

DIRECTORS' REPORT

To

The Members of **Sun Pharmaceutical (Bangladesh) Limited.**

Your Directors take pleasure in presenting the Fourteenth Annual Report and Audited Accounts for the year ended 31st March, 2015.

Financial Results

Particulars	Year Ended 31 st March,2015	Year Ended 31 st March,2014
Total Income	130,61,57,435	99,89,29,040
Profit/(Loss) After Tax	21,11,90,898	9,00,36,342

Dividend

In order to conserve resources, your Directors do not recommend any Dividend for the year 2014-15.

Operation Review

The year under review has been good for the company, in terms of sales growth, the gross turnover of your Company increased by 30.31%. The Company was able to achieve the Accumulated Profit at the end of the year was Tk. 59,94,83,827 as per compared to Tk. 44,41,35,542 last year.

During the year the Company made a further investment of Tk.4,80,70,745 raising the Total Investment to Tk41,84,09,927.

Capacity Utilisation

Installed Capacity : 246000 Thousand Tablets/Capsules

Utilised Capacit : 222140 Thousand Tablets/Capsules

Auditors

Your Company's Auditors, M/s Ahmed Mashuque & Co, Chartered Accountants, Dhaka, retire at the conclusion of the forthcoming Annual General Meeting and being eligible have offered themselves for reappointment as auditors of the Company for the year 2015-16.

Acknowledgements

Your Directors acknowledge the impeccable service rendered by the employees of the Company at all levels towards its overall success. The Directors also take this opportunity to place on record their appreciation to the Shareholders, Board of Investment, Bankers and members of medical profession for their continued support and valuable cooperation to the Company.

For and On behalf of Board of Directors

Dhaka

Managing Director

Director

Date : 27th April' 2015

(Sukumar Ranjan Ghosh)

(Sailesh T Desai)



AHMED MASHUQUE & CO.

CHARTERED ACCOUNTANTS
20 Comrade Moni Singha Road
Old : 62/1, Purana Paltan, Level # 4
Motijheel C/A, Dhaka-1000, Bangladesh
Tel : +880-2-9572206, 9575286-7
+880-2-9578895, 9581550-3
Fax : +880-2-9559025
Email: info@ahmedmashuque.com
Web : www.ahmedmashuque.com

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 31 March 2015, and Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes, comprising a summary of 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 unqualified 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 31 March 2015, 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

The financial statements comply with the applicable sections of the Companies Act, 1994 and other applicable laws and regulations.

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
Dhaka,

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of Financial Position
As at 31 March 2015

	Notes	31-Mar-15 Taka	31-Mar-14 Taka
ASSETS			
Non current assets			
Property, plant and equipment-carrying value	5	306,416,022	272,805,125
Capital work-in-progress		1,111,230	3,805,748
Long term advances and deposits		963,150	963,150
		308,490,402	277,574,023
Current assets			
Inventories	6	314,835,347	338,310,568
Trade and other receivables	7	36,469,508	25,502,950
Cash and cash equivalents	8	425,610,459	158,938,216
Advances, deposits and prepayments	9	199,600,305	187,752,875
		976,515,619	710,504,609
TOTAL ASSETS		1,285,006,021	988,078,632
EQUITY AND LIABILITIES			
Equity			
Share capital	10	60,000,000	60,000,000
Share money deposits	11	56,929,462	56,929,462
Retained earnings		599,483,827	444,135,542
Total equity		716,413,289	561,065,004
Liability			
Non current liabilities			
Deferred tax liabilities	12	56,529,818	-
		56,529,818	-
Current liabilities			
Liabilities for expenses and other liabilities	13	326,514,580	288,276,794
Provision for income tax	14	185,548,334	138,736,834
		512,062,914	427,013,628
Total liabilities		568,592,732	427,013,628
TOTAL EQUITY AND LIABILITIES		1,285,006,021	988,078,632

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

Managing Director

Manager
Finance & Operations

Director

As per our annexed report of same date.

