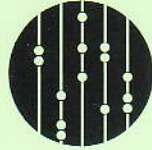




শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.
CHARTERED ACCOUNTANTS



INDEPENDENT MEMBER OF
ABACUS
WORLDWIDE

PRIVATE & CONFIDENTIAL

PHARMA AIDS LIMITED
AUDITOR'S REPORT
&
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO.

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

CHATTOGRAM OFFICE:

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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** (the "Company"), which comprise the statement of financial position as at 30 June 2023 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, except for the possible effects of the matter described in the "Basis for Qualified Opinion" section of our report, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the Company as of 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

- I. The Company has debit balance with related party of Tk. 26,930,913 shown as other receivable in note no. 4.00 in these financial statement, Which should be disclosed as related party transaction disclosure in note no. 38.00. But, no such disclosure has been made in this financial statements. Moreover, no interest is charged/accrued during the year on related party debit balance.
- II. Shareholding position of sponsors and directors is 23.58% of paid up capital as on June 30, 2023 which falls short to the minimum require shareholding of 30% of paid up capital as per BSEC Notification No. BSEC/CMRRCD/2009-193/217/Admin/90 dated 21st May 2019.

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) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2023. These matters were addressed in the context of our

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Description of key audit matters	Our Response to the key audit matters
Revenue Recognition	
<p>At the year ended, the company's reported total revenue of Tk. 308,494,748</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 been selected as key audit matter.</p>	<p>In light of the fact that the high degree of complexity and estimates and assumptions give rise to and increased risk of accounting misstatements, we assessed the Company's processes and controls for recognizing revenue as part of our audit. Furthermore, in order to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> ➤ Assessing the environment of the measurement as well as other relevant systems supporting the accounting of revenue. ➤ Assessing controls for systems and procedures supporting revenue recognition. ➤ Assessing the invoicing and measurement system up to entries in the general ledger. ➤ Examining customer invoices and receipts of payment on a test basis in accordance with contract. ➤ Analyzing and explaining the deposits to the company's bank statements to assess reasonableness of stated revenue. ➤ Testing the revenue recognition in line with contract and reporting standard. <p>We assured ourselves of the appropriateness of the systems, Processes, and Controls in place</p>
See note 19 in the financial statements	

Valuation of inventory

The balance of inventory of the company at the year-end was TK.56,830,257 held in the company's warehouse.

Inventories are carried at the lower of cost and net realizable value. As a result, the Management apply judgment in determining the appropriate values for slow-moving or obsolete items

We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:

- 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 reconcile the count result to the inventory listing 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 subsequently to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provision are complete;

See the note 3.00 in the financial statements

Other Information included in the Company's June 30, 2023 Annual Report

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements of the Company, 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. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 of the Company in accordance with IFRSs as explained in note # 1, 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 of the Company, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 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, the Securities and Exchange Rules 2022, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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 those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred were for the purpose of the Company's business for the year;

Dated, Dhaka
November 09, 2023


Md. Shafiqul Islam FCA
Partner
Enrolment # 0595
Shafiq Basak & Co.
Chartered Accountants
DVC: 2311090595AS212171

