



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali

CHARTERED ACCOUNTANTS

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Independent Auditor's Report To the Shareholders of Pharma Aids Limited Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Pharma Aids Limited which comprise the statement of financial position as at June 30, 2021, 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 and other explanatory information.

In our opinion, except for the effect on the financial statements of the matter described in the basis for qualified opinion paragraph, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at June 30, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the company act 1994, the Security and Exchange Rules 1987 and other applicable law and regulations.

Basis for Qualified Opinion

The company has debit balance with related party of Tk. 30,458,560 shown as other receivable in note no. 4.00 in these financial statements, which should be disclosed as related party transaction disclosure in note no. 35.00. But, no such disclosure has been made in these financial statements. Moreover, no interest is charged/accrued during the year on related party debit balance.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Risk	Our response
Revenue recognition	
<p>At the year ended, the company's reported total revenue of Tk. 269,568,920.</p> <p>Revenue is measured net of trade discount and VAT. Time of revenue recognition is matter. Considering the other inherent risk of the existence and the accuracy on revenue recognition, the revenue has selected as key audit matter.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Policy of revenue recognition; • Issuance of VAT challan; • Segregation of duties in invoice creation and modification;and • Timing of revenue recognition. <p>Our substantive procedures in relation to the revenue recognition comprises the following:</p> <ul style="list-style-type: none"> • Obtaining supporting documentation for sales transactions recorded either side of year end as well as credit notes issued after the year end date to determine whether revenue was recognized in the correct period; • Critically assessing manual journals posted to revenue to identify unusual or irregular items;and • Finally assessed the appropriateness and presentation of disclosures against relevant accounting Standards.
Please see the note 20 in this financial statements.	
Valuation of inventory	
<p>The balance of inventory of the Company at the year-end was Tk. 24,453,232 held in the company's warehouse.</p> <p>Inventories are carried at the lower of cost and net realizable value. As a result, the Directors apply judgment in determining the appropriate values for slow-moving or obsolete items.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisionsby:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the Company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology. • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;and • Challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow- moving/obsolete stock are valid and complete.
Please see the note 03 in this financial statements.	

Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report after the date of our auditor's report. Management is responsible for the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

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 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 judgment 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.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, 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 accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements 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 accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
November 09, 2021


Md. Waliullah FCA
Enrolment No.: 0247
DVC-2111090247AS761795

PHARMA AIDS LIMITED
Statement of Financial Position
As on June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-21	2019-20
Assets			
Non-Current Assets:		75,396,896	74,118,974
Property, Plant and Equipment (Annexure-A)	2.00	75,396,896	74,118,974
Current Assets:		267,253,531	241,222,246
Inventories	3.00	39,360,401	24,453,232
Trade and Other Receivables	4.00	159,396,189	175,846,534
Advance, Deposit & Prepayments	5.00	32,174,898	23,260,156
L/C Margin and others	6.00	16,345,101	3,579,861
Cash and Cash Equivalent	7.00	19,976,942	14,082,463
Total Assets		342,650,427	315,341,220
Equity & Liabilities		290,982,424	257,555,944
Issued Share Capital		31,200,000	31,200,000
Tax Holiday Reserve		2,867,808	2,867,808
CSR Fund	9.00	2,694,021	2,921,814
Retained Earnings		254,220,595	220,566,322
Current Liabilities:		51,668,003	57,785,276
Trade Payables	10.00	163,311	426,743
Loans & Advances	11.00	304,522	5,086,025
Liabilities for Expenses	12.00	17,861,035	13,794,954
Dividend Payable	13.00	11,773,560	11,221,826
Income Tax Payable	14.00	14,830,045	17,599,720
Liabilities for WPPF	15.00	3,715,681	5,317,890
Liabilities for Provident Fund	16.00	3,019,849	4,338,118
Total Equity & Liabilities		342,650,427	315,341,220
Net Assets Value (NAV) per share	24.00	93.26	82.54

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on the date of November 09, 2021, and signed for and on behalf of the Board.



M. A. MASUD
Chairman



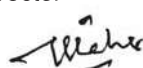
FAIZUL HASSAN
Managing Director



SHAHINOOR BABY
Director



K. H. REZA, FCS
Corporate Secretary



MD. ABU TAHER
Chief Financial Officer

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

Dated: Dhaka
November 09, 2021



Malek Siddiqui Wali
Chartered Accountants

PHARMA AIDS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
for the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-21	2019-20
Net Sales Revenue	17.00	280,292,493	269,568,920
Cost of Goods Sold	18.00	(174,139,809)	(162,717,177)
Gross Profit		106,152,684	106,851,743
Operating Expenses:			
Administrative and Selling Expenses	19.00	(36,642,547)	(31,623,884)
Profit from Operation		69,510,137	75,227,859
Other Income	20.00	94,982	27,331
Disposal of Gas Generator		-	(839,056)
Financial Cost	21.00	(982,773)	(951,460)
Profit before Contribution to WPPF		68,622,346	73,464,674
Contribution to WPPF	15.00	(3,267,731)	(3,498,318)
Profit before Tax		65,354,615	69,966,356
Income Tax Provision	14.00	(14,704,788)	(17,491,589)
Previous Year Income Tax Adjustment (2015-2016)		(390,365)	---
Profit after Tax for the year		50,259,462	52,474,767
Net Profit after Tax		50,259,462	52,474,767
Other Comprehensive Income		-	-
Total Comprehensive Income		50,259,462	52,474,767
Earning per Share (EPS)	25.00	16.11	16.82

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on the date of November 09, 2021, and signed for and on behalf of the Board.



M. A. MASUD
Chairman



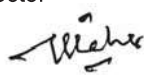
FAIZUL HASSAN
Managing Director



SHAHINOOR BABY
Director



K. H. REZA, FCS
Corporate Secretary



MD. ABU TAHER
Chief Financial Officer

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



Malek Siddiqui Wali
Chartered Accountants

Dated: Dhaka
November 09, 2021

PHARMA AIDS LIMITED
Statement of Changes in Equity
for the year ended June 30, 2021

Particulars	Share Capital	Tax Holiday Reserve	CSR Fund	Retained Earnings	Total
Balance as on 01 July 2020	31,200,000	2,867,808	2,921,814	220,566,322	257,555,944
Net profit for the year	-	-	-	50,259,462	50,259,462
CSR Current year expenses	-	-	(1,232,982)	-	(1,232,982)
CSR Fund Provision @ 2%	-	-	1,005,189	(1,005,189)	-
Cash Dividend (2019-2020)	-	-	-	(15,600,000)	(15,600,000)
Balance as on 30 June 2021	31,200,000	2,867,808	2,694,021	254,220,595	290,982,424

for the year ended June 30, 2020

Particulars	Share Capital	Tax Holiday Reserve	CSR Fund	Retained Earnings	Total
Balance as on 01 July 2019	31,200,000	2,867,808	2,704,631	185,003,424	221,775,863
Net profit for the year	-	-	-	52,474,767	52,474,767
CSR Current year expenses	-	-	(1,094,686)	-	(1,094,686)
CSR Fund Provision @ 2.5%	-	-	1,311,869	(1,311,869)	-
Cash Dividend (2018-2019)	-	-	-	(15,600,000)	(15,600,000)
Balance as on 30 June 2020	31,200,000	2,867,808	2,921,814	220,566,322	257,555,944

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on the date of November 09, 2021, and signed for and on behalf of the Board.



