

Ambee Pharmaceuticals Limited
Financial Statement (Audited)
As on 30 June 2017

AMBEE PHARMACEUTICALS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2017

Particulars	Notes	Amount in Taka		
		30 June, 2017	30 June, 2016	31 December, 2015
ASSETS				
Non-Current Assets				
Property, Plant & Equipment (at carrying amount) less accumulated depreciation	4	119,902,598	95,182,604	47,345,820
Capital Work in Progress (Plant and Machinery under Installation)		-	-	-
Total non-current assets		119,902,598	95,182,604	47,345,820
Current Assets				
Inventories	5	165,424,426	165,208,254	166,911,287
Trade Receivables	6	70,042,546	70,989,215	73,851,843
Advances, Deposits and Pre-payments	7	82,639,015	78,111,185	79,713,732
Short Term Investment		-	-	51,378,001
Cash & Cash Equivalents	8	13,570,751	12,661,792	11,399,809
Total current assets		331,676,738	326,970,446	383,254,673
Total Assets		451,579,336	422,153,050	430,600,492
Equity and liabilities				
Equity attributable to owners of the company				
Share Capital	9	24,000,000	24,000,000	24,000,000
Tax-Holiday Reserve	10	5,134,154	5,134,154	5,134,154
Retained Earnings		31,445,078	30,430,396	28,759,661
Total equity		60,579,232	59,564,550	57,893,815
Non-current liabilities				
Deferred Tax		7,389,903	7,149,224	7,142,224
Lease Finance (Non-Current Portion)	11	8,589,291	-	-
Total non-current liabilities		15,979,194	7,149,224	7,142,224
Current liabilities				
Short Term Credit Facility	12	188,630,623	198,367,656	214,553,325
Lease Finance (Current Portion)	11	7720872	-	-
Interest Payable	13	59,288,141	42,166,753	32,990,514
Liabilities for Goods & Others	14	10,008,297	9,153,005	10,085,512
Liabilities for Expenses	15	9,867,061	9,035,635	10,435,986
Liabilities for Other Finance	16	54,896,135	55,923,830	55,341,029
Provision for Income Tax	17	34,734,641	32,390,426	31,700,680
Workers Profit Participation Fund	18	5,011,559	4,048,366	3,763,800
Unclaimed Dividend	19	4,863,582	4,353,605	6,693,606
Total current liabilities		375,020,909	355,439,276	365,564,452
Total equity and liabilities		451,579,336	422,153,050	430,600,492

The accompanying notes form an integral part of these financial statements.

Approved and authorised for issue by the Board of Directors on 5th November, 2017 and signed for and on behalf of the Board.

Sd/-
(Aziz Mohammad Bhai)
Chairman

Sd/-
(Naureen Aziz M. Bhai)
Managing Director

Sd/-
(Nurjehan Hudda)
Director

Sd/-
(A. K. M. Khairul Aziz)
Chief Financial Officer

Sd/-
(Jahangir Alam)
Company Secretary

Subject to our separate report of even date.

Date: Dhaka
November 05, 2017.

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2017

Particulars	Notes	Amount In Taka			
		For the year ended 30 June 2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Revenue	20	351,819,114	511,999,180	172,599,804	339,399,376
Cost of Sales	21	(167,007,820)	(244,891,250)	(83,029,492)	(161,861,758)
Gross Profit		184,811,294	267,107,930	89,570,312	177,537,618
Operating expenses		(155,369,787)	(231,108,540)	(77,997,229)	(153,111,311)
Administrative Expenses	22	(26,205,128)	(30,694,504)	(10,465,299)	(20,229,205)
Selling, Distribution & Marketing Expenses	23	(129,164,660)	(200,414,036)	(67,531,930)	(132,882,106)
Profit from Operations		29,441,506	35,999,390	11,573,083	24,426,307
Non Operating Income	24	-	1,633,203	255,202	1,378,001
Finance Expenses	25	(19,084,059)	(27,338,745)	(9,336,201)	(18,002,544)
Impairment of Assets		-	-	-	-
Profit before contribution to WPPF		10,357,448	10,293,849	2,492,084	7,801,764
Contribution to WPPF	26	(517,872)	(514,692)	(124,604)	(390,088)
Profit Before Tax		9,839,575	9,779,156	2,367,480	7,411,676
Income Tax Expenses		(2,584,893)	(1,597,232)	(696,745)	(900,487)
Current Tax		(2,344,215)	(2,767,975)	(689,746)	(2,078,229)
Deferred Tax		(240,679)	1,170,743	(6,999)	1,177,742
Profit after Tax		7,254,682	8,181,924	1,670,735	6,511,189
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		7,254,682	8,181,924	1,670,735	6,511,189
Number of Shares		2,400,000	2,400,000	2,400,000	2,400,000
Earnings Per Share (EPS) basic (Adjusted EPS of 2017)	27	3.02	3.41	0.70	2.71

The accompanying notes form an integral part of these financial statements. Approved and authorised for issue by the Board of Directors on 5th November, 2017 and signed for and on behalf of the Board.

Sd/-	Sd/-	Sd/-
(Aziz Mohammad Bhai)	(Naureen Aziz M. Bhai)	(Nurjehan Hudda)
Chairman	Managing Director	Director

Sd/-
(A. K. M. Khairul Aziz)
Chief Financial Officer

Sd/-
(Jahangir Alam)
Company Secretary

Subject to our separate report of even date.

Date: Dhaka
November 05, 2017.