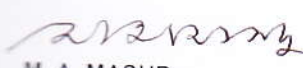


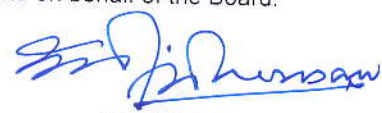
PHARMA AIDS LIMITED
Statement of Financial Position
As on June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Assets			
Non-Current Assets:			
Property, Plant and Equipment (Annexure-D)	2.00	66,860,200	72,274,890
		66,860,200	72,274,890
Current Assets:			
Inventories	3.00	314,482,805	307,544,212
Trade and Other Receivables	4.00	56,830,257	63,674,210
Advance, Deposit & Prepayments	5.00	155,163,604	152,818,845
LIC Margin and Others	6.00	79,818,851	58,930,976
Cash and Cash Equivalent	7.00	7,552,624	7,213,214
		15,117,469	24,906,967
Total Assets		381,343,005	379,819,102
Equity & Liabilities			
Issued Share Capital		284,778,602	308,352,158
Tax Holiday Reserve		31,200,000	31,200,000
CSR Fund		2,867,808	2,867,808
Retained Earnings	9.00	3,375	1,594,217
		250,707,419	272,690,133
Non-Current Liabilities:			
Deferred Tax Liability	16.02	220,748	271,546
		220,748	271,546
Current Liabilities:			
Trade Payables	10.00	96,343,655	71,195,398
Loans & Advances	11.00	1,662,102	1,417,218
Short term loan	12.00	1,475,936	986,472
Liabilities for Expenses	13.00	9,998,756	-
Provision for Expenses	14.00	4,162,654	8,365,422
Unclaimed/Undistributed Dividend	15.00	24,228,249	21,832,085
Income Tax Payable	16.00	2,166,459	2,104,298
Liabilities for WPPF	17.00	50,051,263	33,320,952
Liabilities for Provident Fund	18.00	514,840	2,677,221
		2,083,396	491,730
Total Equity & Liabilities		381,343,005	379,819,102
Net Assets Value (NAV) per share	27.00	91.28	98.83

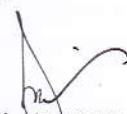
The accounting policies and other notes form an integral part of these financial statements.

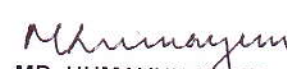
The financial statements were approved and authorized for issue by the Board of Directors on the date of November 07, 2023 and signed for and on behalf of the Board.


M. A. MASUD
Chairman


FAIZUL HASSAN
Managing Director


SHAHINOOR BABY
Director


MUHIBUL HASSAN ADIL
Chief Financial Officer


MD. HUMAYUN KABIR
Company Secretary

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

Dated: Dhaka
November 07, 2023

Shafiqul Islam, FCA
Partner

Enrolment # 0595
SHAFIQ BASAK & CO.
Chartered Accountants

DVC: 2311090595AS212171

09 NOV 2023

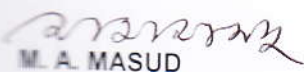


PHARMA AIDS LIMITED
Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2023

Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
Net Sales Revenue	19.00	308,494,748	323,048,872
Cost of Goods Sold	20.00	(256,470,589)	(218,929,983)
Gross Profit		52,024,159	104,118,889
Operating Expenses:			
Administrative and Selling Expenses	21.00	(40,926,692)	(47,507,426)
Profit from Operation		11,097,468	56,611,462
Other Income	22.00	65,240	92,984
Financial Cost	23.00	(351,069)	(482,812)
Profit before Contribution to WPPF		10,811,639	56,221,634
Contribution to WPPF	17.00	(514,840)	(2,677,221)
Profit before Tax		10,296,799	53,544,414
Income Tax Expenses	24.00	(16,679,513)	(18,779,579)
Profit after Tax for the Year		(6,382,714)	34,764,835
Net Profit after Tax		(6,382,714)	34,764,835
Other Comprehensive Income		-	-
Total Comprehensive Income		(6,382,714)	34,764,835
Earning per Share (EPS)	28.00	(2.05)	11.14

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 07, 2023 and signed for and on behalf of the Board.


M. A. MASUD
Chairman


FAIZUL HASSAN
Managing Director


SHAHINOOR BABY
Director


MUHIBUL HASSAN ADIL
Chief Financial Officer


MD. HUMAYUN KABIR
Company Secretary

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

Dated: Dhaka
November 07, 2023




Shafiqul Islam, FCA
Partner
Enrolment # 0595
SHAFIQ BASAK & CO.
Chartered Accountants
DVC: 2311090595AS212171

09 NOV 2023

PHARMA AIDS LIMITED
Statement of Changes in Equity
For the year ended June 30, 2023

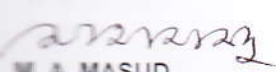
Particulars	Share Capital	Tax Holiday Reserve	CSR Fund	Retained Earnings	Total
Balance as on 01 July 2022	31,200,000	2,867,808	1,594,217	272,690,133	308,352,158
Net profit for the year	-	-	-	(6,382,714)	(6,382,714)
CSR Current year expenses	-	-	(1,590,842)	-	(1,590,842)
CSR Fund Provision @ 2%	-	-	-	-	-
Cash Dividend (2021-2022)	-	-	-	(15,600,000)	(15,600,000)
Balance as on 30 June 2023	31,200,000	2,867,808	3,375	250,707,419	284,778,602