M. A. MASUD
Chairman



FAIZUL HASSAN
Managing Director



SHAHINOOR BABY
Director



K. H. REZA, FCS
Corporate Secretary



MD. ABU TAHER
Chief Financial Officer

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

Dated: Dhaka
November 09, 2021



Malek Siddiqui Wali
Chartered Accountants

PHARMA AIDS LIMITED
Statement of Cash Flows
for the year ended June 30, 2021

Particulars	Notes	Amount in Taka	
		2020-21	2019-20
A. Cash Flows from Operating Activities :			
Collection from Sales and others		292,237,820	230,441,666
Payment to suppliers and others		(236,682,745)	(175,702,643)
Tax paid		(23,166,394)	(13,097,611)
Financial expense paid		(982,773)	(951,460)
Net Cash Flows from Operating Activities	38.00	31,405,908	40,689,952
B. Cash Flows from Investing Activities :			
Acquisition of Fixed Assets		(10,281,660)	(5,000,084)
Related party loan		4,600,000	(2,900,648)
Disposal of Gas Generator		---	300,000
Net Cash Flows from Investing Activities		(5,681,660)	(7,600,732)
C. Cash Flows from Financing Activities:			
Cash Credit/TR		---	(16,414,018)
Addition during the year		---	5,146,607
Dividend Payment		(15,048,266)	(18,911,523)
Loans & Advances		(4,781,503)	1,387,824
Net Cash Flows from Financing Activities		(19,829,769)	(28,791,110)
Net Cash Inflows/(Outflows)		5,894,479	4,298,110
D. Opening Cash & Cash Equivalent		14,082,463	9,784,353
E. Closing Cash & Cash Equivalent	7.00	19,976,942	14,082,463
F. Net Operating Cash Flows Per Share (NOCFPS)	26.00	10.07	13.04

The accounting policies and other notes form an integral part of these financial statements.

The financial statements were approved and authorized for issue by the Board of Directors on the date of November 09, 2021, and signed for and on behalf of the Board.



M. A. MASUD
Chairman



FAIZUL HASSAN
Managing Director



SHAHINOOR BABY
Director



K. H. REZA, FCS
Corporate Secretary



MD. ABU TAHER
Chief Financial Officer

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

Dated: Dhaka
November 09, 2021



Malek Siddiqui Wali
Chartered Accountants

PHARMA AIDS LIMITED
Notes to the Financial Statements
For the year ended June 30, 2021

1.00 Significant Accounting Policies and Other Material Information:

1.01 Legal Form of the Company:

The Company was incorporated on January 6, 1981, under the Companies Act 1913/1994 and it was converted into a Public Limited Company on March 10, 1988, and offered its share to the public with the approval of the Bangladesh Securities and Exchange Commission. The Shares of the Company are listed in the Dhaka Stock Exchange Ltd.

1.02 Address of Registered Office and Principal Place of Business:

The Registered Office of the Company is situated at 345 Segun Bagicha, Dhaka-1000 and the Factory located at Chandra, Kaliakoir, Gazipur.

1.03 Nature of Business Activities:

The Company is a Manufacturer of Neutral Glass Ampoules, USP Type-I. These Ampoules are used by the pharmaceutical companies for filling liquid injections.

1.04 Basis of Preparation and Presentation of Financial Statements:

The Financial Statements have been prepared on "Historical Cost" convention in a going concern concept and on accrual basis in accordance with generally accepted accounting principle and practice in Bangladesh in compliance with the Companies Act 1913/1994, the Securities and Exchange Rules 1987, Listing Regulations of Dhaka Stock Exchange Ltd. (DSE), International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

1.05 Principal Accounting Policies:

Specific accounting policies were selected and applied by the Company's management for significant transactions and events that have a material effect within the framework of IAS 1 "Presentation of Financial Statements" in preparation and presentation of financial statements. The previous years' figures were presented according to the same accounting principles. Accounting and valuation methods are disclosed for reasons of clarity. The Company classified the expenses using the function of expenses method as per IAS 1.

1.06 Reporting Period:

The financial statements cover one financial year from July 01, 2020 to June 30, 2021.

1.07 Authorization for issue:

The financial statements have been authorized for issue by the Board of Directors on November 09, 2021.

1.08 Application of International Accounting Standards (IAS):

The following IASs are applicable for the financial statements for the year under review:
IAS 1 Presentation of Financial Statements
IAS 2 Inventories
IAS 7 Cash Flow Statements

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
 IAS 10 Events after the Balance Sheet Date
 IAS 12 Income Taxes
 IAS 16 Properties, Plant and Equipment
 IAS 17 Leases
 IAS 19 Employee Benefits
 IAS 23 Borrowing Costs
 IAS 24 Related Party Disclosures
 IAS 32 Presentations of Financial Instruments
 IAS 33 Earnings per Share
 IAS 37 Provisions, Contingent Liabilities and Contingent Assets
 IAS 39 Financial Instruments: Recognition and Measurement
 IFRS 7 Financial Instruments: Disclosure
 IFRS 8 Operating Segments
 IFRS 15 Revenue from Contracts with Customers

1.09 Properties, Plant and Equipment:

All properties, plant and equipment are initially accounted for at cost and depreciated over their expected useful life in accordance with IAS 16. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. In respect of major projects involving construction, related pre-operational expenses form part of the value of asset capitalized. Expenses capitalized also include applicable borrowing cost. On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any 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 the net sales proceeds.

1.10 Depreciation:

No depreciation is charged on land and on capital work-in-progress. Depreciation is charged on all other fixed assets by the reducing balance method. For depreciation of Office Equipment, Furniture & Fixture, Motor Vehicles, and Sundry Assets, 90% is taken in Administrative expenses & 10% is taken in Cost of Goods Sold. The rates at which assets are depreciated per annum, depending on the nature and estimated useful life of assets, are given below:

Particulars	Rate
Land	0%
Building	5%
Plant and Machinery	10%
Air Compressor	10%
Electrical Installation	10%
Electrical Equipment	10%
Office Equipment	15%
Furniture and Fixture	15%
Gas Line Installation	10%
Oxygen Generator	20%
Air Cooler	20%
Mobile Scissor Lift	20%
Motor Vehicles	20%
Sundry Assets	15%

1.11 Inventories:

Inventories are stated at the lower of cost or net realizable value in compliance to the requirements of Para 21 & 25 of IAS 2. The cost is determined on weighted average cost basis. Net realizable value is based on estimated selling price less any further costs anticipated to be incurred to make the sale. Any obsolete stock or abnormal losses are recognized as expenses.

1.12 Income Taxes:

Income tax expenses are recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12.

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The Company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 22.50%.

Deferred Tax Assets/Liabilities:

There is no material difference in overall depreciation expense between the Company's asset valuation and that of the Third Schedule under ITO. There is also no difference between accounting income (as declared in the Annual Report) and taxable income (as declared in the Company's Tax Returns submitted under ITO). For this reason, deferred tax related provision is not applicable as required by paragraph 81(g) of IAS 12.