Sd/-
Khan Wahab Shafique Rahman & Co.
Chartered Accountants

AMBEE PHARMACEUTICALS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED JUNE 30, 2017**

Particulars	Amount in Taka			
	Share Capital	Tax Holiday Reserve	Retained Earnings	Total Amount
Balance as at 01 January 2016	24,000,000	5,134,154	28,759,661	57,893,815
Transactions with the equity holders:				
Issue Bonus Share	-	-	-	-
Dividend for 2015	-	-	-	-
Net Profit after Tax 2016	-	-	1,670,735	1,670,735
Balance as at 30 June 2016	24,000,000	5,134,154	30,430,396	59,564,550
Balance as at 01 July 2016	24,000,000	5,134,154	30,430,396	59,564,550
Transactions with the equity holders:				
Issue Bonus Share	-	-	-	-
Dividend for 2016	-	-	(6,240,000)	(6,240,000)
Net Profit after Tax 2017	-	-	7,254,682	7,254,682
Balance as at 30 June 2017	24,000,000	5,134,154	31,445,078	60,579,232

Approved and authorised for issue by the Board of Directors on 5th November, 2017 and signed for and on behalf of the Board.

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(A. K. M. Khairul Aziz)
Chief Financial Officer

Sd/-
(Jahangir Alam)
Company Secretary

AMBEE PHARMACEUTICALS LIMITED

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2017

Particulars	Amount in Taka			
	For the year ended 30 June 2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Cash Flows From Operating Activities :				
Cash receipts from customers & others	352,765,783	524,284,586	175,717,634	348,566,952
Payments for costs, expenses & others	(304,214,153)	(463,013,307)	(164,481,841)	(298,531,466)
Cash Generated from operating activities	48,551,630	61,271,279	11,235,793	50,035,486
Finance Expenses	(19,084,059)	(27,338,745)	(9,336,201)	(18,002,544)
Income tax paid	(4,669,416)	(5,005,054)	(777,372)	(4,227,682)
Net cash Generated from operating activities	24,798,155	28,927,480	1,122,220	27,805,260
Cash Flows From Investing Activities :				
Purchase of Fixed Assets	(17,131,478)	(53,142,287)	(49,481,038)	(3,661,249)
Plant and Machinery under Installation	-	-	-	-
Net cash (used in) / generated from investing activities	(17,131,478)	(53,142,287)	(49,481,038)	(3,661,249)
Cash Flows From Financing Activities :				
Other Finance	(1,027,695)	14,576,466	582,801	13,993,665
Dividend paid	(5,730,023)	(4,276,339)	(2,340,001)	(1,936,338)
Net cash used in financing activities	(6,757,718)	10,300,127	(1,757,200)	12,057,327
Net change in Cash and Cash Equivalents	908,959	(13,914,680)	(50,116,018)	36,201,338
Cash and cash equivalents as at 1 July, 2016	12,661,792	26,576,472	62,777,810	26,576,472
Cash and cash equivalents (Closing)	13,570,751	12,661,792	12,661,792	62,777,810
Net Operating Cash Flow Per Share (Note -29)	10.33	12.06	0.47	11.59
Components of Cash and Cash Equivalents				
Cash and Cash Equivalents	13,570,751	12,661,792	12,661,792	11,399,809
Short Term Investment	-	-	-	51,378,001
Total Cash and Cash Equivalents	13,570,751	12,661,792	12,661,792	62,777,810

Approved and authorised for issue by the Board of Directors on 5th November, 2017 and signed for and on behalf of the Board.

Sd/-
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Director

Sd/-
(A. K. M. Khairul Aziz)
Chief Financial Officer

Sd/-
(Jahangir Alam)
Company Secretary

AMBEE PHARMACEUTICALS LIMITED

ACCOUNTING POLICY AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS. AS AT AND FOR THE YEAR ENDED 30TH JUNE, 2017.

1 The Background and Activities of the Company

1.1 Status of the Company

The Ambee Pharmaceuticals Limited (the "Company") was incorporated in Bangladesh as a public Company on 4th February, 1976. It commenced commercial operation in 1978 and went for public issue of shares in 1986. The shares of the Company are listed in the Dhaka and Chittagong Stock Exchanges of Bangladesh.

The registered office of the Company is located at 184/1, Tejgaon I/A, Dhaka – 1208 and the manufacturing plant is located at same place at 184/1, Tejgaon I/A, Dhaka – 1208.

1.2 Principal Activities

The principal activities of the Company were manufacturing of pharmaceuticals drugs and medicines and sales thereof.

2 Bases of Financial Statements- Its Preparation and Presentation

2.1 Measurement Bases

The financial statements have been prepared on the historical cost convention. The financial statements therefore, do not take into consideration the effect of inflation.

2.2 Reporting Framework and Compliance thereof

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant local laws and regulations as applicable and in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

2.3 Components of financial statements are:

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

The financial statements comprises of:

- (a) Statement of Financial Position as at June 30,2017;
- (b) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017;
- (c) Statement of Changes in Equity as at June 30, 2017;
- (d) Statement of Cash Flows for the year ended June 30, 2017 ; and
- (e) Notes to the financial statements comprising summary of significant accounting policies and explanatory information.

2.4 Reporting Period

The financial statements cover for the period of 12 months from July 01, 2016 to June 30, 2017.

2.5 Authorization for Issue

The financial statements have been authorized for issue by the Board of Directors on 5th November, 2017.

2.6 Functional and Presentation Currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka (Taka/Tk./BDT) which is also the functional currency of the Company. All financial information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.7 Comparative Information

Comparative information has been disclosed in respect of the year 2015 & 2016 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.

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

2.8 Use of Estimates and Judgments

The preparation of financial statements 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. Revision of accounting estimates is recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in the following notes:

Note: 3.8	Income tax expense
Note: 3.2.3	Depreciation on Fixed Assets.
Note: 3.6	Inventories
Note: 15	Liabilities for Expenses

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 Recognition

In compliance with the requirements of BAS 18: Revenue, revenue receipts from customers against sales is recognized when products are dispatched to customers, that is, when the significant risk and rewards of ownership have been transferred to the buyer, 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.

3.1.1 Turnover

Turnover for the year comprises local sales.

