309,036	64,436,763	172,710,925
Financial charges		(11,490,633)	(4,250,008)	(7,240,625)	(3,077,321)	(5,498,154)
Other income	25	332,212,797	108,144,386	224,068,411	61,359,442	167,212,771
		43,788,551	24,769,610	19,018,941	14,164,005	11,218,981
Workers' P.P. fund & welfare fund	26	376,001,348	132,913,996	243,087,352	75,523,447	178,431,752
		(17,904,826)	(6,329,238)	(11,575,588)	(3,596,355)	(8,496,750)
PROFIT BEFORE TAX		358,096,522	126,584,758	231,511,764	71,927,092	169,935,002
Income tax expenses:						
Current Tax	27	(69,673,954)	(24,721,101)	(44,952,853)	(17,981,773)	(39,971,374)
Deferred Tax income/(expense)	15	(31,549,723)	(23,047,968)	(8,501,755)	116,520	(2,685,208)
		(101,223,677)	(47,769,069)	(53,454,608)	(17,865,253)	(42,656,582)
NET PROFIT AFTER TAX		256,872,845	78,815,689	178,057,156	54,061,839	127,278,420
Other Comprehensive Income:						
Change in fair value of Marketable Securities	5 (b)	59,443,421	15,336,967	44,106,454	(72,859,876)	(81,026,115)
Deferred tax		(5,944,341)	(1,533,696)	(4,410,645)	7,285,987	8,102,612
Total other comprehensive income, net of tax		53,499,080	13,803,271	39,695,809	(65,573,889)	(72,923,503)
Total comprehensive income		310,371,925	92,618,960	217,752,965	(11,512,050)	54,354,917
Earnings Per Share (EPS) (Adjusted EPS of 2014)	28	11.44	3.51	7.93	2.41	5.67
Number of Shares used to Compute EPS		22,453,200	22,453,200	22,453,200	22,453,200	22,453,200

The annexed notes 1 to 43 form an integral part of these financial statements.

Shah Abdul Hannan
Chairman

Prof. Dr. A.K.M. Sadrul Islam
Managing Director (Acting)

Prof. Dr. Shah Md. Bulbul Islam
Director

Md. Shahid Farooqui, FCS
Company Secretary

As per our report of date annexed

Dated, Dhaka .
October 2, 2016.

Md. Jasim Uddin, FCA
Chief Financial Officer

MALEK SIDDIQUI WALI
Chartered Accountants


THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.
STATEMENT OF CHANGES IN EQUITY
For the period from 1st January, 2015 to 30th June, 2016

Particulars	Amount in Taka				
	Paid up Capital	Tax Holiday Reserve	Gain on Marketable Securities (unrealized)	Retained Earnings	Total
Balance as at 1st January, 2015	213,840,000	4,392,110	206,217,741	254,894,853	679,344,704
Total Comprehensive Income/(Loss)-2015	-	-	39,695,808	178,057,156	217,752,964
Dividend for the year, 2014 (Cash -30%)	-	-	-	(64,152,000)	(64,152,000)
Dividend for the year, 2014 (Stock -5%)	10,692,000	-	-	(10,692,000)	-
Balance as at 1st January, 2016	224,532,000	4,392,110	245,913,549	358,108,009	832,945,668
Total Comprehensive Income/(Loss)-2016	-	-	13,803,271	78,815,689	92,618,960
Dividend for the year, 2015 (Cash -25%)	-	-	-	(56,133,000)	(56,133,000)
Dividend for the year, 2015 (Stock -10%)	-	-	-	-	-
Balance as at 30th June, 2016	224,532,000	4,392,110	259,716,820	380,790,698	869,431,628
Balance as at 30th June, 2015	224,532,000	4,392,110	140,643,852	234,112,692	603,680,654

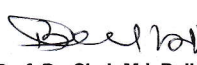
THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.
STATEMENT OF CHANGES IN EQUITY
For the period from 1st January, 2014 to 31st December, 2014

Particulars	Amount in Taka				
	Paid up Capital	Tax Holiday Reserve	Gain on Marketable Securities (unrealized)	Retained Earnings	Total
Balance as at 1st January, 2014	194,400,000	4,392,110	279,141,244	195,656,433	673,589,787
Total Comprehensive Income/(Loss)-2014	-	-	(72,923,503)	127,278,420	54,354,917
Dividend for the year, 2013 (Cash -25%)	-	-	-	(48,600,000)	(48,600,000)
Dividend for the year, 2013 (Stock -10%)	19,440,000	-	-	(19,440,000)	-
Balance as at 31st December, 2014	213,840,000	4,392,110	206,217,741	254,894,853	679,344,704

The annexed notes 1 to 43 form an integral part of these financial statements.


Shah Abdul Hannan
Chairman


Prof. Dr. A.K.M. Sadrul Islam
Managing Director (Acting)

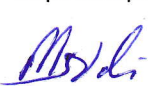

Prof. Dr. Shah Md. Bulbul Islam
Director


Md. Shahid Farooqui, FCS
Company Secretary

As per our report of date annexed

Dated, Dhaka .
October 2, 2016.


Md. Jasim Uddin, FCA
Chief Financial Officer


MALEK SIDDIQUI WALI
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.
STATEMENT OF CASH FLOWS
For the from 1st January, 2015 to 30th June, 2016

Amount in Taka

	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
Cash Flow From Operating Activities:					
Collection from revenue and others	4,968,874,089	1,808,873,622	3,160,000,467	1,474,243,393	2,677,510,048
Payment for cost, expenses & others	(4,452,718,618)	(1,559,240,094)	(2,893,478,524)	(1,406,841,702)	(2,460,915,902)
Miscellaneous income	939,064	604,974	334,090	484,730	645,106
Cash generated from operations	517,094,535	250,238,502	266,856,033	67,886,421	217,239,252
Income tax paid	(70,082,948)	(26,059,305)	(44,023,643)	(14,567,293)	(38,049,544)
Financial charges	(11,490,633)	(4,250,008)	(7,240,625)	(3,077,321)	(5,498,154)
Net cash flows from operating activities	435,520,954	219,929,189	215,591,765	50,241,808	173,691,554
Cash Flow From Investing Activities:					
Purchase of property, plant and equipment	(527,543,495)	(121,948,368)	(405,595,127)	(40,192,498)	(167,600,458)
Proceeds from sales of motor vehicles	3,696,918	1,318,518	2,378,400	-	509,000
Investment	(1,750,000)	(1,750,000)	-	-	(12,564,809)
Dividend income	41,268,427	24,234,278	17,034,149	13,216,789	7,659,649
Profit from bank deposits & investment	1,379,428	447,735	931,693	462,486	3,656,794
Net cash used in investing activities	(482,948,722)	(97,697,837)	(385,250,885)	(26,513,223)	(168,339,824)
Cash Flow From Financing Activities:					
Payment of dividend	(84,851,229)	(25,004,029)	(59,847,200)	(13,869,515)	(47,987,119)
Long term finance received/(paid) from bank (Net)	153,547,120	13,951,128	139,595,992	53,407,636	16,359,062
Short term finance received/(paid) from bank (Net)	(10,000,587)	(105,471,391)	95,470,804	(71,762,248)	64,616,337
Net cash flow from financing activities	58,695,304	(116,524,292)	175,219,596	(32,224,127)	32,988,280
Net Increase/(decrease) in cash and cash equivalents	11,267,536	5,707,060	5,560,476	(8,495,541)	38,340,010
Cash and cash equivalents at the opening	158,038,368	163,598,844	158,038,368	158,038,368	119,698,358
Cash and cash equivalents at the closing	169,305,904	169,305,904	163,598,844	149,542,827	158,038,368
NOCFPS	19.40	9.80	9.60	2.24	7.74

The annexed notes 1 to 43 form an integral part of these financial statements.

Shah Abdul Hannan
Chairman

Prof. Dr. A.K.M. Sadrul Islam
Managing Director (Acting)

Prof. Dr. Shah Md. Bulbul Islam
Director

Md. Shahid Farooqui, FCS
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As per our report of date annexed

Dated, Dhaka .
October 2, 2016.

