

**AMBEE PHARMACEUTICALS LIMITED**

**AUDITORS' REPORT AND AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**

**Independent Auditor's Report  
To the Shareholders of Ambee Pharmaceuticals Limited**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

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

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying Financial Statements present fairly, in all material respects, the financial position of the Company as at June 30, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

**Basis for Qualified Opinion**

1. As disclosed in note # 19.00, the company has shown Tk. 10,459,676 as liabilities for WPF & WWF which includes prior year's amount of Tk. 9,948,826. Out of the prior year's amount an amount of Tk. 1,144,988 has been paid by the company. As per section 234 (b) of Labour Act, 2006 the company should pay the amount to the WPF & WWF not later than nine months from the end of the respective year. In case of failure penalty as per section 236 may be imposed. However, for utilization of the fund the company provided interest as per section 240.
2. As disclosed in note # 17.02, the company has shown Tk. 1,916,358 as Payable to Provident Fund. The amount is carried forward from earlier years. As no Financial Statement of Provident Fund was made available to us, so we are not sure whether there is any forfeited fund returned to company's account from the contributory provident fund as per notification no. 179/FRC/FRM/2020/2, dated July 07, 2020 of the Financial Reporting Council (FRC).
3. As disclosed in note # 20.00, the company has shown an amount of Tk. 2,356,352 as Unclaimed Dividend as at 30.06.2022. The amount has arrived at after payment of Tk. 1,500,000 to the Capital Market Stabilization Fund (CMSF) as per directive of Bangladesh Securities Exchange Commission (BSEC) No. SEC/SRMIC/165-2020/part-1/202 dated 25, August 2021. The designated bank account for dividend has shown a balance of Tk. 153,954 as at 30.06.2022. Hence, there is a shortfall in the dividend bank account. This is a non-compliance of the section 28 (1) of Dhaka Stock Exchange (Listing) Regulations, 2015.

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	How the matter was addressed in our audit
<b>Valuation of Property, Plant and Equipment (PPE)</b>	
<p>The carrying value of the PPE was Tk. 94,355,614 as at 30 June, 2022. Expenditures are capitalized if they create new assets or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the assets or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p> <p>The valuation of PPE was identified as a key audit matter due to the significance of this balance to the Financial Statements and that there is significant measurement uncertainty involved in this valuation.</p>	<p>Our audit included the following procedures:</p> <p>We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.</p> <p>We obtained a listing of capital expenditures incurred during the year and on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.</p> <p>We inspected a sample of invoices and L/C documents to determine whether the classification between capital and revenue expenditure was appropriate.</p> <p>We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.</p> <p>We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital work in progress to ready for use, with the date of the act of completion of the work.</p>
<b>See Schedule-A to the Financial Statements</b>	

<b>Implementation of IFRS 16 Leases</b>	
<p>The Right of use (ROU) of Tk. 686,528 as at 30 June, 2022 IFRS 16 modifies the accounting treatment of operating leases at inception, with the recognition of a right of use (ROU) on the leased assets and of a liability for the lease payments over the lease contract term. With respect to operating leases of premises used by the Company, at inception of the lease, the lessee receives a right of using the premises, in exchange of a lease debt, using an implicit discount rate.</p> <p>All leasing arrangements within the scope of IFRS 16 are identified and appropriately included in the calculation of the transitional impact and specific assumptions applied to determine the discount rates for lease are appropriate.</p>	<p>We reviewed appropriateness of management's application of IFRS 16 and assessment of the impact on the Financial Statements. Our audit procedures included testing classification and measurement of right-of-use assets and lease liabilities in accordance with IFRS 16. We checked the present value calculation for lease. We reviewed loan agreements and made calculation to ascertain the appropriateness of the incremental borrowing rate used. We also examined the accuracy and appropriateness of accounting adjustments in the Financial Statements arising from the adoption of IFRS 16 as well as verified the sufficiency and appropriateness of disclosures in the Financial Statements.</p>
<b>See Note 4.00 to the Financial Statements</b>	

<b>Valuation of Inventory</b>	
<p>The inventory of Tk. 178,888,046 as at 30 June, 2022 held in factory, depots and outlets.</p> <p>Inventories are carried at the lower of cost and net realizable value.</p>	<p>We verified the appropriateness of management's assumptions applied in calculating the value of the inventory by:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation of key inventory controls operating across the factory, depots and outlets;</li> <li>• Evaluating, on a sample basis, whether</li> <li>• inventories were stated at the lower of cost or net realizable value at the reporting date by comparing the sales prices of inventories subsequent to the</li> </ul>

<p>Since the value of Inventory is significant to the Financial Statements and there is significant measurement uncertainty involved in this valuation, the valuation of inventory was significant to our audit.</p>	<p>reporting date; and</p> <ul style="list-style-type: none"> <li>Assessing whether some of the inventory became slow-moving or obsolete due to the pandemic situation caused by COVID-19 and assessing the need for an inventory provisioning.</li> </ul> <p>Evaluating the adequacy of Financial Statement disclosure as per IAS – 2.</p>
<p><b>See Note 5.00 to the Financial Statements</b></p>	

<p><b>Cash &amp; Cash Equivalents</b></p>	
<p>Cash &amp; Cash Equivalents represent Cash in Hand and Cash with banks at the close of business of the company which can be used without any obligation.</p> <p>As those are liquid funds, as per practice it is important to confirm and verify the actual balances of cash &amp; cash equivalents.</p>	<ul style="list-style-type: none"> <li>We could not physically verify the cash in hand as our appointment was communicated on July 15, 2021 i.e., after closing of the year. However, the cash balance is duly certified by the management. The company management has physically counted cash in hand at head office and factory only.</li> <li>We requested the management to send letters to banks to confirm their balances as on June 30, 2021 directly to us but no such confirmation has yet been received.</li> </ul>
<p><b>See Note 09.00 to the Financial Statements</b></p>	

<p><b>Deferred Tax Liability</b></p>	
<p>The Deferred Tax Liability balance was Tk. 7,167,130 as at June 30, 2022.</p> <p>Significant management judgment is required in relation to deferred tax Liability as it is dependent on forecasts of future profitability over a number of years.</p> <p>There is significant measurement uncertainty involved in this valuation and therefore it was significant to our audit.</p>	<p>We carried out the following substantive testing to address the related risk:</p> <ul style="list-style-type: none"> <li>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax Liability assumptions used in estimating the Company's future taxable income.</li> <li>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</li> <li>We assessed key assumptions, controls, recognition and measurement of Deferred Tax Liability.</li> </ul> <p>We also assessed the appropriateness of presentation of disclosure against IAS-12 Income Taxes.</p>
<p><b>See Note 12.00 to the Financial Statements</b></p>	

<b>Workers Participation and Welfare Fund (WPWF):</b>	
<p>Contribution to workers' profit participation fund: As per section 234(1)(b) of Bangladesh Labour Act, 2006 (as amended in 2013) 5% of the net profit, not later than nine (9) months from the close of that period, is required to be transferred to the Fund, the proportion of the payment to the Participation Fund and the Welfare Fund being 80:10. The remaining 10% of the amount of net profit shall be paid by the Company to the Workers' Welfare Foundation Fund, as formed under the provision of the Bangladesh Worker's Welfare Foundation Act, 2006. Of the 80% being transferred to the participation fund, two-third has to be distributed in equal proportions to all the members (beneficiary) of the fund in cash and one-third has to be invested in accordance with the manner as stated in section 242 of that Act.</p>	<p>We have checked the adequacy of WPWF fund provision and distribution thereof and observed that, the requirement of the Labour Act, 2006 (as amended in 2013) not followed properly.</p> <p>During the year, no distribution among the members and no payment of Government portion have been made. However, Interest on undistributed amount has been provided in the accounts.</p>
<b>See Note 19.00 to the Financial Statements</b>	

<b>Revenue Recognition</b>	
<p>At year end the Company reported total revenue of BDT 180,993,450 (2021: BDT 98,977,466)</p> <p>Revenue recognition has a significant and wide influence on the Financial Statements. Revenue is recognized when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognized at the time when the goods are dispatched for delivery to the customer.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and sign-off, recording of sales, all the way through to cash receipts and customers' outstanding balances.</li> <li>• Furthermore, we tested the sales transactions recognized shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.</li> <li>• Finally, we assessed the appropriateness and presentation of disclosures against IFRS 15 Revenue from Contracts with Customers.</li> </ul>
<b>See Note 21.00 to the Financial Statements</b>	