3.2 Property, Plant and Equipment

3.2.1 Recognition and Measurement

This has been stated at cost less accumulated depreciation in compliance with the requirements of BAS 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 Subsequent Expenditure

The Company recognizes in carrying amount of an item of property, plant and equipment. The cost of replacing part of such an item when that cost is incurred and it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other costs are recognized to the statement of profit or loss and other comprehensive income account as expenses if incurred. All up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.2.3 Depreciation on Fixed Assets (Note-4.00)

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 BAS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

<u>Particulars</u>	<u>Rate</u>
Factory Building	2.50%
Plant & Machinery	7.00%

Deep Tube Well	15.00%
Diesel Generating Set	15.00%
Loose Tools	15.00%
Laboratory Equipment	10.00%
Electrical Installation	10.00%
Laboratory Glassware	15.00%
Production Equipment	10.00%
Transport and Vehicles	20.00%
Motor Cycle	20.00%
Furniture and Fixtures	10.00%
Office Equipment	15.00%
Office By-cycles	20.00%
Books	15.00%

3.2.4 Leases

A finance lease is a lease that transfer substantially all the risks and rewards incidental to ownership of an asset. Title may or may not be transferred eventually. Financial lease are capitalized at the commencement of the lease term at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Asset under finance leases are recognized in the statement of financial position and the future lease payments are recognized as lease liability. Expenses for the period correspond to depreciation of the leased assets and interest cost for the lease finance are charged in the statement of profit or loss and other comprehensive income.

3.2.5 Disposal of Fixed Assets

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

3.2.6 Capital Work-In-Progress

Amount paid for acquiring of fixed assets and the cost of assets not put to use at the year-end are disclosed under capital work-in-progress.

3.3 Financial Instruments

Non-derivative financial instruments comprise investment in shares, accounts and other receivables, cash and cash equivalents, borrowings and other payables.

3.3.1 Financial Assets

Financial assets of the Company include cash and cash equivalents, accounts receivable and other receivables. 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 transactions. 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.

3.3.1(a) Trade Receivable (Note- 6.00)

Trade receivables are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an account receivable is determined to be uncollected, 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 statements of profit or loss and other comprehensive income account.

3.3.1(b) Cash and Cash Equivalents (Note- 8.00)

Cash and cash equivalents include cash in hand 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.

3.3.1(c) Advances and Deposits (Note- 7.00)

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.

Deposits are measured at payment value.

3.4 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 expired.

Finance liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.5 Impairment

(a) Financial Assets

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

(b) 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 statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount.

3.6 Inventories

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

3.7 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.

3.8 Income Tax Expense

Income tax expenses comprise current and deferred taxes. Income tax expenses are 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.

(a) Current Tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting periods is as follows:

Year	Tax rate
2015	25.00%
2016	25.00%
2017 (01 July, 2016 to 30 June, 2017)	25.00%

The Company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 25.00%.

(b) Deferred Tax

The Company has recognized deferred tax using balance sheet method in compliance with the provisions of BAS 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 for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per shares (EPS).

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

3.9 Borrowing Cost

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

3.10 Employee Benefits

The Company operates a contributory provident fund for its Head Office Staff. Assets of provident fund are held in a separate trustee who administrats fund as per the relevant rules and is funded by payments from employees and by the Company at pre-determined rates. The Company's contribution to the provident fund is charged off as revenue expenditure in the period to which the contributions relate.

3.11 Contribution to Workers' Profit Participation/ Welfare Funds

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

3.12 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the financial statements along with dividend per share in accordance with the requirements of the Para 125 of Bangladesh Accounting Standard (BAS) 1: Presentation of Financial Statements. Also, the proposed dividend has not been considered as "Liability" in accordance with the requirements of the Para 12 & 13 of Bangladesh Accounting Standard (BAS) 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.

Dividend proposed by the Board of Directors for the year under review shall be accounted for after the approval of the shareholders in the Annual General Meeting.

3.13 Earnings per Share (EPS)

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

Basic earnings

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

Weighted Average Number of Ordinary Share Outstanding during the period

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days the specific shares are outstanding as a production of the total number of days in the period.

Diluted Earnings per Share

No diluted EPS is required to be calculated for the period as there was no scope for dilution.

3.14 Foreign Currency Transactions

Foreign currency transactions are recorded at the applicable rates of exchange quote 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 quote at that date. Any gain or loss due to exchange differences are recognized as revenue income/expense in compliance with the provisions of BAS 21: The Effects of Changes in Foreign Exchange Rates.

3.15 Statement of Cash Flows

The Statement of cash Flows has been prepared in accordance with the requirements of BAS 7: Statement of Cash Flows. The Cash generated from operating activities has been reported using the Direct Method as prescribed by the Security and Exchange Rules, 1987 and as the benchmark treatment of BAS 7, whereby major classes of gross cash payments from operating activities are disclosed.

3.16 Events after Reporting Period

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

3.17 Other regulatory compliance

As required, Ambee Pharmaceuticals Limited also complies with the following major regulatory provisions in addition to the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations:

- The Income Tax Ordinance 1984
- The Income Tax Rules 1984
- The Securities and Exchange Commission Ordinance 1969
- The Securities and Exchange Commission Act 1993
- The Value Added Tax Act 1991
- The Value Added Tax Rules 1991
- The Labour Law 2006 as amended (2013)

3.18 Going concern

The Company has adequate resources to be in operation for a foreseeable future and the directors continue to adopt going concern basis in preparing the financial statements. The current resources of the Company provide sufficient fund to meet the present requirements of its existing business.