Md. Jasim Uddin, FCA
Chief Financial Officer

MALEK SIDDIQUI WALI
Chartered Accountants

THE IBN SINA PHARMACEUTICAL INDUSTRY LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30th June, 2016

1. THE COMPANY AND IT'S NATURE OF BUSINESS

1.1 The Company

The IBN SINA Pharmaceutical Industry Ltd. (the "Company") was incorporated in Bangladesh on 22nd December, 1983 under the Companies Act, 1913 (replaced by the Companies Act 1994) and it was converted into a Public Limited Company in 1989. The Shares of the Company are listed with the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited.

1.2 Nature of Business

The Company involves in production of pharmaceutical drugs and medicines and selling them in the local market. The Company also exports a few of its products to some international markets.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB), as Bangladesh Financial Reporting Standards (BFRSs) and also with the requirements of the Companies Act, 1994 and other applicable rules and regulations.

2.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991
- The Drugs Act 1940 and the Drug Rules 1946
- The Drugs (Control) Ordinance 1982
- The Customs Act 1969
- The Stamp Act 1899
- The Bangladesh Securities and Exchange Commission Act 1993
- The Bangladesh Securities and Exchange Commission Rules 1987
- DSE/CSE Rule
- Listing Regulations

2.3 Presentations of financial statements

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

- (a) a Statement of Financial Position as at the end of the reporting period
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the reporting period
- (c) a Statement of Changes in Equity for the reporting period;
- (d) a Statement of Cash Flow for the reporting period; and
- (e) notes, comprising summary of significant accounting policies and other explanatory information.

2.4 Classification of expenses for preparation of Statement of Comprehensive Income

For preparation of the Statement of profit or loss and other Comprehensive income (previously known as income statement) the expenses have been classified as per the "function of expenses method" as per BAS-1.

2.5 Statement of Cash Flows

The Statement Cash Flows has been prepared in accordance with BAS 7 "Statement of Cash Flows". The Cash Flow from operating activities has been presented under direct method as outlined in the Securities & Exchange Rules, 1987.

2.6 Basis of measurement

The financial statements have been prepared under the historical (except investment in share which is stated at market value) cost basis in accordance with accrual basis of accounting. The financial statements therefore, do not take into consideration of the effect of inflation other than other wise share above.

2.8 Going concern assumption

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

2.9 Functional and presentational currency and level of precision

These financial statements are presented in Bangladesh Taka (BDT/Taka/Tk), which is the Company's functional currency also. All financial information presented in Taka has been rounded off to the nearest Taka except where indicated otherwise.

2.10 Use of estimates and judgment

The preparation of financial statements in conformity with the BAS/BFRS requires management to make judgment, estimates and assumption that affect accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the period reported. Judgment and estimates are based on historical experience and other factors, including exceptions that are believed to be reasonable under the circumstances. Hence, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates recognized in the period in which the estimates are revised and in any future periods affected as required by BAS 8: Accounting Policies, Changes in Accounting Estimates and Errors.

Estimates are used for accounting of certain items such as depreciation, inventory valuation, accrued expenses, employees benefit plans, taxes, reserves and contingencies.

2.11 Reporting Period:

The reporting period of the company covers 18 (eighteen) months from 01st January 2015 to 30th June 2016.

The company is used to report its financial information at 31st December each calendar. The Section 9 of the Finance Act 2015 state that the tax payer companies other than bank, insurance and financial institutions shall have to follow, the uniform income year from July to June which is effective from 01 July 2016. To comply with this requirements, the company has changed its reporting date from 31st December to 30 June and prepared its financial statements as on June 2016 (18 Months) on the basis of BSEC directive no. SEC/SRMIC/2011/1240/445 dated; April 27, 2016 as well as subsequent meeting minutes amongst BSEC, DSE and CSE held on 28 April 2016.

2.12 Date of Authorization for Issue:

These financial statements have been authorized for issue by the Board of Directors in the 239th of its meeting dated 02.10.2016.

2.13 Comparative information and rearrangement thereof

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

The financial information for the period 1st Jan 2015 to 30 June 2015 (comparative for the period of 1st Jan 2016 to 30 June 2016) has not specifically been audited though the financial statements for year 1st Jan 2015 to 31st Dec 2015 as whole was audited.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.



3.1 Property, plant and equipments

3.1.1 Recognition and measurement

Items of property, plant and equipments are measured at cost less accumulated depreciation as per BAS 16: *Property, Plant and Equipments*.

Cost includes expenditure that is directly attributable to the acquisition of asset and necessary to bring the asset into its working condition. The cost of self constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition for their intended use.

3.1.2 Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day to day servicing of property, plant and equipments are recognized in the profit and loss account as incurred.

3.1.3 Depreciation

Depreciation is provided using reducing balance method (except Land & Land Development) to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of BAS 16 "Property, Plant and Equipment". Depreciation is charged on additions made during the year from the month in which those assets are put into ready for use. Depreciation is charged at varying rates as shown in the Annexure-A.

The rate of depreciation for the current and comparative periods are as follows:

	Rate
Building	2.5%
Plant & Machinery	10%
Internal Road	10%
Installations	10%
Equipment	10%
Computers	30%
Furniture & Fixtures	10%
Motor Vehicles	20%
Spares & Loose Tools	20%
Library Books	10%
Temporary Construction	20%

Depreciation methods, useful lives and residual values are reviewed at each reporting date. No estimate in respect of items of property, plant and equipments was revised during the year.

3.1.4 Retirements and disposal

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit or loss, which is determined with reference to the net book value of the assets and net sale proceeds.

3.2 Intangible assets and research and development expenditures

Intangible assets are stated at cost less provisions for amortization and impairments, if any. License, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

In compliance with the requirements of BAS 38 "Intangible Assets", research, development and



experimental costs are usually absorbed as revenue charges as and when incurred. However, the research and development expenditures that is definite to yield benefit to the Company and is material in the Company's and/ local context, are capitalized as per BAS-38.

3.3 Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effects on these assets. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

Non financial assets

The carrying amounts of the entity's non financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another entity as per BAS 32 "Financial Instruments: Presentation"

3.4.1 Financial assets

Financial assets of the Company include cash and cash equivalents, investments in share, accounts receivables and other receivables. The Company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially in 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 assets are transferred.

3.4.1 Available for Sale of Financial assets

Investments in marketable securities are classified as fair value through other comprehensive income as BFRS 9. These are valued at market value and the change in fair value of investment is presented in other comprehensive income and in statement of financial position as per Bangladesh Financial Reporting Standard 7 Financial Instruments: Disclosures, Bangladesh Accounting Standard 32 Financial Instruments: Presentation, BFRS 9 Financial Instruments.

3.4.2 Financial liabilities

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 payables for expenses, liabilities for capital expenditure, bank loans and other current liabilities.

3.5 Inventories:

Inventories are stated at the lower of cost and net realizable value in compliance to the requirements of BAS 2 "Inventories"

Nature of Inventories

Raw Materials
Packing Materials
WIP
Finished Goods
Others

Cost formula

Weighted Average Cost
Weighted Average Cost
Actual cost + conversion cost at completing stage
Actual cost + conversion cost
Actual cost



Net realizable value is based on estimated/expected selling price less any further costs anticipated to be incurred to make the sale. Any obsolete stock or abnormal loss is recognized as expenses.

3.6 Revenue Recognition:

(a) Sales of goods:

Revenue is recognized at the time of actual delivery (at the time of process of risk to buyer) from different depots and sales centers during the year to the customers net of value added tax, trade discount, rebates and allowances.

(b) Dividend income is recognized when the right to received payment is established.

(c) Bank Profit and other income have been accounted for on receipt basis.

3.7 Taxation:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it recognized in equity in accordance with BAS 12: Income Taxes.

Current Tax:

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Traded Company". The provision of taxation was made at 25% as per Income Tax Rules.

Deferred Tax:

Deferred tax is calculated using the caring amount and tax base of assets and liabilities. Deferred tax arises due to temporary difference of future deductible or taxable for the events or transaction recognized in statement of profit or loss and other comprehensive income. Deferred Tax asset/liability is provided using the balance sheet method on temporary differences arising between the tax bases of assets & liabilities and their carrying amounts in the financial statements.

