

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
OF
SUN PHARMACEUTICALS (EZ) LIMITED

AS AT AND FOR THE YEAR ENDED 31 MARCH 2024



AHMED MASHUQUE & CO., *Chartered Accountants*

Navana Obaid Eternia
28-29 Kakrail (Level # 05, 13 & 14)
VIP Road, Dhaka-1000, Bangladesh
Tel : +880-2-58316931-39, Fax: +880-2-58316929
Email: info@ahmedmashuque.com, Web : www.ahmedmashuque.com

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sun Pharmaceuticals (EZ) Limited, (the company) which comprise the statements of financial position as at 31 March 2024, 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 a true and fair view in all material respects, the financial position of the Company as at 31 March 2024, 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 the IESBA code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. 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 of financial statements that give a true and fair view in accordance with (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.



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· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

· Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the 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: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants

FRC Enlistment No: CAF-001-115
Jahangir Hussain ACA
Partner

Enrolment number: 1960
DVC:2405141960AS110688

Sun Pharmaceuticals (EZ) Limited
Statement of financial position
As at 31 March 2024

Particulars	Notes	Amount in Taka	
		31-Mar-24	31-Mar-23
Assets			
Non current assets			
Capital work-in-progress	4.00	1,745,730,077	1,022,378,993
Right-of-use asset	5.00	168,674,480	178,845,804
Total non current assets		1,914,404,557	1,201,224,797
Current assets			
Advances, deposits and prepayments	6.00	114,900,423	238,625,371
Stores and Spares		3,870	25,263
Cash and cash equivalents	7.00	48,741,482	25,115,221
Total current assets		163,645,775	263,765,854
Total assets		2,078,050,332	1,464,990,651
Shareholder's equity and liabilities			
Shareholder's equity			
Share capital	8.00	60,000,000	60,000,000
Retained earnings		(420,935,001)	(118,476,688)
Total shareholder's equity		(360,935,001)	(58,476,688)
Liabilities			
Non current liabilities			
Loan from parent company	9.00	2,037,620,000	1,145,000,000
Lease liability	10.00	197,579,407	199,698,012
Total non current liabilities		2,235,199,407	1,344,698,012
Current liabilities			
Lease liability	10.00	1,715,714	1,150,195
Trade and other payable	11.00	161,024,762	175,617,458
Liabilities for expenses	12.00	41,045,449	2,001,675
Total current liabilities		203,785,925	178,769,328
Total liabilities		2,438,985,332	1,523,467,340
Total shareholder's equity and liabilities		2,078,050,332	1,464,990,651

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: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-115

Jahangir Hussain ACA Partner

Enrolment number: 1960
DVC:2405141960AS110688

Sun Pharmaceuticals (EZ) Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2024

Particulars	Notes	Amount in Taka	
		01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Revenue		-	-
Less: Cost of goods sold		-	-
Gross profit		-	-
Operating and other expenses	13.00	51,641,482	18,959,014
Personnel expense	14.00	195,148,728	20,423,425
Pre Operating cost	15.00	42,655,533	-
Depreciation on Right of use assets (RoU)	16.00	10,171,325	10,171,325
Foreign exchange loss/(Gain))	17.00	(17,173,673)	889,153
Total Expenditures		282,443,395	50,442,917
Profit/(loss) from operations		(282,443,395)	(50,442,917)
Non operating income/expenditure			
Finance cost	18.00	20,014,917	20,162,130
		20,014,917	20,162,130
Profit/(loss) before income tax		(302,458,313)	(70,605,07)
Income tax		-	-
Net profit/(loss) after income tax		(302,458,313)	(70,605,047)
Other comprehensive income		-	-
Total comprehensive income		(302,458,313)	(70,605,047)

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: 11 May 2024
Dhaka.

Ahmed Mashuque & Co.
Chartered Accountants
FRC Enlistment No: CAF-001-115

Jahangir Hussain ACA
Partner
Enrolment number: 1960
DVC:2405141960AS110688

Sun Pharmaceuticals (EZ) Limited
Statement of changes in equity
For the year ended 31 March 2024

Particulars	Amount in Taka		
	Share capital	Retained earnings	Total
Balance as at 01 April 2022	60,000,000	(47,871,641)	12,128,359
Addition during the period		(70,605,047)	(70,605,047)
Balance as at 31 March 2023	60,000,000	(118,476,688)	(58,476,688)
Balance as at 01 April 2023	60,000,000	(118,476,688)	(58,476,688)
Addition during the period	-	(302,458,313)	(302,458,313)
Balance as at 31 March 2024	60,000,000	(420,935,001)	(360,935,001)

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

Managing Director

Finance Controller

Director

Dated: 11 May 2024
Dhaka.