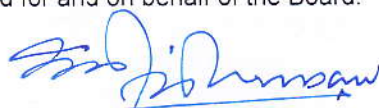
For the year ended June 30, 2022

Particulars	Share Capital	Tax Holiday Reserve	CSR Fund	Retained Earnings	Total
Balance as on 01 July 2021	31,200,000	2,867,808	2,694,021	254,220,595	290,982,424
Net profit for the year	-	-	-	34,764,835	34,764,835
CSR Current year expenses	-	-	(1,795,101)	-	(1,795,101)
CSR Fund Provision @ 2%	-	-	695,297	(695,297)	-
Cash Dividend (2020-2021)	-	-	-	(15,600,000)	(15,600,000)
Balance as on 30 June 2022	31,200,000	2,867,808	1,594,217	272,690,133	308,352,158

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 07, 2023 and signed for and on behalf of the Board.


M. A. MASUD
Chairman


FAIZUL HASSAN
Managing Director


SHAHINOOR BABY
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MD. HUMAYUN KABIR
Company Secretary

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

Dated: Dhaka
November 07, 2023

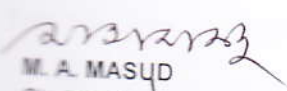



PHARMA AIDS LIMITED
Statement of Cash Flows
For the year ended June 30, 2023


Particulars	Notes	Amount in Taka	
		2022-2023	2021-2022
A. Cash Flows from Operating Activities :			
Collection from Sales and others		306,015,230	329,347,396
Payment to suppliers and others		(274,690,429)	(269,888,259)
Tax paid		(23,706,504)	(25,130,456)
Financial expense paid		(351,069)	(482,812)
Net Cash Flows from Operating Activities	41.00	7,267,227	33,845,869
B. Cash Flows from Investing Activities :			
Acquisition of Fixed Assets		(2,208,350)	(4,700,336)
Related party loan		200,000	371,804
Net Cash Flows from Investing Activities		(2,008,350)	(4,328,532)
C. Cash Flows from Financing Activities:			
Dividend Payment		(15,537,840)	(25,269,262)
Loans & Advances		489,464	681,950
Net Cash Flows from Financing Activities		(15,048,376)	(24,587,312)
Net Cash Inflows/(Outflows)		(9,789,498)	4,930,025
D. Opening Cash & Cash Equivalent	7.00	24,906,967	19,976,942
E. Closing Cash & Cash Equivalent	29.00	15,117,469	24,906,967
F. Net Operating Cash Flows Per Share (NOCFPS)		2.33	10.85

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 07, 2023 and signed for and on behalf of the Board.


M. A. MASUD
Chairman


FAIZUL HASSAN
Managing Director


SHAHINOOR BABY
Director


MUHIBUL HASSAN ADIL
Chief Financial Officer


MD. HUMAYUN KABIR
Company Secretary

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

Dated: Dhaka
November 07, 2023



PHARMA AIDS LIMITED
Notes to the Financial Statements
For the year ended June 30, 2023

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 then Controller of Capital Issues). 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 Principle 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, 2022 to June 30, 2023.

1.07 Authorization for issue:

The financial statements have been authorized for issue by the Board of Directors on November 07, 2023.

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 9 Financial Instruments
 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 or the minimum tax payable as per section 163 (2) of Income Tax Act-2023. Any adjustment to tax payable in respect of previous years is also reflected in the Profit or Loss Statement. The Company qualifies as a "Publicly Traded Company"; and as per the conditions of the Finance Act 2023, the applicable tax rate is 22.50% for the FY 2022-2023.

Deferred Tax (Assets)/Liabilities:

Deferred tax is recognized as an income/expense and included in the net profit or loss for the period. Accordingly, deferred tax asset/liability is also recognized for taxable difference (details given in Note 16.02).

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 Labor Law 2013(Amendment), Chapter-15, and IAS 19.

b) **Gratuity:** The Company pays 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, Annual Picnic, Bonuses, and one meal for every shift, i.e. 3 (three) meals for 3 (three) shifts duties every working day.