3.8 Cash & Cash Equivalents:

Cash & Cash Equivalents include cash in hand & cash in transit, cash at banks which are held & available for use by the company without any restriction.

3.9 Earnings per Share (EPS):

Earnings per Share (EPS) are calculated in accordance with the Bangladesh Accounting Standard BAS-33 "Earnings Per Share".

Basic EPS: Basic EPS is calculated by dividing profit or loss attributable to the ordinary share holder of the company (the numerator) by weighted average number of ordinary share outstanding (the denominator) during the period. The basic EPS of previous period is restated to adjust the effect of bonus issue during the period.

Diluted EPS: Diluted EPS is only calculated where the company has commitment to issue ordinary share in future at reporting date. No such commitment is hold by company at reporting date.

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 deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 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:

Defined Contribution Plan (Provident Fund):

The company operates a recognized contributory provident fund for its regular employees. The provident fund is administered by the Board of Trustees and is funded by fixed contributions equally from employees and the company. These contributions are invested separately outside the company's business.

Defined Benefit Plan (Gratuity Fund):

The company had introduced a gratuity scheme for the regular employees and it was in operation from formation of that. A recognized Gratuity Fund was established in the year 2013. The company will contribute to the fund an amount required to make adequate provision within few years on installment basis. The gratuity is calculated on the last basic pay and it is payable at the rate of one and a half month's basic pay and other rates as per Labor Act 2006 for every completed year of service. The gratuity fund is administered by the Board of Trustees.

Superannuation Fund:

The company has established a Superannuation Fund in the year 2013 to extend financial help to the employees and their family members as per rules in case of severe diseases, physical disability, death and retirement. During the period from 1st January, 2015 to 30th June 2016 Company contributed an amount of Tk.20.00 (Twenty Lac) to the Fund and will continue its support in the coming days.

Workers Profit Participation Fund and Welfare Fund:

The company provides a regular allocation of fund @ 5% of net profit before tax after charging the contribution as per provision of Bangladesh Labor Act-2006 (as amended up to 2013).

3.11 Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized in the statement of financial position when the company has a present legal or constructive obligation that can be measured reliably as a result of past event and it is probable that an out flow of resources/economic benefits will be required to settle the obligation.

Contingent liabilities/assets are possible obligations/assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

3.12 Foreign Currency Transactions:

Transactions in foreign currencies are converted into Bangladesh Taka at the exchange rate prevailing on the date of transaction in accordance with provisions of BAS 21 "The effects of changes in foreign currency rates". Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income/(loss) in statement of profit or loss and comprehensive income.

3.13 Borrowing Cost:

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed as per BAS 23: "Borrowing Cost".

3.14 Segment Reporting:

As the company has a single business line of product i.e manufacturing and selling of medicine and one geographic segment within which it operates, no segment reporting is felt necessary.

3.15 Subsequent events:

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed as per requirement of *BAS 10: "Events after the Reporting Period"*.

3.16 Compliance with Financial Reporting Standards as applicable in Bangladesh:

The Company as per Para-12 of Securities & Exchange Rule-1987, with the following Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards(BFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	BAS No.	BAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Not Applicable
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Not Applicable
10	18	Revenues	Complied
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchange Rates	Complied
14	23	Borrowing Cost	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
17	27	Consolidated and Separate Financial Statements	Not Applicable
18	28	Investments in Associates	Not Applicable
19	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
20	31	Interest in Joint Ventures	Not Applicable
21	32	Financial Instruments: Presentation	Complied
22	33	Earnings per Share	Complied
23	34	Interim Financial Reporting	Complied
24	36	Impairment of Assets	Complied
25	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
26	38	Intangible Assets	Complied
27	39	Financial Instruments: Recognition and Measurement	Complied
28	40	Investment Property	Not Applicable
29	41	Agriculture	Not Applicable

3.16.1 Compliance with Financial Reporting Standards as applicable in Bangladesh (Contd...)

Sl. No.	BFRS No.	BFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	10	Consolidated Financial Statements	Not Applicable
10	11	Joint Arrangements	Not Applicable
11	12	Disclosure of Interests in other Entities	Complied
12	13	Fair Value Measurement	Complied



MALEK SIDDIQUI WALI
CHARTERED ACCOUNTS

	Amount in Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
04. PROPERTY, PLANT AND EQUIPMENT:			
Cost/Revaluation			
Balance as at 1st January	1,234,493,763	834,827,102	668,062,064
Addition during the year /period	121,948,368	405,595,127	167,600,458
Disposal/Adjustment during the year/period	(4,038,752)	(5,928,466)	(835,420)
Balance as at 30th June & 31st December	1,352,403,379	1,234,493,763	834,827,102
Accumulated Depreciation			
Balance as at 1st January	364,007,758	318,919,720	284,415,581
Charged during the year/period	40,281,746	50,212,679	35,164,359
Disposal/Adjustment during the year/period	(3,609,695)	(5,124,641)	(660,220)
Balance as at 30th June & 31st December	400,679,809	364,007,758	318,919,720
Written Down Value (WDV)	951,723,570	870,486,005	515,907,382

Group wise details of fixed assets have been shown in Annexure - A.

05. INVESTMENT IN MARKETABLE SECURITIES (FAIR VALUE):

Sl No.	Name of Company Mutual Fund/Bond	No. of Shares Bond/Held	Face Value Per Share/Bond	Cost Holding	Average Cost	Quoted Rate Per Share/Bond as on 30.06.16	Total Market value of shares as on 30.06.16	Unrealized Gain/(Loss)
1	Islami Bank Bangladesh Ltd. (IBBL)- in shares	11,013,991	10	32,866,758	2.98	29.20	321,608,537	288,741,779
2	Islami Bank Bangladesh Ltd. (IBBL)-in Mudaraba Perpetual Bond (MPB)	4,590	1,000	4,590,000	1,000	963.50	4,422,465	(167,535)
	Total Tk.			37,456,758			326,031,002	288,574,244

The above Investment in Marketable Securities that are designated as Available For Sale (AFS) by the management. These are measured at fair value and presented as non-current asset and unrealized gain/(loss) from the above investment are recognized as other comprehensive income.

a) Net Gain/(Loss) on Marketable Securities (AFS):

Unrealized Gain/(Loss) Position (Closing)	288,574,244	273,237,277	229,130,823
Deferred tax on gain on marketable securities (AFS)	(28,857,424)	(27,323,728)	(22,913,082)
	259,716,820	245,913,549	206,217,741

b) Change in fair value of Marketable Securities AFS)

Unrealized Gain/(Loss) Position (Closing)	288,574,244	273,237,277	229,130,823
Unrealized Gain/(Loss) Position (Opening)	273,237,277	229,130,823	310,156,938
	15,336,967	44,106,454	(81,026,115)

05.1 INVESTMENT

IBN SINA Consumer Products Ltd. (35% of total share holding)	1,750,000	-	-
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06. INVENTORIES:

Raw materials	63,422,056	62,280,656	48,139,256
Packing materials	45,417,891	44,882,298	40,546,705
Work-in-process	28,472,242	28,015,921	20,559,600
Finished goods	45,165,430	44,602,220	40,039,010
Physicians' samples	765,726	620,103	474,480
Pad & literature	214,575	149,163	83,751
Spares & stores	50,344	95,965	141,586
Indirect materials	61,153	48,788	36,423
Printing & stationery	111,326	65,694	20,062
Laboratory chemicals	31,195	18,830	6,465
	183,711,938	180,779,638	150,047,338



MALEK SIDDIQUI WALI
CHARTERED ACCOUNTANTS

	Amount in Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
07. ACCOUNTS RECEIVABLES:	<u>8,101,219</u>	<u>7,735,798</u>	<u>4,783,652</u>
No amount was due from the directors (including the Managing Director) , managers and other officers of the company or any of them either severally or jointly with any other person.			
08. ADVANCES, DEPOSITS & PREPAYMENTS :			
This is recoverable in cash or for value to be received and consists of :			
a. Advances against-			
Salary	1,640,511	1,821,827	1,610,401
Expenses/works/others	3,787,220	18,426,532	19,310,512
Depot rent	3,816,457	1,955,457	2,110,000
Motor cycles-to employees	5,787,319	7,755,494	6,508,928
Income tax	63,186,981	37,127,676	55,698,743
Others	53,835	324,520	173,169
	<u>78,272,323</u>	<u>67,411,506</u>	<u>85,411,753</u>
b. Deposits -			
Security money	4,964,521	6,501,321	4,517,746
c. Pre payments -			
Value Added Tax	6,120,056	8,249,583	9,490,769
Insurance premium	974,592	382,941	394,971
	<u>7,094,648</u>	<u>8,632,524</u>	<u>9,885,740</u>
	<u>90,331,492</u>	<u>82,545,351</u>	<u>99,815,239</u>

a. (i) Advances against salary TK.1,640,511 includes advances Tk.625,020 to the officers.