4.00 PROPERTY, PLANT & EQUIPMENT:

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net Book Value as on 30.06.2017
	As on 01.07.2016	Addition during year	Adjustment during year	As on 30.06.2017		As on 01.07.2016	Adjustment during year	For the year For the year	As on 30.06.2017	
Existing Units -1										
Land	49,033,738	-	-	49,033,738	-	-	-	-	-	49,033,738
Leasehold Land	1,215,803	-	-	1,215,803	-	-	-	-	-	1,215,803
Factory Building	25,453,974	-	-	25,453,974	2.5	13,048,628	-	310,134	13,358,762	12,095,213
Plant and Machinery	60,768,302	580,400	-	61,348,702	7	42,736,824	-	1,275,746	44,012,570	17,336,132
Deep Tube Well	1,368,000	-	-	1,368,000	15	934,970	-	64,955	999,925	368,076
Diesel Generating Set	402,000	-	-	402,000	15	301,952	-	15,007	316,959	85,041
Loose Tools	98,001	-	-	98,001	15	91,779	-	933	92,712	5,289
Laboratory Equipment	3,000,156	200,000	-	3,200,156	10	1,948,310	-	110,185	2,058,495	1,141,661
Electrical Installation	553,905	2,550	-	556,455	10	103,775	-	45,087	148,862	407,593
Laboratory Glass Ware	41,626	-	-	41,626	15	41,398	-	34	41,432	194
Production Equipment	1,220,541	-	-	1,220,541	10	649,929	-	57,061	706,990	513,551
Transport and Vehicles	7,372,983	5,097,152	-	12,470,135	20	6,553,669	-	731,663	7,285,332	5,184,803
Motorcycle	6,750,500	26,972,674	-	33,723,174	20	5,935,068	-	5,160,511	11,095,579	22,627,595
Furniture and Fixtures	3,486,291	9,990	-	3,496,281	10	2,265,212	-	122,295	2,387,507	1,108,774
Office Equipment	11,065,111	578,875	-	11,643,986	15	8,056,682	-	501,537	8,558,219	3,085,767
Office By-cycles	15,962	-	-	15,962	20	15,392	-	114	15,506	456
Books	98,060	-	-	98,060	15	84,834	-	1,984	86,818	11,242
Sub Total	171,944,953	33,441,641	-	205,386,594		82,768,422	-	8,397,245	91,165,667	114,220,927
Injectable (Ampoule) Unit -2										
Factory Building	3,627,409	-	-	3,627,409	2.5	1,060,741	-	64,167	1,124,908	2,502,501
Plant and Machinery	9,221,953	-	-	9,221,953	7	6,112,980	-	217,628	6,330,608	2,891,345
Production Equipment	80,500	-	-	80,500	10	58,540	-	2,196	60,736	19,764
Transport and Vehicles	2,235,000	-	-	2,235,000	20	2,139,359	-	19,128	2,158,487	76,513
Furniture and Fixture	930,903	-	-	930,903	10	718,072	-	21,283	739,355	191,548
Sub Total	16,095,765	-	-	16,095,765		10,089,692	-	324,402	10,414,094	5,681,671
As at June 30, 2017	188,040,718	33,441,641	-	221,482,359		92,858,114	-	8,721,648	101,579,762	119,902,598
As at June 30, 2016	138,559,680	49,481,038	-	188,040,718		91,213,861	-	1,644,254	92,858,114	95,182,604

Note : Depreciation Charged to :

Cost of Goods Sold (Note - 17)
Administrative Expenses (Note - 18)

Tk.

	30-06-2017	30-06-2016
Cost of Goods Sold (Note - 17)	2,203,544	1,132,085
Administrative Expenses (Note - 18)	6,518,105	512,170
	8,721,648	1,644,255

As at 30 June 30, 2017

'PROPERTY, PLANT & EQUIPMENT :

This includes written down value of lease hold assets of TK. 26,269,473 which is made up as follows:

Particulars	C O S T				Rate %	D E P R E C I A T I O N				Net Book Value as on 30.06.2017
	As on 01.07.2016	Addition during year	Adjustment during year	As on 30.06.2017		As on 01.07.2016	Adjustment during year	For the year For the year	As on 30.06.2017	
Existing Units -1										
Land	-	-	-	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-	-	-	-
Factory Building	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
Deep Tube Well	-	-	-	-	-	-	-	-	-	-
Diesel Generating Set	-	-	-	-	-	-	-	-	-	-
Loose Tools	-	-	-	-	-	-	-	-	-	-
Laboratory Equipment	-	-	-	-	-	-	-	-	-	-
Electrical Installation	-	-	-	-	-	-	-	-	-	-
Laboratory Glass Ware	-	-	-	-	-	-	-	-	-	-
Production Equipment	-	-	-	-	-	-	-	-	-	-
Transport and Vehicles	-	4,815,952	-	4,815,952	20	-	-	521,728	521,728	4,294,224
Motorcycle	-	26,972,674	-	26,972,674	20	-	-	4,997,425	4,997,425	21,975,249
Furniture and Fixtures	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Office By-cycles	-	-	-	-	-	-	-	-	-	-
Books	-	-	-	-	-	-	-	-	-	-
Sub Total	-	31,788,626	-	31,788,626		-	-	5,519,153	5,519,153	26,269,473
Injectable (Ampoule) Unit -2										
Factory Building	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	-	-	-	-	-	-	-	-	-	-
Production Equipment	-	-	-	-	-	-	-	-	-	-
Transport and Vehicles	-	-	-	-	-	-	-	-	-	-
Furniture and Fixture	-	-	-	-	-	-	-	-	-	-
Sub Total	-	-	-	-	-	-	-	-	-	-
As at June 30, 2017	-	31,788,626	-	31,788,626		-	-	5,519,153	5,519,153	26,269,473
As at June 30, 2016	-	-	-	-		-	-	-	-	-

Note : Depreciation Charged to:

Cost of Goods Sold (Note - 17)

Administrative Expenses (Note - 18)

	30-06-2017	30-06-2016
	-	-
	5,519,153	-
Tk.	5,519,152	-

5.00 Inventories

This is made up as follows :