Dated
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of Comprehensive Income
For the year ended 31 March 2015

	Notes	From 01 Apr' 14 to 31 Mar' 15 <u>Taka</u>	From 01 Apr' 13 to 31 Mar' 14 <u>Taka</u>
Net Sales Revenue		1,295,047,219	993,845,957
Less: Expenditures			
Cost of materials	15	395,656,429	320,994,600
Personnel cost	16	171,963,945	148,785,726
Operating and other expenses	17	111,769,519	120,954,952
Selling, marketing and distribution expenses	18	260,529,774	224,912,448
Depreciation	5	17,785,908	14,056,655
Finance costs		28,303	248,088
		<u>957,733,877</u>	<u>829,952,469</u>
Profit From Operations		<u>337,313,342</u>	<u>163,893,488</u>
Add: Other income	19	11,110,216	5,083,083
Profit before contribution to Workers' Profit Participation & Welfare Fund		<u>348,423,558</u>	<u>168,976,571</u>
Less: Contribution to Workers' profit participation fund	20	16,591,598	8,046,503
Profit before Tax		<u>331,831,960</u>	<u>160,930,068</u>
Less: Income Tax Expense:			
Current tax		114,654,608	70,893,726
Deferred tax	12	5,986,454	-
Profit after Tax transferred to statement of changes in equity		<u>211,190,898</u>	<u>90,036,342</u>
Earning per share	26	351.98	150.06
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

Manager
Finance & Operations

Director

As per our annexed report of same date.

Dated:
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of Changes in Equity
For the year ended 31 March 2015

Particulars	Amount in Taka			
	Share capital	Share money deposits	Retained Earnings	Total
Balance as at 01 April 2013	60,000,000	56,929,462	359,107,772	476,037,234
Prior year adjustment for income tax	-	-	(5,008,572)	(5,008,572)
Net profit for the year	-	-	90,036,342	90,036,342
Balance as at 31 March 2014	60,000,000	56,929,462	444,135,542	561,065,004
Balance as at 01 April 2014	60,000,000	56,929,462	444,135,542	561,065,004
Prior year adjustment for income tax	-	-	(5,299,249)	(5,299,249)
Prior year adjustment for deferred tax	-	-	(50,543,364)	(50,543,364)
Net profit for the year	-	-	211,190,898	211,190,898
Balance as at 31 March 2015	60,000,000	56,929,462	599,483,827	716,413,289

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

Managing Director

Manager
Finance & Operations

Director

As per our annexed report of same date.

Dated:
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Statement of Cash Flows
For the year ended 31 March 2015

<u>Particulars</u>	<u>From 01 Apr' 14 to 31 Mar' 15 Taka</u>	<u>From 01 Apr' 13 to 31 Mar' 14 Taka</u>
Cash flows from Operating Activities		
Collection from revenue	1,285,011,130	998,041,241
Payment for cost and expenses	(906,645,687)	(718,632,090)
Other income	9,843,501	5,791,721
Cash generated from operations	388,208,944	285,200,872
Interest paid	(28,303)	(248,088)
Income tax paid	(73,142,357)	(70,474,344)
Net cash generated from Operating Activities (A)	315,038,284	214,478,440
Cash flows from Investing Activities		
Acquisition of Property, plant and equipment	(52,954,145)	(102,447,613)
Capital work-in-progress	2,694,518	21,789,892
Sale proceeds of Property, plant and equipment	1,893,586	1,347,749
Net cash used in Investing Activities (B)	(48,366,041)	(79,309,972)
Net changes in Cash and Cash Equivalents (A+B)	266,672,243	135,168,468
Cash and Cash Equivalents at the beginning of the year	158,938,216	23,769,748
Cash and Cash Equivalents at the end of the year	425,610,459	158,938,216

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

Managing Director

Manager
Finance & Operations

Director

As per our annexed report of same date.