(ii) No amount was due from the directors (including the Managing Director) , managers and other officers of the company or any of them either severally or jointly with any other person except as stated above.

09. CASH & CASH EQUIVALENTS:

This consists of :

a. Cash in hand		922,880	1,245,793	298,713
b. Cash at banks	Note: 9.1	162,446,424	154,828,051	151,383,655
c. Imprest cash		5,936,600	7,525,000	6,356,000
		<u>169,305,904</u>	<u>163,598,844</u>	<u>158,038,368</u>

9.1 CASH AT BANKS:

a. With Islami Bank Bangladesh Ltd.				
In SND Accounts		138,381,008	132,875,821	127,166,856
In MSA Accounts		7,574,591	4,753,174	7,629,272
In FCAD ERQ Accounts		2,971,353	2,971,353	4,011,854
b. With Al-Arafah Islami Bank Ltd. in SND Accounts		111,064	4,653,007	5,394,050
c. With Prime Bank Ltd. in Current Account (Islamic banking branch)		31,235	31,466	31,466
d. With Shahjalal Islami Bank Ltd. in Current Account		11,066	11,641	12,791
e) With First Security Islami Bank Ltd. in SND Accounts		9,331,697	6,649,732	6,367,897
f) With Sonali Bank Ltd. in STD Account		4,034,410	2,881,857	769,469
		<u>162,446,424</u>	<u>154,828,051</u>	<u>151,383,655</u>



10. SHARE CAPITAL:

Authorised:

25,000,000 'A' Class Ordinary Shares of Tk. 10 each
25,000,000 'B' Class Ordinary Shares of Tk. 10 each

Issued, Subscribed & Paid-Up :

9,840,692 'A' Class Ordinary Shares of Tk. 10 each
fully paid up in cash

12,612,508 'B' Class Ordinary Shares of Tk. 10 each
fully paid up in cash

The Shareholdings consist of :

Holders

Sponsor
Institution (I.C.B)
General Public

No. of Holder	Total Holdings	Percentage
1	9,840,692	43.83%
344	2,560,931	11.41%
10,359	10,051,577	44.77%
10,704	22,453,200	100.00%

Amount in Taka		
As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
250,000,000	250,000,000	250,000,000
250,000,000	250,000,000	250,000,000
500,000,000	500,000,000	500,000,000
98,406,920	105,034,200	101,186,040
126,125,080	119,497,800	112,653,960
224,532,000	224,532,000	213,840,000

The distribution schedule showing the number of share holders and their share holdings as on 30.06.2016 are as follows:

Range of Holdings

Less than 500 shares
500 to 5,000 shares
5,001 to 10,000 shares
10,001 to 20,000 shares
20,001 to 30,000 shares
30,001 to 40,000 shares
40,001 to 50,000 shares
Above 50,000 shares

No. of Holder	Total Holdings	Percentage
8,420	1,750,692	7.80%
1,940	3,128,070	13.93%
175	1,296,902	5.78%
92	1,271,606	5.66%
27	667,242	2.97%
14	473,724	2.11%
7	313,572	1.40%
29	13,551,392	60.35%
10,704	22,453,200	100.00%

The shares of the Company are listed with the Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The shares were quoted at Tk.232.50 in the Dhaka Stock Exchange Limited on 30.06.2016 and at Tk.230.00 in the Chittagong Stock Exchange Limited on 30.06.2016 respectively.

11. TAX HOLIDAY RESERVE:

This represents provision made out of profit of Tax Holiday period in accordance with section 45 (2B) and section 46A (2) of Income Tax Ordinance 1984.

4,392,110 4,392,110 4,392,110

12. RETAINED EARNINGS:

Balance as at 1st January
Dividend paid
Surplus during the year/period

358,108,009	254,894,853	195,656,433
(56,133,000)	(74,844,000)	(68,040,000)
78,815,689	178,057,156	127,278,420
380,790,698	358,108,009	254,894,853



MALEK SIDDIQUI WALI
CHARTERED ACCOUNTANTS

	Amount in Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
13. LONG TERM FINANCE :			
i) From Al-Arafah Islami Bank Ltd.-Secured (Under Hire Purchase Shirkatul Melk)	211,928,704	206,399,115	43,830,831
Current maturity transferred to current liability			
i) From Al-Arafah Islami Bank Ltd.-Secured (Under Hire Purchase Shirkatul Melk)	(25,264,618)	(33,686,157)	(10,713,865)
LONG TERM FINANCE - net off current maturity	<u>186,664,086</u>	<u>172,712,958</u>	<u>33,116,966</u>

Note -17

- (i) Tk.186,664,086 (excluding current maturity) represent the balance amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position. The amounts are the balances of the finance obtained from Al-Arafah Islami Bank Ltd. for import of capital machinery and transport on Hire Purchase Shirkatul Melk on the following terms & conditions:

Terms:

Repayable in equal 84 for import of capital machinery and 60 monthly installment with 13% for capital machinery and 15% for transport rate of profit on the balance due under diminishing balance method.

Securities:

a) Collateral:

- i) Registered mortgage of landed property measuring 804 decimal of land with factory building located at Shafipur, Gazipur.
 (ii) Registered irrevocable general Power of Attorney authorizing the Bank to sell the property without intervention of the court shall also be executed by the owner of mortgaged land/ property.

b) Others:

Hypothecation of company's machinery.

14. RETIREMENT BENEFIT OBLIGATIONS:

Deferred liability represents employees gratuity recognized as liability the movement of which is as below:

Balance as at 1st January	31,705,572	50,927,728	51,640,647
Provision during the year/period	17,767,664	32,478,198	23,871,633
Paid during the year/period	(27,700,354)	(51,700,354)	(24,584,552)
	<u>21,772,882</u>	<u>31,705,572</u>	<u>50,927,728</u>

15. DEFERRED TAX ASSET/ LIABILITY:

Deferred Tax Asset /Liability represents deferred tax recognized as asset/liability the movement of which is as below:

(a) Deferred tax liability on net temporary differences:

Balance as at 1st January	16,430,230	7,928,475	5,243,267
Deferred tax expense/(income)	23,047,968	8,501,755	2,685,208
	<u>39,478,198</u>	<u>16,430,230</u>	<u>7,928,475</u>

(b) Deferred tax liability on Change in AFS Financial Assets

Balance as at 1st January	27,323,727	22,913,082	31,015,694
Addition/(Less) during the year /period	1,533,696	4,410,645	(8,102,612)
	<u>28,857,423</u>	<u>27,323,727</u>	<u>22,913,082</u>

Deferred tax liability closing balance (a+b)

<u>68,335,622</u>	<u>43,753,957</u>	<u>30,841,557</u>
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MALEK SIDDIQUI WALI
CHARTERED ACCOUNTANTS

16. SHORT TERM FINANCE :

- A. From Al-Arafah Islami Bank Ltd. - Secured
(Under Composite facilities LC(MPI/TR))
- B. Loan from others

Amount in Taka		
As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
111,041,160	208,012,886	135,514,374
-	78,126	78,126
<u>111,041,160</u>	<u>208,091,012</u>	<u>135,592,500</u>

A. (i) Tk. 111,041,160 represents amounts utilized for procurement of raw and packing materials on the following terms and conditions:

Terms:

Period of Investment : 01 (one) year on revolving basis.

Rate of profit: 16% per annum & Commission 0.25% per quarter .