Particulars	Amount in Taka		
	For the year ended 30 June 2017	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Raw materials	65,913,118	66,578,907	67,311,062
Packing materials	39,378,472	39,776,234	38,088,528
Promotional materials	1,018,281	1,028,567	1,272,455
Work-in-process	5,490,659	5,602,714	7,819,583
Finished goods	51,614,104	52,135,459	52,240,099
Materials-in-transit	2,009,792	86,374	179,560
	165,424,426	165,208,254	166,911,287

6.00 Trade Receivables

- a) Trade Receivables of Tk. 70,042,546 (June 30, 2016 - 70,989,215) is considered good in respect of which the Company holds no security other than the debtors personal security.
- b) No amount was due by the directors (including Managing director), managing agents, managers and other officers of the Company and any of them severally or jointly with any other person.
- c) Debtors outstanding for a period

Above six months	32,013,950	32,865,793	34,211,375
Below six months	38,028,596	38,123,422	39,640,468
	70,042,546	70,989,215	73,851,843

7.00 Advances, Deposits & Prepayments:

a) Advances	78,278,417	75,699,128	76,396,439
b) Deposit and Prepayments	4,360,598	2,412,057	3,317,293
	82,639,015	78,111,185	79,713,732

a) Advances

Advances to staff	3,853,960	4,202,796	4,350,626
Advance Rent	1,427,600	1,257,000	1,257,000
Income tax	44,020,738	39,351,322	37,884,204
Against purchases and expenses	12,574,163	15,714,533	18,532,215
Associated Undertaking	16,401,956	15,173,477	14,372,394
Sub total	78,278,417	75,699,128	76,396,439

b) Deposit and Prepayments

VAT deposit	1,013,626	416,877	527,648
L/C Margin	2,009,792	658,000	1,387,465
Guarantee Margin	20,715	20,715	20,715
Other Deposits	1,291,465	1,291,465	1,356,465
Prepayments	25,000	25,000	25,000
Sub total	4,360,598	2,412,057	3,317,293

8.00 Cash & Cash Equivalents

In hand	9,765,342	12,071,425	10,172,944
At banks:	3,805,409	590,367	1,226,865
In current account	3,723,893	508,852	1,145,350
In in-operative account	81,515	81,515	81,515
	13,570,751	12,661,792	11,399,809

09.00 Share Capital

This is made up as follows :

Authorised Capital

2,500,000 Ordinary Shares of Tk. 10 each	25,000,000	25,000,000	2,500,000
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Issued, Subscribed and paid-up Capital

By Cash

1,821,008 Ordinary Shares of Tk. 10 each fully paid up in cash.

Other than Cash

178,992 Ordinary Shares of Tk. 10 each paid-up in full for consideration other-wise than cash.

By issue of Bonus Share

400,000 Bonus Shares of Tk.10 each Issued for the year 2013

18,210,080	18,210,080	18,210,080
1,789,920	1,789,920	1,789,920
4,000,000	4,000,000	4,000,000
24,000,000	24,000,000	24,000,000

- a) The break-up of share-holding is given below :

Particulars	2016-2017		2015-2016	
	No of Shares	%	No of Shares	%
Sponsors, Directors & Associates	1,591,330	66.31	1591330	66.31
ICB & Institutions	105,915	4.41	75500	3.15
Foreign Investors	214,790	8.95	214790	8.95
General Public	487,965	20.33	518380	21.6

	2,400,000	100	100
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b) The distribution schedule showing the number of shareholders' and their shareholdings in percentage has been disclosed as a requirement of the "Listing Regulation" of Dhaka and Chittagong Stock Exchanges as on 30 June, 2017.

Range of Holdings	Number of Shareholders	No. of Shares	Holdings
Less than 500 shares	2337	206,733.00	8.61%
501 to 5,000 shares	202	235,238.00	9.80%
5,001 to 10,000 shares	5	48,860.00	2.04%
10,001 to 20,000 shares	5	72,670.00	3.03%
20,001 to 30,000 shares	0	-	0.00%
30,001 to 40,000 shares	1	30,440.00	1.27%
40,001 to 50,000 shares	3	144,120.00	6.01%
50,001 to 100,000 shares	0	-	0
100,001 to 1,000,000 shares	1	214,790	8.95%
Over 1,000,000 shares	1	1,447,149	60.30%
	2,555	2,400,000	100.0%

c) Market Price :

The shares are listed in the Dhaka and Chittagong Stock Exchanges, on 30.06.2017 each share was quoted at Tk. 406.10 (on 30.06.2016 - Tk. 289.00) in the Dhaka Stock Exchange Ltd. and Tk. 399.00 (on 30.10. 2016 - Tk. 286.00) in the Chittagong Stock Exchange Ltd.

d) Option on unissued shares :

There is no option regarding authorised capital not yet issued but can be used to increase the issued, subscribed and paid-up capital through the issuance of new shares against cash contributions and bonus.

10.00 Tax-Holiday Reserve

Particulars	Amount in Taka		
	For the year ended 30 June 2017	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Tax-Holiday Reserve	5,134,154	5,134,154	5,134,154
	5,134,154	5,134,154	5,134,154

This is being provided out of Tax-Holiday Profit to invest in the same undertaking or in any new industrial undertaking or in stocks and shares of a public company or in government bonds or securities or for other purposes as specified in this respect as one of the condition of granting Tax Holiday.

