

Independent Auditors' Report
To
The Shareholders of Sun Pharmaceutical (Bangladesh) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sun Pharmaceutical (Bangladesh) Limited, which comprise the statement of financial position as at March 31, 2018 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, comprising significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sun Pharmaceutical (Bangladesh) Limited as at March 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books; and
- c) the company's statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dated: 28 April 2018
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of financial position
As on March 31, 2018

	Notes	Amount in Taka	
		31-Mar-18	31-Mar-17
ASSETS			
Non current assets			
Property, plant and equipment	4.00	352,678,064	332,903,233
Capital work-in-progress		14,964,334	38,503,993
Long term deposits		1,178,550	1,024,500
		368,820,948	372,431,726
Current assets			
Inventories	5.00	453,276,314	459,755,997
Trade and other receivables	6.00	41,298,352	46,726,587
Advances, deposits and prepayments	7.00	129,967,069	121,235,903
Cash and cash equivalents	8.00	959,560,322	609,088,862
		1,584,102,057	1,236,807,349
TOTAL ASSETS		1,952,923,005	1,609,239,075
EQUITY AND LIABILITIES			
Equity			
Share capital	9.00	60,000,000	60,000,000
Share money deposits	10.00	56,929,462	56,929,462
Retained earnings	11.00	1,289,723,199	1,050,626,544
Liability			
Non current liabilities			
Deferred tax liabilities	12.00	69,191,973	64,371,799
		69,191,973	64,371,799
Current liabilities			
Trade payable and liabilities for expenses	13.00	468,019,333	369,404,417
Current tax liabilities	14.00	9,059,038	7,906,853
		477,078,371	377,311,270
Total liabilities		546,270,344	441,683,069
TOTAL EQUITY AND LIABILITIES		1,952,923,005	1,609,239,075

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Finance Controller

Director

As per our annexed report of same date.

Dated: 28 April 2018
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of profit or loss and other comprehensive income
For the year ended March 31, 2018

		Amount in Taka	
		April 01,2017 to March 31, 2018	April 01,2016 to March 31, 2017
	Notes		
Revenue		1,697,428,528	1,675,113,793
Net sales revenue	15.00	1,697,101,021	1,674,825,468
Other income	16.00	327,507	288,325
Less: Expenditures		1,299,660,521	1,254,176,195
Cost of materials	17.00	521,928,235	522,667,265
Personnel cost	18.00	253,735,616	231,903,870
Operating and other expenses	19.00	158,743,009	117,262,535
Selling, marketing and distribution expenses	20.00	339,083,016	358,916,168
Depreciation	Schedule A	26,170,645	23,426,358
Profit From Operations		397,768,007	420,937,598
Add: Interest income		18,940,139	4,918,029
Add: Foreign exchange gain		-	242,238
Profit before contribution to WPPF		416,708,146	426,097,865
Contribution to Workers' profit participation fund		19,843,245	20,290,375
Profit before income tax		396,864,901	405,807,490
Less: Income tax expense:		154,101,201	148,166,845
Current tax		149,281,027	144,612,408
Deferred tax		4,820,174	3,554,437
Net profit after income tax		242,763,700	257,640,645
Other comprehensive income		-	-
Total comprehensive income		242,763,700	257,640,645
Earning per share		404.61	429.40
Number of Shares used to compute EPS		600,000	600,000

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Finance Controller

Director

As per our annexed report of same date.

Dated: 28 April 2018
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of changes in equity
For the year ended March 31, 2018

Particulars	Amount in Taka			
	Share capital	Share money deposits	Retained Earnings	Total
Balance as at 01 April 2016	60,000,000	56,929,462	792,985,899	909,915,361
Total comprehensive income	-	-	257,640,645	257,640,645
Balance as at 31 March 2017	60,000,000	56,929,462	1,050,626,544	1,167,556,006
Balance as at 01 April 2017	60,000,000	56,929,462	1,050,626,544	1,167,556,006
Prior year adjustment for income tax AY(2015-2016)			(3,667,046)	(3,667,046)
Total comprehensive income	-	-	242,763,700	242,763,700
Balance as at 31 March 2018	60,000,000	56,929,462	1,289,723,199	1,406,652,661

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Finance Controller

Director

As per our annexed report of same date.