<b>Transactions with Related Parties</b>	
<p>We considered the related party transactions to be significant to the audit due to the risk that if these transactions are not conducted at arm's length, and/or the accounting treatment of the rights and obligations of these transactions are not correct, it could influence the results of the Financial Statement.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the process for identifying related party transactions;</li> <li>• We verified that the transactions are approved in accordance with internal procedures including involvement of key personnel at the appropriate level;</li> <li>• We checked the acquisitions to supporting documents including external valuations around the acquisition date to evaluate the managements' assertions that the transactions were at arm's length;</li> </ul>

<p>Furthermore, for financial reporting purposes, IAS 24 related party disclosure, requires complete and appropriate disclosure of transactions with related parties.</p>	<ul style="list-style-type: none"> <li>• We evaluated the business rationale of the transactions;</li> <li>• We evaluated the rights and obligations per the terms and conditions of the agreements and assessed whether the transactions were recorded appropriately; and</li> </ul> <p>We determined whether the directors have disclosed relationships and transactions in accordance with IAS 24.</p>
<p><b>See Note 30.00 to the Financial Statements</b></p>	

### Other Information

Management as well as Directors are responsible for the other information. The other information comprises all of the information in the Annual Report other than the Financial Statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

Management as well as Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company' Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Ambee Pharmaceuticals Limited so far as it appeared from our examination of these books;
- c) The Statements of Financial Position as at June 30, 2022 and Statements of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of accounts; and
- d) The expenditure incurred was for the purposes of the Company's business.

FOR A. WAHAB & CO.  
CHARTERED ACCOUNTANTS



Md. Showkat Hossain, FCA  
Partner  
Enrolment No.-196

Dated: Dhaka, November 23, 2022

**Ambee Pharmaceuticals Limited**  
**Statement of Financial Position**  
**As at June 30, 2022**

Particulars	Notes	30-06-2022	30-06-2021
<b><u>ASSETS</u></b>			
<b>Non-Current Assets</b>		<b>95,042,142</b>	<b>99,564,836</b>
Property, Plant & Equipment	Schedule-A	94,355,614	97,610,328
Right-of-Use Asset	4.00	686,528	1,954,507
<b>Current Assets</b>		<b>409,105,276</b>	<b>321,854,650</b>
Inventories	5.00	178,888,046	128,888,711
Accounts Receivable and Others	6.00	112,510,672	92,227,940
Advance Income Tax	8.00	49,296,762	48,643,968
Advances, Deposits and Pre-payments	8.00	51,486,460	37,000,181
Cash & Cash Equivalents	9.00	16,923,336	15,093,850
<b>Total Assets:</b>		<b><u>504,147,418</u></b>	<b><u>421,419,486</u></b>
<b><u>EQUITY &amp; LIABILITIES</u></b>			
<b>Shareholders' Equity</b>		<b>52,695,498</b>	<b>44,837,107</b>
Share Capital	10.00	24,000,000	24,000,000
Tax-Holiday Reserve	11.00	5,134,154	5,134,154
Retained Earnings		23,561,344	15,702,953
<b>Total Liabilities</b>		<b><u>451,451,920</u></b>	<b><u>376,582,379</u></b>
<b>Non-Current Liabilities</b>		<b>7,177,026</b>	<b>8,463,743</b>
Deferred Tax Liability	12.00	7,167,130	7,038,819
Lease Finance (Non-Current Portion)	13.00	9,896	1,424,924
<b>Current Liabilities and Provision</b>		<b>444,274,894</b>	<b>368,118,636</b>
Short Term Borrowings	14.00	64,021,763	115,580,518
Lease Finance (Current Portion)	13.00	1,072,010	2,746,762
Creditors for Goods & Others	15.00	6,549,924	7,215,020
Liabilities for Expenses	16.00	7,201,295	6,733,562
Liabilities for Other Finance	17.00	316,269,940	183,594,643
Provision for Income Tax	18.00	36,343,933	38,442,953
Workers Participation and Welfare Fund	19.00	10,459,676	9,948,826
Unclaimed Dividend	20.00	2,356,352	3,856,352
<b>Total Equity and Liabilities</b>		<b><u>504,147,418</u></b>	<b><u>421,419,486</u></b>
<b>Net Asset Value (NAV) Per Share</b>	27.00	<b><u>21.96</u></b>	<b><u>18.68</u></b>

The annexed notes from 01 to 39 form an integral part of these financial statements.



**Naureen Aziz Mohammad Bhai**  
Vice Chairperson & Chief Executive Officer (CEO)



**Kazi Tanzina Ferdous**  
Managing Director



**Sakina Miraly**  
Director



**Jahangir Alam**  
Chief Financial Officer (CFO)



**Md. Hasanul Kabir**  
Company Secretary (CS)

Subject to our separate report of even date.



(A. WAHAB & CO.)  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrolment No.-196



**AMBEE PHARMACEUTICALS LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2022**

Particulars	Notes	30-06-2022	30-06-2021
Revenue (Net)	21.00	180,993,450	98,977,466
Cost of Goods Sold	22.00	(88,742,122)	(59,879,766)
<b>Gross Profit</b>		<b>92,251,328</b>	<b>39,097,700</b>
<b>Operating Expenses</b>		<b>(75,738,866)</b>	<b>(45,558,277)</b>
Administrative Expenses	23.00	(20,323,652)	(14,971,963)
Selling, Distribution & Marketing Expenses	24.00	(55,415,214)	(30,586,314)
<b>Profit/(Loss) from Operations</b>		<b>16,512,463</b>	<b>(6,460,577)</b>
Finance Expenses	25.00	(5,766,289)	(5,818,109)
Profit/(Loss) before contribution to WPWF		<b>10,746,174</b>	<b>(12,278,686)</b>
Contribution to WPWF	19.00	(511,723)	-
<b>Net Profit/(Loss) Before Tax</b>		<b>10,234,451</b>	<b>(12,278,686)</b>
<b>Income Tax Expenses</b>		<b>(2,175,201)</b>	<b>(731,160)</b>
Income Tax Expenses-Current year		(2,046,890)	(1,049,645)
Deferred Tax Expenses		(128,311)	318,485
<b>Net Profit/(Loss) After Tax</b>		<b>8,059,249</b>	<b>(13,009,844)</b>
<b>Earnings Per Share (EPS)</b>	26.00	<b>3.36</b>	<b>(5.42)</b>

The annexed notes from 01 to 39 form an integral part of these financial statements.



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Subject to our separate report of even date.



(A. WAHAB & CO.)  
Chartered Accountants  
Signed By: Md. Showkat Hossain, FCA  
Enrollment No.-196

Dated: Dhaka, November 23, 2022

**AMBEE PHARMACEUTICALS LIMITED**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2022**

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
<b>Balance as on 01 July 2021</b>	<b>24,000,000</b>	<b>5,134,154</b>	<b>15,702,953</b>	<b>44,837,107</b>
Prior year adjustment-provision for Tax Assessment	-	-	(214,358)	(214,358)
Prior year adjustment- refund warrant payable and share application money	-	-	13,500	13,500
Net Profit/(Loss) for the year after Tax	-	-	8,059,249	8,059,249
<b>Balance as on 30 June 2022</b>	<b>24,000,000</b>	<b>5,134,154</b>	<b>23,561,344</b>	<b>52,695,498</b>

**For the year ended June 30, 2021**

Particulars	Share Capital	Tax Holiday Reserve	Retained Earnings	Total
<b>Balance as on 01 July 2020</b>	<b>24,000,000</b>	<b>5,134,154</b>	<b>28,712,798</b>	<b>57,846,952</b>
Cash Dividend for the year 2019-2020	-	-	3,600,000	3,600,000
Prior year adjustment Cash Dividend 2019-2020	-	-	(3,600,000)	(3,600,000)
Net Profit/(Loss) for the year after Tax	-	-	(13,009,844)	(13,009,844)
<b>Balance as on 30 June 2021</b>	<b>24,000,000</b>	<b>5,134,154</b>	<b>15,702,953</b>	<b>44,837,107</b>

The annexed notes from 01 to 39 form an integral part of these financial statements.



**Naureen Aziz Mohammad Bhai**  
**Vice Chairperson & Chief Executive Officer (CEO)**



**Kazi Tanzina Ferdous**  
**Managing Director**



**Sakina Miraly**  
**Director**



**Jahangir Alam**  
**Chief Financial Officer (CFO)**



**Md. Hasanul Kabir**  
**Company Secretary (CS)**

Subject to our separate report of even date.