11.00 Lease Finance

This is made up as follows :

Loan from GSP Finance	16,310,163	-	-
Less: Current Portion of long term loan being payable within one year	(7,720,872)	-	-
	8,589,291	-	-

Effective interest rate for the said loan was as follows:

October 03 ,2016 to August 30,2019 @ 14% per annum
 November 09 ,2016 to October 05,2019 @ 14% per annum
 February 15, 2017 to January 15,2020 @ 14% per annum
 February 05, 2017 to November 05,2020 @ 14% per annum

12.00 Short Term Credit Facility

This is made up as follows :

Secured Overdraft	-	-	-
Overdraft Facilities	157,664,218	159,706,839	120,104,982
Letter of Trust Receipt	30,966,405	38,660,817	94,448,343
	188,630,623	198,367,656	214,553,325

13.00 Interest Payable:

This is made up as follows :

Opening Balance	42,166,753	32,990,514	22,590,514
Provision for the year	17,121,388	9,176,239	10,400,000
	59,288,141	42,166,753	32,990,514

14.00 Liabilities for Goods & Others

This represents amounts due to various suppliers of raw, packing and stores materials, the ageing of which liability is as follows:

Particulars	Amount in Taka		
	For the year ended 30 June 2017	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Above six months	10,008,297	9,153,005	10,085,512
Below six months	10,008,297	9,153,005	10,085,512

15.00 Liabilities for Expenses

This represents provision for various expenses (e.g. remuneration and allowances, salaries and wages, utilities bills etc) which have fallen due as on 30th June, 2017, ageing of which liability is as follows

Above six months	-		
Below six months	9,867,061	9,035,635	10,435,986
	9,867,061	9,035,635	10,435,986

16.00 Liabilities for other Finance

This is made up as follows:

Opening Balance	55,923,830	55,341,029	41,347,364
Add: Addition during the year	13,896,548	13,562,031	40,873,742
Less: Adjustment during the year	(14,924,243)	(12,979,230)	(26,880,077)
	54,896,135	55,923,830	55,341,029

Out of total balance of Tk. 54,896,135 an amount of Tk 19,737,589 is payable to Aziz Mohammad Bhai, Chairman of the Company as disclosed at Note # 37 "Related party transactions".

17.00 Provision for Income Tax

Opening Balance	32,390,426	31,700,680	29,622,451
Provision for the year	2,344,215	689,746	2,078,229
	34,734,641	32,390,426	31,700,680

Income tax assessment up to 31.12.2008 is completed. Assessment for the years 2009, 2010, 2011, 2012, 2013 & 2014 are finalized and in appeal. Income tax assessment for the year 2015-2016 is filed for assessment.

18.00 Workers Profit Participation Fund (WPPF)

Opening Balance	4,048,366	3,763,800	2,908,372
Provision for the year	963,193	284,566	855,428
	5,011,559	4,048,366	3,763,800

19.00 Unclaimed Dividend

The following figures represent the dividends for which the warrants are either lying with the shareholders and have not been presented as yet by them to the bank for encashment or have been returned to the company undelivered due to change of address of those shareholders and their new address has not yet been communicated to the company. Under instruction from SEC, press advertisements were made to collect the past dividend warrants but many shareholders are yet to turn up to collect their respective warrants.

Unclaimed Dividend	4,863,582	4,353,605	6,693,606
	4,863,582	4,353,605	6,693,606

20.00 Revenue

Particulars	Amount in Taka			
	For the year 2016-2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015
Local Sales	351,819,114	511,999,180	172,599,804	339,399,376
Export Sales to Myanmar 2014 (US\$ 19,950)	-	-	-	-
	351,819,114	511,999,180	172,599,804	339,399,376
Sales Quantity :				
Tablet	126,292,791	Pcs. 242,871,761	307,130,421	100,791,370
Capsules	27,042,867	Pcs. 79,529,513	136,133,135	45,657,478
Liquids	437,934	Philes 12,749,267	52,833,694	23,572,693
Ointment	24,134	Pcs. 285,382	1,002,587	297,308
Injection	845,537	Ampoule 16,383,191	14,899,343	2,280,955
				12,618,388

Particulars	Amount in Taka			
	For the year 2016-2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015

21.00 Cost of Sales

Work-in-process (Opening)	5,602,714	3,966,467	7,819,583	3,966,467
Raw materials consumed - (21.01)	76,815,168	93,052,727	29,192,834	63,859,893
Packing materials consumed - (21.02)	54,760,334	80,742,610	30,039,803	50,702,807
Promotional materials consumed -(21.03)	3,709,548	9,265,893	5,943,150	3,322,743
Factory overhead -(21.04)	31,432,390	44,636,253	16,148,286	28,487,967
Depreciation	2,203,544	3,353,747	1,132,085	2,221,663
Work-in-process (Closing)	(5,490,659)	(5,602,714)	(5,602,714)	(7,819,583)
Cost of production	169,033,039	229,414,983	84,673,027	144,741,956
Stock of finished goods (Opening)	52,135,459	72,355,870	52,240,099	72,355,870
Stock of finished goods (Closing)	(51,614,104)	(52,135,459)	(52,135,459)	(52,240,099)
Cost of free samples	(2,546,574)	(4,744,144)	(1,748,175)	(2,995,969)
	167,007,820	244,891,250	83,029,492	161,861,758

(21.01) Raw Materials Consumed

	Active Ingredients (kg)	Excipients (kg)	E.H.G. Capsules (pcs)				
Opening Stock	6,745	88,378	2,333,792	66,578,907	67,456,488	67,311,062	67,456,488
Purchase	22,439	153,753	11,777,000	76,149,379	93,426,533	29,712,066	63,714,467
Obsolete				-	(1,251,387)	(1,251,387)	-
Closing Stock	(6,446)	(187,630)	(13,349,617)	(65,913,118)	(66,578,907)	(66,578,907)	(67,311,062)
	22,738	54,501	761,175	76,815,168	93,052,727	29,192,834	63,859,893

Raw materials consumed is 93.70 % imported.

(21.02) Packing Materials Consumed

Opening Stock	39,776,234	38,051,682	38,088,528	38,051,682
Purchase	54,362,572	83,434,767	32,695,114	50,739,653
Obsolete	-	(967,605)	(967,605)	-
Closing Stock	(39,378,472)	(39,776,234)	(39,776,234)	(38,088,528)
	54,760,334	80,742,610	30,039,803	50,702,807

Packing materials consumed is 42.22 % imported.