Dated: 28 April 2018
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of cash flows
For the year ended March 31, 2018

Particulars	Amount in Taka	
	2017-2018	2016-2017
Cash flows from operating activities		
Receipts from customers	1,706,332,992	1,947,636,372
Payments to suppliers, employees and other	(1,196,157,483)	(1,665,168,864)
Other Income	327,507	-
Income tax paid	(151,795,888)	(165,325,058)
Net cash generated from operating activities (A)	358,707,128	117,142,450
Cash flows from investing activities		
Acquisition of property, plant and equipment	(11,047,204)	(40,863,737)
Sale proceeds from property, plant and equipment	1,380,400	1,157,900
Capital work-in-progress	(13,815,288)	(20,855,075)
Interest received	15,246,423	4,261,084
Net cash used in investing activities (B)	(8,235,668)	(56,299,828)
Cash flows from financing activities		
Net cash used in financing activities (C)	-	-
Net changes in cash and cash equivalents (A+B+C)	350,471,460	60,842,622
Cash and cash equivalents at the beginning of the year	609,088,862	548,246,240
Cash and cash equivalents at the end of the year	959,560,322	609,088,862

These financial statements should be read in conjunction with the annexed notes.

Managing Director

Finance Controller

Director

As per our annexed report of same date.

Dated: 28 April 2018
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Notes, Comprising Significant accounting policies and other explanatory information
As on March 31, 2018

1.00 Company profile

1.01 Legal status of the company

Sun Pharmaceutical (Bangladesh) Limited is a private limited company incorporated in 2001 in Bangladesh under the Companies Act, 1994 with an authorized capital of Tk. 60 millions divided into 600,000 ordinary shares of Tk 100 each. During the year 2005-06, Company had increased its authorized capital from Tk. 60 millions to Tk 500 millions. The company was formed jointly with Sun pharmaceutical Industries Limited (SPIL), a company incorporated in India, City Overseas Limited (COL), a company incorporated in Bangladesh and Sun Pharma Holdings (earstwhile Nogad Holdings), a company incorporated in Mauritius.

1.02 Nature of business

The company produces various pharmaceutical products, which are sold in the local market.

2.00 Basis of preparation

2.01 Statement of compliance

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

- Bangladesh Financial Reporting Standards;
- Bangladesh Accounting Standards;
- Bangladesh Financial Reporting Standards Interpretations; and
- Bangladesh Accounting Standards Interpretations.

The titles and format of these financial statements follow the requirements of BFRS which are to some extent different from the requirements of the Companies Act, 1994. However, such differences are not material and in the view of management BFRS title gives better presentation to the shareholders.

2.02 Reporting period

The financial period of the company has been determined to be from April 01 to March 31 each year. These financial statements cover one year from April 01, 2017 to March 31, 2018 consistently.

2.03 Basis of accounting

The financial statements have been prepared under the accrual basis of accounting.

2.04 Going concern

The financial statements have been prepared on going concern basis. As per the management assessment, there is no material uncertainties related to events or conditions which may cast significant doubt upon the companies ability to continue as a going concern.

2.05 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.06 Date of authorisation for issue of financial statements

On 28 April 2018, the Board of Directors reviewed the financial statements and authorized for issue.

2.07 Use of estimates and judgment

The preparation of the financial statements in conformity with Bangladesh Financial Reporting Standards (BFRS) requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Judgments

Information about judgments made in applying accounting policies that have most significant effect on the amount recognized in the financial statements is included in the following notes:

Note # 3.01	Depreciation
Note # 3.02	Inventories

Assumption and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is included in the following notes:

Note 12	Deferred tax liabilities
Note 13	Trade payable and liabilities for expenses
Note 14	Current tax liabilities

2.08 Functional and presentational currency and level of precision

The financial statements are presented in Bangladesh; Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest Taka.

