

**INDEPENDENT AUDITORS' REPORT**  
**AND**  
**FINANCIAL STATEMENTS**  
**OF**  
**SUN PHARMACEUTICALS (EZ) LIMITED**  
**AS AT 31 MARCH 2021**  
**AND**  
**FOR THE PERIOD FROM 25 OCTOBER 2020 TO 31 MARCH 2021**



**AHMED MASHUQUE & CO.,** *Chartered Accountants*

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A Member Firm of **Crowe Global**



**Independent Auditors' Report  
to the Shareholders of  
Sun Pharmaceuticals (EZ) Limited**

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

**Opinion**

We have audited the accompanying financial statements of Sun Pharmaceuticals (EZ) Limited, which comprise the statements of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, the financial position of the Company as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**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), and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Statements**

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 other applicable laws and regulations, 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.

**Auditor's Responsibilities for 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 view.

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.

**Dated: 29 April 2021**  
Dhaka.

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

Mashuque Ahmed FCA, Proprietor  
Enrl: 690  
DVC: 2105170690AS188033

**SUN PHARMACEUTICALS (EZ) LIMITED**  
**Statement of financial position**  
As at March 31, 2021

<u>Particulars</u>	<u>Notes</u>	<u>Amount in Taka</u> <u>31-03-2021</u>
<b>Assets</b>		
<b>Non current assets</b>		
Capital work-in-progress	4.00	323,123
Right-of-use asset	5.00	199,188,453
<b>Total non current assets</b>		<b>199,511,576</b>
<b>Current assets</b>		
Advances, deposits and prepayments	6.00	35,160,338
Cash and cash equivalents	7.00	15,937,117
<b>Total current assets</b>		<b>51,097,455</b>
<b>Total assets</b>		<b>250,609,031</b>
<b>Shareholder's equity and liabilities</b>		
<b>Shareholder's equity</b>		
Share capital	8.00	60,000,000
Retained earnings		(13,705,936)
<b>Total shareholder's equity</b>		<b>46,294,064</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Lease liability	9.00	202,254,081
<b>Total non current liabilities</b>		<b>202,254,081</b>
<b>Current liabilities</b>		
Lease liability	9.00	1,272,613
Liabilities for expenses	10.00	788,273
<b>Total current liabilities</b>		<b>2,060,886</b>
<b>Total liabilities</b>		<b>204,314,967</b>
<b>Total shareholder's equity and liabilities</b>		<b>250,609,031</b>

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

**Managing Director**

**Finance Controller**

**Director**

*Signed in terms of our report of even date annexed.*

**Dated: 29 April 2021**  
**Dhaka.**

**Ahmed Mashuque & Co.**  
**Chartered Accountants**  
Mashuque Ahmed FCA, Proprietor  
Enrl: 690  
DVC: 2105170690AS188033

**SUN PHARMACEUTICALS (EZ) LIMITED**  
**Statement of profit or loss and other comprehensive income**  
For the period from 25 October 2020 to 31 March 2021

Particulars	Notes	Amount in Taka 25 October 2020 to 31 March 2021
Revenue		-
Less: Cost of goods sold		-
<b>Gross profit</b>		<b>-</b>
<b>Less: Expenditures</b>		<b>5,218,191</b>
Operating and other expenses	11.00	980,138
Depreciation <i>on Right of use assets (RoU)</i>		4,238,053
<b>Profit/(loss) from operations</b>		<b>(5,218,191)</b>
Less: Interest Expense- lease liability		8,487,745
<b>Profit/(loss) before income tax</b>		<b>(13,705,936)</b>
Income tax		-
<b>Net profit/(loss) after income tax</b>		<b>(13,705,936)</b>
Other comprehensive income		-
<b>Total comprehensive income</b>		<b>(13,705,936)</b>

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

**Managing Director**

**Finance Controller**

**Director**

*Signed in terms of our report of even date annexed.*

**Dated: 29 April 2021**  
**Dhaka.**

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

Mashuque Ahmed FCA, Proprietor  
Enrl: 690  
DVC: 2105170690AS188033

**SUN PHARMACEUTICALS (EZ) LIMITED**  
**Statement of changes in equity**  
For the period from 25 October 2020 to 31 March 2021

Particulars	Amount in Taka			
	Share capital	Share money deposits	Retained earnings	Total
<b>Balance as at 25 October 2020</b>				
Addition during the period	60,000,000	-	-	60,000,000
Total comprehensive income	-	-	(13,705,936)	(13,705,936)
<b>Balance as at 31 March 2021</b>	<b>60,000,000</b>	<b>-</b>	<b>(13,705,936)</b>	<b>46,294,064</b>

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

**Managing Director**

**Finance Controller**

**Director**

*Signed in terms of our report of even date annexed.*

**Dated: 29 April 2021**  
**Dhaka.**

**SUN PHARMACEUTICALS (EZ) LIMITED**  
**Statement of cash flows**  
For the period from 25 October 2020 to 31 March 2021