1.13 Employees Benefits:**a) Workers' Profit Participation Fund and Welfare Fund:**

The Company makes a regular allocation of 5% on Net Profit before Tax to this fund and payment is made to the Workers' Profit Participation Fund as per provisions of the Companies Profit under Labour Law 2013(Amendment), Chapter-15, and IAS 19.

b) Gratuity: The Company paid basic salary to their permanent employees based on 45 days per year as Gratuity.

c) Provident Fund: Provident Fund of the employees is recognized by Income Tax Authority.

d) Other Benefits: The Company also provided benefits to its employees such as Annual Leave, Festival Leave, Sick Leave, Earned Leave encashment, Incentive, Bonuses, and one meal for every shift, i.e. 3 (three) meals for 3 (three) shifts duties.

1.14 Revenue Recognition:

In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers", revenue is recognized when performance obligation relating sold goods is satisfied by the Company. The revenue is recognized net off VAT and trade discount. Revenue from sales is exclusive of VAT.

1.15 Statement of Cash Flows:

Cash flow statement is prepared in accordance with IAS 7 under direct method and as outlined in the Securities and Exchange Rule 1987.

1.16 Earnings Per Share (EPS):

Earnings Per Share (EPS) is calculated in accordance with the International Accounting Standard IAS 33 "Earnings per Share". EPS has been calculated by dividing the earnings attributable to the number of shares (ordinary) held by the shareholders during the year.

1.17 Borrowing Cost:

The Company capitalizes borrowing cost for new projects such as interest on term loan and other related fees/charges for the period till the commencement of commercial operation and charges the cost to Profit & Loss Account as financial expenses after commencement of the commercial operation (IAS 23).

1.18 Net Profit before Tax:

Net Profit before Tax for the year was not materially affected by:

- Transaction of a nature not usually undertaken by the Company;
- Charges or credits relating to prior years; and
- Changes in accounting policies.

1.19 Cash and Cash Equivalent:

This comprises Cash in Hand and Cash at Bank which are available for use by the Company.

1.20 Segment Reporting:

There is a single business and geographic segment within which the Company operates. As such, no segment reporting is felt necessary (IFRS 8)

1.21 Provisions, Contingent Liabilities and Contingent Assets:

Provisions were made considering risk and uncertainties at best estimate of the probable expenditure that would require meeting the current obligation at the date of Statement of Financial Position. Contingent liabilities and assets are current or possible obligations or on liabilities or assets, arising from past events and existence of which depends upon 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, they are disclosed where applicable.

1.22 Lease:

All the Lease agreement of the company is for short term lease. As such, the lease payment is recognized as expenses on straight line basis.

1.23 General:

Previous year's figures have been regrouped/reclassified wherever considered necessary to conform to current year's presentation. Figures have been rounded off to the nearest taka as the currency represented in these financial statements.

Regrouping/Reclassification details:

There is an addition of Tk. 325,800/- of "Dividend Suspense A/C" item in Note 13.00 for the FY 2019-20. However, for FY 2020-21, the amount against the said item is given nil (zero) in order to avoid confusion. This is because, this amount is already included in the Cash Dividend of BDT 15,600,000/- added to the opening balance. But the dividend amount of Tk. 325,800/- of Suspense A/c was added separately for FY 2019-20 because, during FY 2019-20, it was debited from the Company's designated bank account for dividend distribution, which actually remained unpaid as it was credited back to the Company's other bank account that is linked with the Company's Suspense B.O. A/c. Therefore, actual dividend payment made during FY 2019-20 was Tk. 18,911,523/- (i.e. Tk. 19,237,323- Tk. 325,800), which is also reflected in the Statement of Cash Flow of this year's Annual Report 2020-21 and also for previous year's Annual Report 2019-20. However, this re-arrangement has no effect on the closing balance of dividend payable amount for current and previous year.

PHARMA AIDS LIMITED
Notes to the Financial Statements
for the year ended June 30, 2021

		Amount in Taka	
		2020-21	2019-20
2.00 Property, Plant & Equipment:			
Cost:			
Opening Balance		193,716,766	191,983,461
Additions during the year		10,281,660	5,000,084
Disposal of Substation /Gas generator		(1,139,600)	(3,266,779)
Closing Balance		202,858,826	193,716,766
Depreciation:			
Opening Balance		119,597,792	113,153,510
Charged during the year		8,252,741	8,572,005
Disposal of Substation /Gas generator		(388,603)	(2,127,723)
Closing Balance		127,461,930	119,597,792
Written Down Value (WDV)		75,396,896	74,118,974

2.01 Detail of addition of assets are shown in **Annexure-A** attached at the end of the Annual Report.

3.00 Inventories:	2020-2021	2019-2020	2020-2021	2019-2020
	Pcs/ Kgs	Pcs/ Kgs	Taka	Taka
Neutral Glass Tubes (kg)	212,852	129,797	35,784,941	19,140,966
Printing Materials (kg)	699	1,252	1,973,696	3,411,745
Packing Materials (pcs)	204,773	157,970	1,054,496	849,554
Spare Parts (pcs)	995	1,278	158,520	276,530
Finished Products (pcs)	369,280	850,930	388,748	774,437
Total	788,599	1,141,227	39,360,401	24,453,232

Note:

- Physical counting of the stock was carried out by inventory team, consisting of auditor & management staff.
- Inventories as on June 30, 2021, are valued at lower of average cost and net realizable value.

4.00 Trade & Other Receivables:

Trade Receivables (Note 4.01)	127,231,920	136,390,952
Other Receivables (Note 4.02)	32,164,269	39,455,582
Total	159,396,189	175,846,534

Aging of the Receivable

Below 60 days	31,807,980	34,097,738
Within 61-90 days	45,803,491	49,117,285
Within 91 -180 days	25,446,384	27,278,190
Within 181 -365 days	24,174,065	25,897,739
Total	127,231,920	136,390,952

4.01 Respecting the privacy of the parties, schedule of Trade and Other Receivables cannot be shown in Annual Report. IAS 24 as per management decision. There is no security arrangement for receivables.

Mentionable, few companies have suffered financially due to COVID-19 pandemic and changes in top management. As a result, recovery of receivables from those companies has been difficult and uncertain in future.

4.02 These amounts are unsecured, but good and being realized gradually in the ordinary course of business. No provision was made for bad debt during the year under review.

Amount in Taka	
2020-21	2019-20

5.00 Advance, Deposits & Prepayments:**5.01 Advances:**

Against Staff Salary	280,398	304,398
Advance Against Others	1,209,654	1,329,654
HN Consultancy Service	100,000	100,000
Customs duty L/C No. 107721010252*	467,000	---
Total	2,057,052	1,734,052

These advances are secured.

* This amount of duty against said L/C was paid in advance in June 2021 and the goods were received in July 2021.