Particulars in respect of quantity of each packing materials as well as value of each class of packing materials are not given as number of items as well as classes of items are large.

(21.03) Promotional Materials Consumed

This is made up as follows :

Opening Stock	1,028,567	1,580,300	1,272,455	1,580,300
Purchase	3,699,262	8,714,160	5,699,262	3,014,898
Closing Stock	(1,018,281)	(1,028,567)	(1,028,567)	(1,272,455)
	3,709,548	9,265,893	5,943,150	3,322,743

Particulars in respect of quantity of each promotional materials as well as value of each class of promotional materials are not given as number of items as well as classes of items are large.

(21.04) FACTORY OVERHEAD

Salary, wages and allowances	24,508,899	34,534,631	12,844,368	21,690,263
Overtime allowances	211,244	263,690	105,600	158,090
Electricity, Gas and Water	3,776,648	5,284,319	1,515,869	3,768,450
Conveyance	46,504	63,940	25,395	38,545
Entertainment	160,328	234,633	84,004	150,629
Printing and Stationery	41,162	198,606	70,594	128,012
Repairs and maintenance	965,727	1,567,131	573,316	993,815
Telephone	94,226	124,496	40,583	83,913
Indirect materials-Packing	1,104,028	1,463,222	548,885	914,337
Fees and Commissions	148,290	252,378	112,378	140,000
Newspaper and periodicals	4,448	6,522	1,986	4,536
Uniform	99,591	133,922	42,358	91,564
General Expenses	69,492	166,553	56,183	110,370
Washing and laundry expenses	300	50,334	18,491	31,843
Power & Fuel	201,503	291,876	108,276	183,600
	31,432,390	44,636,253	16,148,286	28,487,967

Particulars	Amount in Taka			
	For the year 2016-2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015

22.00 ADMINISTRATIVE EXPENSES

Salary and allowances	8,733,623	13,277,537	4,557,181	8,720,356
Directors' Remuneration	6,000,000	9,000,000	3,000,000	6,000,000
Car expenses	190,493	287,688	105,388	182,300
Bank Charges	18,818	56,992	23,242	33,750
Conveyance	122,799	229,879	84,103	145,776
Entertainment	400,532	612,247	153,332	458,915
Travelling Expenses	682,629	938,606	316,860	621,746
Postage expenses	49,966	113,521	33,430	80,091
Printing and Stationery	181,144	230,593	94,620	135,973
Electricity, Gas and Water	920,527	1,025,282	378,967	646,315
Repairs and maintenance	163,561	260,768	88,427	172,341
Telephone	796,352	1,033,048	355,721	677,327
Fees and commissions	381,075	374,927	169,452	205,475
Membership subscription	155,882	400,246	278,882	121,364
Audit fees (Statutory)	402,500	345,000	172,500	172,500
Insurance premium	84,547	168,110	55,234	112,876
Legal and professional charges	181,126	442,500	-	442,500
AGM expenses	105,000	116,200	-	116,200
Advertisement & Publicity	116,450	223,720	85,790	137,930
Depreciation	6,518,105	1,557,640	512,170	1,045,470
	26,205,128	30,694,504	10,465,299	20,229,205

23.00 SELLING, DISTRIBUTION AND MARKETING EXPENSES

Salary and allowances	85,512,455	127,284,691	42,924,793	84,359,898
Incentive Bonus	807,986	2,628,670	483,500	2,145,170
Rent, rates and taxes	4,839,665	6,647,341	2,831,223	3,816,118
Car expenses	31,000	138,000	10,400	127,600
Bank charges	270,401	771,748	151,704	620,044
Conveyance	286,471	447,386	152,564	294,822
Entertainment	248,321	420,925	122,356	298,569
Postage expenses	25,504	56,229	11,791	44,438
Printing and Stationery	329,643	551,274	169,843	381,431
Repairs and maintenance	455,205	698,926	238,386	460,540
Telephone	1,315,580	1,525,920	703,671	822,249
Electricity, Gas and Water	598,766	868,069	276,103	591,966
Fees and commissions	90,012	85,726	71,316	14,410
Insurance premium	394,081	-	-	-
TA/DA of marketing representatives and others	8,573,678	17,363,636	4,718,490	12,645,146
General expenses	51,776	52,168	31,500	20,668
Meeting/Conference/Training expenses	1,603,449	2,430,216	800,981	1,629,235
Delivery Van expenses	776,003	1,111,632	322,159	789,473
Delivery expenses	18,544,234	30,095,237	10,961,034	19,134,203
Free Sample	4,410,431	7,236,242	2,550,116	4,686,126
	129,164,660	200,414,036	67,531,930	132,882,106

24.00 NON-OPERATING INCOME

Interest income on FDR	-	1,633,203	255,202	1,378,001
	-	1,633,203	255,202	1,378,001

25.00 FINANCIAL EXPENSES

Interest on Overdraft	17,121,388	26,713,443	9,176,239	17,537,204
Interest on Lease Finance	1,517,351	-	-	-
Interest on WPPF	445,320	625,302	159,962	465,340
	19,084,059	27,338,745	9,336,201	18,002,544

26.00 CONTRIBUTION TO WORKERS PROFIT PARTICIPATION FUND

Workers Profit Participation Fund	517,872	514,692	124,604	390,088
	517,872	514,692	124,604	390,088

This represents 5% of net profit before charging the contribution for the year provided as per provisions of the Labor Law 2006 Section 242(1) as amended up to 2013 and is payable to workers as defined in the said Act.