Securities:

a) Cash Margin:

(i) LC @ 10% cash margin & MPI @10% margin on landed cost.

b) Primary :

- (i) L/C related documents.
(ii) MPI - Pledge of imported goods / goods intrade.
(iii) TR - Trust Receipt & hypothecation of imported goods.

c) Collateral :

i) Registered mortgage of land property measuring 804 decimal of land with factory building located at Shafipur, Gazipur.

d) Others :

i) Hypothecation of company's machinery.

17. LONG TERM FINANCE-CURRENT MATURITY:

This consist of:

- i) From Al-Arafah Islami Bank Ltd.-Secured
(Under Hire Purchase Shirkatul Melk)

Balance

25,264,618	33,686,157	10,713,865
<u>25,264,618</u>	<u>33,686,157</u>	<u>10,713,865</u>

The amounts represent current maturity of long term finance obtained from Al-Arafah Islami Bank Ltd. which are repayable within next 12 (Twelve) months from the date of Balance Sheet.

18. ACCOUNTS AND OTHER PAYABLE :

Payable for suppliers

Accured expenses

Deposits

Others Finance

Note-18.1

Note-18.2

179,930,531	122,015,395	88,850,633
115,550,805	86,562,468	68,590,571
19,255,848	13,104,848	12,929,848
83,322,257	45,597,049	40,964,744
<u>398,059,441</u>	<u>267,279,760</u>	<u>211,335,796</u>

18.1 DEPOSITS :

This consists of :

Share money deposit

Security money received from employees

14,848	14,848	14,848
19,241,000	13,090,000	12,915,000
<u>19,255,848</u>	<u>13,104,848</u>	<u>12,929,848</u>



MALEK SIDDIQUI WALI
CHARTERED ACCOUNTANTS

18.2 OTHER FINANCE :

This consists of :
Unclaimed dividend
Advance against sales
Workers' profit participation fund & welfare fund
Others

Amount in Taka		
As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
57,350,319	26,221,348	21,916,548
7,281,774	7,276,775	9,834,105
17,904,826	11,575,588	8,496,750
785,338	523,338	717,341
<u>83,322,257</u>	<u>45,597,049</u>	<u>40,964,744</u>

19. INCOME TAX LIABILITY:

This is arrived at as follows :

Opening balance
Current tax expense

Adjusted during the year/period

25,664,587	43,306,444	51,281,168
24,721,101	44,952,853	39,971,374
<u>50,385,688</u>	<u>88,259,297</u>	<u>91,252,542</u>
-	(62,594,710)	(47,946,098)
<u>50,385,688</u>	<u>25,664,587</u>	<u>43,306,444</u>



20. REVENUE:

Amount in Taka

This is made up as follows:	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
	Local revenue	4,909,463,504	1,786,338,877	3,123,124,627	1,461,301,086
Export revenue	55,804,410	16,303,929	39,500,481	13,166,827	28,452,133
	4,965,267,914	1,802,642,806	3,162,625,108	1,474,467,913	2,678,909,367

The above sales represent the following :

Product Group	Unit	From 1st Jan'16 to 30th Jun'16		From 1st Jan'15 to 30th Jun'15	
		Quantity	Amount	Quantity	Amount
Tablet	Pcs	599,401,980	758,319,941	557,974,425	616,627,921
Capsule	Pcs	77,129,340	259,523,884	77,016,120	258,328,683
Dry Syrup / ORS	Bottle	9,770,070	227,846,850	8,621,725	188,120,114
Liquid Bottles	Bottle	8,308,920	211,671,362	7,743,840	167,140,856
Drops	Pcs	4,151,910	254,640,375	3,647,520	158,319,953
Ointment	Pcs	3,152,820	89,092,300	3,198,210	84,776,613
Injection	Pcs	2,520,420	1,462,170	2,441,880	1,153,773
Total Value			1,802,556,882		1,474,467,913

21. COST OF GOODS SOLD :

This is arrived at as follows:

Raw materials consumed	Note-21.1	1,572,709,223	541,856,060	1,030,853,163	457,549,224	901,185,937
Packing materials consumed	Note-21.2	923,553,648	342,092,700	581,460,948	315,335,358	468,756,909
		2,496,262,871	883,948,760	1,612,314,111	772,884,582	1,369,942,846
Opening work-in-process		20,559,600	28,015,921	20,559,600	15,456,600	19,608,100
Closing work-in-process		(28,472,242)	(28,472,242)	(28,015,921)	(15,456,600)	(20,559,600)
Total Consumption		2,488,350,229	883,492,439	1,604,857,790	772,884,582	1,368,991,346
Manufacturing expenses	Note-22	516,507,406	206,063,087	310,444,319	129,092,919	253,715,369
Cost of Production		3,004,857,634	1,089,555,526	1,915,302,109	901,977,501	1,622,706,715
Opening finished goods		40,039,010	44,602,220	40,039,010	32,915,810	39,077,410
Closing finished goods		(45,165,430)	(45,165,430)	(44,602,220)	(32,915,810)	(40,039,010)
		2,999,731,214	1,088,992,316	1,910,738,899	901,977,501	1,621,745,115
Cost of physicians' samples		(22,265,862)	(8,310,968)	(13,954,894)	(6,542,131)	(11,947,474)
		2,977,465,353	1,080,681,348	1,896,784,005	895,435,370	1,609,797,641

21.1 RAW MATERIALS CONSUMED:

This is arrived at as follows :

Opening stock	48,139,256	62,280,656	48,139,256	48,139,256	38,997,856
Purchases	1,587,992,023	542,997,460	1,044,994,563	455,337,444	910,327,337
Closing stock	(63,422,056)	(63,422,056)	(62,280,656)	(45,927,476)	(48,139,256)
	1,572,709,223	541,856,060	1,030,853,163	457,549,224	901,185,937

21.1.1 SUMMARISED QUANTITY AND TOTAL VALUE OF RAW MATERIALS CONSUMED :

Particulars	Unit	From 1st Jan'16 to 30th Jun'16		From 1st Jan'15 to 30th Jun'15	
		Quantity	Amount	Quantity	Amount
Active materials	Kg.	91,364	444,413,665	79,583	367,979,460
Excepients	Kg.	272,685	72,846,480	2,464,728	59,289,068
Colour	Kg.	118	135,154	112	128,661
Empty gellatin capsul	Pcs.	122,088,000	10,946,920	101,341,422	9,120,728
Flavour	Kg.	1,300	1,553,333	1,251	1,494,371
Sugar	Kg.	47,131	2,545,074	100,858	5,446,310
Sorbitol	Kg.	36,945	5,792,976	47,248	7,408,424
Dextrose	Kg.	7,171	423,089	51,725	2,943,137
Lactose	Kg.	16,930	3,199,370	19,783	3,739,065
Total Value			541,856,060		457,549,224

21.2 PACKING MATERIALS CONSUMED :

	Amount in Taka				
	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
This is arrived at as follows :-					
Opening stock	40,546,705	44,882,298	40,546,705	40,546,705	38,211,112
Purchases	928,424,834	342,628,293	585,796,541	313,788,365	471,092,502
Closing stock	(45,417,891)	(45,417,891)	(44,882,298)	(38,999,712)	(40,546,705)
	<u>923,553,648</u>	<u>342,092,700</u>	<u>581,460,948</u>	<u>315,335,358</u>	<u>468,756,909</u>

21.2.1 SUMMARISED QUANTITY AND TOTAL VALUE OF PACKING MATERIALS CONSUMED:

Particulars	Unit	From 1st Jan'16 to 30th Jun'16		From 1st Jan'15 to 30th Jun'15	
		Quantity	Amount	Quantity	Amount
Alluminium foil	Kg.	95,289	71,366,525	78,959	59,219,325
Alluminium tube	Pcs.	6,134,222	41,171,974	7,628,378	50,728,716
Bottle	Pcs.	16,745,088	80,150,398	14,960,850	71,703,899
Container	Pcs.	1,071,410	7,449,870	868,308	6,078,153
Carton	Pcs.	16,032,789	30,811,217	13,080,630	25,219,456
Label	Pcs.	18,201,846	8,177,235	14,818,043	6,697,755
PVC-film	Kg.	266,099	56,057,209	248,647	52,417,967
PP cap	Pcs.	16,745,262	22,570,511	8,826,323	11,915,536
Plastic vial	Pcs.	3,577,713	11,985,339	3,709,021	12,425,220
Ampule	Pcs.	2,330,646	12,352,422	2,337,208	12,387,200
Total Value			342,092,700		308,793,227