<b>Particulars</b>	<b>Amount in Taka</b> <b>25 October 2020</b> <b>to</b> <b>31 March 2021</b>
<b>Cash flows from operating activities</b>	
Payments for expenses	(43,739,760)
<b>Net cash generated by/(used in) operating activities (A)</b>	<b>(43,739,760)</b>
<b>Cash flows from investing activities</b>	
Capital work-in-progress	(323,123)
<b>Net cash provided by/(used in) investing activities (B)</b>	<b>(323,123)</b>
<b>Cash flows from financing activities</b>	
Share capital	60,000,000
<b>Net cash provided by/(used in) financing activities (C)</b>	<b>60,000,000</b>
<b>Net changes in cash and cash equivalents (A+B+C)</b>	<b>15,937,117</b>
Cash and cash equivalents at the beginning of the year	-
<b>Cash and cash equivalents at the end of the year</b>	<b>15,937,117</b>

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

**Managing Director**

**Finance Controller**

**Director**

*Signed in terms of our report of even date annexed.*

**Dated: 29 April 2021**  
**Dhaka.**

**SUN PHARMACEUTICALS (EZ) LIMITED**  
**Notes, Comprising Significant accounting policies and other explanatory information**  
As at March 31, 2021 and for period from 25 October 2020 to 31 March 2021

**1.00 Company profile**

**1.01 Legal status of the company**

Sun Pharmaceuticals (EZ) Limited is a private limited company incorporated in 2020 in Bangladesh under the Companies Act, 1994 with an authorized capital of Tk. 250 millions divided into 2,500,000 ordinary shares of Tk 100 each.

**1.02 Address of the Registered office**

The registered office of the Company is located at 14th Floor, Police Plaza Concord (Tower-B), Gulshan-1, Dhaka

**1.03 Nature of business**

The company produces various pharmaceutical products, which are sold in the local market. The operation of the company is yet to start.

**2.00 Basis of preparation**

**2.01 Statement of compliance**

These financial statements have been prepared and the disclosure of information are made in accordance with International Accounting Standards (IASs) and the International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), Financial Reporting Council (FRC), the Companies Act 1994, and other relevant local Laws as applicable. The statement of financial position and the statement of profit or loss and other comprehensive income have been prepared according to International Accounting Standard (IAS) 1: *Presentation of Financial Statements* on accrual basis of accounting following going concern assumption under generally accepted accounting principles.

**Application of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

IASs or IFRSs	Name of IASs or IFRSs
IAS-1	Presentation of Financial Statements
IAS-7	Statement of Cash Flows
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS-10	Events after the Reporting Period
IAS-12	Income Taxes
IAS-16	Property, Plant and Equipment
IAS-19	Employee Benefits
IAS-21	The Effects of Changes in Foreign Exchange Rates
IAS-32	Financial Instruments: Presentation
IAS-37	Provisions, Contingent Liabilities and Contingent Assets
IFRS-7	Financial Instruments: Disclosures
IFRS-15	Revenue from Contracts with Customer
IFRS-16	Lease

**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 October 25, 2020 to March 31, 2021 for the first year.

**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 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.

### **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 10      Liabilities for expenses

## **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.

## **2.08 Components of financial statements**

The financial statements comprises of:

- (i) Statement of financial position as at 31 March 2021;
- (ii) Statement of profit or loss and other comprehensive income for the period from 25 October 2020 to 31 March 2021;
- (iii) Statement of changes in equity for the period from 25 October 2020 to 31 March 2021;
- (iv) Statement of cash flows for the period from 25 October 2020 to 31 March 2021; and
- (v) A summary of significant accounting policies and other explanatory information as at 31 March 2021 and for period from 25 October 2020 to 31 March 2021.

## **3.00 Significant accounting policies**

### **3.01 Property, plant and equipment**

#### a) Recognition and measurement

Property, plant and equipments 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 equipments 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.

#### 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 Right to use assets and lease liability**

The Company is required to adopt IFRS 16 Leases from 01 April

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e.

IFRS 16 replaces existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

#### **Recognition**

A right-of-use asset and a lease liability is recognized by the company at the commencement date.

## **Measurement**

### **Initial measurement of the right-of-use asset**

At the commencement date, the right-of-use asset are measured at cost.

The cost of the right-of-use asset comprise:

- (a) the amount of the initial measurement of the lease liability,
- (b) any lease payments made at or before the commencement date, less any *lease incentives* received.
- (c) any *initial direct costs* incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a

### **Initial measurement of the lease liability**

At the commencement date, the lease liabilities are measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the *interest rate implicit in the lease/incremental borrowing rate* which is 10%

### **Subsequent measurement of the right-of-use asset**

After the commencement date, the right-of-use asset are measured applying a cost model.

The straight-line depreciation is applying as per requirements in IAS 16 *Property, Plant and Equipment* is applied in depreciating the right-of-use asset.

IAS 36 *Impairment of Assets* is applied to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

### **Subsequent measurement of the lease liability**

After the commencement date, the lease liabilities are measured by:

- (a) increasing the carrying amount to reflect interest on the lease liability.
- (b) reducing the carrying amount to reflect the lease payments made; and
- (c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments

## **3.03 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.

## **3.04 Trade and receivables**

Trade receivables are stated net of provisions.