**(A. WAHAB & CO.)**  
**Chartered Accountants**  
**Signed By: Md. Showkat Hossain, FCA**  
**Enrolment No.-196**

Dated: Dhaka, November 23, 2022

**AMBEE PHARMACEUTICALS LIMITED**  
**Statement of Cash Flows**  
**For the year ended June 30, 2022**

Particulars	Notes	30-06-2022	30-06-2021
<b>A) Cash Flows From Operating Activities:</b>			
Cash Receipts from Customers & Others		160,710,718	75,897,250
Payments for Costs, Expenses & Others		(222,276,365)	(106,651,377)
<b>Cash Generated from Operating Activities</b>		<b>(61,565,647)</b>	<b>(30,754,127)</b>
Finance Expenses		(5,766,289)	(5,818,109)
Income Tax Paid		(5,848,350)	31,120,539
<b>Net Cash Generated from Operating Activities</b>	29.00	<b>(73,180,286)</b>	<b>(5,451,696)</b>
<b>B) Cash Flows From Investing Activities:</b>			
Purchase of Property, Plant & Equipment		(1,530,490)	-
<b>Net Cash (Used in)/Generated from Investing Activities</b>		<b>(1,530,490)</b>	<b>-</b>
<b>C) Cash Flows from Financing Activities:</b>			
Other Finance		132,675,297	9,093,937
Short Term Loan		(51,558,755)	1,528,085
Lease Finance		(3,089,780)	(865,823)
Dividend Paid		(1,500,000)	(326,487)
<b>Net Cash Used in Financing Activities</b>		<b>76,526,762</b>	<b>9,429,712</b>
<b>D) Net Change in Cash and Cash Equivalents (A+B+C)</b>		<b>1,815,987</b>	<b>3,978,016</b>
<b>E) Opening Cash and Cash Equivalents</b>		<b>15,093,850</b>	<b>11,115,834</b>
<b>F) Closing Cash and Cash Equivalents (D+E)</b>	9.01	<b>16,909,836</b>	<b>15,093,850</b>
<b>Net Operating Cash Flow Per Share</b>	28.00	<b>(30.49)</b>	<b>(2.27)</b>

The annexed notes from 01 to 39 form an integral part of these financial statements.



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**Vice Chairperson & Chief Executive Officer (CEO)**



**Kazi Tanzina Ferdous**  
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Signed By: Md. Showkat Hossain, FCA  
Enrolment No.-196

Dated: Dhaka, November 23, 2022

**AMBEE PHARMACEUTICALS LIMITED**  
**Schedule of Property, Plant & Equipment**  
**For the year ended June 30, 2022**

Schedule-A

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 30.06.2022
	Balance as on 30-06-2021	Addition During the Year	Adjustment the during year	Balance as on 30-06-2022		Balance as on 30-06-2021	Adjustment during the year	Charged During the Year	Balance as on 30-06-2022	
<b>Existing Units -1</b>										
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	872,990	-	26,326,964	2.5	14,523,678	-	279,623	14,803,301	11,523,663
Plant and Machinery	62,248,702	-	-	62,248,702	7	48,497,668	-	962,572	49,460,240	12,788,462
Deep Tube Well	1,368,000	-	-	1,368,000	15	1,175,863	-	28,821	1,204,683	163,317
Diesel Generating Set	446,500	-	-	446,500	15	375,634	-	10,630	386,263	60,236
Loose Tools	98,001	-	-	98,001	15	95,240	-	414	95,654	2,347
Laboratory Equipment	3,200,156	408,600	-	3,608,756	10	2,451,112	-	90,429	2,541,542	1,067,214
Electrical Installation	556,455	-	-	556,455	10	289,033	-	26,742	315,775	240,679
Laboratory Glassware	41,626	-	-	41,626	15	41,525	-	15	41,540	85
Production Equipment	1,220,541	-	-	1,220,541	10	883,600	-	33,694	917,294	303,247
Transport and Vehicles	12,530,135	-	-	12,530,135	20	10,378,536	-	430,320	10,808,856	1,721,279
Motor Cycle	38,662,774	-	-	38,662,774	20	27,265,873	-	2,279,380	29,545,253	9,117,521
Furniture and Fixtures	3,510,681	-	-	3,510,681	10	2,772,943	-	73,774	2,846,717	663,963
Office Equipment	12,535,336	248,900	-	12,784,236	15	10,361,781	-	339,801	10,701,582	2,082,654
Office By-cycles	15,962	-	-	15,962	20	15,775	-	37	15,813	149
Books	98,060	-	-	98,060	15	92,191	-	880	93,072	4,988
<b>Sub Total</b>	<b>212,236,443</b>	<b>1,530,490</b>	<b>-</b>	<b>213,766,933</b>		<b>119,220,453</b>	<b>-</b>	<b>4,557,134</b>	<b>123,777,588</b>	<b>89,989,346</b>
<b>Injectable (Ampoule) Unit -2</b>										
Factory Building	3,627,409	-	-	3,627,409	2.5	1,365,928	-	56,537	1,422,465	2,204,944
Plant and Machinery	9,221,953	-	-	9,221,953	7	7,059,077	-	151,401	7,210,478	2,011,474
Production Equipment	80,500	-	-	80,500	10	67,532	-	1,297	68,829	11,671
Transport and Vehicles	2,235,000	-	-	2,235,000	20	2,203,661	-	6,268	2,209,929	25,071
Furniture and Fixture	930,903	-	-	930,903	10	805,228	-	12,568	817,795	113,108
<b>Sub Total</b>	<b>16,095,764</b>	<b>-</b>	<b>-</b>	<b>16,095,764</b>		<b>11,501,426</b>	<b>-</b>	<b>228,070</b>	<b>11,729,496</b>	<b>4,366,268</b>
<b>30-Jun-22</b>	<b>228,332,207</b>	<b>1,530,490</b>	<b>-</b>	<b>229,862,697</b>		<b>130,721,879</b>	<b>-</b>	<b>4,785,208</b>	<b>135,507,083</b>	<b>94,355,614</b>
<b>30-Jun-21</b>	<b>228,332,208</b>	<b>-</b>	<b>-</b>	<b>228,332,207</b>		<b>125,111,524</b>	<b>-</b>	<b>5,610,358</b>	<b>130,721,879</b>	<b>97,610,328</b>

**Note : Depreciation Charged to :**

- (a) Cost of Goods Sold (Note - 22.00)  
(b) Administrative Expenses (Note - 23.00)

	30-06-2022	30-06-2021
	1,661,012	1,756,607
	3,124,194	3,853,748
<b>Total:</b>	<b>4,785,204</b>	<b>5,610,354</b>

**AMBEE PHARMACEUTICALS LIMITED**  
**Notes to the Financial Statements**  
**For the year ended June 30, 2022**

**1.00 Background and Introduction:**

**1.01 Incorporation and Legal Status:**

The Ambee Pharmaceuticals Limited was incorporated in Bangladesh as a public company on 4th February, 1976 vide Certificate of Incorporation No. C47.14/132 of 1975-1976. 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 and the manufacturing plant of the company is located at 184/1, Tejgaon I/A, Dhaka – 1208.

**1.02 Nature of Business:**

The nature of business of the company is to manufacture, buy, sell, export, or otherwise deal in all kinds of drugs, medicines, Pharmaceuticals, chemicals, medical or any other preparations and to refine, manipulate or treat all such substances used in pharmaceutical industry and to do all such acts necessary in connection with any business or chemists, druggists, chemical and medicine manufacturers, pharmacists etc.

**2.00 Basis of Preparation of Financial Statements:**

**2.01 Basis of Measurement:**

The financial statements have been prepared on the Historical Cost Convention. The financial statements therefore, do not take into consideration the effect of inflation.

**2.02 Statement of Compliance:**

The Financial Reporting Act, 2015 (FRA) was enacted in 2015. The Financial Reporting Council (FRC) under the FRA has been formed in 2017 but the Financial Reporting Standards (FRS) under this council is yet to be issued for public interest entities such as listed entities. As the FRS is yet to be issued by FRC hence as per the provisions of the FRA (section-69), the financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994. The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act, 1994. However, such differences are not material and in the view of management, IFRS format gives a better presentation to the shareholders.

