

**Independent Auditors' Report  
to the shareholders of  
Sun Pharmaceutical (Bangladesh) Limited**

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

**Opinion**

We have audited the accompanying financial statements of Sun Pharmaceutical (Bangladesh) Limited, which comprise the statements of financial position as at 31 March 2019, and the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 31 March 2019, and its financial performance and its cash flows for the period from 01 April 2018 to 31 March 2019 in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulation.

**Basis for opinion**

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

**Responsibilities of Management and Those Charged with Governance for the Financial**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRSs), The Companies Act 1994 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 also responsible for overseeing the company's financial reporting process.

### **Auditors' Responsibility to the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

**Report on Other Legal and Regulatory Requirements**

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

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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 and return.

Dated: 02 May 2019  
Dhaka

**Ahmed Mashuque & Co.**  
**Chartered Accountants**

**Sun Pharmaceutical (Bangladesh) Limited**  
**Statement of financial position**  
**As on March 31, 2019**

	Notes	Amount in Taka	
		31-Mar-19	31-Mar-18
<b>ASSETS</b>			
<b>Non current assets</b>			
		<b>399,280,751</b>	<b>368,820,948</b>
Property, plant and equipment	4.00	367,113,544	352,678,064
Capital work-in-progress		16,179,558	14,964,334
Long term deposits		15,987,649	1,178,550
<b>Current assets</b>			
		<b>2,081,057,980</b>	<b>1,584,102,057</b>
Inventories	5.00	581,268,437	453,276,314
Trade and other receivables	6.00	59,730,566	41,298,352
Advances, deposits and prepayments	7.00	190,423,975	129,967,069
Cash and cash equivalents	8.00	1,249,635,002	959,560,322
<b>TOTAL ASSETS</b>		<b>2,480,338,730</b>	<b>1,952,923,005</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
		<b>1,692,008,537</b>	<b>1,406,652,661</b>
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	1,575,079,075	1,289,723,199
<b>Liability</b>			
<b>Non current liabilities</b>			
		<b>73,942,662</b>	<b>69,191,973</b>
Deferred tax liabilities	11.00	73,942,662	69,191,973
<b>Current liabilities</b>			
		<b>714,387,531</b>	<b>477,078,371</b>
Trade payable and liabilities for expenses	12.00	704,203,703	468,019,333
Current tax liabilities	13.00	10,183,828	9,059,038
<b>Total liabilities</b>		<b>788,330,193</b>	<b>546,270,344</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,480,338,730</b>	<b>1,952,923,005</b>

*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: 02 May 2019**  
**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, 2019**

		<u>Amount in Taka</u>	
		<u>April 01,2018</u>	<u>April 01,2017</u>
		<u>to</u>	<u>to</u>
		<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>Notes</b>			
	<b>Revenue</b>	<b>2,051,185,738</b>	<b>1,697,101,021</b>
	Net sales revenue	2,051,185,738	1,697,101,021
	<b>Less: Expenditures</b>	<b>1,570,432,451</b>	<b>1,299,660,521</b>
	Cost of materials	595,965,515	525,613,652
	Changes in inventory of finished goods and work in progress	31,845,079	(3,685,417)
	Personnel cost	267,244,770	253,735,616
	Operating and other expenses	231,554,860	158,743,009
	Selling, marketing and distribution expenses	416,732,929	339,083,016
	Depreciation	27,089,298	26,170,645
	<b>Profit From Operations</b>	<b>480,753,287</b>	<b>397,440,500</b>
	Other income	1,794,839	327,507
	Add: Interest income	27,737,260	18,940,139
	Add: Foreign exchange gain	-	-
	<b>Profit before contribution to WPPF</b>	<b>510,285,386</b>	<b>416,708,146</b>
	Contribution to Workers' profit participation fund	24,299,304	19,843,245
	<b>Profit before income tax</b>	<b>485,986,082</b>	<b>396,864,901</b>
	<b>Less: Income tax expense:</b>	<b>200,630,206</b>	<b>154,101,201</b>
	Current tax	195,879,517	149,281,027
	Deferred tax	4,750,689	4,820,174
	<b>Net profit after income tax</b>	<b>285,355,876</b>	<b>242,763,700</b>
	Other comprehensive income	-	-
	<b>Total comprehensive income</b>	<b>285,355,876</b>	<b>242,763,700</b>
	Earning per share	475.59	404.61
	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: 02 May 2019**  
**Dhaka.**