Sun Pharmaceuticals (EZ) Limited
Statement of cash flows
For the year ended 31 March 2024

Particulars	Amount in Taka	
	01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
Cash flows from operating activities		
Payments for expenses	746,977,345	882,873,692
Net cash generated by/(used in) operating activities-(A)	746,977,345	882,873,692
Cash flows from investing activities		
Capital work-in-progress	(723,351,084)	(922,223,083)
Net cash provided by/(used in) investing activities-(B)	(723,351,084)	(922,223,083)
Cash flows from financing activities		
Share capital	-	-
Net cash provided by/(used in) financing activities-(C)	-	-
Net changes in cash and cash equivalents-(A+B+C)	23,626,261	(39,349,391)
Cash and cash equivalents at the beginning of the year	25,115,221	64,464,612
Cash and cash equivalents at the end of the year	48,741,482	25,115,221

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

Managing Director

Finance Controller

Director

Dated: 11 May 2024
Dhaka.

Sun Pharmaceuticals (EZ) Limited
Notes, Comprising Significant accounting policies and other explanatory information
As at 31 March 2024 and for the year ended 31 March 2024

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 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-2	Inventories;
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-24	Related Party Disclosures;
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 and
IFRS-16	Leases

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, 2023 to March 31, 2024 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

The Board of Directors has authorised these financial statements on .

2.07 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and fair presentation of these financial statements.

2.08 Use of estimates and judgment

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that year, or in the period of revision and future periods if the revision affects both current and future periods.

2.09 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.

2.10 Components of financial statements

The financial statements comprises of:

- (i) Statement of financial position as at 31 March 2024;
- (ii) Statement of profit or loss and other comprehensive income for the year ended 31 March 2024;
- (iii) Statement of changes in equity for the year ended 31 March 2024;
- (iv) Statement of cash flows for the year ended 31 March 2024; and
- (v) A summary of significant accounting policies and other explanatory information as at 31 March 2024 and for the year ended 31 March 2024.

3.00 Significant accounting policies

3.01 Property, plant and equipment

a) Recognition and measurement

Property, plant and equipment's 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's 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 Capital work in progress (CWIP)

Capital work in progress (CWIP) represents property, plant and equipment's under installation/under development as at the balance sheet date. The asset will be transferred to Property plant and equipment's when it meets the criteria in accordance with IAS-16: Property plant and equipment's.



3.03 Right to use assets and lease liability

The Company is required to adopt IFRS 16 Leases.

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. lessors continue to classify leases as finance or operating leases.

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 consequence of having used the underlying asset during a particular period.

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

Details impact of lease are as under

	Notes	Amount
RoU assets as on 31 March 2024	5	168,674,480
Lease Liability	10	199,295,121
Depreciation of RoU		10,171,325
Interest on Lease		20,014,917
Actual rent expense		(21,568,003)

3.04 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.



3.05 Trade and receivables

Trade receivables are stated net of provisions.

3.06 Statement of Cash flows

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

3.07 Cash and cash equivalents

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

3.08 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.

3.09 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provision are recognized under IAS- 37, when the Consortium has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent assets

Contingent assets is a possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. The management does not recognise any contingent assets in compliance with IAS-37.

Contingent liabilities

A contingent liability is a possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but it is not recognised as it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation can not be measured reliably. The management does not recognise any contingent liability in compliance with IAS-37.

3.10 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.

3.11 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.

3.12 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.

3.13 Income tax expense

Income tax expenses comprises current tax which is recognised in profit or loss except to the extent that it 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. The exemption benefit will be started from the date of commercial production.

3.14 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.

3.15 Employee benefit scheme

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:

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.

The company has recognized provident fund . The provident fund of the compnay has been approved by the National board of revenue (NBR) vide letter No# Nothi no-1 A/provi: fund-5/2023-2024/2055, dated: 04/02/2024, The company also contribute @8.33% to the fund.

3.16 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.

3.17 Comparative figures

The financial statements provides Comparative information in respects of the previous period for all amount reported in the current year financial statements. Comparative figures have been rearranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

	Amount in Taka	
	31-Mar-24	31-Mar-23
4.00 Capital work-in-progress		
Opening balance	1,022,378,993	100,155,910
Addition during the year	723,351,084	922,223,083
Closing balance	1,745,730,077	1,022,378,993
5.00 Right-of-use asset		
Initial recognition of right to use assets	203,426,505	203,426,505
Accumulated depreciation on RoU	(34,752,025)	(24,580,701)
Closing balance	168,674,480	178,845,804
<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 3.03."</i>		
6.00 Advances, deposits and prepayments		
Advance :		
Advances to suppliers and others	89,923,997	209,173,130
Advances to Employees & Others	40,060	443,887
Advance Income tax	1,817,145	7,440,350
	91,781,202	217,057,368
Deposits:		
Security deposits	21,568,003	21,568,003
	21,568,003	21,568,003
Prepayments:		
Prepaid Expenses	1,551,218	-
	1,551,218	-
Total	114,900,423	238,625,371
7.00 Cash and cash equivalents		
Cash in hand	226,726	226,726
Petty Cash Imprest - Advance	1,086,500	-
	1,313,226	226,726
Cash at bank :		
Eastern Bank Plc	10,221,369	-
Standard Chartered	17,966,715	-
Citi bank Ltd.	19,240,172	24,888,495
	47,428,256	24,888,495
Total	48,741,482	25,115,221
8.00 Share capital		
Authorized Capital	250,000,000	250,000,000
(2,500,000 ordinary shares of TK. 100 each)		
Issued, subscribed & paid up share capital	60,000,000	60,000,000
(600,000 ordinary shares of TK. 100 each)		
Share holder position of the company is as under:		
Sun Pharmaceutical (Bangladesh) Limited	59,999,900	59,999,900
(599,999 ordinary shares @ Tk. 100 each)		
Mr. Shuvojit Ghosh	100	100
(01 ordinary shares @ Tk. 100 each)		
Total	60,000,000	60,000,000
9.00 Loan from parent company		
Sun Pharmaceuticals (Bangladesh) Ltd.	2,037,620,000	1,145,000,000
	2,037,620,000	1,145,000,000