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

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

**2.02.01 Compliance with International Financial Reporting Standards:**

IAS	Title	Remarks
IAS 1	Presentation of Financial Statements	Complied
IAS 2	Inventory	Complied
IAS 7	Statement of Cash Flows	Complied
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
IAS 10	Events after the Reporting Period	Complied
IAS 12	Income Taxes	Complied
IAS 16	Property, Plant and Equipment	Complied
IAS 17	Leases	Complied
IAS 19	Employee Benefits	Complied
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
IAS 21	The Effects of Changes in Foreign Exchange Rates	N/A
IAS 23	Borrowing Costs	Complied
IAS 24	Related Party Disclosures	Complied
IAS 26	Accounting and Reporting by Retirement Benefit Plans	N/A
IAS 27	Separate Financial Statements	N/A
IAS 28	Investments in Associates and Joint Ventures	N/A
IAS 31	Interests in Joint Ventures	N/A
IAS 32	Financial Instruments: Presentation	Complied
IAS 33	Earnings per Share	Complied
IAS 34	Interim Financial Reporting	Complied
IAS 36	Impairment of Assets	Complied
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Complied
IAS 38	Intangible Assets	Complied
IAS 39	Financial Instruments: Recognition and Measurement	Complied
IAS 40	Investment Property	N/A
IAS 41	Agriculture	N/A
IFRS 1	First Time Adoption	N/A
IFRS 2	Share Based Payment	N/A
IFRS 3	Business Combinations	N/A
IFRS 4	Insurance Contracts	N/A
IFRS 5	Non-Current Assets Held for Sale and Discontinued Operations	N/A
IFRS 6	Exploration for and Evaluation of Mineral Resources	N/A
IFRS 7	Financial Instruments : Disclosures	Complied
IFRS 8	Operating Segments	N/A
IFRS 10	Consolidated Financial Statements	N/A
IFRS 11	Joint Arrangements	N/A
IFRS 12	Disclosure of Interests in Other Entities	Complied
IFRS 13	Fair Value Measurement	Complied
IFRS 14	Regulatory Deferral Accounts	N/A
IFRS 15	Revenue from contracts with customers	Complied
IFRS 16	Leases	Complied

**2.03 Reporting Period:**

The financial statements cover for the period of 12 months from July 01, 2021 to June 30, 2022.

**2.04 Functional and Presentation Currency:**

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

## **2.05 Comparative Information:**

Comparative information has been disclosed 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.

Comparative information has been rearranged, wherever considered necessary, to ensure better presentation and comparability with the current year.

## **2.06 Use of Estimates and Judgments:**

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

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

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, current and deferred taxes, accrued expenses and other payables.

## **3.00 Significant Accounting Policies:**

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

### **3.01 Property, Plant and Equipment:**

#### **3.1.1 Recognition and Measurement:**

Items of Property, Plant and Equipment excluding land are measured at cost less accumulated depreciation in compliance with the requirements of IAS 16: "Property, Plant and Equipment".

The cost of acquisition of an asset comprises of its purchase price and directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

#### **3.1.2 Maintenance Activities:**

The Company incurs maintenance costs for all its major items of Property, Plant and Equipment. Repair and maintenance costs are charged as expenses when incurred. In the 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.

#### **3.1.3 Depreciation:**

Land is held on freehold basis and is not depreciated considering the infinite life. In respect of all other PPE, depreciation is charged using Reducing Balance Method. Full month depreciation is charged on assets from when the assets are available for use, while no depreciation is charged in the month of disposal. The Company reviews the non-current assets' useful life every year and there is no change in the estimated useful life.

The depreciation rates for the current and the previous year are as follows:

<b>Particulars</b>	<b>30-06-2021</b>	<b>30-06-2020</b>
Factory Building	2.50%	2.50%
Plant & Machinery	7.00%	7.00%
Deep Tube Well	15.00%	15.00%
Diesel Generating Set	15.00%	15.00%
Loose Tools	15.00%	15.00%
Laboratory Equipment	10.00%	10.00%
Electrical Installation	10.00%	10.00%
Laboratory Glassware	15.00%	15.00%
Production Equipment	10.00%	10.00%
Transport and Vehicles	20.00%	20.00%
Motor Cycle	20.00%	20.00%
Furniture and Fixtures	10.00%	10.00%
Office Equipment	15.00%	15.00%
Office By-cycles	20.00%	20.00%
Books	15.00%	15.00%

#### **3.1.4 Retirements and Disposals:**

On disposal of PPE, 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 sale proceeds or realized amount.

#### **3.1.5 Impairment:**

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 and impairment loss is recognized in the statement of profit or loss and other comprehensive income. There is no impairment loss during the year under review.

#### **3.1.6 Capital Work-in-Progress:**

The non-current assets which are not ready for use at the year end, are shown as capital work-in-progress and subsequently those assets would have to be transferred to property, plant and equipment when all the necessary works are completed.

#### **3.02 Right of Use Asset (ROU):**

All leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than Taka 425,000 when new, have been capitalized as "right-of-use" asset with a corresponding financial liability on the financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future lease payments, based on the rate of interest entered in the asset master data. Low value (<Taka 425,000) and short term leases (<12months) have been excluded from the recognition requirements and charged to statement of profit or loss as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

#### **3.03 Borrowing Cost:**

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



### **3.04 Accounts Receivable and Others**

Accounts receivable are initially recognized at invoice amounts which is the fair value of the consideration given in return.

Provisions for doubtful debts are made where there is evidence of a risk of non-payment, taking into account aging, previous experience as well as general economic conditions and ultimately the prospects of realisability.

### **3.05 Inventories:**

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: "Inventories". Cost is determined on a weighted average cost basis. Net realizable value of the finished goods is determined at selling price in the ordinary course of business less costs to sell, while raw and packing materials as well as accessories and components are valued at cost including expenses incurred for acquiring the inventories.

### **3.06 Provisions:**

A provision is recognized in the financial statements 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 amount to be required to settle the present obligation at the date of statement of financial position.

### **3.07 Employee Benefits:**

The Company operates a defined contributory provident fund and gratuity plans for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in respective deeds. The details of employee benefits are as under:

#### **3.07.1 Provident Fund (Defined Contribution Plan):**

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

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services against such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

#### **3.07.2 Contribution to Workers' Participation and Welfare Fund:**

This represents 5% of net profit before tax contributed by the Company as per provisions of the Labour Law, 2006 with subsequent amendments and is transferred to Ambee Pharmaceuticals Limited Workers' Participation and Welfare Fund. The trustee of the fund manages the distribution of the WPF according to the guidelines of the Labour Law, 2006 with subsequent amendments.

### **3.08 Revenue Recognition:**

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard (IFRS 15) establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods are considered as transfer when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net off returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

### **3.09 Leases:**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

#### **Company as a Lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **i) Right of Use Assets (ROU)**

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised and lease payments made at or before the commencement date.

#### **ii) Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### **iii) Short-Term Leases and Leases of Low-Value Assets**

The Company does not apply the recognition and measurement requirements of IFRS 16 to short-term leases (leases of less than 12 months maximum duration). It also does not apply the recognition and measurement requirements of IFRS 16 to leases for which the underlying assets are low value (i.e. less than Taka 425,000 when new). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **3.10 Income Tax Expense:**

#### **3.10.1 Current Tax:**

Income tax expense for current year is recognised on the basis of Company's computation based on the best estimated assessable profit for the year at the applicable tax rate pursuant to provisions of Income Tax Ordinance, 1984. The tax rates for the period is applied based on the enacted tax rates in the relevant Finance Acts.

#### **3.10.2 Deferred Tax:**

Deferred tax is provided on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12: "Income Taxes". Current ruling tax rate is used in the determination of deferred tax.

### **3.11 Earnings Per Share (EPS)**

This has been calculated in compliance with the requirements of IAS 33: "Earnings per share". Earnings per share equals the basic earnings divided by the weighted average number of ordinary shares outstanding during the period.

### **3.12 Foreign Currency Transactions**

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

The monetary assets and liabilities, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchange ruling at that date. Exchange differences are treated as revenue/expense in compliance with the provisions of IAS 21: "The Effects of Changes in Foreign Exchange Rates".

### **3.13 Statement of Cash Flows**

The statement of cash flows has been prepared in accordance with the requirements of IAS 7: "Statement of Cash Flows". The cash generated from operating activities has been reported using the direct method as prescribed by the Securities and Exchange Rules, 1987 and following the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

In accordance with the gazette notification dated 08 August 2018 from Bangladesh Securities and Exchange Commission, an additional disclosure on reconciliation of net cash flows from operating activities making adjustments for non-cash items, non-operating and net changes in operating accruals has been provided in note 29.00.