Dated:
Dhaka

Ahmed Mashuque & Co.
Chartered Accountants

Sun Pharmaceutical (Bangladesh) Limited
Notes, comprising a summary of significant accounting policies and other explanatory information
As at and for the year ended 31 March 2015

1 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 owns and operate a pharmaceutical factory and produces various pharmaceutical products, which are sold in the local market.

2 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 (BFRS);
- Bangladesh Accounting Standards (BAS); and
- Interpretations.

2.02 Reporting period

The financial period of the company has been determined to be from 01 April to 31 March each year. These financial statements cover one year from 01 April 2014 to 31 March 2015 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 Use of estimates and judgments

The preparation of the financial statements in conformity with Bangladesh Financial Reporting Standards (BFRSs) 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.

Judgements

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 5	Depreciation
Note 6	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	Other liabilities
Note 14	Provision for income tax

2.07 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 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 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:

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 receivables

Trade receivables are stated net of provisions, if any.

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 FDR 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

Provision is recognized in the statement of financial position when the company has a legal and constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate thereof can be made.

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 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 comprehensive income as per the Income Tax Ordinance,

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 Bangladesh Accounting Standard (BAS-33) which has been shown on the face of Statement of 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/ 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 Leased Assets

Lease rental for assets taken on operating lease are charged to the Statement of Profit and Loss in accordance with BAS 17 : Leases

3.15 Contingent liabilities

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.

4 Comparative figures

Comparative figures have been regrouped /reclassified wherever found necessary to conform to the presentation adopted in these financial statements.

5.00 Property, plant and equipment-carrying value

SL	Name of assets	Cost				Depreciation				Written down value		
		Balance as at 01 April 2014	Addition during the year	Adjustment during the year	Balance as at 31 March 2015	Rate	Balance as at 01 April 2014	Charged during the year	Adjustment during the year	Balance as at 31 March 2015	As at March 2015	As at 31 March 2014
1	Lease hold land	33,000	-	-	33,000	-	11,080	826	-	11,906	21,094	21,920
2	Factory building	77,898,683	447,159	-	78,345,842	1.63%	11,864,980	1,272,133	-	13,137,113	65,208,729	66,033,703
3	Plant & machinery	215,336,056	26,054,821	-	241,390,877	4.75%	53,888,612	10,659,107	-	64,547,719	176,843,158	161,447,444
4	Computer equipment	18,865,745	2,647,884	(4,700)	21,508,929	16.21%	14,186,340	153,617	(547)	14,339,410	7,169,519	4,679,405
5	Motor vehicle/ motor cycle	29,513,521	17,909,254	(4,878,700)	42,544,075	9.50%	7,814,137	4,031,779	(3,325,513)	8,520,403	34,023,672	21,699,384
6	Office equipment	5,436,209	2,187,738	-	7,623,947	4.75%	1,318,048	308,507	-	1,626,555	5,997,392	4,118,161
7	Electrical installation	13,203,198	66,993	-	13,270,191	4.75%	5,282,397	628,541	-	5,910,938	7,359,253	7,920,801
8	Furniture and fixtures	10,052,770	3,640,296	-	13,693,066	6.33%	3,168,463	731,398	-	3,899,861	9,793,205	6,884,307
31-Mar-15		370,339,182	52,954,145	(4,883,400)	418,409,927		97,534,057	17,785,908	(3,326,060)	111,993,905	306,416,022	272,805,125
31-Mar-14		270,253,920	102,447,613	(2,362,351)	370,339,182		84,587,665	14,056,655	(1,110,261)	97,534,057	272,805,125	185,666,255