The amount of loan has been received through banking channel.

		Amount in Taka	
		31-Mar-24	31-Mar-23
10.00	Lease liability		
	Non current liability	197,579,407	199,698,012
	Current liability	1,715,714	1,150,195
	Total	199,295,121	200,848,207
11.00	Trade and other payable		
	Trade and other payable	161,024,762	175,617,458
	Total	161,024,762	175,617,458
12.00	Liabilities for expenses		
	Audit fees payable	57,500	57,500
	TDS payable	851,447	353,999
	VDS payable	1,923,968	1,590,176
	Employee benefits payable	38,212,534	-
	Total	41,045,449	2,001,675

		Amount in Taka	
		01 April 2023 to 31 March 2024	01 April 2022 to 31 March 2023
13.00	Operating and other expenses		
	Audit fees	57,500	57,500
	Bank Charges	3,413,926	4,090,359
	Professional and legal and consultancy service	3,385,163	3,721,004
	Printing and stationary	4,144,679	54,157
	Repairs & Maintenance	5,207,898	202,249
	Safety & Maintainance	70,365	85,763
	Electricity, Fuel & others		1,223,663
	Travelling and Conveyance	31,383,143	7,251,789
	Security Services	1,313,320	909,101
	Consumption of Stores and Spare Parts	55,174	12,770
	Conservancy & Other Expenses	1,030,886	1,005,916
	Communication	64,012	4,802
	Lab Chemicals		131,499
	Miscellaneous expenses	245,962	208,443
	Rent	1,269,453	
	Total	51,641,482	18,959,014
14.00	Personnel expense		
	Salaries, wages, bonus and benefits	189,781,822	20,423,425
	Contribution to provident fund	5,366,906	-
		195,148,728	20,423,425
15.00	Pre Operating cost		
	Professional and legal and consultancy service	1,247,850	-
	Electricity, Fuel & others	15,274,831	-
	Lab Chemicals	11,797,803	-
	Consumption of Stores, Spares & Consumables	14,335,049	-
		42,655,533	
16.00	Depreciation		
	Depreciation on <i>Right of use assets (RoU)</i>	10,171,325	10,171,325
		10,171,325	10,171,325
17.00	Foreign exchange (Gain)/Loss		
	Foreign exchange (Gain)/Loss	(17,173,673)	889,153
		(17,173,673)	889,153
18.00	Finance cost		
	Interest expense- lease liability	20,014,917	20,162,130
		20,014,917	20,162,130

19.00 Financial risk management objective and policies

The managements has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risks
- Liquidity risks
- Market risk

Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The

		<u>31-Mar-24</u>	<u>31-Mar-23</u>
	<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
Cash and cash equivalents except cash in hand	7.00	47,428,256	24,888,495
Advances, deposits and prepayments	6.00	114,900,423	238,625,371
Total		<u>162,328,679</u>	<u>263,513,866</u>

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.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity (cash and bank balances) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses.

Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

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

		<u>31-Mar-24</u>	<u>31-Mar-23</u>
	<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
Liabilities for expenses	11.00	41,045,449	2,001,675
		<u>41,045,449</u>	<u>2,001,675</u>

Market risk

Typically, the Company ensures that it has sufficient cash and bank balances to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of the financial obligation and accordingly arranging for sufficient liquidity/fund to make the expected payment within due date.

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.

20.00 Related party disclosures

(a) Related party transactions

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.

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	Amount in Taka 31 March 2024	
			Transaction value	Amount due
Sun Pharmaceutical (Bangladesh) Limited	Loan	Shareholder	892,620,000	2,037,620,000
			892,620,000	2,037,620,000

Name of the related party transaction	Nature of transaction	Relationship	Amount in Taka 31 March 2024	
			Transaction value	Amount due
Sun Pharmaceutical (Bangladesh) Limited (599,999 ordinary shares @ Tk. 100 each)	Share capital	Shareholder	-	59,999,900
Mr. Shuvojit Ghosh (1 ordinary share @ Tk. 100 each)	Share capital	Shareholder	-	100
			-	60,000,000