22. MANUFACTURING EXPENSES :

Particulars	Amount in Taka				
	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
Salary, wages & allowances	283,577,137	105,266,876	178,310,261	77,306,128	145,259,594
Travelling & conveyance	2,964,406	845,786	2,118,620	1,320,186	875,689
Printing & stationery	2,286,767	919,877	1,366,890	688,777	870,760
Repairs & maintenance-building	7,298,992	2,900,619	4,398,373	1,429,156	4,764,422
Repairs & maintenance- machinery & equipme	28,794,535	9,958,182	18,836,353	8,395,571	18,653,252
Repairs & maintenance-vehicle & others	7,185,856	2,925,148	4,260,708	1,981,539	4,045,892
House Rent	3,828,459	1,297,860	2,530,599	1,236,060	1,169,605
Medical expenses	1,235,934	809,294	426,640	252,382	25,143
Power & fuel	61,972,495	30,260,011	31,712,484	8,840,428	27,076,421
Training expenses	113,650	83,150	30,500	11,500	39,250
Insurance premium	5,033,707	2,582,843	2,450,864	1,062,819	2,403,506
Entertainment	1,498,263	591,020	907,243	376,242	687,219
Staff welfare	20,423,723	8,041,594	12,382,129	4,205,813	11,464,908
Telephone, fax, etc.	905,102	318,125	586,977	267,400	466,899
Fees & charges	3,436,931	752,525	2,684,406	1,220,856	2,237,533
Donation & subscription	10,000	-	10,000	10,000	10,500
Advertisement	30,000	30,000	-	-	-
News paper & periodicals	55,850	18,456	37,394	19,080	381,361
Staff uniform	2,123,864	752,800	1,371,064	326,848	1,374,342
Laboratory chemicals & stores	2,000,683	1,221,355	779,328	149,586	826,497
Indirect materials	4,431,874	1,544,721	2,887,153	1,500,562	2,563,896
Depreciation	74,529,965	34,104,345	40,425,620	18,417,336	26,723,531
Damaged goods	2,647,715	802,500	1,845,214	-	1,703,210
Sundry expenses	121,499	36,000	85,499	74,650	91,939
	<u>516,507,406</u>	<u>206,063,087</u>	<u>310,444,319</u>	<u>129,092,919</u>	<u>253,715,369</u>

- (a) The number of employees employed in the factory throughout the year who received aggregate remuneration not less than Tk.36,000 was 38.
- (b) The number of employees employed in the factory for part of the year who received aggregate remuneration not less than Tk.3,000 per month was 38.
- (c) Salary, wages & allowances include P.F. contribution of Tk.2,485,785 and Gratuity of Tk.3,107,231.

23. ADMINISTRATIVE EXPENSES :

Particulars	Amount in Taka				
	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
Salary, wages & allowances	62,355,587	23,852,656	38,502,931	19,508,715	34,377,648
Directors' remuneration	5,990,500	2,106,000	3,884,500	1,776,000	3,552,000
Directors' meeting fee	1,308,850	518,250	790,600	208,250	708,550
Travelling & conveyance	1,964,577	709,951	1,254,626	1,131,243	551,884
Repairs & maintenance-building & equipment	3,743,576	1,209,718	2,533,858	981,243	1,449,886
Repairs & maintenance-vehicle & others	3,907,933	1,127,442	2,780,491	1,330,420	1,870,069
Audit fees	297,750	98,000	199,750	87,500	182,500
Head office rent	6,170,500	2,354,400	3,816,100	1,461,702	2,923,404
Medical expenses	1,176,059	404,806	771,253	300,694	603,336
Postage & stamp	249,384	36,848	212,536	32,936	140,014
Training expenses	212,100	71,600	140,500	27,250	57,000
Insurance premium	469,713	181,579	288,134	141,302	258,641
Entertainment	2,457,029	994,483	1,462,546	637,980	1,205,123
Staff uniform	69,469	22,957	46,512	25,343	17,153
Staff welfare	1,945,484	671,371	1,274,113	569,865	994,475
Telephone, fax, etc.	1,393,949	504,945	889,004	415,097	913,247
Fees & charges	2,083,739	1,102,126	981,613	596,956	866,730
Donation & subscription	822,400	122,000	700,400	10,000	147,000
Advertisement	2,749,548	657,737	2,091,811	802,296	1,219,122
News paper & periodicals	319,592	45,563	274,029	47,649	162,415
Printing & stationery	1,154,296	461,952	692,344	418,105	716,277
Water, electricity & gas	1,995,953	692,146	1,303,807	464,440	1,185,779
Annual general meeting expenses	4,203,508	1,393,015	2,810,493	1,685,565	2,082,653
Expenses relating to dividend	417,583	254,500	163,083	546,000	143,530
Depreciation	6,015,319	2,374,262	3,641,057	1,554,840	3,209,084
Sundry expenses	824,582	386,375	438,207	91,519	244,398
	<u>114,298,980</u>	<u>42,354,682</u>	<u>71,944,298</u>	<u>34,852,910</u>	<u>59,781,918</u>

(a) Audit fees represents auditors' remuneration including VAT.

(b) The number of employees employed in the administration department throughout the year who received aggregate remuneration not less than Tk.36,000 was 2.

(c) Salary, wages & allowances include P.F. contribution of Tk. 734,678 and Gratuity of Tk.918,348.

(d) The number of employees employed in the administration department for part of the year who received aggregate remuneration not less than Tk 3,000 per month was 2.

24. SELLING & DISTRIBUTION EXPENSES :

Particulars	Amount in Taka				
	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
Salary, wages & allowances	887,512,230	334,923,322	552,588,908	250,792,877	491,228,505
Travelling & conveyance	3,608,162	1,778,071	1,830,091	581,680	1,644,399
Head office & sales centres rent	23,021,801	8,343,923	14,677,878	6,729,747	12,129,802
Printing & stationery	9,065,816	2,772,800	6,293,016	6,599,951	4,757,258
Repairs & maintenance-building & equipment	5,682,178	1,860,886	3,821,292	1,872,848	2,980,769
Repairs & maintenance-vehicle & others	21,383,046	8,070,061	13,312,985	6,814,533	10,901,902
Medical expenses	3,725,878	1,016,436	2,709,442	1,851,626	1,165,827
Water, electricity & gas	1,323,910	461,264	862,646	314,657	812,460
Postage & stamp	392,079	137,675	254,404	88,414	225,321
Field forces conference expenses	16,303,576	8,803,676	7,499,900	3,148,200	6,650,561
Insurance premium	2,371,055	1,140,022	1,231,033	611,139	1,128,676
Entertainment	1,743,413	466,264	1,277,149	601,224	1,073,145
Training expenses	7,746,871	3,279,038	4,467,833	1,612,048	2,832,787
Staff welfare	2,632,369	883,642	1,748,727	439,310	1,449,030
Telephone, fax, etc.	1,570,281	430,736	1,139,545	442,159	819,924
Fees & charges	324,542	166,682	157,860	44,030	50,560
Donation & subscription	26,000	26,000	-	20,000	-
Advertisement	3,821,464	635,461	3,186,003	1,239,116	958,086
Incentive	27,564,137	8,371,942	19,192,195	9,149,071	15,703,528
Sales representatives conference	4,935,680	2,373,780	2,561,900	2,361,900	2,345,000
Detailing bag & brief case	1,772,330	589,690	1,182,640	627,250	855,850
Field personnel expenses	205,617,319	75,633,507	129,983,812	60,805,196	110,243,251
Product development expenses	347,567	144,257	203,310	104,336	69,429
Product pad & literature	57,674,982	18,713,304	38,961,678	41,794,627	33,245,215
Other promotional expenses	23,826,340	8,513,214	15,313,126	9,468,542	12,894,547
Physicians' samples	26,826,340	10,013,214	16,813,126	12,582,410	14,394,547
Market survey & research	3,606,295	1,083,667	2,522,628	959,744	2,410,607
Export expenses	4,189,497	1,569,982	2,619,515	1,072,407	2,369,411
Delivery expenses	170,348,687	60,858,003	109,490,684	53,726,951	95,317,639
Depreciation	9,949,140	3,803,139	6,146,001	3,098,343	5,231,744
Sundry expenses	249,608	25,767	223,841	108,112	471,463
Loss on sale of vehicle	165,470	-	165,470	-	155,876
Staff uniform	176,593	67,537	109,056	75,830	101,764
Bad debts	295,495	255,420.00	40,075	4,592	-
	<u>1,529,800,151</u>	<u>567,212,382</u>	<u>962,587,769</u>	<u>479,742,870</u>	<u>836,618,883</u>

(a) The number of employees employed in the selling & distribution department throughout the year who received aggregate remuneration not less than Tk.36,000 was 35.