**Ahmed Mashuque & Co.**  
**Chartered Accountants**

**Sun Pharmaceutical (Bangladesh) Limited**  
**Statement of changes in equity**  
**For the year ended March 31, 2019**

Particulars	Amount in Taka			
	Share capital	Share money deposits	Retained Earnings	Total
<b>Balance as at 01 April 2017</b>	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
<b>Balance as at 31 March 2018</b>	<b>60,000,000</b>	<b>56,929,462</b>	<b>1,289,723,198</b>	<b>1,406,652,660</b>
Balance as at 01 April 2018	60,000,000	56,929,462	1,289,723,198	1,406,652,660
Total comprehensive income	-	-	285,355,876	285,355,876
<b>Balance as at 31 March 2019</b>	<b>60,000,000</b>	<b>56,929,462</b>	<b>1,575,079,075</b>	<b>1,692,008,537</b>

*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: 02 May 2019**  
**Dhaka.**

**Ahmed Mashuque & Co.**  
**Chartered Accountants**

**Sun Pharmaceutical (Bangladesh) Limited**  
**Statement of cash flows**  
**For the year ended March 31, 2019**

<b>Particulars</b>	<b>Amount in Taka</b>	
	<b>2018-2019</b>	<b>2017-2018</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	2,032,789,092	1,706,332,992
Payments to suppliers, employees and other	(1,536,476,098)	(1,196,157,483)
Other Income	1,794,839	327,507
Income tax paid	(194,754,727)	(151,795,888)
<b>Net cash generated from operating activities (A)</b>	<b>303,353,106</b>	<b>358,707,128</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(43,152,674)	(11,047,204)
Sale proceeds from property, plant and equipment	3,398,737	1,380,400
Capital work-in-progress	(1,215,223)	(13,815,288)
Interest received	27,690,740	15,246,423
<b>Net cash used in investing activities (B)</b>	<b>(13,278,420)</b>	<b>(8,235,669)</b>
<b>Cash flows from financing activities</b>		
<b>Net cash used in financing activities (C)</b>	-	-
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>290,074,680</b>	<b>350,471,459</b>
Cash and cash equivalents at the beginning of the year	959,560,322	609,088,862
<b>Cash and cash equivalents at the end of the year</b>	<b>1,249,635,002</b>	<b>959,560,322</b>

*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: 02 May 2019**  
**Dhaka.**

**Ahmed Mashuque & Co.**  
**Chartered Accountants**

**Sun Pharmaceutical (Bangladesh) Limited**  
**Notes, Comprising Significant accounting policies and other explanatory information**  
**As on March 31, 2019**

**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 International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 1994 and other relevant local laws and regulations as applicable. IFRS comprise of

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

The titles and format of these financial statements follow the requirements of IFRS 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 IFRS 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, 2018 to March 31, 2019 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 30 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 International Financial Reporting Standards (IFRS) 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 11	Deferred tax liabilities
Note 12	Trade payable and liabilities for expenses
Note 13	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 IAS-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 IAS-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 IAS-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 IAS 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 IAS 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 IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

**(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 IAS 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 IAS 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 IAS 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 IAS 8: Accounting policies, Changes in Accounting Estimates and Errors.