5.02 Security Deposits:

Titas Gas	1,487,740	1,031,240
BTCL for Telephone	3,000	3,000
Linde (Oxygen)	10,000	10,000
Bangladesh Rural Electrification Board (BREB)	382,804	382,804
CDBL for DSE Server	100,000	100,000
Prepaid VAT	219,225	217,586
VAT Adjustment (details in Note 37.00)	1,858,345	1,858,345
Earnest Money	3,247,663	1,958,500
VAT Deposit (Excise Duty) *	451,472	451,472
House Rent	200,000	200,000
Office Rent	80,000	-
Power Gas Trading for Oxygen Cylinder	400,000	-
S. N. Eng. Workshop for Oxygen Manifold	80,000	-
Total	8,520,249	6,212,947

*This amount is a portion of the total Excise Duty mentioned in Note 29.00 that was required to deposit for further processing of the dispute.

5.03 Prepayments:

5.03.a AIT on Bill of Entry	6,904,977	5,440,379
5.03.b AIT at Source taken by Buyers	13,692,620	9,872,778
5.03.c AIT paid in Cash	1,000,000	-
Total	21,597,597	15,313,157

5.03.a AIT on Bill of Entry

Opening Balance	5,440,379	5,928,966
Addition during the year	5,277,004	3,812,406
	10,717,383	9,741,372
Adjustment for the Financial Year (2019-2020)	(3,812,406)	(4,300,993)
Closing Balance	6,904,977	5,440,379

5.03.b AIT at Source taken by Buyers

Opening Balance	9,872,778	12,574,336
Addition during the year	12,898,798	9,078,956
	22,771,576	21,653,292
Adjustment for the Financial Year (2019-2020)	(9,078,956)	(11,780,514)
Closing Balance	13,692,620	9,872,778

5.03.c AIT paid in Cash :

Amount in Taka	
2020-21	2019-20
Opening Balance	-
Addition during the year	-
5,600,227	-
5,600,227	-
Adjustment for the Financial Year (2019-2020)	-
(4,600,227)	-
Closing Balance	-
1,000,000	-
Total Advance, Deposits & Prepayments	32,174,898
	23,260,156

Deposits: This balance represents Security Deposits made by the Company for Electrical Substation Connection, Titas Gas, Telephone Lines, Earnest Money against Govt. Tenders, etc. which are secured. In the opinion of the Management, all current assets, investments, loans and advances are on realization in the ordinary course of business. There is no claim against the Company, which can be acknowledged as debt.

6.00 L/C Margin and others

Raw Materials - Glass Tubes	12,573,400	3,579,861
Colour	3,771,701	-
Total	16,345,101	3,579,861

7.00 Cash & Cash Equivalent:

Cash in Hand (Note 7.01)	636,087	396,783
Cash at Bank (Note 7.02):		
State Bank of India, Dilkusha Branch	15,277	15,277
Bangladesh Commerce Bank Ltd., Principal Branch	6,928,728	5,433,311
Al-Arafah Islami Bank Ltd., V.I.P. Road Branch	11,350,992	7,848,641
Pubali Bank Ltd., Naya Paltan Branch	588,109	47,230
Pubali Bank Ltd., Principal Branch	3,577	4,795
AB Bank Ltd., Chandra Branch	4,329	4,554
Dutch Bangla Bank Ltd., Foreign Exchange Branch	323,357	301,682
IFIC Bank Ltd., Chandra Branch	126,486	30,190
Total Cash at Bank	19,340,855	13,685,680
Total Cash & Cash Equivalent	19,976,942	14,082,463

7.01 The physical cash counting were taken place at the year end and found in order. Cash in hand has been verified by the Management at the closing of the year.

7.02 The Bank balance have been confirmed and reconciled with respective bank statements.

Effect of Foreign Exchange Rate Changes on Cash/Cash Equivalents:

The Company does not have any foreign currency account and does not do any export. 100% of finished goods are sold to the local pharmaceutical companies in local currency. Primary raw materials (glass tubes & color) are imported by sight L/C only, where payments are made at spot exchange rate mostly within 60-75 days from the L/C opening date. The Company never engages itself in forward booking of exchange rates and never holds any foreign currencies in hand or bank accounts. Therefore, effect of exchange rate changes on cash or cash equivalents is not applicable to the Company as per paragraph 28 of IAS 7 & 21.

Amount in Taka	
2020-21	2019-20

8.00 Share Capital:**8.01 Authorized Capital:**

5,000,000 Ordinary Shares @ Tk. 10 each

50,000,00050,000,000**8.02 Issued, Subscribed & Paid-up Capital:**

3,120,000 Ordinary Shares of Tk.10/- each paid-up in full

31,200,00031,200,000**8.03 Year-wise break-up of share capital:**

	No of Share	Rate per share	Total
Financial Year 2009-2010	52,000	100	5,200,000
Financial Year 2010-2011	260,000	100	26,000,000
	<u>312,000</u>		<u>31,200,000</u>

Note: Face value had been converted from Tk.100/- to Tk.10/- per share on 04-12-2011. After conversion, number of Shares became 3,120,000 and value of Tk.31,200,000/-.

8.04 Composition of Shareholding:

Particulars	30-06-2021			30-06-2020		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Sponsors & Directors	7	755,750	24.22	7	755,750	24.22
Government	0	-	-	0	-	-
Institute	136	653,873	20.96	22	105,500	3.38
Foreign	0	-	-	0	-	-
General Public	3289	1,710,377	54.82	4190	2,258,750	72.40
Total	3432	3,120,000	100	4219	3,120,000	100

Note: As per DSE website format

8.05 Distribution Schedule:

The distribution schedule showing the number of Shareholders and their shareholding in percentage has been disclosed below as a requirement of the "Listing Regulation" of Dhaka Stock Exchange Ltd.

Range of holdings in number of Shares	30-06-2021			30-06-2020		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
01-500	2773	386,674	12.39	3261	409,999	13.14
501-1000	286	220,241	7.06	527	363,496	11.65
1001-5000	301	660,715	21.18	361	755,145	24.20
5001-10000	27	195,822	6.28	33	232,044	7.44
10001-100000	36	941,790	30.19	28	608,149	19.49
100001-200000	8	378,758	12.14	8	415,167	13.31
200001-300000	-	-	-	-	-	-
300001-350000	1	336,000	10.77	1	336,000	10.77
Total	3432	3,120,000	100	4219	3,120,000	100

8.06 Option on Un-Issued Shares:

There is no option regarding the authorized capital not yet issued but can be used, if needed, to increase the paid-up capital through the issuance of new shares against cash contribution and/or bonus.

8.07 Market Price:

The Shares of the Company are listed with the Dhaka Stock Exchange and quoted at Tk. 397.90 per share as on June 30, 2021 and Tk. 408.10 as on June 30, 2020.

9.00 CSR Fund:**Balance as on July 01, 2020**

Payment during the year

Provision for the current year @ 2% on Net Profit after Tax

Closing Balance as on June 30, 2021

Amount in Taka	
2020-21	2019-20
2,921,814	2,704,631
(1,232,982)	(1,094,686)
1,005,189	1,311,869
2,694,021	2,921,814

As the entire fund cannot be utilized during the year, the Board of Directors has decided to make provision @ 2% in the current year in place of 2.5% provisioned in the last year. This provision is made on the Net Profit after WPPF and Income Tax. The present balance of CSR fund has been shown in Shareholder's Equity as per IAS-1.

10.00 Trade Payable:

It represents the amount payable to the suppliers of different items.