**4.00 Right of Use Asset (ROU), Net:**

This is made-up as follows-

<b>Particulars</b>	<b>Note</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance		1,954,507	3,262,947
Add: Addition during the year		-	-
		<b>1,954,507</b>	<b>3,262,947</b>
Less: Depreciation charged during the year	23.00	1,267,979	1,308,440
<b>Closing Balance</b>		<b>686,528</b>	<b>1,954,507</b>

**5.00 Inventories:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Raw materials	21,424,953	19,976,650
Packing materials	38,190,426	27,987,893
Promotional materials	781,321	880,630
Work-in-process	14,974,343	2,245,635
Finished goods	103,365,308	77,797,903
Materials-in-transit	151,695	-
<b>Closing Balance</b>	<b>178,888,046</b>	<b>128,888,711</b>

**6.00 Accounts Receivables and Others:****6.01** The details given as follows:

<b>Particulars</b>	<b>Note</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance		92,227,940	42,852,308
Add: Addition during the year	21.00	180,993,450	49,375,632
		<b>273,221,390</b>	<b>92,227,940</b>
Less: Received during the year		160,710,718	-
<b>Closing Balance</b>		<b>112,510,672</b>	<b>92,227,940</b>

**6.02** This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Above Six months	55,773,872	42,852,308
Below Six months	56,736,800	49,375,632
<b>Total:</b>	<b>112,510,672</b>	<b>92,227,940</b>

**6.03** Accounts receivable is considered good in terms of security and previous collection history. Party wise balance of receivable was not available.

**7.00 Advance Income Tax:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance	48,643,968	47,594,323
Add: Addition during the year	1,702,439	1,049,645
	<b>50,346,407</b>	<b>48,643,968</b>
Less: Adjustment during the year	1,049,645	-
<b>Closing Balance</b>	<b>49,296,762</b>	<b>48,643,968</b>

**8.00 Advances, Deposits and Prepayments:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
<b>Advances</b>	<b>42,108,130</b>	<b>35,663,001</b>
Advances to Staff	2,050,874	1,616,603
Advance Rent	118,000	118,000
Against Purchases and Expenses	19,067,180	13,056,322
Bengal Steel Works Limited	20,774,090	20,774,090
Ambee Films Limited	97,986	97,986
<b>Deposits</b>	<b>9,353,330</b>	<b>1,312,180</b>
L/C Margin	8,041,150	-
Guarantee Margin	20,715	20,715
Other Deposits	1,291,465	1,291,465
<b>Prepayments</b>	<b>25,000</b>	<b>25,000</b>
WASA	25,000	25,000
<b>Total:</b>	<b>51,486,460</b>	<b>37,000,181</b>

**9.00 Cash and Cash Equivalents**

This is made-up as follows-

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Cash in Hand	10.01	16,112,264	12,796,385
Cash at Bank	9.02	729,557	2,215,950
In-Operative Accounts	9.03	81,515	81,515
<b>Total:</b>		<b>16,923,336</b>	<b>15,093,850</b>

**9.01 Cash in Hand:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Head Office	10,345	13,548
Factory	10,601	4,357
DASC	16,222	300,925
DBSC	354,875	577,417
MNSC	1,772,635	1,133,656
BGSC	1,772,328	1,356,883
RJSC	1,768,406	1,288,752
RNSC	1,724,261	1,328,722
BLSC	1,721,633	1,489,523
KLSC	1,691,349	1,174,076
CMSC	1,818,070	1,455,360
CGSC	1,620,887	1,214,903
SLSC	1,830,652	1,458,263
<b>Total:</b>	<b>16,112,264</b>	<b>12,796,385</b>

Cash in hand Tk. 16,112,264 has been certified by the management.

**9.02 Cash at Bank:**

This is made up as follows:

<b>Name of Bank</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Eastern Bank Ltd., Gulshan Branch Dhaka, A/C # 104-107-0000-139	30,912	31,602
Eastern Bank Ltd., Gulshan Branch Dhaka, A/C # 104-107-0004854	5,129	5,819
Sonali Bank Ltd., Gulshan Branch Dhaka, A/C # 33004754	213,504	213,504
Sonali Bank Ltd., Gulshan New North Circle Branch, A/C # 011633002105	31,248	49,732
Agrani Bank Ltd, Amin Court Branch, CD A/C # 0004263	58,260	58,950
Agrani Bank Ltd, Amin Court Branch, Dividend A/C # 0001724	153,954	89,457
United Commercial Bank Ltd., CD A/C # 0951101000002665	236,299	237,979
United Commercial Bank Ltd., Tejgaon Branch, CD A/C # 1041101000000972	251	64,587
United Commercial Bank Ltd., Tejgaon Branch, CD A/C # 1041101000001319	-	1,464,320
<b>Total:</b>	<b>729,557</b>	<b>2,215,950</b>

The above balance have been confirmed and reconciled with the respective bank statement balances.

**9.03 In-Operative Accounts:**

This is made up as follows:

<b>Name of Bank</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Agrani Bank Ltd. Press Br. Club Acc-892-4	321	321
Agrani Bank Ltd. Chatteswari Road Br. Acc-1840	397	397
Agrani Bank Ltd. Cumilla Br. CA Acc-52982	99	99
Shamil Bank of bahrain E.C Acc-301-2015633-001	24,100	24,100
Habib Bank Ltd. Dhaka. Acc-5133-72	6	6
Sonali Bank Custom House Br. CD-A-3	25,327	25,327
Arab Bangladesh bank Ltd. Acc-1962	29,349	29,349
First Security Bank Ltd. Dhaka. Acc-1100724-9	100	100
Agrani Bank Ltd., Battala Br. Barisal. Acc-33002491	816	816
Agrani Bank Ltd. Central road br. Rangpur. C/A Acc-4752	1,000	1,000
<b>Total:</b>	<b>81,515</b>	<b>81,515</b>

**10.00 Share Capital:****10.01** This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
<b>a) Authorized</b>		
2,500,000 Ordinary Shares of Taka 10 each	<u>25,000,000</u>	<u>25,000,000</u>
<b>b) By Cash Issued Subscribed and Paid-Up Capital</b>		
<b>i) 1,821,008 Ordinary Shares of Tk. 10 each fully Paid Up in cash.</b>	18,210,080	18,210,080
<b>ii) Other than Cash</b>		
178,992 Ordinary Shares of Tk. 10 each paid-up in full for consideration other than cash	1,789,920	1,789,920
<b>c) By issue of Bonus Share</b>		
400,000 Bonus Shares of Tk.10 each Issued for the year 2013	4,000,000	4,000,000
<b>Total:</b>	<b>24,000,000</b>	<b>24,000,000</b>

**10.02 Composition of Shareholdings:**

<b>Particulars</b>	<b>30-06-2022</b>		<b>30-06-2021</b>	
	<b>No of Shares</b>	<b>%</b>	<b>No of Shares</b>	<b>%</b>
Sponsors, Directors & Associates	1,639,269	68.30	1,591,329	66.31
ICB & Institutions	219,842	9.16	119,881	5.00
Foreign Investors	214,790	8.95	214,790	8.95
General Public	326,099	13.59	474,000	19.75
<b>Total:</b>	<b>2,400,000</b>	<b>100</b>	<b>2,400,000</b>	<b>100</b>

## 10.03

Range of Holdings	Number of Shareholders	No. of Shares	Holdings (%)
01 to 500 shares	2,025	157,908	6.58%
501 to 5,000 shares	153	218,223	9.09%
5,001 to 10,000 shares	12	88,409	3.68%
10,001 to 20,000 shares	4	54,174	2.26%
20,001 to 30,000 shares	1	27,227	1.13%
30,001 to 40,000 shares	0	-	0.00%
40,001 to 50,000 shares	4	192,120	8.01%
50,001 to 100,000 shares	0	-	0.00%
100,001 to 1,000,000 shares	1	214,790	8.95%
Over 1,000,000 shares	1	1,447,149	60.30%
<b>Total:</b>	<b>2,201</b>	<b>2,400,000</b>	<b>100%</b>

**10.04** The share are listed in the Dhaka and Chittagong Stock Exchange On 30.06.2022 each share was quoted at Tk 525 in the Dhaka Stock Exchange Ltd. and Tk 528 in the Chittagong Stock Exchange Ltd.

**11.00 Tax-Holiday Reserve:**

<b>5,134,154</b>	<b>5,134,154</b>
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The amount of Tk. 5,134,154 was created out of profit during Tax-Holiday period 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. But no such investment has been made.