1.14 Revenue Recognition:

In compliance with the requirements of IFRS 15 "Revenue from Contracts with Customers", revenue is recognized when performance obligation relating to 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).

1.19 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 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:

- Previous year's "Staff Benefit & Welfare" (Tk.2,814,633) under Cost of Goods Sold did not include "Uniform for workers" (Tk.106,440) under the same head. However, in this year's reporting the "Staff Benefit & Welfare" for the FY 2021-22 have included the same making the total Tk.2,921,073 to conform to current year's presentation.



PHARMA AIDS LIMITED
Notes to the Financial Statements
For the year ended June 30, 2023

		Amount in Taka	
		2022-2023	2021-2022
2.00 Property, Plant & Equipment:			
Cost:			
Opening Balance		207,559,162	202,858,826
Additions during the year		2,208,350	4,700,336
Disposal/Adjustment during the year		-	-
Closing Balance		209,767,512	207,559,162
Depreciation:			
Opening Balance		135,284,272	127,461,930
Charged during the year		7,623,040	7,822,342
Disposal/Adjustment during the year		-	-
Closing Balance		142,907,312	135,284,272
Written Down Value (WDV)		66,860,200	72,274,890

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

		2022-2023	2021-2022
		Taka	Taka
Neutral Glass Tubes (kg)		47,635,145	54,092,897
Printing Materials (kg)		6,755,381	6,696,931
Packing Materials (pcs)		1,915,033	1,951,730
Spare Parts (pcs)		245,090	244,630
Finished Products (pcs)		279,608	688,022
Total		56,830,257	63,674,210

Note:

- a) Physical counting of the stock was carried out by inventory team, consisting of auditor & management staff.
- b) Inventories as on June 30, 2023, are valued at lower of average cost and net realizable value.

4.00 Trade & Other Receivables:

Trade Receivables (Note 4.01)	127,098,785	123,512,529
Other Receivables (Note 4.02)	28,064,818	29,306,316
Total	155,163,604	152,818,845
Aging of the Receivable		
Below 60 days	31,774,696	30,878,132
Within 61-90 days	45,755,563	44,464,510
Within 91 -180 days	25,419,757	24,702,506
Within 181 -365 days	24,148,769	23,467,380
Total	127,098,785	123,512,529

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

Mentionable, few companies have suffered financially due to COVID-19 pandemic, geo-political conflict in Europe, and changes in top management. As a result, recovery of receivables from those companies has been difficult and uncertain in future. Hence, 1% of Trade Receivables is kept as provision for bad debt.

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	
2022-2023	2021-2022

5.00 Advance, Deposits & Prepayments:

5.01 Advances:

Against Staff Salary	12,390	36,390
Advance Against Others	609,654	909,654
HN Consultancy Service	100,000	100,000
Office Rent	66,672	166,668
Sunbird Trading Company	-	900,000
Best Business Bond (VAT Software)	100,000	100,000
Total	888,716	2,212,712

5.02 Security Deposits:

Titas Gas	1,487,740	1,487,740
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	1,104,460	2,858,681
Earnest Money	4,156,751	4,016,514
VAT Deposit (Excise Duty)	451,472	451,472
House Rent	200,000	200,000
Office Rent	119,350	-
Power Gas Trading for Oxygen Cylinder	400,000	400,000
S. N. Eng. Workshop for Oxygen Manifold	80,000	80,000
Total	8,495,578	9,990,211

5.03 Prepayments:

5.03.a AIT at Import Stage	20,503,593	13,527,400
5.03.b AIT at Source	48,930,964	32,200,653
5.03.c AIT paid in Cash	1,000,000	1,000,000
Total	70,434,557	46,728,053

5.03.a AIT at Import Stage

Opening Balance	13,527,400	6,904,977
Addition during the year	6,976,193	6,622,423
Adjustment during the year*	20,503,593	13,527,400
Closing Balance	-	-
Total	20,503,593	13,527,400

5.03.b AIT at Source

Opening Balance	32,200,653	13,692,620
Addition during the year	16,730,311	18,508,033
Adjustment during the year*	48,930,964	32,200,653
Closing Balance	-	-
Total	48,930,964	32,200,653



5.03.c AIT paid in Cash :

Opening Balance
Addition during the year
Adjustment during the year*
Closing Balance

Total Advance, Deposits & Prepayments

Amount in Taka	
2022-2023	2021-2022
1,000,000	1,000,000
-	-
1,000,000	1,000,000
-	-
1,000,000	1,000,000
79,818,851	58,930,976

*There is no adjustment during the FY 2022-2023 because last year's (FY 2020-2021 & 2021-2022) income tax assessment is still under process.