3.00 Significant accounting policies

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment are stated at cost net of accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the assets.

b) Subsequent cost

The cost of replacing component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits are embodied within the component will flow to the company and its cost can be measured reliably. The costs of the day to day servicing of Property, plant and equipment are recognized in the statement of profit and loss and other comprehensive income as incurred.

c) Depreciation

Depreciation is provided to amortise the cost of the assets after commissioning, over the period of their expected useful lives in accordance with BAS-16. Depreciation on assets is charged from the day in which the asset is brought into use under straight-line basis at the following rates:

Lease hold land	0.00%
Factory building	1.63%
Plant and machinery	4.75%
Computer equipment	16.21%
Motor vehicle/motor cycle	9.50%
Office equipment	4.75%
Electrical installation	4.75%
Furniture and fixtures	6.33%

d) Retirements and Disposals

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

3.02 Inventories

Inventories are stated at the lower of cost and their corresponding net realisable value in accordance with BAS-2 "Inventories". Method used for valuation of inventory of Raw and Packing material is Specific identification method. Cost of finished stocks and work in progress are arrived by using FIFO costing method including allocation of manufacturing overheads related to bringing the inventories to their present condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

3.03 Trade and receivables

Trade receivables are stated net of provisions.

3.04 Statement of Cash flows

Statement of Cash flows is prepared in accordance with BAS-7:Statement of cash flows under direct method.

3.05 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank deposits and investment in Fixes deposit which were held and available for use by the company without any restriction.

3.06 Payables and accruals

Liabilities are recognized for amounts to be paid in future for goods and services received whether or not billed to the company.

3.07 Provisions

In accordance with the guidelines as prescribed by BAS 37: *Provisions, contingent liabilities and contingent assets* provisions are recognised when all the following criteria are met :

- When the company has a present obligation as a result of past event;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

3.08 Revenue recognition

Sales are recognized at the time of delivery of goods from the company's depots/factory, when risk and reward of ownership of goods are transferred to the buyer. Sales are stated net of returns and excluding VAT.

3.09 Foreign currency translations

Transactions denominated in foreign currencies are translated into Bangladesh taka at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Bangladesh taka at the exchange rates ruling at the Statement of financial position. Non monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated into Bangladesh taka at the exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognized in the Statement of profit or loss and other comprehensive income.

3.10 Income tax expense

Income tax expenses comprises current and deferred tax . Current tax and deferred tax is recognised in profit or loss except to the extent that its relates to items recognised directly in equity in which case it is recognized in equity.

Current tax:

Income tax expense is recognized in the Statement of profit and loss and other comprehensive income as per the Income Tax Ordinance, 1984.

Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purpose and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 Earning per share

The Company calculates its earnings per share in accordance with BAS 33: Earning per share which has been shown on the face of Statement of profit or loss and other comprehensive income.

Basic earnings

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

Basic earnings per share

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

Diluted earnings per share

No diluted EPS is required to be calculated for the year as there was no scope for dilution during the year under review.

3.12 Interest income

Interest income is recognized on accrual basis.

3.13 Employees' benefit schemes

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of BAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

(a) Defined Contribution Plan (Provident Fund)

The company has a registered 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 8.33% 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 in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

(b) Short-term Employee Benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(c) Contribution to Workers' Profit Participation and 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.

(d) Insurance Scheme

The company has a personal Accident Insurance scheme for its permanent employees, premium for which is being charged to statement of comprehensive income annually as per the insurance policy.

3.14 Events after the reporting date

In accordance with BAS 10: Events after the reporting period, amount recognized in the financial statements are adjusted for event after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for event after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

3.15 Contingent liabilities and assets

Contingent liabilities and assets are current or possible obligations or assets, arising from past events and whose existence is due to the occurrence or non-occurrence of one or more uncertain future events which are not within the control of the company. In accordance with BAS 37 Provision, contingent liabilities and contingent assets, they are disclosed in the notes to the financial statements.