**12.00 Deferred Tax Liability:**

This is made up as follows:

Particulars	Notes	30-06-2022	30-06-2021
Carrying value of depreciable PPE	Schedule-A	44,106,073	47,360,787
<b>Tax Base Value</b>	Annexure-B	(15,357,666)	(19,137,129)
		<b>28,748,407</b>	<b>28,223,658</b>
Temporary difference for IFRS 16: Lease	12.01	(79,887)	(68,383)
<b>Tax Base Value</b>		-	-
		<b>(79,887)</b>	<b>(68,383)</b>
<b>Net taxable temporary difference- Liabilities</b>		<b>28,668,520</b>	<b>28,155,275</b>
Tax Rate		25.00%	25.00%
Deferred Tax Liability - Closing		7,167,130	7,038,819
Deferred Tax Liability- Opening		7,038,819	7,357,304
<b>Deferred Tax (Expenses)/Income for the year</b>	Annexure-A	<b>(128,311)</b>	<b>318,485</b>

**12.01** The temporary difference figure has been computed by deducting ROU Assets from Lease liabilities and multiply by 25% tax rate thereon in order to calculate deferred tax (assets)/liability value. The details are as follows:

**13.00 Lease Finance:****13.01** This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Loan From Lease Finance	1,582,426	2,148,796
Less: Current Portion of long term loan being payable within one year	(315,491)	(1,764,399)
	<b>1,266,935</b>	<b>384,397</b>
<b>Obligation Under Finance Leases</b>		
Within one year	315,491	1,764,399
After one year	-	384,397
<b>Closing Balance as at 30 June, 2022</b>	<b>315,491</b>	<b>2,148,796</b>
Less: Future finance charges on finance lease liability	-	-
<b>Present Value of Finance Lease liability</b>	<b>315,491</b>	<b>2,148,796</b>
<b>This consist of as follows:</b>		
Within one year	315,491	1,764,399
Within two to five years	-	384,397
<b>Total Present Value of Finance Lease liability</b>	<b>315,491</b>	<b>2,148,796</b>

**13.02 Leases:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance as at 1st July, 2021	2,022,890	3,237,373
Add: Interest Accrued	209,253	251,245
	<b>2,232,143</b>	<b>3,488,618</b>
Less: Payments	1,465,728	1,465,728
	<b>766,415</b>	<b>2,022,890</b>
<b>Lease Liabilities Recognized in Statement of Financial Position</b>		
Lease Liability - Net off Current Maturity	9,896	1,040,527
Lease Liability - Current Maturity	756,519	982,363
<b>Total Present Value of Finance Lease liability</b>	<b>766,415</b>	<b>2,022,890</b>

**13.03** The loan was taken from GSP Finance Limited and effective interest rate for the said loan is as follows:  
February 05, 2017 to November 05, 2022 @ 16% per annum.**14.00 Short Term Borrowings:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Unitied Commercial Bank Ltd, Tejgaon Branch, A/C- No. 104174900000115 (Overdraft Facilities)	55,947,683	56,845,787
Unitied Commercial Bank Ltd, Tejgaon Branch, A/C- No. 104174900000115 (Letter of Trust Receipt)	8,074,080	58,734,731
<b>Total:</b>	<b>64,021,763</b>	<b>115,580,518</b>

The above balances have been confirmed and reconciled with the respective bank statement balances.

**15.00 Creditors for Goods & Others:**

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

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Above six months	-	-
Below six months	6,549,924	7,215,020
<b>Total:</b>	<b>6,549,924</b>	<b>7,215,020</b>



**16.00 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, 2021, ageing of which liability is as follows

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Above six months	-	-
Below six months	7,201,295	6,733,562
<b>Total:</b>	<b>7,201,295</b>	<b>6,733,562</b>

**Details of above balance are given below:**

Salary, wages & Allowance	5,354,871	5,097,778
Electricity, Gas & Water	875,423	906,858
Audit Fees	402,500	402,500
Telephone & Internet Bill	83,254	145,863
TA/DA & Other	485,247	180,563
<b>Total:</b>	<b>7,201,295</b>	<b>6,733,562</b>

**17.00 Liabilities for other Finance:**

**17.01** This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance	183,594,643	173,451,060
Add: Addition during the year	159,670,835	30,000,000
Loan from Ambee Limited	149,684,335	-
Loan from Kazi Tanzzina Ferdous	10,000,000	-
Loan from Aziz Mohammad Bhai	-	30,000,000
Less: Adjustment during the year	(26,995,538)	(19,856,417)
VAT Paid	(26,995,538)	(1,300,000)
Loan Refund to Aziz Mohammad Bhai	-	(18,556,417)
<b>Closing balance</b>	<b>316,269,940</b>	<b>183,594,643</b>

**17.02** Details of above balance are given below:

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Employees Income Tax		701,137	701,137
Refund Warrant Payable		-	13,000
Share Application Money		-	500
Vat Payable		13,441,194	40,436,732
Income Tax Deduction from Supplier		431,369	431,369
Provident Fund Payable		1,916,358	1,916,358
Loan from Mr. Aziz Mohammad Bhai	17.04	120,093,891	120,093,891
Loan from Kazi Tanzzina Ferdour		10,000,000	-
Loan from Ambee Limited		149,684,335	-
Balance of provision for Interest		20,001,655	20,001,655
<b>Total:</b>		<b>316,269,940</b>	<b>183,594,643</b>

**17.03 Vat Payable:**

This is made-up as follows-

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance	40,436,732	41,736,732
Add: Addition during the year	-	-
	<b>40,436,732</b>	<b>41,736,732</b>
Less: VAT payment during the year	26,995,538	1,300,000
<b>Closing Balance</b>	<b>13,441,194</b>	<b>40,436,732</b>

**17.04** Out of total balance of Tk 316,283,440 an amount of Tk 120,093,891 is payable to Aziz Mohammad Bhai, Chairman of the Company as disclosed at Note # 30 "Related party transactions" During the year has been not paid/adjusted with the payable balance. Interest payable amounting to Taka 20,001,655 was available which is coming from

**18.00 Provision for Income Tax:**

This is made up as follows:

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance		38,442,953	37,393,308
Provision for the year	18.01	2,046,890	1,049,645
		40,489,844	38,442,953
Less: Adjustment during the year		(4,145,911)	-
<b>Closing balance</b>		<b>36,343,933</b>	<b>38,442,953</b>

**18.01 Income Tax Expenses:**

The calculation of profit for income tax for the year is as follows:

<b>Particulars</b>	<b>Note</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
a) On net profit @ 20%		2,046,890	-
b) On gross receipt (Section-82C 2 & 3) @ 0.6%		1,085,961	593,865
c) Advance Income Tax (deduction & advanced payment)	7.00	1,702,439	1,049,645
<b>Whichever is Higher (a,b,c)</b>		<b>2,046,890</b>	<b>1,049,645</b>

Income tax assessment up to 2008 and 2012, 2014 are completed. Assessment for the years 2009, 2010, 2011, 2013, 2015-2016, 2016-2017, 2017 -2018, 2018-2019, 2019-2020 are finalized and in appeal and Income tax assessment for the year 2020-2021 & 2021-2022 are completed.

**19.00 Workers Participation and Welfare Fund (WPWF):**

This is made up as follows:

<b>Particulars</b>		<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance		9,948,826	9,127,363
Add: Provision for the year		511,723	-
Add: Interest during the year @ 11.5%		1,144,115	821,463
		11,604,664	9,948,826
Less: Adjustment/ payment during the year		1,144,988	-
<b>Closing Balance</b>		<b>10,459,676</b>	<b>9,948,826</b>

**20.00 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 have 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 turn up to collect their respective warrants.

<b>Particulars</b>	<b>Note</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Balance		3,856,352	4,182,839
Add: Addition during the year		-	-
		3,856,352	4,182,839
Less: Transferred in Capital Market Stabilization Fund (CMSF) during the year	20.01	(1,500,000)	(326,487)
		<b>2,356,352</b>	<b>3,856,352</b>

**20.01** During the year 2022 amount of Tk. 15,000,000 has been transferred in favor of the Capital Market Stabilization Fund (CMSF) following the BSEC directive number DSE/Listing/327/2021/6245-107 dated 16 Sept. 2021.