6.00 L/C Margin and others

Raw Materials - Glass Tubes
Colour
Total

7,552,624	7,213,214
-	-
7,552,624	7,213,214

7.00 Cash & Cash Equivalent:

Cash in Hand (Note 7.01)

582,801 **165,681**

Cash at Bank (Note 7.02):

State Bank of India, Dilkusha Branch
Bangladesh Commerce Bank Ltd., Principal Branch
Al-Arafah Islami Bank Ltd., V.I.P. Road Branch
Pubali Bank Ltd., Naya Paltan Branch
Pubali Bank Ltd., Principal Branch
AB Bank Ltd., Chandra Branch
Dutch Bangla Bank Ltd., Foreign Exchange Branch
Dutch Bangla Bank Ltd., Bijoy Nagar Branch
IFIC Bank Ltd., Chandra Branch

-	15,277
1,209,094	1,092,873
12,689,850	23,036,234
89,256	93,571
1,265	2,415
294	294
147,470	149,542
393,610	344,147
3,830	6,934
14,534,668	24,741,286
15,117,469	24,906,967

Total Cash at Bank

Total Cash & Cash Equivalent

7.01 The physical cash counting was done 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. However, since July 2022, the cost of importing primary raw materials, mainly neutral glass tubes, has increased significantly due to price increase by the suppliers, and also due to the drastic depreciation of BD Taka against the US Dollar.



Amount in Taka	
2022-2023	2021-2022

8.00 Share Capital:

8.01 Authorized Capital:

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

<u>50,000,000</u>	<u>50,000,000</u>
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8.02 Issued, Subscribed & Paid-up Capital:

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

<u>31,200,000</u>	<u>31,200,000</u>
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8.03 Year-wise break-up of share capital:

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

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



8.04 Composition of Shareholding

Particulars	30-06-2023			30-06-2022		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
Sponsors & Directors*	6	735,750	23.58	7	755,750	24.22
Government	-	-	-	0	-	-
Institute	72	486,359	15.59	132	466,440	14.95
Foreign	-	-	-	0	-	-
General Public	4421	1,897,891	60.83	2813	1,897,810	60.83
Total	4499	3,120,000	100	2952	3,120,000	100

Note: As per DSE website format

*Late Nurul Akhter Aurora was a Sponsor shareholder of 20,000 paper (folio) shares. She passed away on 29-04-2021. Her successor and only child, Mr. Mohammed Nurul Kalam Aswad, submitted an application to the Company for processing the transfer of the said shares based on the Succession Certificate issued by the Court. Accordingly, as per DSE Listing Regulations 2015, 47(1)(b), the said paper shares of the deceased Sponsor had been transferred (without demat) to Mr. Aswad, making him a General shareholder of the Company. As a result, joint shareholding by Sponsors & Directors reduced to 23.58% from 24.22%.

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	30-06-2023			30-06-2022		
	No. of Shareholders	No. of Shares	%	No. of Shareholders	No. of Shares	%
01-500	3705	380,489	12.20	2225	245,081	7.86
501-1000	462	330,768	10.60	390	278,988	8.94
1001-5000	284	594,688	19.06	269	598,923	19.20
5001-10000	20	139,146	4.46	42	298,121	9.56
10001-100000	22	627,086	20.10	20	690,930	22.15
100001-200000	5	711,823	22.81	5	671,957	21.54
200001-300000	-	-	-	-	-	-
300001-350000	1	336,000	10.77	1	336,000	10.77
Total	4499	3,120,000	100.00	2952	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 the latest trading price was Tk. 790.70 per share as on June 30, 2023, and Tk. 815.00 as on June 30, 2022.