		Amount in Taka	
		31-Mar-19	31-Mar-18
<b>4.00</b>	<b>Property, plant and equipment</b>		
	<b>A. Cost Value</b>		
	Opening balance	531,188,081	487,303,910
	Addition during the year	43,152,674	47,772,739
	Adjustment/disposal during the year	(4,371,427)	(3,888,568)
	<b>Closing balance</b>	<b>569,969,328</b>	<b>531,188,081</b>
	<b>B. Depreciation</b>		
	Opening balance	178,510,015	154,400,678
	Charged during the year	27,089,298	26,170,645
	Adjustment during the year	(2,743,529)	(2,061,308)
	<b>Closing balance</b>	<b>202,855,784</b>	<b>178,510,015</b>
	<b>Carrying value (A-B)</b>	<b>367,113,544</b>	<b>352,678,066</b>
	Details have been given in <b>Schedule - A.</b>		
<b>5.00</b>	<b>Inventories</b>		
	Finished products - Factory	5,277,536	5,154,663
	Finished products - - Depot	72,302,770	117,474,741
	Raw materials	390,945,240	157,522,247
	Packing materials	26,718,183	18,386,486
	Work in progress	37,426,200	24,222,181
	Goods in transit	48,598,508	130,515,996
		<b>581,268,437</b>	<b>453,276,314</b>
<b>6.00</b>	<b>Trade and other receivables</b>		
	Trade receivables	53,844,029	35,447,383
	Interest receivable	5,787,477	5,740,953
	Insurance receivable	99,060	110,016
		<b>59,730,566</b>	<b>41,298,352</b>
<b>7.00</b>	<b>Advances, deposits and prepayments</b>		
	<b>Advances:</b>		
	Advance to employees	164,163	166,613
	VAT current account	77,030,123	25,812,623
	Advance VAT on depots stock	50,747,727	62,469,083
	Advance to suppliers	57,712,392	38,535,479
		<b>185,654,405</b>	<b>126,983,798</b>
	<b>Deposits:</b>		
	Imprest money with employees	1,237,102	1,200,642
	Security deposits	590,421	399,520
		<b>1,827,523</b>	<b>1,600,162</b>
	<b>Prepayments:</b>		
	Prepaid expenses	2,942,047	1,383,109
		<b>2,942,047</b>	<b>1,383,109</b>
		<b>190,423,975</b>	<b>129,967,069</b>
<b>8.00</b>	<b>Cash and cash equivalents</b>		
	Cash in hand	290,694	491,794
	<b>Cash at bank :</b>		
	Current Account	93,786,876	33,511,096
	Fixed deposit	1,155,557,432	925,557,432
	Margin money with bank	-	-
		<b>1,249,635,002</b>	<b>959,560,322</b>
<b>8.01</b>	<b>Current Account</b>		
	Eastern Bank Ltd. (C/A # 0104-106-0006340)	-	79,086
	Eastern Bank Ltd. (C/A # 0104-106-0005667)	13,391,026	7,721,735
	AB Bank Limited (C/A # 4019-760082-000)	-	123,348
	Standard Chartered bank (C/A # 0111-8462001)	8,135,303	11,769
	Dutch-Bangla Bank Limited (C/A # 138-110-1281)	27,139,893	12,623,392
	Standard Chartered bank (ISA 32 1184620 01)	7,471,498	-
	Citi bank N.A. (C/A # 0200352009)	37,649,156	12,951,766
		<b>93,786,876</b>	<b>33,511,096</b>

Note 8.01

		Amount in Taka	
		31-Mar-19	31-Mar-18
<b>9.00 Share capital</b>			
<b>Authorized share capital :</b>			
5,000,000 Ordinary shares of Tk 100 each		<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued, subscribed and paid-up:</b>			
600,000 Ordinary shares of Tk 100 each		<u>60,000,000</u>	<u>60,000,000</u>

Shareholding position of the company is as follows:

	31-Mar-19		31-Mar-18	
	Nominal value ( Tk )	% of present holding	Nominal value ( Tk )	% of present holding
Sun Pharmaceutical Industries Limited, India	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
	<u>60,000,000</u>	<u>100</u>	<u>60,000,000</u>	<u>100</u>