	31-Mar-15	31-Mar-14
	Taka	Taka
6 Inventories		
Finished products - Factory	3,768,692	4,287,063
- Depot	76,399,286	81,334,507
Raw materials	162,527,000	170,919,251
Packing materials	22,887,033	18,537,882
Work in progress	30,832,500	38,276,375
Goods in transit	18,420,836	24,955,490
	314,835,347	338,310,568
7 Trade and other receivables		
Trade receivables	34,471,843	24,435,754
Other receivable	1,997,665	1,067,196
	36,469,508	25,502,950
8 Cash and cash equivalents		
Cash in hand	140,374	318,774
Cash at bank :		
Current Account (Note # 08.01)	14,912,653	18,062,010
FDR Account	410,557,432	140,557,432
	425,610,459	158,938,216
8.01 Current Account (Note # 08.01)		
Eastern Bank Ltd. (C/A # 0104-106-0006340)	592,646	1,381,363
Eastern Bank Ltd. (C/A # 0104-106-0005667)	3,232,341	2,598,403
AB Bank Limited (C/A # 4019-760082-000)	1,834,181	2,147,576
Janata Bank Ltd. (C/A # 001007807)	35,888	37,158
Dutch-Bangla Bank Limited (C/A # 138-110-1281)	1,734,603	1,237,649
Citi bank N.A. (C/A # 0200352009)	7,482,994	10,659,861
	14,912,653	18,062,010
9 Advances, deposits and prepayments		
Advances:		
Advance to employees	589,588	375,760
VAT current account	6,324,454	8,460,775
Advance VAT on depots stock	39,676,811	42,367,830
Advance income tax (Note # 09.01)	146,260,197	125,694,763
Advance to suppliers	4,866,254	7,174,222
	197,717,304	184,073,350
Deposits:		
Imprest money with employees	1,263,402	2,385,887
Security deposits	492,153	1,183,800
	1,755,555	3,569,687
Prepayments:		
Prepaid expenses	127,446	109,838
	127,446	109,838
	199,600,305	187,752,875
9.01 Advance income tax		
Opening balance	125,694,763	113,560,462
Add: Addition during the year	93,707,790	82,608,643
Less: Adjustment during the year	67,843,108	65,465,771
Less: Paid during the year against prior year adjustment	5,299,249	5,008,572
	146,260,196	125,694,763
10 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-15		31-Mar-14	
	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
	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 Nagad 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.

11 Share money deposits

Sun Pharmaceutical Industries Limited, India
City Overseas Limited
Sun Pharma Global Inc. BVI

	31-Mar-15 Taka	31-Mar-14 Taka
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

12 Deferred tax liabilities

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

Deferred Tax charged for the year due to difference between Written Down Value of Property, plant and equipment as per the Books of Accounts and Income Tax.

5,986,454

Deferred Tax Charged for prior years due to difference between Written Down Value of Property, plant and equipment as per the Books of Accounts and Income Tax.

50,543,364

Deferred tax liability at the end of the year

56,529,818

13 Liabilities for expenses and other liabilities

Liabilities for goods & services
Liability for contribution to Workers' Profit Participation and Welfare Fund
Other liabilities (Note # 13.01)

Liabilities for goods & services	246,173,108	237,383,382
Liability for contribution to Workers' Profit Participation and Welfare Fund	16,591,598	8,046,503
Other liabilities (Note # 13.01)	63,749,874	42,846,909
	326,514,580	288,276,794

13.01 Other liabilities

Outstanding expenses
VAT payable on Management fees
Payable to employees
Deposits for motor cycle from employees
TDS & VDS Payable

Outstanding expenses	26,180,805	13,812,829
VAT payable on Management fees	28,661,283	22,833,569
Payable to employees	569,893	1,093,727
Deposits for motor cycle from employees	6,477,338	3,831,501
TDS & VDS Payable	1,860,555	1,275,283
	63,749,874	42,846,909

14 Provision for income tax

Opening balance
Provision made during the year
Adjustment during the year

Opening balance	138,736,834	133,308,879
Provision made during the year	114,654,608	70,893,726
Adjustment during the year	(67,843,108)	(65,465,771)
	185,548,334	138,736,834