Amount in Taka	
2022-2023	2021-2022
9.00 CSR Fund:	
Opening Balance	1,594,217
Payment during the year	(1,590,842)
Provision for the current year @ 2% on Net Profit after Tax	695,297
Closing Balance	3,375
	1,594,217

This represents balance of CSR Fund @2% of Net Profit after Income Tax which has been decided by the Board of

10.00 Trade Payable:	1,662,102	1,417,218
It represents the amount payable to the suppliers of different items.		

11.00 Loans & Advances:		
Opening Balance	986,472	304,522
Addition during the year	846,560	954,622
	1,833,032	1,259,144
Paid during the year	(357,096)	(272,672)
Closing Balance*	1,475,936	986,472

*This amount represents Employees WPPF Investment portion as per provision of the Bangladesh Labour Act, 2006 (Amended in 2018).

12.00 Short term loan

Trust Receipt *	9,998,756.00	-
* 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).		

13.00 Liabilities for expenses:		
Salary	11,000	11,000
Gas Bill	755,954	556,107
Audit Fees	230,000	218,500
Incentive	2,142,981	6,352,712
Leave Pay	11,397	30,288
Electricity Bill	16,631	19,135
Water & Sewerage bill	6,714	12,534
VAT Payable	956,977	1,134,146
Other Expenses (CDBL)	31,000	31,000
Total	4,162,654	8,365,422

14.00 Provision for expenses		
Gratuity	22,957,261	20,596,960
Bad debt	1,270,988	1,235,125
	24,228,249	21,832,085

15.00 Unclaimed/Undistributed Dividend		
Opening Balance	2,104,298	11,773,560
Add: Cash Dividend (FY 2021-2022)	15,600,000	15,600,000
Less: Payment to Shareholders	(15,537,840)	(16,519,300)
Less: Transferred to CMSF*	-	(8,749,962)
Closing Balance (Note 15.01)	2,166,459	2,104,298

*As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021, the Company has transferred a total sum of Tk.8,749,962 (from FY 1987-88 to FY 2016-17 which were overdue for more than 3 years) from its unclaimed/undistributed cash dividend account to Capital Market Stabilization Fund (CMSF) SND Account.



15.01 Year-wise Summary of Unclaimed/Undistributed Dividend as on June 30, 2023:

Financial Year	Amount in Taka	
	2022-2023	2021-2022
	Amount in BDT	Amount in BDT
2017-2018	1,315,455	1,318,005
2018-2019	235,024	235,236
2019-2020	213,195	214,215
2020-2021	214,431	336,842
2021-2022	188,354	-
Total	2,166,459	2,104,298

16.00 Income Tax Payable:

Opening Balance
Provision for the year (Current tax)*
Adjustment for the year (2021-2022)
Employees Income Tax (Note 16.01)
Closing Balance

33,320,952	14,830,045
16,730,311	18,508,033
50,051,263	33,338,078
-	-
-	(17,126)
50,051,263	33,320,952

*Provision for Current Year Tax as per Section-163(2) of Income Tax Act 2023.

i) Income tax liability has increased during this period as last year's income tax assessment is still under process.
ii) Tax rate is applicable as per Finance Act 2022 (Note 1.12).

16.01 Employees Income Tax:

Opening Balance
Deduction from salary

Payment/Adjusted during the year
Closing Balance

-	17,126
1,941,758	499,008
1,941,758	516,134
(1,941,758)	(516,134)
-	-

16.02 Deferred tax liability/(Assets)

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of IAS 12 Income Taxes. Related deferred tax (expense)/income has been disclosed in Note 16.02.a. The components of

Particulars	Carrying amount	Tax base value	Taxable (deductible) temporary difference	Applicable tax rate	Deferred tax liability/(assets)
Property, Plant & Equipment	66,860,200	42,921,836	23,938,364	22.50%	5,386,132
Gratuity	22,957,261	-	(22,957,261)	22.50%	(5,165,384)
Total	89,817,461	42,921,836	981,103	-	220,748