## **3.05 Statement of Cash flows**

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

## **3.06 Cash and cash equivalents**

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

## **3.07 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.

## **3.08 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.

### 3.09 Revenue recognition

The Company has applied IFRS 15 "Revenue from Contracts with Customers" for annual reporting periods beginning on or after 01 January 2018. IFRS 15 provides a single, principles-based approach to the recognition of revenue from all contracts with customers. It focuses on the identification of performance obligations in a contract and requires revenue to be recognized when or as those performance obligations are satisfied.

The new standard is based on A new five-step process must be applied before revenue from contract with customer can be recognized:

- i. Identify the contracts with customers;
- ii. Identify the separate performance obligation;
- iii. Determine the transaction price of the contract;
- iv. Allocate the transaction price to each of the separate performance obligations; and
- v. Recognize the revenue as each performance obligation is satisfied.

### 3.10 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.

### 3.11 Income tax expense

Income tax expenses comprises current tax which 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.

#### Exemption of current tax:

The company is enjoying tax benefit under SRO No 104-Law/Income Tax/2020 Date: 25 March, 2020

### 3.12 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.

#### 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.

### 3.13 Employees' benefit schemes

The company presently does not have any employee , but the management of the compnay has the intention to adopt all the defined benefit and contribution plan for the employees in future ub compliant with its parents compnay.

### 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 events 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.

**3.16 Comparative figures**

Comparative information has not been presented since this is the first set of financial statements being prepared by the Company.

**3.17 Advances, Deposits and Prepayments**

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

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to the statement of profit or loss and other comprehensive income.

**3.18 Related Party Disclosures**

As per International Accounting Standards (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercises significant influence over the other party in making financial and operating decisions.

		<b>Amount in Taka</b>
		<b>31-Mar-21</b>
<b>4.00 Capital work-in-progress</b>		
Factory Building		323,123
		<b>323,123</b>
<b>5.00 Right-of-use asset</b>		
Initial recognition of right to use assets		203426505
Accumulated depreciation on RoU		(4,238,052)
Closing balance		<b>199,188,453</b>
<i>"The company has already adopted IFRS 16 Leases and the above 'Right to use assets' created against lease contracts. Detail requirements described in Note 3.02."</i>		
<b>6.00 Advances, deposits and prepayments</b>		
<b>Deposits:</b>		
Security deposits		21,568,003
		<b>21,568,003</b>
<b>Prepayments:</b>		
Prepaid rent & service charge		13,592,335
		<b>13,592,335</b>
		<b>35,160,338</b>
<b>7.00 Cash and cash equivalents</b>		
<b>Cash at bank :</b>		
Citi bank		15,937,117
		<b>15,937,117</b>
<b>8.00 Share capital</b>		
<b>Authorized Capital</b>		<b>250,000,000</b>
(2,500,000 ordinary shares of TK. 100 each)		
<b>Issued, subscribed &amp; paid up share capital</b>		<b>60,000,000</b>
(600,000 ordinary shares of TK. 100 each)		
<b>Share holder position of the company is as under:</b>		
<b>Sun Pharmaceutical (Bangladesh) Limited</b>		59,999,900
(599,999 ordinary shares @ Tk. 100 each)		
<b>Mr. Shuvojit Ghosh</b>		100
(01 ordinary shares @ Tk. 100 each)		
<b>9.00 Lease liability</b>		
Non current liability		202,254,081
Current liability		1,272,613
		<b>203,526,694</b>
<b>10.00 Liabilities for expenses</b>		
Sun Pharmaceutical (Bangladesh) Limited		660,527
Audit fees payable		50,000
TDS payable		28,097
VDS payable		49,649
		<b>788,273</b>

**11.00 Operating and other expenses**

Audit fees	57,500
Incorporation expenses	660,527
Service charge	262,111
	<b>980,138</b>

*The company has adopted the IFRS 16: Lease which results presentation of right of use assets instead of presenting actual rental expense. This year rent expense was BDT 8,387,556 which is related to Right of use assets.*

**12.00 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.

**12.01 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:

	<b>31-03-2021</b>
	<b>Taka</b>
Cash and cash equivalents	15,937,117
Advances, deposits and prepayments	35,160,338
	<b>51,097,455</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.

**12.02 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.

Liabilities for expenses	788,273
	<b>788,273</b>

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

**12.03 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.

**12.04 Currency risk****Transaction risk**

Transaction risk arises from risk of adverse exchange rate movements occurring in the course of normal international transaction.

**Interest rate risk**

Interest rate risk arises from movement in interest rates. The company needs to manage interest rate risk so as to be able to repay debts as they fall due and to minimise the risks surrounding interest payments and receipts.

**13.00 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-21	
			Transaction value	Amount due
Sun Pharmaceutical (Bangladesh) Limited (599,999 ordinary shares @ Tk. 100 each)	Share capital	Shareholder	59,999,900	59,999,900
Mr. Shuvojit Ghosh (1 ordinary share @ Tk. 100 each)	Share capital	Shareholder	100	100
			<b>60,000,000</b>	<b>60,000,000</b>