**21.00 Revenue (Net):**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Local Sales	208,142,467	98,977,466
Less: VAT	27,149,017	-
<b>Net Sales</b>	<b>180,993,450</b>	<b>98,977,466</b>

**21.01 Sales Quantity:**

This is made up as follows:

<b>Particulars</b>	<b>UOM</b>	<b>Qty.</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Tablet	Pcs.	86,879,896	136,840,635	76,176,793
Capsules	Pcs.	6,961,880	30,340,425	15,247,768
Liquids	Bottles	89,821	2,688,922	1,401,347
Ointment	Pcs.	1,542	35,827	17,813
Injection	Ampoule	142,850	11,087,641	6,133,744
<b>Total:</b>		<b>94,075,989</b>	<b>180,993,450</b>	<b>98,977,466</b>

**22.00 Cost of Goods Sold:**

This is made up as follows:

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Work-in-process (Opening)		2,245,635	4,777,545
Raw materials consumed	22.01	60,442,784	48,488,710
Packing materials consumed	22.02	43,145,404	8,409,161
Promotional materials consumed	22.03	4,558,807	930,692
Factory overhead	22.04	18,256,102	11,647,927
Depreciation	Schedule-A	1,661,012	1,756,607
Work-in-process (Closing)	5.00	(14,974,343)	(2,245,635)
<b>Cost of production</b>		<b>115,335,401</b>	<b>73,765,007</b>
Stock of finished goods (Opening)	5.00	77,797,903	64,768,000
Stock of finished goods (Closing)	5.00	(103,365,308)	(77,797,903)
Cost of free samples		(1,025,874)	(855,338)
<b>Total:</b>		<b>88,742,122</b>	<b>59,879,766</b>

**22.01 Raw Materials Consumption:**

This is made up as follows:

<b>Particulars</b>	<b>Active Ingredients (KG)</b>	<b>Excipients (KG)</b>	<b>E.H.G. Capsules (PCS)</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Stock	2,353	10,436	2,816,700	19,976,650	58,842,258
Purchase	9,593	10,925	15,250,000	61,891,087	9,623,102
Closing Stock	426	5,800	872,300	(21,424,953)	(19,976,650)
<b>Total:</b>	<b>11,520</b>	<b>15,561</b>	<b>17,194,400</b>	<b>60,442,784</b>	<b>48,488,710</b>

Raw materials consumption is 13.75 % imported.

**22.02 Packing Materials Consumed:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Stock	27,987,893	30,838,162
Purchase	53,347,937	5,558,892
Closing Stock	(38,190,426)	(27,987,893)
<b>Total:</b>	<b>43,145,404</b>	<b>8,409,161</b>

Packing materials consumed is 13.64 % 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.

**22.03 Promotional Materials Consumed:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Opening Stock	880,630	756,542
Purchase	4,459,498	1,054,780
Closing Stock	(781,321)	(880,630)
<b>Total:</b>	<b>4,558,807</b>	<b>930,692</b>

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.

**22.04 Factory Overhead:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Salary, wages and allowances	12,381,124	7,469,162
Overtime allowances	452,835	116,945
Car Expenses	453,231	360,059
Electricity, Gas and Water	3,149,205	2,771,911
Conveyance	69,706	23,780
Entertainment	85,649	34,276
Printing and Stationery	190,929	38,612
Repairs and maintenance	818,595	529,342
Telephone	180,900	69,545
Indirect materials-Packing	342,956	177,574
Fees and Commissions	-	11,150
Uniform	14,557	5,722
General Expenses	43,188	32,616
Washing & Laundry Expenses	16,083	733
Power & Fuel	57,144	6,500
<b>Total:</b>	<b>18,256,102</b>	<b>11,647,927</b>

**23.00 Administrative Expenses:**

This is made up as follows:

<b>Particulars</b>	<b>Notes</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Salary and Allowances		12,287,456	7,056,322
Car Expenses		160,574	69,371
Bank Charges		108,714	57,841
Conveyance		192,343	65,065
Entertainment		509,049	280,325
Printing and Stationery		164,449	38,259
Electricity, Gas and Water		774,434	692,978
Repairs and Maintenance		139,715	62,470
Telephone		286,532	275,080
Fees and Commissions		480,410	187,500
Membership Subscription		183,132	160,882
Audit Fees (Statutory)		402,500	402,500
Insurance Premium		37,492	72,322
Legal and Professional Charges		60,800	66,500
AGM Expenses		125,390	322,360
Advertisement & Publicity		18,489	-
Depreciation	Schedule-A	3,124,194	3,853,748
Depreciation on Right of Use Asset	4.00	1,267,979	1,308,440
<b>Total:</b>		<b>20,323,652</b>	<b>14,971,963</b>

**24.00 Selling, Distribution and Marketing Expenses:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Salary and Allowances	35,667,437	17,891,513
Rent, Rates and Taxes	1,650,870	1,496,500
Car Expenses	354,785	-
Bank charges	274,254	77,059
Commercial Booking Cost	2,026,373	-
Conveyance	222,512	102,382
Entertainment	176,915	11,935
Postage expenses	25,472	9,164
Printing and Stationery	304,168	163,437
Repairs and maintenance	326,290	111,846
Telephone	624,525	484,916
Electricity, Gas and Water	238,929	131,713
Commission Charge	198,932	-
TA/DA of MR and others	5,774,772	3,957,300
General expenses	38,360	-
Meeting/Conference/Training expenses	390,524	242,991
Delivery Van expenses	214,862	19,260
Delivery expenses	5,484,680	4,265,946
Free Sample	1,420,554	1,620,352
<b>Total:</b>	<b>55,415,214</b>	<b>30,586,314</b>

**25.00 Financial Expenses:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Interest on Overdraft	4,478,770	4,996,646
Interest on Lease Finance	143,404	-
Interest on WPWF	1,144,115	821,463
<b>Total:</b>	<b>5,766,289</b>	<b>5,818,109</b>

**26.00 Basic Earnings Per Share:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Earning attributable to the Ordinary Shareholders (Net Profit/Loss after tax)	8,059,249	(13,009,844)
Weighted average number of Ordinary shares outstanding during the year	2,400,000	2,400,000
	<b>3.36</b>	<b>(5.42)</b>

**27.00 Net Asset Value:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Non-Current Assets	95,042,142	99,564,836
Current Assets	409,105,276	321,854,650
Non-Current Liabilities	7,177,026	8,463,743
Current Liabilities	444,274,894	368,118,636
<b>Total:</b>	<b>52,695,498</b>	<b>44,837,108</b>
Number of Ordinary Shares	2,400,000	2,400,000
<b>NAV - Per Share</b>	<b>21.96</b>	<b>18.68</b>

**28.00 Net Operating Cash Flow per Share:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
Cash flows from net operating activities as per statement of cash flows	(73,180,286)	(5,451,696)
Weighted average number of ordinary shares outstanding during the year	2,400,000	2,400,000
<b>Net Operating Cash Flow Per Share</b>	<b>(30.49)</b>	<b>(2.27)</b>

**29.00 Reconciliation of Net Cash flows from Operating Activities:**

This is made up as follows:

<b>Particulars</b>	<b>30-06-2022</b>	<b>30-06-2021</b>
<b>Cash flow from Operating Activities:</b>		
As per direct method	<b>(73,180,286)</b>	<b>(5,451,696)</b>
<b>As per indirect method:</b>		
Net Profit after Tax	8,059,249	(13,009,844)
<b>Adjustments for items not involving movement of cash:</b>	<b>6,181,494</b>	<b>6,600,309</b>
Depreciation on Property, Plant & Equipment	4,785,204	5,610,354
Depreciation on Right of Use Asset	1,267,979	1,308,440
Deferred Tax	128,311	(318,485)
<b>Changing in working capital components:</b>	<b>(87,421,030)</b>	<b>957,839</b>
Increase in Inventories	(49,999,335)	31,365,796
Increase in Accounts Receivable & Others	(20,282,732)	(23,080,216)
Increase in Advances, Deposits & Prepayments	(14,486,279)	(3,545,495)
Increase in Advances Income Tax	(652,794)	-
Decrease in Creditor for Goods	(665,096)	(2,840,569)
Decrease in Liabilities for Expenses	467,733	(2,812,785)
Increase in Provision for Income Tax	(2,099,020)	1,049,645
Increase in Worker Profit Participation Fund	510,850	821,463
Prior year adjustment provision by Tax Assessment	(214,358)	-
<b>Net Cash Generated from Operating Activities</b>	<b>(73,180,286)</b>	<b>(5,451,696)</b>
<b>Net Operating Cash Flow per share</b>	<b>(30.49)</b>	<b>(2.27)</b>

**30.00 Related Party Transactions - Disclosure Under IAS 24:**

The Company has entered into transactions with other entities that fall within the definition of related party as contained in IAS-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 2021 were as follows:

Name of the Party	Relationship	Nature of Transaction	Notes	Opening Balance	Addition during the year	Adjustment during the year	Closing Balance
Bengal Steel Works Limited	Group Concern	Inter company Loan/ Receivable	8.00	20,774,090	-	-	20,774,090
Ambee Films Limited	Group Concern	Inter company Loan/ Receivable	8.00	97,986	-	-	97,986
Kazi Tazzina Ferdous	Managing Director	Inter company Loan/ Receivable	17.02	-	10,000,000	-	10,000,000
Ambee Limited	Group Concern	Inter company Loan/ Receivable	17.02	-	149,684,335	-	149,684,335
Aziz Mohammad Bhai	Chairman	Inter company Loan/ Receivable	17.04	120,093,891	-	-	120,093,891
<b>Total:</b>				<b>140,965,967</b>	<b>159,684,335</b>	<b>-</b>	<b>300,650,302</b>

**Note:** The amount of Tk. 149,684,335 was taken from Ambee Limited as loan during the current year. Company will take permission from the share holders in the next Annual General Meeting for this loan.