163,311	426,743
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11.00 Loans & Advances:**Opening Balance**

Addition during the year

Paid during the year

Closing Balance

5,086,025	3,698,201
1,285,143	1,387,824
6,371,168	5,086,025
(6,066,646)	-
304,522	5,086,025

Cash Credit/TR

The Company has a short-term Trust Receipt(TR) facility against Letter of Credit(L/C) sanctioned by Al-Arafah Islami Bank Ltd. with a total limit of BDT 5 Crore (TR limit 2 Crore and L/C limit 3 Crore), that has zero balance as on June 30, 2021 and also on June 30, 2020.

12.00 Liabilities for expenses:

Salary

Gas Bill

Audit Fees

Incentive for Production

Leave Pay & Gratuity

Arrear Salary

Arrear Bonus

Electricity Bill

Withholding tax

Colour L/C No. 107721010315 *

VAT Payable

Other Expenses (CDBL)

Total

11,000	11,000
439,555	503,582
138,000	138,000
6,603,176	6,802,660
8,113,121	5,573,836
-	356,000
-	29,180
-	40,171
-	101,984
903,348	-
1,621,835	207,541
31,000	31,000
17,861,035	13,794,954

* This amount against said L/C was payable as on June 30, 2021 and paid in July 2021 due to a delay in receiving the original L/C documents.

13.00 Dividend Payable:**Opening Balance**

Add: Cash Dividend (2019-2020)

Add: Dividend Suspense A/C

Less: Payment made during the year (2020-2021)

Closing Balance

11,221,826	14,533,349
15,600,000	15,600,000
26,821,826	30,133,349
-	325,800
(15,048,266)	(19,237,323)
11,773,560	11,221,826

* As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, disclosure of summary and balance amount held against undistributed/unclaimed dividend for more than 3 years as on June 30, 2021, has not been possible as it is still under process (details in Note 39.00).

14.00 Income Tax Payable:**Opening Balance**

Provision for the year

Adjustment for the year (2019-2020)

Employees Income Tax (Note 14.01)

Closing Balance

Amount in Taka	
2020-21	2019-20
17,599,720	16,395,887
14,704,788	17,491,589
32,304,508	33,887,476
(17,491,589)	(16,103,579)
17,126	(184,177)
14,830,045	17,599,720

The Company is making tax provision @ 22.50% of Profit Before Tax and making Tax Return based on this Profit. There is no scope for any temporary difference between taxable profit and accounting profit. As such, no deferred tax provision is required to maintain (details in Note 1.12).

14.01 Employees Income Tax:**Opening Balance**

Deduction from salary

Payment/Adjusted during the year

Closing Balance

-	-
433,196	-
433,196	-
(416,070)	-
17,126	-

15.00 Liabilities for WPPF:**Opening Balance**

Provision for the year

Payment made during the year

Closing Balance

5,317,890	4,718,216
3,267,731	3,498,318
(4,869,940)	(2,898,644)
3,715,681	5,317,890

The Company shall pay 10% of Workers Profit Participation Fund to Government Welfare Fund in the upcoming financial year.

16.00 Liabilities for Provident Fund :**Opening Balance**

Employees' Contribution

Employers' Contribution

Employees & Employers Interest

Payment made during the year

Closing Balance

4,338,118	2,783,122
799,099	640,990
693,672	580,030
520,575	333,976
(3,331,615)	-
3,019,849	4,338,118

17.00 Net Sales Revenue:

Gross Sales

Less: VAT

Less: Discount on Sales

Net Sales

332,391,406	319,715,091
(43,355,401)	(41,701,968)
(8,743,512)	(8,444,203)
280,292,493	269,568,920

Note : Percentage of Trade discount is not fixed on sales. It varies from customer to customer.

18.00 Cost of Goods Sold:

Raw Materials - Glass Tubes (Note 18.01)

Printing Materials (Note 18.02)

Packing Materials (Note 18.03)

Spare Parts (Note 18.04)

Salary & Wages

Bonus

Fuel

Electricity

Gas Consumption

Factory Maintenance

Machine Maintenance

Fire Insurance

Staff benefit & Welfare

Entertainment Expenses

Labour Charge

Depreciation

Picnic Expenses

Uniform for workers

Telephone & Postage

95,252,762	91,546,637
7,925,764	6,203,722
8,105,265	7,714,958
783,832	863,729
22,807,640	20,676,290
1,094,578	1,012,228
405,950	556,696
2,362,992	4,419,218
16,805,724	11,846,323
895,444	1,020,549
350,696	445,590
324,715	342,741
2,360,130	2,123,346
251,939	257,350
69,780	43,430
7,484,592	7,634,452
-	1,608,952
232,699	51,000
22,590	20,750

	Amount in Taka	
	2020-21	2019-20
Duties & Taxes	74,760	115,920
Conveyance Exp.	66,090	68,965
Printing & Stationery	33,366	25,774
Donation	49,450	65,000
Group Life Insurance	65,025	62,900
Internet Expenses	14,225	16,000
Legal Expenses	12,805	10,000
Incentive	3,480,024	3,374,352
Disposal of Substation & Gas Generator	580,997	-
Leave Pay & Gratuity*	1,778,953	720,792
Misc. Expenses	61,333	98,855
Total Cost of Goods Manufactured	173,754,120	162,946,519
Add: Opening Stock of Finished Goods	774,437	545,095
	174,528,557	163,491,614
Less: Closing Stock of Finished Goods	(388,748)	(774,437)
Net Cost of Goods Sold	174,139,809	162,717,177

* Leave Pay & Gratuity expense for FY 2020-21 is very much higher compared to FY 2019-20 because the 'Leave Pay' balance (i.e. encashment of earned leave) of previous years (from FY 2016-17 to FY 2019-20) was nil due to an unsettled issue in the Company policy regarding the Leave Pay. However, the policy was settled and due payment was made to the factory employees during the FY 2020-21.

18.01 Materials Consumed:

	2020-2021	2019-2020	2020-2021	2019-2020
	kgs/pcs	kgs/pcs	Taka	Taka
Raw Materials-Glass Tubes (kg):				
Opening Inventory	129,797	194,875	19,140,966.00	30,345,087.00
Purchase during the year	655,954	487,089	111,896,737	80,342,516.00
Total	785,751	681,965	131,037,703	110,687,603
Closing Inventory	(212,852)	(129,797)	(35,784,941)	(19,140,966.00)
Consumption	572,898	552,167	95,252,762.00	91,546,637.00

18.02 Printing Materials (kg):

	2020-2021	2019-2020	2020-2021	2019-2020
	kgs/pcs	kgs/pcs	Taka	Taka
Opening Inventory	1,252.00	1,656.00	3,411,745.00	3,776,411.00
Purchase during the year	1,914.88	2,230.62	6,487,715.00	5,839,056.00
Total	3,166.88	3,886.62	9,899,460.00	9,615,467.00
Closing Inventory	(699.00)	(1,252)	(1,973,696.00)	(3,411,745.00)
Consumption	2,467.88	2,634.62	7,925,764.00	6,203,722.00