3.16 Lease payments

Payments made under operating leases are recognized in profit or loss on a straight line basis over the term of the lease and lease incentives are recognized as an integral part of the total lease expenses, over the term of the leases in accordance with BAS 17 : Leases.

3.17 Financial risk management policies

The management of the company has the overall responsibility for the establishment and oversight of the company's risk management framework. Financial risk management policies require establishing standard procedures to identify and analyze the main risks to which the company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact.

The company is exposed to credit risk, liquidity risk and market risk.

3.18 Comparative figures

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

Previous year's figure has been re-arranged whenever considered necessary to ensure comparability with the current year's presentation as per BAS 8: Accounting policies, Changes in Accounting Estimates and Errors.

		Amount in Taka	
		31-Mar-18	31-Mar-17
4.00 Property, plant and equipment			
A. Cost Value			
Opening balance		487,303,911	448,625,021
Addition during the year		47,772,739	40,863,737
Adjustment/disposal during the year		(3,888,568)	(2,184,847)
Closing balance		531,188,081	487,303,911
B. Depreciation			
Opening balance		154,400,678	132,289,592
Charged during the year		26,170,645	23,426,358
Adjustment during the year		(2,061,308)	(1,315,272)
Closing balance		178,510,015	154,400,678
Carrying value (A-B)		352,678,064	332,903,233
Details have been given in Schedule - A .			
5.00 Inventories			
Finished products - Factory		5,154,663	5,148,375
Finished products - - Depot		117,474,741	98,355,108
Raw materials		157,522,247	272,842,922
Packing materials		18,386,486	21,089,000
Work in progress		24,222,181	39,662,685
Goods in transit		130,515,996	22,657,907
		453,276,314	459,755,997
6.00 Trade and other receivables			
Trade receivables		35,447,383	44,679,354
Interest receivable		5,740,953	2,047,233
Insurance receivable		110,016	-
		41,298,352	46,726,587
Trade receivables are stated net of provisions. Tk 3,722,679/- (Previous Year 3,624,635/=)			
7.00 Advances, deposits and prepayments			
Advances:			
Advance to employees		166,613	36,362
VAT current account		25,812,623	17,359,409
Advance VAT on depots stock		62,469,083	48,734,601
Advance to suppliers		38,535,479	53,003,856
		126,983,798	119,134,228
Deposits:			
Imprest money with employees		1,200,642	1,711,155
Security deposits		399,520	390,520
		1,600,162	2,101,675
Prepayments:			
Prepaid expenses		1,383,109	-
		1,383,109	-
		129,967,069	121,235,903
8.00 Cash and cash equivalents			
Cash in hand		491,794	165,080
Cash at bank :			
Current Account	Note 8.01	33,511,096	92,353,269
Fixed deposit		925,557,432	477,600,000
Margin money with bank		-	38,970,513
		959,560,322	609,088,862
8.01 Current Account			
Eastern Bank Ltd. (C/A # 0104-106-0006340)		79,086	84,083
Eastern Bank Ltd. (C/A # 0104-106-0005667)		7,721,735	7,006,681
AB Bank Limited (C/A # 4019-760082-000)		123,348	8,607,819
Standard Chartered bank (C/A # 0111-8462001)		11,769	24,359,214
Dutch-Bangla Bank Limited (C/A # 138-110-1281)		12,623,392	1,361,909
Citi bank N.A. (C/A # 0200352009)		12,951,766	50,933,563
		33,511,096	92,353,269

		Amount in Taka	
		31-Mar-18	31-Mar-17
9.00 Share capital			
Authorized share capital :			
5,000,000 Ordinary shares of Tk 100 each		500,000,000	500,000,000
Issued, subscribed and paid-up:			
600,000 Ordinary shares of Tk 100 each		60,000,000	60,000,000

Shareholding position of the company is as follows:

	31-Mar-18		31-Mar-17	
	Nominal value (Tk)	% of present holding	Nominal value (Tk)	% of present holding
Sun Pharmaceutical Industries Limited, l	43,446,900	72.41	43,446,900	72.41
City Overseas Limited	16,500,000	27.50	16,500,000	27.50
Sun Pharma Holdings	53,100	0.09	53,100	0.09
	60,000,000	100	60,000,000	100

Sun Pharma Global Inc. BVI had transferred its entire shareholdings of 531 share of BDT 53,100 of the Company to its wholly owned subsidiary Nogad Holdings. This has been approved by the Board of Directors of the Company at its meeting on 29th March 2014. Subsequently, Nagad Holdings by special resolution changed its name to Sun Pharma Holdings on 27th June 2014.