**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 Holdings	13,052	13,052
	<u>56,929,462</u>	<u>56,929,462</u>

**11.00 Deferred tax liabilities**

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

Name of assets	Carrying amount as at 31 March 2019	Tax base 31 March 2019	Taxable/ (deductible) Temporary difference
Leasehold Land			-
Factory building	70,024,902	8,952,140	61,072,763
Plant and Machinery	220,054,461	98,083,763	121,970,698
Motor Vehicles/Motor Cycles	38,267,415	5,923,022	32,344,394
Electrical Installation	10,852,040	22,201,822	(11,349,782)
Equipments	9,689,564	7,213,845	2,475,719
Computer Equipment	8,388,178	4,625,066	3,763,113
Furniture and Fixtures	9,819,186	8,831,338	987,849
<b>Property, plant and equipment</b>	<b>367,095,746</b>	<b>155,830,996</b>	<b>211,264,753</b>
Provision for doubtful debts	-		-
<b>Total Taxable temporary difference</b>			<u><b>211,264,753</b></u>
Tax rate			35%
<b>Deferred tax liability/ (Assets) on temporary difference</b>			<u><b>73,942,664</b></u>
<b>Change in deferred tax assets and liability</b>			
Opening balance		69,191,972	64,371,799
Provision made during the year		4,750,692	4,820,173
		<u><b>73,942,664</b></u>	<u><b>69,191,972</b></u>

**12.00 Trade payable and liabilities for expenses**

Trade payable		130,502,175	90,698,895
Management fee payable		367,515,644	244,444,499
Provision for Workers' Profit Participation Fund		24,299,304	19,843,245
Other liabilities	Note: 12.01	181,886,578	113,032,692
		<u><b>704,203,703</b></u>	<u><b>468,019,333</b></u>

		<b>Amount in Taka</b>	
		<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>12.01</b>	<b>Other liabilities</b>		
	Outstanding expenses	102,576,711	55,045,929
	Payable to employees	2,336,519	2,490,110
	Deposits for motor cycle from employees	15,163,330	15,124,654
	Withholding income tax and VAT payable	61,810,018	40,371,999
		<b>181,886,578</b>	<b>113,032,692</b>
<b>13.00</b>	<b>Current tax liabilities</b>		
	Provision for income tax	665,948,868	470,069,351
	Advance income tax	(655,765,040)	(461,010,313)
		<b>10,183,828</b>	<b>9,059,038</b>
<b>13.01</b>	<b>Provision for income tax</b>		
	Opening balance	470,069,351	435,339,332
	Provision made during the year	195,879,517	149,281,027
	Prior year adjustment AY(2015-2016)	-	3,667,046
	Adjustment during the year	-	(118,218,054)
	<b>Closing balance</b>	<b>665,948,868</b>	<b>470,069,351</b>
<b>13.02</b>	<b>Advance income tax</b>		
	Opening balance	461,010,313	427,432,479
	Add: Addition during the year	194,754,727	151,795,888
	Less: Adjustment during the year	-	(118,218,054)
	<b>Closing balance</b>	<b>655,765,040</b>	<b>461,010,313</b>