18.03 Packing Materials (pcs):

	2020-2021	2019-2020	2020-2021	2019-2020
	kgs/pcs	kgs/pcs	Taka	Taka
Opening Inventory	157,970	188,165	849,554.00	641,316.00
Purchase during the year	917,657	771,432	8,310,207.00	7,923,196.00
Total	1,075,627	959,597	9,159,761.00	8,564,512.00
Closing Inventory	(204,773)	(157,970)	(1,054,496.00)	(849,554.00)
Consumption	870,854	801,627	8,105,265.00	7,714,958.00

18.04 Spare Parts (pcs):

	Amount in Taka	
	2020-21	2019-20
Opening Inventory	1,278	1,157
Purchase during the year	4,482	4,456
Total	5,760	5,613
Closing Inventory	(995)	(1,278)
Consumption	4,765	4,335

18.05 Finished Goods (pcs):

Opening Inventory	850,930	668,350	774,437	545,095
Production during the year	125,001,938	123,479,986	279,906,804	269,798,262
Total	125,852,868	124,148,336	280,681,241	270,343,357
Sales	(125,483,588)	(123,297,406)	(280,292,493)	(269,568,920)
Closing Inventory	369,280	850,930	388,748	774,437

Average selling price (per 1000 pcs.)

2,233.70	2,186.33
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*Finished Goods are valued at lower of cost and net realizable value as per IAS 2.

19.00 Administrative & Selling Expenses:

AGM Expenses	414,054	346,366
Salary & Remuneration	21,914,548	19,485,297
Bonus	1,762,182	1,539,261
Conveyance	139,441	103,031
Tours & Travelling	182,437	143,151
Entertainment	208,471	125,277
Office Rent	1,086,328	1,018,737
House Rent	945,000	885,500
Advertisement Expenses	182,023	271,155
Printing & Stationery	104,555	89,637
Telephone & Postage	126,172	125,376
Audit Fees	138,000	138,000
Carriage Outwards	1,109,708	918,656
Compliance Fee	28,750	23,000
Books & Periodicals	13,570	23,280
Renewal & Registration	144,231	190,227
Depreciation	768,149	937,553
Fuel for Vehicles	492,584	364,350
Vehicles Maintenance	391,505	160,336
Corporate Expenses	600,000	600,000
Business Promotion	781,087	528,210
Canteen Subsidy	133,876	164,882
Board Meeting Fee (Note 23.00)	228,000	125,000
Office Maintenance	264,247	175,469
Car Insurance	108,909	124,089

	Amount in Taka	
	2020-21	2019-20
Listing Fee (DSE)	50,000	50,000
Membership Fee (BAPLC)	10,000	10,000
CDBL Exp	31,000	31,000
Rating Fees	21,500	21,500
Donation	2,500	3,000
Internet Expenses	75,938	77,010
Electricity Bill	168,240	118,171
Software Expenses	12,600	112,000
Water & Sewerage Bill	66,593	49,446
Incentive	2,269,200	1,886,550
Leave Pay & Gratuity*	1,660,069	649,957
Misc. Expenses	7,080	9,410
Total Administrative & Selling Expenses	36,642,547	31,623,884

* Leave Pay & Gratuity expense for FY 2020-21 is very much higher compared to FY 2019-20 because the 'Leave Pay' balance (i.e. encashment of earned leave) of previous years (from FY 2016-17 to FY 2019-20) was nil due to an unsettled issue in the Company policy regarding the Leave Pay. However, the policy was settled and due payment was made to the head-office employees during the FY 2020-21.

20.00 Other Income:

Sale of Wastage	111,744	33,902
Less: VAT	(16,762)	(6,571)
Total Other Income	94,982	27,331

21.00 Financial Cost:

Interest on Short Term Loan (Note 21.01)	899,716	889,836
Bank Charges	83,057	61,624
Total Financial Cost	982,773	951,460

21.01 Interest charged on WPPF & Provident Fund

22.00 Remuneration/Salary for Directors & Executives

	2020-2021		2019-2020	
	Directors	Executives	Directors	Executives
Remuneration/Salary	9,540,000	9,995,400	8,700,000	9,398,280
House rent	945,000	-	885,500	-
Utilities	-	-	-	-
Bonus	896,002	714,000	806,001	661,200
Conveyance	-	-	-	-
	11,381,002	10,709,400	10,391,501	10,059,480
Number of person(s)	4	9	4	9

23.00 Meeting Fees:**(a) Board Meeting:**

During the year, 07 (Seven) Board Meetings were held and the following fees were paid:

Name	Meeting Attended	2020-2021 Amount (Tk.)	Meeting Attended	2019-2020 Amount (Tk.)
1) Faizul Hassan (M.D.)	7	40,000	5	20,000
2) M.A Masud (Chairman)	7	40,000	5	20,000
3) Shahinoor Baby (Director)	7	40,000	5	20,000
4) Shahinoor Begum (Director)	7	40,000	5	20,000
5) Mr. M. Saydur Rahman (I.D)	-	-	2	10,000
6) Mr. Md. Mominul Hoque Dhali (I.D)	5	30,000	2	10,000
Add: VAT & Tax		38,000		25,000
		228,000		125,000

* This amount also includes fee of 1(one) meeting held during previous year (FY 2019-20) that was unsettled and later paid to 5(five) Board members during the current year (FY 2020-21).

Amount in Taka	
2020-21	2019-20

24.00 Net Assets Value (NAV) per share for the period is calculated as follows:

Total Assets	342,650,427	315,341,220
Less: Total current liabilities	(51,668,002)	(57,785,276)
Net Assets	290,982,425	257,555,944
Weighted average number of ordinary shares	3,120,000	3,120,000
Net Assets Value (NAV) per share	93.26	82.54

Net Assets Value (NAV) per share has increased due to increase in retained earnings.

25.00 Basic Earning Per Share (EPS):

The computation of EPS is given below:

Net Profit after Tax	50,259,462	52,474,767
Weighted average number of ordinary shares	3,120,000	3,120,000
Basic EPS (based on 3,120,000 shares)	16.11	16.82

Sales Revenue has increased during the period, but at the same time expenses, such as, printing materials, oxygen, EL encashment and others have also increased. As a result, the profit has not reached the expected level. Besides, selling price of Finished Goods remained unchanged due to severe competition with the local and foreign suppliers. Their selling prices are very near to our prices. So, to stay competitive, increasing the selling price has not been possible.

26.00 Net Operating Cash Flows Per Share (NOCFPS) :

Net Operating Cash Flows Per Share has been Calculated as follows:

Net Cash Flows from Operating Activities	31,405,908	40,689,952
Weighted average number of Ordinary shares	3,120,000	3,120,000
Net Operating Cash Flows Per Share (NOCFPS)	10.07	13.04

Net Operating Cash Flows Per Share (NOCFPS) has decreased due to maintenance of sufficient working capital investment in terms of inventory and overall reduction of current liabilities. However, the net operating cash flow is still positive.

27.00 Capacity Utilization:

1. Installed Capacity (In Lac pcs.)	1,440	1,440
2. Actual Production (In Lac pcs.)	1,250.02	1,234.79
3. Capacity Utilized	86.81%	85.75%

28.00 Audit Fees:

Auditor's remuneration comprises Audit Fees only. Auditors were not paid any other fee except the Audit fee fixed at Annual General Meeting.