10.00 Share money deposits

Sun Pharmaceutical Industries Limited, India	38,213,466	38,213,466
City Overseas Limited	18,702,944	18,702,944
Sun Pharma Global Inc. BVI	13,052	13,052
	56,929,462	56,929,462

11.00 Retained earnings

Opening balance	1,050,626,544	792,985,899
Prior year adjustment for income tax AY(2015-2016)	(3,667,046)	-
Net profit during the year	242,763,700	257,640,645
Closing balance	1,289,723,199	1,050,626,544

12.00 Deferred tax liabilities

Deferred tax has been recognized and measured in accordance with the provision of BAS-12: Income taxes

Name of assets	Carrying amount as at 31 March 2018	Tax base 31 March 2018	Taxable/ (deductible) Temporary difference
Lease holdland	18,618	-	-
Factory building	70,945,652	10,671,430	60,274,223
Plant & machinery	207,718,491	95,275,885	112,442,606
Computer equipment	9,511,963	6,662,279	2,849,684
Motor vehicle/ motor cycle	34,997,001	22,098,863	12,898,138
Office equipment	8,727,213	6,932,083	1,795,130
Electrical installation	10,515,618	4,203,560	6,312,058
Furniture and fixtures	10,243,510	9,123,999	1,119,512

Property, plant and equipment	352,678,064	154,968,099	197,691,351
Provision for doubtful debts	-	-	-
Total Taxable temporary difference			197,691,351
Tax rate			35%
Deferred tax liability/ (Assets) on temporary difference			69,191,973

Change in deferred tax assets and liability

Opening balance	64,371,799	60,817,362
Provision made during the year	4,820,173	3,554,437
	69,191,973	64,371,799

13.00 Trade payable and liabilities for expenses

Trade payable		90,698,895	87,000,803
Management fee payable		244,444,499	172,433,817
Provision for Workers' Profit Participation Fund		19,843,245	20,290,375
Other liabilities	Note: 13.01	113,032,692	89,679,422
		468,019,333	369,404,417

		Amount in Taka	
		31-Mar-18	31-Mar-17
13.01 Other liabilities			
Outstanding expenses		55,045,929	47,697,229
Payable to employees		2,490,110	796,968
Deposits for motor cycle from employees		15,124,654	11,770,129
Withholding income tax and VAT payable		40,371,999	29,415,096
		113,032,692	89,679,422
14.00 Current tax liabilities			
Provision for income tax	Note: 14.01	470,069,351	435,339,332
Advance income tax	Note: 14.02	(461,010,313)	(427,432,479)
		9,059,038	7,906,853
14.01 Provision for income tax			
Opening balance		435,339,332	290,726,924
Provision made during the year		149,281,027	144,612,408
Prior year adjustment AY(2015-2016)		3,667,046	-
Adjustment during the year		(118,218,054)	-
Closing balance		470,069,351	435,339,332
14.02 Advance income tax			
Opening balance		427,432,479	262,107,421
Add: Addition during the year		151,795,888	165,325,058
Less: Adjustment during the year		(118,218,054)	-
Closing balance		461,010,313	427,432,479