	From 01 April 2014 to 31 March 2015	From 01 April 2013 to 31 March 2014
	Taka	Taka
15 Cost of materials		
Work-in-progress (Opening)	63,231,865	85,605,119
Material Consumed (Note: 15.01)	376,224,307	316,317,018
Work-in-progress (Closing)	(49,253,336)	(63,231,865)
Finished Goods (Opening)	85,621,570	67,925,898
Finished Goods (Closing)	(80,167,978)	(85,621,570)
	395,656,429	320,994,600
15.01 Material Consumed		
Raw and packing materials at the beginning of the year	189,457,133	200,310,318
Purchase of raw and packing materials during the year	372,181,207	305,463,833
Raw and packing materials at the end of the year	(185,414,033)	(189,457,133)
	376,224,307	316,317,018
16 Personnel cost		
Salaries, wages, bonus and benefits	167,090,528	144,262,517
Contribution to provident fund	4,873,417	4,523,209
	171,963,945	148,785,726
17 Operating and other expenses		
Stores and spares consumed	18,473,508	8,711,389
Conversion and other manufacturing expenses	1,064,647	736,927
Electricity, gas and other utilities	748,301	781,072
Bank Charges	616,466	351,124
Drug testing fees/license fees	809,155	318,605
Power and Fuel	10,182,713	9,841,831
Management Fees	38,851,417	59,630,757
VAT on management fees	5,827,715	8,944,614
Rent	7,466,423	6,924,268
Insurance	4,307,741	4,734,533
Repairs & maintenance:		
Building	1,838,037	1,123,682
Plant and machinery	7,340,888	6,279,463
Others	2,618,106	2,496,616
Printing and Stationery	2,070,159	1,788,191
Traveling and conveyance :		
Local	2,856,485	2,618,646
Foreign	401,107	-
Communication	1,367,148	1,246,833
Briefing materials & Stationery	200,066	215,928
Auditor's Remuneration	80,000	80,000
Professional and consultancy fees	96,911	98,022
Security services	1,535,449	1,386,716
Loss on foreign currency transactions	45,810	-
Rates & Taxes	426,378	421,203
Entertainment	1,060,269	1,393,242
Miscellaneous expenses	1,484,620	831,290
	111,769,519	120,954,952

	From 01 April 2014 to 31 March 2015	From 01 April 2013 to 31 March 2014
	Taka	Taka
18 Selling, Marketing and Distribution Expenses		
License fees	101,098	57,823
Electricity, Gas and other Utilities	738,366	607,916
Bank Charges	776,603	644,596
Rent	5,652,810	5,327,901
Insurance	2,142,931	971,772
Repair and maintenance		
Others	936,721	1,035,916
Printing and Stationery	2,302,831	3,091,646
Travelling and conveyance		
Local	2,418,529	1,390,086
Foreign	244,235	273,405
Communication	1,014,697	928,003
Sales promotion expenses	148,980,263	135,506,260
Deport conveyance expenses	21,330,657	18,975,343
Packing materials & Stationery	13,771,440	8,971,729
Training expenses	26,749,110	16,313,555
Sales deport expenses	21,966	11,619
Field staff expenses	30,546,843	27,857,430
Loss on expired goods	2,074,831	2,115,451
Entertainment	-	123,962
Security Services	323,033	247,825
Miscellaneous expenses	402,810	460,210
	260,529,774	224,912,448
19 Other Income		
Gain from disposal of fixed assets	336,246	95,660
Interest Income	10,773,970	4,923,700
Miscellaneous Income	-	63,723
	11,110,216	5,083,083
20 Workers' Profit Participation and Welfare Fund	16,591,598	8,046,503

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 2015.