(b) Salary, wages & allowances include P.F. contribution of Tk.10,993,668 and Gratuity of Tk.13,742,085.

(c) The number of employees employed in the selling & distribution department for part of the year who received aggregate remuneration not less than Tk.3,000 per month was 45.



Amount in Taka

25. OTHER INCOME:

	For the period 1st Jan-2015 to 30th Jun-2016	For the period 1st Jan-2016 to 30th Jun-2016	For the period 1st Jan-2015 to 31st Dec-2015	For the period 1st Jan-2015 to 30th Jun-2015	For the period 1st Jan-2014 to 31st Dec-2014
Dividend income (cash)	41,268,427	24,234,278	17,034,149	13,216,789	7,659,649
Profit on bank deposits	1,379,427	447,735	931,692	462,486	3,656,794
Gain sales of Fixed Assets (Motor Vehicles)	2,464,036	889,461	1,574,575	-	509,000
Foreign Exchange Fluctuation Gain/(Loss) on FCAD ERQ Accounts	(2,262,403)	(1,406,838)	(855,565)	-	(1,076,368)
Miscellaneous income	939,064	604,974	334,090	484,730	469,906
	<u>43,788,551</u>	<u>24,769,610</u>	<u>19,018,941</u>	<u>14,164,005</u>	<u>11,218,981</u>
26. WORKERS' P.P FUND & WELFARE FUND :	<u>17,904,826</u>	<u>6,329,238</u>	<u>11,575,588</u>	<u>3,596,355</u>	<u>8,496,750</u>

This represents 5% of net profit before tax after charging the contribution as per provision of the Bangladesh Labour Act, 2006 and is payable to workers as defined in the said Act.

27. CURRENT TAX:

This represents estimated Income Tax liability for the year 2016 made as follows:

	<u>69,673,954</u>	<u>24,721,101</u>	<u>44,952,853</u>	<u>17,981,773</u>	<u>39,971,374</u>
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28. EARNINGS PER SHARE (EPS) :

Basic earnings per share has been calculated as follows :

Earnings attributable to the Ordinary
Shareholders (Net profit after tax)

Divided by number of Ordinary Shares
outstanding during the year

	256,872,845	78,815,689	178,057,156	54,061,839	127,278,420
	22,453,200	22,453,200	22,453,200	22,453,200	22,453,200
EARNINGS PER SHARE(EPS) (Adjusted EPS of 2014)	<u>11.44</u>	<u>3.51</u>	<u>7.93</u>	<u>2.41</u>	<u>5.67</u>

29. THE AGGREGATE AMOUNTS PAID / PROVIDED DURING THE CURRENT PERIOD ON ACCOUNT OF DIRECTORS AND OFFICERS OF THE COMPANY ARE AS FOLLOWS :

Particulars	Directors		Officers	
	Jan-June'16	Jan-June'15	Jan-June'16	Jan-June'15
Managerial remuneration	2,106,000	1,776,000	94,340,684	85,840,684
Meeting fee	518,250	208,250	-	-
Bonus	155,000	145,000	9,545,590	7,545,590
Perquisites :				
Transport	233,625	228,601	668,632	668,632
Medical	-	-	281,625	271,626
Telephone	45,721	46,276	78,777	53,777
	<u>279,346</u>	<u>274,877</u>	<u>1,029,034</u>	<u>994,035</u>

The rate of Board meeting attendance fee was Tk.5,000 per director.



30. VALUE OF IMPORTS ON CIF BASIS:

	Amount in '000' Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
Materials (raw & packing)	371,487	708,131	628,826
Components & spare parts	-	336	735
Capital goods	59,173	280,511	128,844
	<u>430,660</u>	<u>988,978</u>	<u>758,405</u>

31. INSTALLED CAPACITY, ACTUAL PRODUCTION ON SINGLE SHIFT BASIS AND REASONS FOR SHORT-FALL DURING THE YEAR ENDED 30th June, 2016 :

Product group	Unit	Amount in '000' Taka			
		30.06.2016		30.06.2015	
		Installed	Actual Production	Installed	Actual Production
Tablet	Pcs	359,638	611,389	359,638	746,395
Capsule	Pcs	62,178	78,672	62,178	81,392
Dry Syrup / ORS	Bottle	15,101	11,724	15,101	54,921
Liquid	Bottle	5,693	9,139	5,693	12,091
Drops	Pcs	4,290	4,649	4,290	5,547
Ointment	Pcs	3,861	4,098	3,861	4,719
Injection	Pcs	4,462	3,654	4,462	3,508

Production was made keeping in view market demand.

32. RELATED PARTY TRANSACTIONS:

During the year, the company carried out transactions with related parties in the normal course of business and on an arm's length basis. The name of related parties, relationship, types of transaction and their total value have been set out in accordance with the provisions of BAS 24 "Related Party Disclosures". Transaction with related parties are executed on the same terms as those of other customers of similar credentials and do not involve more than a normal risk.

Name of Related Parties	Relationship	Types of Transaction	Value of Transaction	Balance
1. The IBN SINA Trust	Sponsor shareholder holding 43.83% shares	Dividend payment	22,141,557	-
2. Islami Bank BD. Ltd.	Investment in Shares and Bonds	Receipt of Dividend and Profit	25,123,739	-

33. There was no contract for Capital Expenditure remaining to be executed and not provided for at 30th June, 2016.

34. There was no general nature of credit facilities available to the company under any contract other than trade credit available in the ordinary course of business and not availed of as on 30.06.2016.

35. No brokerage or discount other than usual trade discount against sales was paid during the year/period.

36. As there was no sales agent, commission therefor was not paid.

37. During the period of 18th months under review AUD\$ 11,000.00 equivalent to Tk. 857,450.00 have been paid to expatriate consultants as fees for their services rendered to the company.

38. As there was no non-resident shareholder, no dividend was remitted abroad.

39. During the period Jan-June'16 the company (a) earned foreign exchange of US \$ 209,099.81 equivalent to Tk. 16,303,929.00 on account of export sale, (b) but did not earn or receive any income in respect of royalty, technical know-how, professional & advisory fees, interest & dividend.



41. There were aggregating claims of Tk. 24,558,233 in respect of assessment years 1997-98 , 2000-2001, 2002-2003, 2003-2004, 2004-2005, 2007-2008, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016 respectively against the Company for Income Tax and there were aggregating refund of Tk. 9,946,383 in favor of the company for Income Tax in different years but there were not acknowledged as debts assets. The Company filed Income Tax Reference case with High Court Division of the Suprem Court & Appeals remained pending and we have applied for adjustment for remaining cases.
42. There was no contingent liability other than letters of credit outstanding for importation of raw & packing materials, capital goods as on 30.06.2016.

42. FINANCIAL RISK MANAGEMENT:

The company management 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 from its use of financial instruments.