		Amount in Taka	
		2018-2019	2017-2018
<b>14.00</b>	<b>Net sales revenue</b>	<b>2,051,185,738</b>	<b>1,697,101,021</b>
<b>15.00</b>	<b>Other Income</b>		
	Gain from disposal of fixed assets	1,770,839	-
	Miscellaneous Income	24,000	327,507
		<b>1,794,839</b>	<b>327,507</b>
<b>16.00</b>	<b>Cost of materials</b>		
	Raw material consumed	563,750,419	496,053,618
	Packing material consumed	32,215,096	29,560,034
		<b>595,965,515</b>	<b>525,613,652</b>
<b>16.01</b>	<b>Raw material consumed</b>		
	Opening inventory	157,522,247	272,842,922
	Add: Purchase	666,657,416	358,075,036
	Add: stock in transit	130,515,996	22,657,907
	Less: Closing inventory	390,945,240	157,522,247
		<b>563,750,419</b>	<b>496,053,618</b>
<b>16.02</b>	<b>Packing material consumed</b>		
	Opening inventory	18,386,486	21,089,000
	Add: Purchase	40,546,793	26,857,520
	Less: Closing inventory	26,718,183	18,386,486
		<b>32,215,096</b>	<b>29,560,034</b>
<b>17.00</b>	<b>Changes in inventory of finished goods and work in progress</b>		
	Opening finished goods	122,629,404	103,503,483
	Closing finished goods	(77,580,306)	(122,629,404)
	Opening work in progress	24,222,181	39,662,685
	Closing work in progress	(37,426,200)	(24,222,181)
		<b>31,845,079</b>	<b>(3,685,417)</b>
<b>18.00</b>	<b>Personnel cost</b>		
	Salaries,wages,bonus and benefits	259,721,531	246,539,019
	Contribution to provident fund	7,523,239	7,196,597
		<b>267,244,770</b>	<b>253,735,616</b>

	<b>Amount in Taka</b>	
	<b>2018-2019</b>	<b>2017-2018</b>
<b>19.00 Operating and other expenses</b>		
Stores and spares consumed	8,384,091	8,140,995
Conversion and other manufacturing expenses	8,510,135	7,385,158
Electricity , Gas and other Utilities	1,098,417	1,102,319
Bank Charges	954,169	822,042
License Fees	380,424	289,015
Power and Fuel	12,614,130	11,618,643
Management Fees	123,071,145	72,010,681
VAT on management fees	18,460,672	10,801,602
Rent	12,178,489	11,289,340
Insurance	7,471,913	8,087,461
Repairs & maintenance:		
Building	1,590,253	508,152
Plant and machinery	10,229,966	5,850,384
Others	1,524,723	1,557,641
Printing and Stationery	2,283,724	1,747,440
<b>Traveling and conveyance :</b>		
Local	5,492,500	5,705,811
Foreign	512,422	1,119,741
Communication	2,704,684	2,219,890
Briefing materials & Stationery	341,732	289,312
Payment to statutory auditors (Note : 19.01)	393,750	970,101
Professional and consultancy fees	248,621	128,731
Security services	2,049,720	2,319,569
Rates & Taxes	432,133	232,333
Training expenses	239,069	525,723
Entertainment	1,293,165	2,385,230
Miscellaneous expenses	9,094,813	1,635,695
	<b>231,554,860</b>	<b>158,743,009</b>
<b>19.01 Payment to statutory auditors</b>		
(Including VAT, where applicable)		
As Auditors	95,000	95,000
Review of interim financial statements	293,750	124,896
Other advisory services	-	745,205
Reimbursement of out of pocket expenses	5,000	5,000
	<b>393,750</b>	<b>970,101</b>
<b>20.00 Selling, Marketing and Distribution expenses</b>		
Drug testing fees/license fees	466,698	679,689
Electricity , Gas and other Utilities	634,399	561,866
Bank Charges	159,150	377,141
Rent	7,801,677	7,064,851
Insurance	4,116,301	3,334,099
<b>Repair and maintenance:</b>		
Others	431,062	1,053,077
Printing and Stationery	2,720,048	4,154,474
<b>Travelling an conveyance :</b>		
Local	1,128,146	2,543,422
Foreign	-	-
Communication	1,658,884	2,716,841
Sales promotion expenses	260,155,647	196,741,503
Depot conveyance expenses	35,817,201	30,185,820
Briefing materials & Stationery	18,829,017	16,445,517
Training expenses	32,535,934	28,917,463
Field staff expenses	46,093,161	39,988,676
Breakage and expiry	2,607,440	2,983,238
Entertainment	5,400	3,778
Provision and Bad debt	674,171	98,044
Security Services	364,960	364,320
Miscellaneous expenses	533,633	869,197
	<b>416,732,929</b>	<b>339,083,016</b>