	Amount in Taka	
	2017-2018	2016-2017
15.00 Net sales revenue	1,697,101,021	1,674,825,468
16.00 Other Income		
Gain from disposal of fixed assets	-	288,325
Miscellaneous Income	327,507	-
	327,507	288,325
17.00 Cost of materials		
Opening inventories	459,755,997	412,521,638
Add: Purchase during the year	515,448,552	569,901,624
Closing inventories	(453,276,314)	(459,755,997)
	521,928,235	522,667,265
18.00 Personnel cost		
Salaries,wages,bonus and benefits	246,539,019	225,396,276
Contribution to provident fund	7,196,597	6,507,594
	253,735,616	231,903,870
19.00 Operating and other expenses		
Stores and spares consumed	8,140,995	7,713,110
Conversion and other manufacturing expenses	7,385,158	6,343,303
Electricity , Gas and other Utilities	1,102,319	901,553
Bank Charges	822,042	780,134
License Fees	289,015	766,300
Power and Fuel	11,618,643	10,766,022
Management Fees	72,010,681	42,066,070
VAT on management fees	10,801,602	6,309,911
Rent	11,289,340	10,880,231
Insurance	8,087,461	4,095,883
Repairs & maintenance:		
Building	508,152	1,232,787
Plant and machinery	5,850,384	7,864,181
Others	1,557,641	1,295,075
Printing and Stationery	1,747,440	1,580,903
Traveling and conveyance :		
Local	5,705,811	4,563,008
Foreign	1,119,741	850,065
Communication	2,219,890	2,069,302
Briefing materials & Stationery	289,312	277,120
Payment to statutory auditors (Note : 19.01)	970,101	565,729
Professional and consultancy fees	128,731	257,901
Security services	2,319,569	2,149,676
Rates & Taxes	232,333	835,663
Training expenses	525,723	757,170
Entertainment	2,385,230	1,496,732
Miscellaneous expenses	1,635,695	844,706
	158,743,009	117,262,535
19.01 Payment to statutory auditors (Including VAT, where applicable)		
As Auditors	95,000	95,000
Review of interim financial statements	124,896	86,250
Other advisory services	745,205	379,479
Reimbursement of out of pocket expenses	5,000	5,000
	970,101	565,729
20.00 Selling, Marketing and Distribution expenses		
Drug testing fees/license fees	679,689	465,860
Electricity , Gas and other Utilities	561,866	739,049
Bank Charges	377,141	632,523
Rent	7,064,851	6,724,136

	Amount in Taka	
	2017-2018	2016-2017
Insurance	3,334,099	2,661,750
Repair and maintenance :	-	
Others	1,053,077	1,140,325
Printing and Stationery	4,154,474	3,238,108
Travelling an conveyance :	-	
Local	2,543,422	2,452,207
Foreign	-	39,271
Communication	2,716,841	2,675,719
Sales promotion expenses	196,741,503	221,571,634
Depot conveyance expenses	30,185,820	29,546,099
Briefing materials & Stationery	16,445,517	12,182,576
Training expenses	28,917,463	31,226,647
Field staff expenses	39,988,676	33,913,847
Breakage and expiry	2,983,238	6,374,230
Entertainment	3,778	8,920
Provision-Doubtful Debts	98,044	1,834,470
Security Services	364,320	343,621
Miscellaneous expenses	869,197	1,145,176
	339,083,016	358,916,168

21.00 Deferred tax expense

Closing deferred tax liability	69,191,973	64,371,799
Opening deferred tax liability	64,371,799	60,817,362
Total	4,820,173	3,554,437

22.00 Workers' Profit Participation and Welfare Fund

19,843,245	20,290,375
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As per Labor Act 2006 (under chapter 15), the company has made the provision of 5% on profit before tax to Workers' Profit Participation and Welfare Fund for the year ended 31 March 2018.