29.00 Claim against the Company not acknowledged as debt:

There is no claim against the Company, except the disputed and illogical claim of arrear Excise Duty of Tk.12.39 Lac for the Financial Years from 1984 to 1989.

30.00 Foreign Exchange gain / (loss) :

100% of goods produced is sold in local market and raw materials are imported by sight L/C. The Company has not incurred any gain/loss in foreign exchange (details under Note 7.02).

31.00 Number of Employees Drawing Salary:

- 1) Below Tk. 60,000/annum
- 2) Below Tk. 96,000/annum
- 3) Above Tk. 96,000/annum

2020-2021	2019-2020
-	-
-	-
79	71
79	71

32.00 Imported Goods:

- a) Neutral Glass Tubes
- b) Colours

Amount in FC		Amount in BDT	
2020-2021	2019-2020	2020-2021	2019-2020
USD 1,543,563	1,046,562	111,896,737	80,342,516
Euro 64,423	35,547.85	6,487,715	5,839,056
1,607,987	1,082,110	118,384,452	86,181,572

Neutral Glass Tubes & Colours used by the Company are imported from world renowned manufacturers.

33.00 Work in Process:

Turning Raw Materials into Finished Goods takes a very small time (glass tubes are converted into ampoules by burners). So, we do not require to hold any work-in-process.

34.00 The Cost of Raw Materials, Spare Parts, etc. with their percentage to the Cost of Goods Manufactured are as under:

	2020-2021		2019-2020	
a) Raw Materials - Glass Tubes	952.53	54.82%	915.47	56.18%
b) Printing Materials/Colours	79.26	4.56%	62.04	3.81%
c) Packing Materials	81.05	4.66%	77.15	4.73%
d) Spare Parts	7.84	0.45%	8.64	0.53%

Note: As per Notes 18.00, 18.01, 18.02, 18.03 & 18.04

35.00 Related Party Disclosure

During the year, the Company, in normal course of business, has carried out following transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: "Related Party Disclosures". All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, other than sister concern which is interest free, on the same terms and conditions as applicable to the third parties.

Name of Party	Relationship	Nature of Tran.	Transaction		2020-2021	2019-2020
			Debit	Credit	Receivable/ (Payable)	
Excelsior Garments Ltd.	Common Management	Loan	4,971,804	4,600,000	371,804	4,971,804
Excelsior Corporation Ltd.	Common Management	Loan	2,342,136	1,270,000	1,072,136	1,072,136
Excelsior Shoes Ltd.	Common Management	Loan	1,311,769	1,050,000	261,769	261,769
			8,625,709	6,920,000	1,705,709	6,305,709

36.00 Contingent Liabilities:

36.01 As per the Company's Audited Accounts which is approved by the Shareholders at the AGM, amount of the Income Tax Payable was Tk.15,86,207.00, out of which, the Company adjusted Tk.10,34,452.00 from AIT paid during the year, and rest amount adjusted from previous years' receivable, and submitted Income Tax Return for the F/Y 2004-2005 (T/Y 2005-2006) in time. The DCT illogically and unilaterally disallowed some expenditures, and assessed tax amount of Tk.24,72,728.00, and taken into account only AIT portion, i.e. Tk.10,34,452.00. The DCT sent to the Company a Demand Note of Tk.14,38,276.00 plus interest of Tk.1,64,019.00, total Tk.16,02,295.00. So the Company filed an appeal to the Addl. Commissioner of Taxes (Appeal) on 27-04-2008. They sent two reminders on 18-08-2008 and 18-05-2010 for consideration of their appeal but without any result. The DCT sent a Notice to the Company on 28-08-2014 asking for the tax amount of Tk.16,02,295.00 as demanded earlier. The Company applied immediately after receipt of the Notice for a Certified copy of the Assessment Order; but not yet received it.

36.02 The Company submitted Tax Return for the F/Y 2005-2006 (T/Y 2006-2007) in time as per audited accounts of the Company after approval at the AGM. The DCT finalized the Assessment showing demand of "0" (Zero) tax for the year. After 3 years, i.e. on 29-04-2010, the DCT illogically sent a Notice to the Company asking for payment of arrear tax amount of Tk.12,38,347.00 plus interest thereon Tk. 2,41,954.00, total amount of Tk.14,80,301.00. The Company immediately requested them to cancel the Notice explaining the reasons in details; but the DCT again after more than 4 years, i.e. on 28-08-2014, sent a reminder to the Company demanding outstanding Tk.14,80,301.00. The Company requested them on 10-09-2014 and again on 08-11-2016 after receiving their 2nd reminder on 02-11-2016 for a Certified copy of the original order; but not yet received the same.

36.03 The Company submitted the Tax Return in time for the F/Y 2006-2007 (T/Y 2007-2008) as per Company's Audited Accounts which was approved at the AGM. The tax amount payable was Tk.25,81,974.00, which was adjusted against Tk.32,75,669.00 paid as AIT during the year, i.e an excess amount of Tk.6,93,695.00 was paid. After a few years, the DCT suddenly and illogically sent a Notice to the Company on 21-10-2010 for payment of outstanding Tax of Tk. 53,01,040.00. The Company requested them to issue a Certified Copy of Assessment Order, which was lastly reminded on 08-11-2016; but not yet received it.

37.00 VAT (Mushok)

A Team of Local Revenue Audit Directorate of Auditor General of Bangladesh sent two Demand Notes to the Company on 18-06-2010 claiming illogically that the Company took excess rebate of Tk.517,762.00, and evaded VAT of Tk.13,57,252.00, total Tk.18,75,014.00. In reply, the Company submitted on 24-06-2010 all necessary and related documents to the VAT Authority. After verification of all the documents, the VAT Authority was convinced that the claims of the Audit Team were not right. After more than 4 years, the VAT Authority sent the same claim to the Company on 29-10-2014. The Company again submitted an explanatory letter on 21-12-2014 to the VAT Authority explaining that those issues were resolved much earlier. Again after 20 months, the VAT Authority unilaterally adjusted on 09-06-2016 an amount of Tk.18,58,345.00 from the Company's Current Account of VAT against those two Demand Notes, which were illogical, unacceptable, and cancellable. The Company submitted on 14-06-2016 an Appeal to the VAT Authority to refund whole amount of Tk.18,58,345.00 to their VAT Current Account with a view to ensuring the justice to the Company. The case is still unsettled.

38.00 Reconcillation from Net Profit to Net Operating Cash Flow:

Disclosure with calculation: as per Clause 5(2)e of the BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June, 2018 :

Particulars	June 30, 2021	June 30, 2020
Profit from Operation	69,510,137	75,227,859
Depreciation	8,252,741	8,572,005
Other Income	94,982	27,332
Financial Cost	(982,773)	(951,460)
Inventories (Increase)/Decrease	(14,907,169)	11,161,687
Trade and Other Receivables (Increase)/Decrease	11,850,345	(39,154,586)
Advance, Deposits & Prepayments (Increase)/Decrease	(2,862,179)	(1,778,146)
Advance for Goods (Increase/Decrease)	(12,765,240)	(11,098)
CSR Fund Payment	(1,232,982)	(1,094,686)
Trade Payable (Increase/Decrease)	(263,432)	(798,758)
Liabilities for expenses (Increase/Decrease)	4,066,081	3,829,078
Liabilities for WPPF (Increase/Decrease)	(4,869,940)	(2,796,660)
Liabilities for Provident Fund (Increase/Decrease)	(1,318,269)	1,554,996
Tax paid	(23,166,394)	(13,097,611)
Total	31,405,908	40,689,952

39.00 Event after reporting period

1. The Board of Directors recommended Cash Dividend of Tk.5/- per Share for the year 2020-21 at the Board meeting held on November 09, 2021. The total amount of Dividend is Tk. 15,600,000.