	31-Mar-15	31-Mar-14
	Taka	Taka
21 Capacity utilization		
Installed capacity (tablets/capsules) in pieces	246,000,000	203,200,000
Utilized capacity (tablets/capsules) in pieces	222,140,200	195,270,108
Percentage of utilization (%)	90.30	96.10

22 Information relating to consumption of materials

	From 01 April 2014 to 31 March 2015		From 01 April 2013 to 31 March 2014	
	Quantity Kg	Value Taka	Quantity Kg	Value Taka
Raw materials	68,382	342,314,729	63,400	323,782,217
Packing materials	-	33,909,578	-	28,646,900

23 Value of import calculated on CFR basis

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

Particulars	Currency	From 01 April 2014 to 31 March 2015		From 01 April 2013 to 31 March 2014	
		Foreign currency	Equivalent Taka	Foreign currency	Equivalent Taka
Raw materials	USD	3,904,914	305,711,981	3,666,510	288,730,670
	EURO	14,132	1,512,620	16,138	1,688,997
Packing materials	USD	130,990	10,270,269	47,194	3,700,024
Capital machinery and spare parts	USD	209,138	16,371,988	979,639	77,344,607
	CHF	-	-	38,484	3,340,806
	EURO	-	-	39,413	4,196,151
	YEN	49,750	6,322,986	783,300	630,087
Promotional inputs	USD	119,407	9,335,488	208,284	16,366,579
Total			349,525,333		395,997,920

24 Payment to statutory auditors

(Including VAT, where applicable)

As Auditors

Rembursement of out of pocket expenses

75,000	75,000
5,000	5,000
80,000	80,000

25 Particulars of employees

The number of employees engaged by the company during the year and part thereof was 602 and all the staff of the Company are drawing salary and allowances above Tk. 36,000 per annum.

26 Basic earnings per share (EPS)

Profit after tax

Number of shares

EPS

	From 01 April 2014 to 31 March 2015	From 01 April 2012 to 31 March 2014
	Taka	Taka
Profit after tax	211,190,898	90,036,342
Number of shares	600,000	600,000
EPS	351.98	150.06

27 Contingent Liability

The company has a contingent liability aggregating guarantees issued by the banker on behalf of the Company Tk. 557,432 and Letter of credit of Tk 107,569,485.

28 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 Comprehensive Income that require adjustments or separate disclosure.

29 Related party transactions

During the year, the company made a number of transactions with related party in the normal course of business on an arms' length basis. 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	Transaction during the year 14-15	
			Transaction value	Amount due
Sun Pharmaceutical Industries Limited, India	Raw Materials	Parent company	474,932	-
	Expenses		10,619,681	2,649,963
	Management fees		77,702,834	229,926,619
			88,797,447	232,576,582

30 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.

30.1 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 receivables, advances to suppliers, advance to employees, imprest money with employees and bank balances. The Company's maximum exposure to credit risk at the reporting date is as follows:

	31-Mar-15	31-Mar-14
	Taka	Taka
Trade receivables	34,471,843	24,435,754
Other receivables	1,997,665	1,067,196
Advance to employees	589,588	375,760
Advance to suppliers	4,866,254	7,174,222
Imprest money with employees	1,263,402	2,385,887
Security deposits	492,153	1,183,800
Prepaid expenses	127,446	109,838
	43,808,351	36,732,457

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

Due over twelve months	3,142,371	3,386,907
Due over six months	785,063	1,430,461
Due below six months	30,544,409	19,618,386
	34,471,843	24,435,754

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.

30.2 Liquidity risk

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

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

Liabilities for goods & services	246,173,108	237,383,382
Liability for contribution to Workers' Profit Participation and Welfare Fund	16,591,598	8,046,503
Payable to employees	569,893	1,093,727
Deposits for motor cycle from employees	6,477,338	3,831,501
	269,811,937	250,355,113

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

30.3 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.

30.3.1 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:

	Foreign currency	31-Mar-15	31-Mar-14
		Taka	Taka
Current liabilities			
	EURO	14,132	55,551
	POUNDE	49,750	-
	CHF	-	38,484
	YEN	-	783,300
	USD	4,364,449	4,123,150

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

30.3.2 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 FDR was as follows:

	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	Effective rates %		Amount in Taka	
Investment in FDR	3.25% - 4.50%	6.00% - 8.50%	410,557,432	140,557,432

30.3.3 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.