23.00 Capacity utilization

Installed capacity (tablets/capsules) in pieces	348,932,000	348,932,000
Utilized capacity (tablets/capsules) in pieces	279,946,934	265,813,140
Percentage of utilization (%)	80.23%	76.18%

24.00 Information relating to consumption of materials

	2017-2018		2016-2017	
	Quantity	Value	Quantity	Value
	Kg	Taka	Kg	Taka
Raw materials	92,323	337,866,838	88,992	619,577,891
Packing materials	-	29,560,034	-	40,918,308

25.00 Value of imports calculated on CIF basis

During the year, the company imported the following items in foreign currencies including in transit :

Particulars	Currency	2017-2018		2016-2017	
		Foreign currency	Equivalent Taka	Foreign currency	Equivalent Taka
Raw materials	USD	5,422,792	478,979,038	6,242,844	495,069,862
	EURO	32,096	2,749,913	38,877	3,391,347
Packing materials	USD	121,663	10,755,140	169,474	13,436,711
	USD	102,640	10,173,262	269,035	21,327,307
Capital machinery and spare parts	CHF			-	-
	EURO	35,720	3,210,298	27,560	2,479,029
	YEN			-	-
Promotional inputs	USD			6,100	491,660
Total			505,867,651		536,195,916

26.00 Particulars of employees

The number of employees engaged by the company during the year and part thereof was 699 (2017: 698) and all the staff of the Company are drawing salary and allowances above Tk. 3,000 per annum.

	Amount in Taka	
	2017-2018	2016-2017
27.00 Basic earnings per share (EPS)		
Profit after tax	242,763,700	257,640,645
Number of shares	600,000	600,000
EPS	404.61	429.40

28.00 Operating leases - Leases as lessee

The company usually leases office premises, factory land and guest house. The leases typically run for a period of years as mentioned in the lease agreements, with an option to renew the lease after that date.

28.01 Future minimum lease payments

As at 31 March, the future minimum lease payments under non-cancellable lease were as follows.

Less than one year	4,758,325	4,567,992
Between two and five years	20,811,010	20,042,065
More than five years	131,385,412	136,912,682
	156,954,747	161,522,739

28.02 Amounts recognized in profit or loss

Lease rent- Factory	4,567,992	4,464,174
Lease rent- Other	13,537,166	12,623,451
Contingent rent expenses	249,033	516,742
	18,354,191	17,604,367

29.00 Contingent liability

(a) Bank guarantee	557,432	557,432
(b) Letter of credit	119,274,480	56,694,518
(c) Income tax : (Note # 29.01)		
For the Assessment Year 2016-2017	2,832,825	-
For the Assessment Year 2014-2015	160,039	10,532,427
	122,824,776	67,784,377

29.01 The company has filed appeal at Tax Appellate Tribunal against the order of the Deputy Commissioner of Taxes as well as the Commissioner of Taxes (Appeal) on the matter of income tax assessments. Outcome of which is uncertain. However, the company's management feels that the claim by the Tax authority is unjustified and the company has fair grounds for having the judgment in their favor.

30.00 Events after the date of statement of financial position

There is no significant events subsequent to the date of statement of financial position to report which had an influence on the statement of financial position or the Statement of profit or loss and other comprehensive income that require adjustments or separate disclosure.

31.00 Financial risk management objective and policies

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

31.01 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. It mainly comprises of Trade and other receivables, bank balances and Advances, deposits and prepayments (except receivable from Govt.). The Company's maximum exposure to credit risk at the reporting date is as follows:

Trade and other receivables	41,298,352	46,726,587
Cash and cash equivalents (except cash in hand)	959,068,528	569,953,269
Advances, deposits and prepayments (except receivable from Govt.)	104,154,446	103,876,494
	1,104,521,326	720,556,350

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

Due over twelve months		4,496,061
Due over six months	4,909,146	728,984
Due below six months	34,260,916	43,078,944
	39,170,062	48,303,989
Less: Provision for doubtful debts	3,722,679	3,624,635
	35,447,383	44,679,354

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

31.02 Liquidity risk

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

The table below summarises the Company's financial liabilities as at the reporting date.

Trade payable and liabilities for expenses	468,019,333	369,404,417
	468,019,333	369,404,417

Maintaining sufficient cash, the availability of funding through an adequate amount of committed bank facilities, the company manages the liquidity risk.

31.03 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and other price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

31.3.1 Foreign currency risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to company's operating activities with the foreign suppliers.