2. As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, and BSEC's letter No. SEC/SRMIC/165-2020/part-1/182 dated July 19, 2021, the Company is required to transfer the balance amounts of undistributed/unclaimed dividend for more than 3 years, to Capital Market Stabilization Fund (CMSF) SND A/c No. 0010311521301, Community Bank Bangladesh Ltd., Gulshan Corporate Branch, Dhaka. However, since the Company had paid dividends starting from the FY 1987-88 till FY 2019-20, the records of which were kept manually for majority of the years, this task proved to be an extremely complicated and time consuming process. Hence, the Company had requested for time extension from BSEC in order to accurately prepare a detailed list of shareholders with unpaid dividends for over 3 years (from FY 1987-88 to FY 2016-17), which shall be disclosed and published in the Company's website in due time, with a month's notice, before transferring to the CMSF.

There is no other significant event that has occurred between the Statement of Financial Position date and the date when the financial statements were authorized for issue by the Board of Directors of the Company.

40.00 Financial Instruments and Related Disclosure**40.01** Financial instruments by category**Financial Assets:****Loans and Receivables**

	2020-21	2019-20
Accounts Receivables	159,396,189	175,846,534
Advance, Deposit & Prepayments	32,174,898	23,360,156
Cash and bank balances	19,976,942	14,082,463
	<u>191,571,087</u>	<u>213,289,153</u>

Financial liabilities:**At Amortised Cost**

Accounts Payables	163,311	426,743
Bank Loan	-	-
Lease Loan	-	-
Loans & Advances	304,522	5,086,025
Liabilities for Expenses	17,861,035	13,794,954
Dividend Payable	11,773,560	11,221,826
Liabilities for WPPF	3,715,681	5,317,890
Liabilities for Provident Fund	3,019,849	4,338,118
	<u>36,837,958</u>	<u>40,185,556</u>

40.02 Financial Risk Management

The Board of Directors has overall responsibility for the establishment and supervision of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its supervision responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

40.02a Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

Credit risk of the Company arises principally from trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2020-2021	2019-2020
Accounts Receivables	159,396,189	175,846,534
Loans and Advances	304,522	5,086,025
Bank balances	19,340,855	13,685,680
	<u>179,041,566</u>	<u>194,618,239</u>

The Accounts Receivables are due from customers for sales. The balance from customers are unsecured. Management assesses the credit quality of customers, taking into account their financial position, past experience and other factors. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are being adjusted with monthly salary.

40.02b Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The following are the contractual maturities of financial liabilities, including interest payments, excluding the impact of netting agreements:

Financial liabilities

June 30, 2021	Within 1 year	2 - 5 years	More than 5 years	Total
Accounts Payables	163,311	-	-	163,311
Bank Loan	-	-	-	-
Lease Loan	-	-	-	-
Loans & Advances	304,522	-	-	304,522
Liabilities for Expenses	17,861,035	-	-	17,861,035
Dividend Payable	11,773,560	-	-	11,773,560
Liabilities for WPPF	3,715,681	-	-	3,715,681
Liabilities for Provident Fund	3,019,849	-	-	3,019,849
	<u>36,837,958</u>	<u>-</u>	<u>-</u>	<u>36,837,958</u>
June 30, 2020	Within 1 year	2 - 5 years	More than 5 years	Total
Accounts Payables	426,743	-	-	426,743
Bank Loan	-	-	-	-
Loans & Advances	5,086,025	-	-	5,086,025
Liabilities for Expenses	13,794,954	-	-	13,794,954
Dividend Payable	11,221,826	-	-	11,221,826
Liabilities for WPPF	5,317,890	-	-	5,317,890
Liabilities for Provident Fund	4,338,118	-	-	4,338,118
	<u>40,185,556</u>	<u>-</u>	<u>-</u>	<u>40,185,556</u>

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances and availability of financing through banking arrangements or other sources.

40.02c Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing returns.

40.02d 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. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions. At the reporting date, the Company has not incurred any interest from the sanctioned TR limit of 2 Crore as all the L/C documents were retired using Company's own fund.

40.02e Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from import of raw materials or capital machinery, if any. However, the company's import is made through Letter of Credit at sight, hence no such risk is arisen.

41.00 Operating Segment

These financial statements have been prepared on the basis of single reportable segment. All non-current assets of the Company as on June 30, 2021, are located in Bangladesh.

PHARMA AIDS LIMITED
Schedule of Property, Plant & Equipment
As on 30 June - 2021

Annexure-A

Sl No.	Category of Assets	Cost			Rate	Depreciation			Written down value as on 30-06-21
		Balance as on 01-07-20	Addition during the Period	Disposal		Balance as on 01-07-20	Charged during the Period	Disposal	
01	Land	80,811			-	-	-		80,811
02	Building	12,208,089	358,373		5%	5,956,226	325,094		6,281,320
03	Plant & Machinery	158,423,506	8,581,625		10%	99,734,696	6,297,962		106,032,658
04	Air Compressor	640,000			10%	48,000	59,200		107,200
05	Electrical Installation	1,538,494	1,242,368	(1,139,600)	10%	532,859	145,135	(388,603)	532,800
06	Electrical Equipment	561,679			10%	386,429	17,525		1,351,892
07	Office Equipment	665,456			15%	474,802	28,598		157,725
08	Furniture & Fixture	770,888			15%	524,117	37,016		162,056
09	Gas Line Installation	701,845			10%	560,394	14,145		503,400
10	Oxygen Generator	5,180,583			20%	3,650,242	306,088		561,133
11	Air Cooler	852,016	16,125		20%	127,802	147,093		574,539
12	Mobile Scissor Lift	483,447			20%	48,345	87,020		3,956,310
13	Motor Vehicles	10,242,910			20%	6,834,243	681,733		274,895
14	Sundry Assets	1,367,042	83,149		15%	719,637	106,152		135,365
	Total 30-06-2021	193,716,766	10,281,660	(1,139,600)		119,597,792	8,252,741	(388,603)	7,515,976
	Total 30-06-2020	191,983,461	5,000,084	(3,266,779)		113,153,510	8,572,005	(2,127,723)	2,726,934
									624,402
									75,396,896
									74,118,974

*** The Company has imported an electrical oven for replacement of old oven. This caused an increase in fixed assets, reduction in wastage, and an improvement of product quality.

*** VAT on fixed assets addition have been duly paid for local procurement.

Depreciation Charge for the Period has been allocated as follows:

	30-06-2020	30-06-2021
Manufacturing Overhead (Cost of Goods sold)	7,634,452	7,484,592
Administrative & Selling Expenses	937,553	768,149
	8,572,005	8,252,741