- (a) Credit Risk
- (b) Liquidity Risk
- (c) Market Risk

42.1 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 the exposure to credit risk is monitored on an ongoing basis. As at 30th June 2016, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposures from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Amount in Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
Accounts receivable:			
Advance to employees	1,640,511	1,821,827	1,610,401
Advance to supplies	3,787,220	18,426,532	19,310,512
Trade receivable	8,101,219	7,735,798	4,783,652
Other receivables	9,657,610	10,035,470	8,792,097
Security deposit	4,964,521	6,501,321	4,517,746
Imprest cash	5,936,600	7,525,000	6,356,000
Cash at bank	162,446,424	154,828,051	151,383,655
	183,005,155	178,889,842	171,049,498

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

Trade receivables

	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
Not past due	8,101,219	7,735,798	4,783,652
Past due 1-180 days	-	-	-
Past due more than 180 days	-	-	-

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



42.2 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 equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 31st December was:

	Amount in Taka		
	As at 30.06.2016	As at 31.12.2015	As at 31.12.2014
Trade and other Payables	179,930,531	122,015,395	88,850,633
Security money received from employees	19,241,000	13,090,000	12,915,000
Other current liabilities	83,322,257	45,597,049	40,964,744
	<u>282,493,788</u>	<u>180,702,444</u>	<u>142,730,377</u>

42.3 Market Risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Interest Rate Risk

Interest rate risk is the risk that arise due to changes in interest rates on borrowings. The Company is not significantly exposed to fluctuation in interest rates as it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

(ii) Currency risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad. The company have received foreign currency loan which shall be repaid in foreign currency.

(iii) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The foreign currency loan is subject to floating rates of interest. Local loans are, however, not significantly affected by fluctuations in interest rates. The company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

43. EVENTS AFTER THE REPORTING PERIOD :

The Board of Directors at its meeting no.239th held on 02.10.16 recommended to the shareholders 12.50% cash dividend 5% stock dividend for the period from 1st January, 2016 to 30th June, 2016 which will be considered for approval by the shareholders at the 32nd Annual General Meeting .

The Board of Director recommended 25% cash and 10% stock dividend for the year 1st January to 31st December 2015.

As per guidance of the minutes of the meeting amongst DSEC, DSE and CSE held on April 28 2016, the company has already distributed 25% cash dividend amongst the Shareholders as interim dividend and the 10% Stock dividend will be distributed after approval at AGM.



**PROPERTY, PLANT AND EQUIPMENT:
AS AT 30th JUNE, 2016**

Annexure-A
Amount in Taka

Particulars	Cost/ Revaluation				Rate	Depreciation				Written down value on 30.06.2016
	On 01.01.2016	Addition during the year	Disposal / Adjustment	Total on 30.06.2016		On 01.01.2016	For the year	Disposal / Adjustment	Total on 30.06.2016	
Land & Land Developer	63,694,640	3,905,340		67,599,980	-	-	-	-	67,599,980	
Building	148,988,708	14,990,477		163,979,185	2.50%	27,694,316	1,596,060	29,290,376	134,688,809	
Plant & Machinery	722,073,503	59,173,166		781,246,669	10.00%	192,860,892	27,151,511	220,012,403	561,234,266	
Internal Road	4,343,751	33,570		4,377,321	10.00%	1,978,693	118,929	2,097,622	2,279,699	
Installations	22,055,499	2,984,480		25,039,979	10.00%	10,327,207	616,641	10,943,848	14,096,131	
Equipment	96,742,943	20,964,661		117,707,604	10.00%	25,787,851	4,029,735	29,817,586	87,890,018	
Computers	22,031,023	2,246,630		24,277,653	30.00%	16,226,816	1,030,988	17,257,804	7,019,849	
Furniture & Fixtures	44,931,408	1,237,682		46,169,090	10.00%	22,677,283	1,128,427	23,805,710	22,363,380	
Motor Vehicles	87,847,967	16,396,362	(4,038,752)	100,205,577	20.00%	50,031,091	4,086,958	(3,609,695)	49,697,223	
Spares & Loose Tools	15,782,941	-		15,782,941	20.00%	12,252,145	353,080	12,605,225	3,177,716	
Library Books	851,659	16,000		867,659	10.00%	572,165	14,375	586,540	281,119	
Temporary Construction	5,149,721	-		5,149,721	20.00%	3,599,299	155,042	3,754,341	1,395,380	
TOTAL-30th June, 2016	1,234,493,763	121,948,368	(4,038,752)	1,352,403,379		364,007,758	40,281,746	(3,609,695)	400,679,809	951,723,570
TOTAL-30st Dec, 2015	834,827,102	405,595,127	(5,928,466)	1,234,493,763		318,919,720	50,212,678	(5,124,641)	364,007,758	870,486,005

Allocation of depreciation:

		As at 30.06.2016	As at 31.12.2015
Manufacturing Expenses	Note-22	34,104,345	40,425,620
Administrative Expenses	Note-23	2,374,262	3,641,057
Selling & Distribution Expenses	Note-24	3,803,139	6,146,001
		40,281,746	50,212,678

Annexer-a.b. The following property, plant & equipment were disposed off during the year/period

Items	Original Cost	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposa	Particulars of purchases
Motor vehicles	4,038,752	3,609,695	429,057	1,318,518	Com. policy	Tender
Jan'16-Jun'16	4,038,752	3,609,695	429,057	1,318,518		
Jan'15-Dec' 15	5,928,466	5,124,641	803,825	2,378,400		



PROPERTY, PLANT AND EQUIPMENT:
AS AT 31st DECEMBER, 2015

Annexure-A
Amount in Taka

Particulars	Cost/ Revaluation				Rate	Depreciation				Written down value on 31.12.2015
	On 01.01.2015	Addition during the year	Disposal / Adjustment	Total on 31.12.2015		On 01.01.2015	For the year	Disposal / Adjustment	Total on 31.12.2015	
Land & Land Development	36,446,256	27,248,384		63,694,640	-	-	-	-	63,694,640	
Building	128,693,900	20,294,808		148,988,708	2.50%	24,884,795	2,809,521	27,694,316	121,294,392	
Plant & Machinery	441,562,090	280,511,413		722,073,503	10.00%	162,435,493	30,425,399	192,860,892	529,212,611	
Internal Road	3,965,998	377,753		4,343,751	10.00%	1,739,672	239,021	1,978,693	2,365,058	
Installations	16,697,304	5,358,195		22,055,499	10.00%	9,492,660	834,547	10,327,207	11,728,292	
Equipment	42,475,578	54,267,365		96,742,943	10.00%	22,405,279	3,382,572	25,787,851	70,955,092	
Computers	20,932,778	1,098,245		22,031,023	30.00%	13,948,274	2,278,542	16,226,816	5,804,207	
Furniture & Fixtures	43,709,688	1,221,720		44,931,408	10.00%	20,240,725	2,436,558	22,677,283	22,254,125	
Motor Vehicles	79,111,814	14,664,619	(5,928,466)	87,847,967	20.00%	48,544,941	6,610,791	(5,124,641)	50,031,091	
Spares & Loose Tools	15,446,745	336,196		15,782,941	20.00%	11,425,479	826,666	12,252,145	3,530,796	
Library Books	851,659	-		851,659	10.00%	541,110	31,055	572,165	279,494	
Temporary Construction	4,933,292	216,429		5,149,721	20.00%	3,261,292	338,007	3,599,299	1,550,422	
TOTAL-2015	834,827,102	405,595,127	(5,928,466)	1,234,493,763		318,919,720	50,212,679	(5,124,641)	364,007,758	870,486,005
TOTAL-2014	668,062,064	167,600,458	(835,420)	834,827,102		284,415,581	35,164,359	(660,220)	318,919,720	515,907,382

Allocation of depreciation:

		<u>2015</u>	<u>2014</u>
Manufacturing Expenses	Note-22	40,425,620	26,723,531
Administrative Expenses	Note-23	3,641,057	3,209,084
Selling & Distribution Expenses	Note-24	6,146,001	5,231,744
		<u>50,212,678</u>	<u>35,164,359</u>

Annexer-a.b. The following property, plant & equipment were disposed off during the year

Items	Original Cost	Accumulated depreciation	Carrying value	Sale proceeds	Mode of disposal	Particulars of purchases
Motor vehicles	5,928,466	5,124,641	803,825	2,378,400	Com. policy	Tender
2015	5,928,466	5,124,641	803,825	2,378,400		
2014	835,420	660,220	175,200	509,000		