The Company's exposure to foreign currency risk in major currencies at their gross values is as follows:

	31-Mar-18	31-Mar-17
	Taka	Taka
Current liabilities		
EURO	-	-
POUND	-	-
USD	78,765,773	50,407,751

The Company did not experience with any unusual profit or loss causing from foreign exchange fluctuation till date.

31.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's short-term deposits.

At the reporting date, the average interest rate of the Company's investment in Fixed Deposit was as follows:

	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	Effective rates %		Amount in Taka	
Investment in Fixed Deposit	1.75% - 3.75%	0.22% - 3.00%	925,557,432	477,600,000

31.3.3 Other price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk and currency risk). The Company is not exposed to any equity price risk, as the Company does not have any investment in equity shares. The Company also is not exposed to commodity price risk.

32.00 Related party disclosures

(a) Related party transactions

During the year, the company made a number of transactions with related party in the normal course of business. Name of the related party, nature of those transactions and total value have been set out in accordance with the provisions of BAS-24: Related Party Disclosure.

Name of the related party transaction	Nature of transaction	Relationship	31-Mar-18		31-Mar-17
			Transaction value	Amount due	Amount due
Sun Pharmaceutical Industries Limited, India	Raw materials	Parent company	\$12946		978,887
	Expenses				491,660
	Management fees		72,010,682	244,444,499	172,433,817
			244,444,499	173,904,364	

(b) Compensation of Key Management Personnel

The following disclosures are made in accordance with the provisions of BAS: 24 *Related Party Disclosures*, in respect of the compensation of key management personnel. Under BAS 24, 'Key Management Personnel' are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

The transactions of the current members of the Board of Management is set out below.

Name of the related party transaction	Nature of transaction	Relationship	31-Mar-18		31-Mar-17
			Transaction value	Amount due	Amount due
Mr. Sukumar Ranjan Ghosh	Factory Land Rent	Director	986,268		38,934
Mrs. Abha Rani Ghosh	Factory Land Rent	Spouse of Director	1,183,524		46,719
			2,169,792	-	85,653

Sun Pharmaceutical (Bangladesh) Limited
Schedule of Property, plant and equipment
As on March 31, 2018

Sl.	Name of assets	Cost				Depreciation					Written down value
		Balance as at 01 April 2017	Addition during the year	Adjustment during the year	Balance as at 31 March 2018	Rate	Balance as at 01 April 2017	Charged during the year	Adjustment during the year	Balance as at 31 March 2018	As at 31 March 2018
1	Lease holdland	33,000	-	-	33,000	-	13,556	826	-	14,382	18,618
2	Factory building	83,194,370	4,910,801	-	88,105,171	1.63%	15,742,173	1,417,346	-	17,159,519	70,945,652
3	Plant & machinery	274,013,881	36,725,537	-	310,739,418	4.75%	88,807,400	14,213,528	-	103,020,928	207,718,491
4	Computer equipment	29,107,042	2,463,423	-	31,570,465	16.21%	19,149,816	2,908,686	-	22,058,502	9,511,963
5	Motor vehicle/ motor cycle	55,547,295	1,349,392	(3,888,568)	53,008,119	9.50%	14,927,999	5,144,427	(2,061,308)	18,011,118	34,997,001
6	Office equipment	10,339,334	1,371,430	-	11,710,764	4.75%	2,462,086	521,465	-	2,983,551	8,727,213
7	Electrical installation	18,453,861	389,562	-	18,843,423	4.75%	7,437,272	890,533	-	8,327,805	10,515,618
8	Furniture and fixtures	16,615,127	562,594	-	17,177,721	6.33%	5,860,377	1,073,834	-	6,934,211	10,243,510
As on March 31, 2018		487,303,910	47,772,739	(3,888,568)	531,188,081		154,400,678	26,170,645	(2,061,308)	178,510,015	352,678,064
As on March 31, 2017		448,625,021	40,863,737	(2,184,847)	487,303,911		132,289,592	23,426,358	(1,315,272)	154,400,678	332,903,233