		<u>Amount in Taka</u>	
		<u>2018-2019</u>	<u>2017-2018</u>
<b>21.00</b>	<b>Deferred tax expense</b>		
	Closing deferred tax liability	73,942,664	69,191,973
	Opening deferred tax liability	69,191,973	64,371,799
	<b>Total</b>	<b>4,750,691</b>	<b>4,820,173</b>
<b>22.00</b>	<b>Workers' Profit Participation and Welfare Fund</b>	<b>24,299,304</b>	<b>19,843,245</b>
	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 2019.		
<b>23.00</b>	<b>Capacity utilization</b>	<b>2018-19</b>	<b>2017-18</b>
	Installed capacity (tablets/capsules) in pieces	348,932,000	348,932,000
	Utilized capacity (tablets/capsules) in pieces	278,200,378	279,946,934
	<b>Percentage of utilization (%)</b>	<b>79.73%</b>	<b>80.23%</b>
<b>24.00</b>	<b>Information relating to consumption of materials</b>		
		<u>2018-2019</u>	<u>2017-2018</u>
		<u>Quantity</u>	<u>Value</u>
		<u>Kg</u>	<u>Taka</u>
	Raw materials	108,700	563,750,419
	Packing materials	-	32,215,096
		<u>Quantity</u>	<u>Value</u>
		<u>Kg</u>	<u>Taka</u>
		92,323	337,866,838
		-	29,560,034

Amount in Taka	
2018-2019	2017-2018

**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	2018-2019		2017-2018	
		Foreign currency	Equivalent Taka	Foreign currency	Equivalent Taka
Raw materials	USD	7,790,720	707,137,788	5,422,792	478,979,038
	EURO			32,096	2,749,913
Packing materials	USD	232,147	21,515,189	121,663	10,755,140
	USD	297,560	30,034,344	102,640	10,173,262
Capital machinery and spare parts	CHF				
	EURO	10,387	1,074,341	35,720	3,210,298
	YEN			-	-
Promotional inputs	USD				
<b>Total</b>			<b>759,761,663</b>		<b>505,867,651</b>

**26.00 Particulars of employees**

The number of employees engaged by the company during the year and part thereof was 719 (2018: 699) and all the staff of the Company are drawing salary and allowances above Tk. 3,000 per month.

Amount in Taka	
2018-2019	2017-2018

**27.00 Basic earnings per share (EPS)**

	Taka	
Profit after tax	285,355,876	242,763,700
Number of shares	600,000	600,000
<b>EPS</b>	<b>475.59</b>	<b>404.61</b>

**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	4,781,590	4,758,325
Between two and five years	21,042,264	20,811,010
More than five years	123,512,246	131,385,412
	<b>149,336,100</b>	<b>156,954,747</b>

**28.02 Amounts recognized in profit or loss**

Lease rent- Factory	4,982,992	4,567,992
Lease rent- Other	148,222,38	13,537,166
Contingent rent expenses	314,932	249,033
	<b>20,120,162</b>	<b>18,354,191</b>

**29.00 Contingent liability**

(a) Bank guarantee	557,432	557,432
(b) Letter of credit	147,105,813	119,274,480
(c) Income tax :		
For the Assessment Year 2016-2017		2,832,825.00
For the Assessment Year 2014-2015	160,039	160,039
	<b>147,823,284</b>	<b>122,824,776</b>

**30.01** 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**

Amount in Taka	
2018-2019	2017-2018

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	59,730,566	41,298,352
Cash and cash equivalents (except cash in hand)	1,249,344,308	959,068,528
Advances, deposits and prepayments (except receivable from Govt.)	113,393,852	104,154,446
	<b>1,422,468,726</b>	<b>1,104,521,326</b>

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

Due over twelve months		-
Due over six months	4,343,010	4,893,246
Due below six months	53,128,192	34,260,916
	<b>57,471,202</b>	<b>39,154,162</b>
Less: Provision for doubtful debts	3,627,173	3,722,679
	<b>53,844,029</b>	<b>35,431,483</b>

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	704,203,703	468,327,889
	<b>704,203,703</b>	<b>468,327,889</b>

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.