27.00 EARNING PER SHARE (EPS)

This is made up as follows:

Earning attributable to the Ordinary Shareholders (Net profit after tax)	7,254,682	8,181,924	1,670,735	6,511,189
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000	2,400,000	2,400,000
	3.02	3.41	0.70	2.71

Particulars	Amount in Taka			
	For the year 2016-2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015

28.00 NET ASSETS VALUE (NAV)

Net Assets	60,579,232		59,564,550	57,893,815
Weighted average number of Ordinary shares outstanding during the year	2,400,000		2,400,000	2,400,000
	25.24		24.82	24.12

29.00 NET OPERATING CASH FLOW PER SHARE

Cash flows from net operating activities as per Statement of Cash flows	24,798,155	28,927,480	1,122,220	27,805,260
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000	2,400,000	2,400,000
	10.33	12.06	0.47	11.59

30.00 APPROPRIATION DURING THE YEAR

In accordance with BAS 1 "Presentation of Financial Statements", the appropriations for the year other than proposed dividend for 2017 are reflected in the statement of changes in equity.

The net profit for the year carried forward in the balance sheet will be applied for payment of this year's dividend proposed by the Board of Directors @ 30% Cash dividend and will be accounted for in the accounts as and when approved by the shareholders in the Annual General Meeting. The total amount of proposed dividend for the year 2017 is Tk. 72,00,000 only.

31.00 PAYMENT/PERQUISITES TO DIRECTORS AND OFFICERS

	Managing Director	Officers & other employee including staff & worker
Salary and other allowances	-	118,151,118
Remuneration	5,280,000	-
Bonus	-	815,103
Entertainment allowance	720,000	-

The rate of Board meeting attendance fee per meeting per member is Tk. 750 but no fees were drawn by the directors during the year under review. No amount of money was spent by the Company for compensating any member of the Board, other than the managing director, for rendering special services. Total amount of Tk. 51,612 has been distributed among P.F employees.

32.00 NATURE OF SECURITY OF SHORT TERM CREDIT FACILITY

The loan is secured against hypothecation on stocks, fixed assets, land and all other usual charge documents.

33.00 PLANT CAPACITY AND CAPACITY UTILISATION

Products	On single shift basis		Remarks
	Production	Actual Production	
Tablet group (Pcs)	187,200,000	128,513,510	As per market demand
Capsule group (Pcs)	207,360,000	28,501,359	-do-
Suspension group (Phials)	2,496,000	458,530	-do-
Injectable (Ampoules)	18,000,000	1,348,473	-do-
Tube	455,000	15,959	-do-

34.00 Credit Facility - Others

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 30.06.2017.

35.00 Capital Expenditure Commitment

There was capital expenditure contracted and incurred or provided for at June 30, 2017.

There was no material capital expenditure authorised by the Board but not contracted for at June 30, 2017.

Particulars	Amount in Taka			
	For the year 2016-2017	For the eighteen month period ended 30 June 2016	For the six-months period ended 30 June 2016	For the period ended 31 December 2015

36.00 Payments made in Foreign currency

Import of Raw material	71,354,216	78,289,021	28,135,110	50,153,911
Import of Packing material	22,943,662	22,279,129	10,768,370	11,510,759

No other expenses including royalty, technical expert and professional advisory fees, interest etc. was incurred or paid in foreign currencies except as stated above.

37.00 Related Party Transactions - Disclosure under IAS 24 "Related Party Disclosure"

The Company has entered into transactions with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures". The Company opines that terms of related party transactions do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 30 June 2017 were as follows:

Name of the Party	Relationship	Nature of Transaction	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
Aziz Mohammad Bhai	Chairman	Inter company Loan/Receivable	20,765,284	5,291,668	6,319,363	19,737,589
Olympic Industries Ltd	Group Concern	Inter company Loan/Receivable	2,699,011	3,040,520	4,302,440	1,437,091
Bengal Steel Workers Ltd.	Group Concern	Inter company Loan/Receivable	15,075,491	1,228,479	-	16,303,970
Ambee Films Ltd.	Group Concern	Inter company Loan/Receivable	97,986	-	-	97,986
			38,637,772	9,560,667	10,621,803	37,576,636

38.00 Comparative Figures

Certain comparative figures have been reclassified from statements previously presented to conform to the presentation adopted during the period ended June 30, 2016.

39.00 Contingent Asset/ Liabilities:

The company had the following contingent Assets/Liabilities as on 30 June 2017

Taka

LF with GSP Finance Co (Ban) Ltd. 4,939,600.00

A lease agreement has been made as on 10.03.17 LF with GSP Finance Co. (Bangladesh) Ltd. No assets has been purchased upto 30.06.2017 under above agreement

40.00 Approval of the Financial Statements

These financial statements were authorized for issue in accordance with a resolution of the Company's board of directors on 5th November, 2017.

41.00 Post Closing Events

Following events have occurred since the balance sheet date:

(a) Subsequent to the balance sheet date, the Board of Directors recommended 30% (Thirty) cash dividend i.e Taka 3.00/= per share which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

(b) Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment to, or disclosure in, the financial statements or notes thereto.

42.00 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

43.01 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 30 June 2017 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.

43.02 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses including financial obligations through preparation of the cash flow forecast with due consideration of time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. In extreme stressed conditions the company may get support from the related company in the form of short term financing.

43.03 Market Risk

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

(a) Currency risk

The company is exposed to currency risk on 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.

(b) 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.

44.00 General:

45.01 Claims not Acknowledged:

There is no claim against the company not acknowledged as on 30.06.2017

46.02 Directors Responsibility Statements:

The board of Directors takes the responsibility for the preparation and presentation of these financial statements.

46.03 Directors Remuneration:

During the year total remuneration paid to directors of Tk. 6,000,000.

46.04 Employee Details:

i) At the end of the period there were 1,015 employees in the company.

46.05 Amounts appearing in these financial statements have been rounded off to the nearest Taka and, wherever considered necessary.

Sd/-
(Aziz Mohammad Bhai)
Chairman

Sd/-
(Naureen Aziz Mohammad Bhai)
Managing Director

Sd/-
(Nurjehan Hudda)
Director

Sd/-
(A. K. M. Khairul Aziz)
Chief Financial Officer

Sd/-
(Jahangir Alam)
Company Secretary