**30.01 Salaries / Perquisites to Directors & Officers**

During the year, the amount of compensation paid to Key Management Personnel including Board of Directors is as under (As Para 17 of IAS 24 Related Party Disclosures):

Particulars	30-06-2022	30-06-2021
Short Term Employee Benefits	-	-
Post- Employment Benefits	-	-
Other Long-Term Benefits	-	-
Termination Benefits	-	-
Others	-	-
<b>Total:</b>	<b>-</b>	<b>-</b>

There is no other benefits provided by the company to it's employees other than a contributory Provident Fund Scheme.

**30.02 Directors Remuneration:**

During the year total remuneration paid to directors amounting to Tk. Nil

**31.00 Number of Employees:**

Total number of employees of the Company was 710 as on 30 June, 2022.

Total number of employees of the Company was 487 as on 30 June, 2021.

**32.00 Financial Risk Management:****(a) 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. Risk exposures from other financial assets, i.e. cash at bank and other external receivables are nominal.

**Exposure to credit risk**

Particulars	Note	30-06-2022	30-06-2021
Accounts Receivable & Others	6.00	112,510,672	92,227,940
Cash & Cash Equivalents	9.00	16,923,336	15,093,850
	<b>Total:</b>	<b>129,434,008</b>	<b>107,321,790</b>

The aging of trade receivables at the reporting date was:

Particulars	30-06-2022	30-06-2021
Dues below 6 months	56,736,800	49,375,632
Dues over 6 months	55,773,872	42,852,308
	<b>Total:</b>	<b>112,510,672</b>

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when 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. In extreme stressed conditions, the Company may get support from the related Company in the form of short term financing.

**(c) 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 of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**(i) Currency risk**

The Company is exposed to currency risk on certain purchases such as import of raw & packing materials, machineries and equipment. Majority of the Company's foreign currency transactions are denominated in USD and relate to procurement of raw & packing materials, machineries and equipment from abroad.

**(ii) Interest rate risk**

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. There was no foreign currency loan which 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.

**33.00 Production Capacity & Capacity Utilization:**

Products	On single shift basis		Remarks
	Production capacity	Actual production	
Tablet group (Pcs)	1,200,000	1,100,000	As per market demand
Capsule group (Pcs)	384,000	288,000	As per market demand
Suspension group (Bottles)	8,000	7,000	-do-
Injectable (Ampoules)	35,000	30,000	-do-
Tube	7,500	5,000	-do-

**34.00 Capital Expenditure Commitment:**

**The Board of Directors of the company adopted the following decisions with regard to Capital Expenditures:**

There was no material capital expenditure authorized by the Board but not contracted for at June 30, 2022.



**35.00 Contingent liabilities:**

There may arise contingent liability for unassessed income tax cases pending with Tax Department.

**36.00 Payments made in Foreign Currency:**

<u>Particulars</u>	<u>30-06-2022</u>	<u>30-06-2021</u>
Import of Raw material	8,509,188	-
Import of Packing material	7,276,573	-
<b>Total:</b>	<b>15,785,761</b>	<b>-</b>

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 Going Concern:**

The financial statements of the Company are prepared on a going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon Company's ability to continue as a going concern. The management do not see any issue with respect to going concern due to recent pandemic COVID-19. Besides, the management is not aware of any other material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern, which is most unlikely though yet considering overall perspectives.

**38.00 Events after the Reporting Period:**

Subsequent to the date of financial statement, the Board of Directors in its meeting held on 21 November 2022 recommended 10% cash dividend i.e. Tk. 1.00 per share of Tk.10 each and 20% bonus share {Subject to the approval of Bangladesh Securities and Exchange Commission as per Notification No. BSEC/CMRRCD/2009-193/46/Admin/138/ Date: 03 October 2022, Clause No. 2 (a)(b)(c).} which is subject to approval by the shareholders in the next annual general meeting.

Excepting to that, no circumstances have arisen since the date of statement of financial position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

**39.00 Approval of the Financial Statements:**

These financial statements were authorized for issue in accordance with the resolution of the Company's Board of Directors in its meeting held on 21 November 2022.



**Naureen Aziz Mohammad Bhai**  
Vice Chairperson & Chief Executive Officer (CEO)



**Kazi Tanzina Ferdous**  
Managing Director



**Sakina Miraly**  
Director



**Jahangir Alam**  
Chief Financial Officer (CFO)



**Md. Hasanul Kabir**  
Company Secretary (CS)

Dated: Dhaka, November 23, 2022

**AMBEE PHARMACEUTICALS LIMITED**  
**Computation of Deferred Tax**  
**For the year Ended June 30, 2022**

**Annexure-A**

<b>Particulars</b>	<b>30-06-2022</b>	<b>20-06-2021</b>
Carrying value of depreciable PPE	44,106,073	47,360,787
Tax base Value	(15,357,666)	(19,137,129)
<b>Net taxable temporary difference- Liabilities</b>	<b>28,748,407</b>	<b>28,223,658</b>
Temporary difference for IFRS 16: Lease <b>(Note-12.01)</b>	(79,887)	(68,383)
Tax Base Value	-	-
<b>Net taxable temporary difference- Liabilities</b>	<b>(79,887)</b>	<b>(68,383)</b>
	<b>28,668,520</b>	<b>28,155,275</b>
Tax Rate	25%	25%
Deferred Tax Liability - Closing	7,167,130	7,038,819
Deferred Tax Liability- Opening	7,038,819	7,357,304
<b>Deferred Tax Income/(Expense) for the year</b>	<b>(128,311)</b>	<b>318,485</b>

**AMBEE PHARMACEUTICALS LIMITED**  
**Property, Plant & Equipment**  
**Depreciation Schedule as per Income Tax**  
**For the year ended June 30, 2022**

**Annexure-B**

Particulars	WDV As on 01.07.2021	Addition during year	Adjustment during year	As on 30.06.2022	Rate %	Depreciation	WDV As on 30.06.2022
<b>Existing Units -1</b>							
Land	-	-	-	-	-	-	-
Leasehold Land	-	-	-	-	-	-	-
Factory Building	288,907	-	-	288,907	20	95,974	192,932
Plant and Machinery	1,648,480	-	-	1,648,480	20	329,696	1,318,784
Loose Tools	507	-	-	507	20	101	406
Laboratory Equipment	1,032,562	-	-	1,032,562	20	229,800	802,762
Electrical Installation	70,425	-	-	70,425	20	14,085	56,340
Laboratory Glass Ware	397	-	-	397	20	79	317
Production Equipment	56,246	-	-	56,246	20	11,249	44,997
Transport and Vehicles	1,833,279	-	-	1,833,279	20	366,656	1,466,623
Motorcycle	11,128,868	-	-	11,128,868	20	2,225,774	8,903,094
Furniture and Fixtures	630,855	-	-	630,855	10	63,085	567,769
Office Equipment	1,997,382	-	-	1,997,382	10	213,506	1,783,876
Office By-cycles	54	-	-	54	20	11	44
Books	1,563	-	-	1,563	20	313	1,250
<b>Sub Total</b>	<b>18,689,523</b>	-	-	<b>18,689,523</b>		<b>3,550,330</b>	<b>15,139,193</b>
<b>Injectable (Ampoule) Unit -2</b>							
Factory Building	35,439	-	-	35,439	20	7,088	28,351
Plant and Machinery	109,224	-	-	109,224	20	21,845	87,379
Production Equipment	1,403	-	-	1,403	20	281	1,122
Transport and Vehicles	12,568	-	-	12,568	20	2,514	10,054
Furniture and Fixture	101,740	-	-	101,740	10	10,174	91,566
<b>Sub Total</b>	<b>260,374</b>	-	-	<b>260,374</b>	-	<b>41,901</b>	<b>218,473</b>
<b>Grand Total</b>	<b>18,949,897</b>	-	-	<b>18,949,897</b>	-	<b>3,592,231</b>	<b>15,357,666</b>