#### 31.03.01 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:

	Foreign currency	31-Mar-19	31-Mar-18
		Taka	Taka
Current liabilities	EURO	-	-
	POUND	-	-
	USD	1,346,749	78,765,773

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

#### 31.03.02 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-19	31-Mar-18	31-Mar-19	31-Mar-18
	Effective rates %		Amount in Taka	
Investment in Fixed Deposit	2.30% - 5.00%	1.75% - 3.75%	1,155,557,432	925,557,432

#### 31.03.03 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 IAS-24: Related Party Disclosure.

Name of the related party transaction	Nature of transaction	Relationship	31-Mar-19		31-Mar-18
			Transaction value	Amount due	Amount due
Sun Pharmaceutical Industries Limited, India	Raw materials	Parent company	988,511		
	Expenses				
	Management fees		123,071,146	367,515,644	244,444,499
			<b>124,059,657</b>	<b>367,515,644</b>	<b>244,444,499</b>

**(b) Compensation of Key Management Personnel**

The following disclosures are made in accordance with the provisions of IAS: 24 *Related Party Disclosures*, in respect of the compensation of key management personnel. Under IAS 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-19		31-Mar-18
			Transaction value	Amount due	Amount due
Mr. Sukumar Ranjan Ghosh	Factory Land Rent	Director	1,038,180		
Mrs. Abha Rani Ghosh	Factory Land Rent	Spouse of Director	1,245,816		
			<b>2,283,996</b>	-	-

**Sun Pharmaceutical (Bangladesh) Limited**  
Schedule of Property, plant and equipment  
As on March 31, 2019

Sl.	Name of assets	Cost				Depreciation					Written down value
		Balance as at 01 April 2018	Addition during the year	Adjustment during the year	Balance as at 31 March 2019	Rate	Balance as at 01 April 2018	Charged during the year	Adjustment during the year	Balance as at 31 March 2019	As at 31 March 2019
1	Leasehold Land	33,000		-	33,000	-	14,382	826	-	15,208	17,792
2	Factory building	88,105,170	518,745	-	88,623,915	1.63%	17,159,520	1,439,493	-	18,599,013	70,024,902
3	Plant and Machinery	310,739,417	27,328,821	-	338,068,238	4.75%	103,020,923	14,992,854	-	118,013,777	220,054,461
4	Motor Vehicles/Motor Cycles	53,008,117	9,992,115	(4,338,700)	58,661,532	16.21%	18,011,121	5,122,935	(2,739,939)	20,394,117	38,267,415
5	Electrial Installation	18,843,422	1,237,694	-	20,081,116		8,327,803	901,273	-	9,229,076	10,852,040
6	Equipments	11,710,763	1,554,793	-	13,265,556	4.75%	2,983,552	592,440	-	3,575,992	9,689,564
7	Computer Equipment	31,570,466	1,831,907	(32,727)	33,369,646	4.75%	22,058,503	2,926,555	(3,590)	24,981,468	8,388,178
8	Furniture and Fixtures	17,177,721	688,599	-	17,866,320	6.33%	6,934,212	1,112,922	-	8,047,134	9,819,186
<b>As on March 31, 2019</b>		<b>531,188,076</b>	<b>43,152,674</b>	<b>(4,371,427)</b>	<b>569,969,323</b>		<b>178,510,016</b>	<b>27,089,298</b>	<b>(2,743,529)</b>	<b>202,855,785</b>	<b>367,113,538</b>
<b>As on March 31, 2018</b>		<b>487,303,910</b>	<b>47,772,739</b>	<b>(3,888,568)</b>	<b>531,188,081</b>		<b>154,400,678</b>	<b>26,170,645</b>	<b>(2,061,308)</b>	<b>178,510,015</b>	<b>352,678,066</b>