16.02.a Deferred tax (Expense)/Income

Opening balance of deferred tax liability
Closing balance of deferred tax liability

271,546	-
220,748	271,546
50,798	271,546

17.00 Liabilities for WPPF:

Opening Balance
Provision for the year
Payment made during the year
Closing Balance

2,677,221	3,715,681
514,840	2,677,221
(2,677,221)	(3,715,681)
514,840	2,677,221

18.00 Liabilities for Provident Fund :

Opening Balance
Employees' Contribution
Employer's Contribution
Interest charged during the year
Payment made during the year
Closing Balance

491,730	3,019,849
983,550	834,117
809,352	738,229
92,458	276,060
(293,694)	(4,376,525)
2,083,396	491,730



19.00 Net Sales Revenue:

Gross Sales
Less: VAT
Less: Discount on Sales
Net Sales

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

Amount in Taka	
2022-2023	2021-2022
360,658,982	379,747,331
(47,042,476)	(49,532,261)
(5,121,758)	(7,166,198)
308,494,748	323,048,872

20.00 Cost of Goods Sold:

Raw Materials - Glass Tubes (Note 20.01)
Printing Materials (Note 20.02)
Packing Materials (Note 20.03)
Spare Parts (Note 20.04)
Salary & Wages
Bonus
Fuel for Production
Electricity
Gas Consumption
Oxygen for Production
Factory Maintenance
Machine Maintenance
Fire Insurance
Staff benefit & Welfare
Entertainment Expenses
Labour Charge
Depreciation
Picnic Expenses
Telephone & Postage
Duties & Taxes
Conveyance Exp.
Printing & Stationery
Donation & Subscription
Group Life Insurance
Internet Expenses
Legal Expenses
Incentive
Carriage Inward
Leave Pay
Gratuity
Misc. expense
Total Cost of Goods Manufactured
Add: Opening Stock of Finished Goods

Less: Closing Stock of Finished Goods
Net Cost of Goods Sold

152,398,262	117,877,237
9,756,378	8,771,520
11,203,617	10,411,770
1,053,476	955,155
27,123,676	25,515,706
2,023,962	1,225,188
969,195	904,666
7,115,716	5,763,457
18,682,337	9,111,448
10,923,665	10,910,745
300,229	1,013,666
416,848	518,415
457,542	394,588
3,654,467	2,921,073
118,283	165,400
77,460	122,525
6,562,920	7,173,962
-	305,634
28,840	24,580
62,088	77,980
58,763	63,830
42,880	37,826
44,000	90,830
70,125	64,175
13,860	13,805
15,425	8,000
-	3,763,179
1,007,000	394,000
526	501,946
1,865,897	10,067,356
14,738	59,595
256,062,175	219,229,257
688,022	388,748
256,750,197	219,618,005
(279,608)	(688,022)
256,470,589	218,929,983

20.01 Materials Consumed:

Raw Materials-Glass Tubes:
Opening Inventory
Purchase during the year
Total
Closing Inventory
Consumption

2022-2023	2021-2022
Taka	Taka
54,092,897	35,784,941
145,940,510	136,185,193
200,033,407	171,970,134
(47,635,145)	(54,092,897)
152,398,262	117,877,237

20.02 Printing Materials:

Opening Inventory
Purchase during the year
Total
Closing Inventory
Consumption

6,696,931	1,973,696
9,814,828	13,494,755
16,511,759	15,468,451
(6,755,381)	(6,696,931)
9,756,378	8,771,520



		Amount in Taka	
		2022-2023	2021-2022
20.03 Packing Materials:			
Opening Inventory		1,951,730	1,054,496
Purchase during the year		11,166,920	11,309,004
Total		13,118,650	12,363,500
Closing Inventory		(1,915,033)	(1,951,730)
Consumption		<u>11,203,617</u>	<u>10,411,770</u>
20.04 Spare Parts:			
Opening Inventory		244,630	158,520
Purchase during the year		1,053,936	1,041,265
Total		1,298,566	1,199,785
Closing Inventory		(245,090)	(244,630)
Consumption		<u>1,053,476</u>	<u>955,155</u>
20.05 Finished Goods:			
Opening Inventory		688,022	388,748
Production during the year		308,086,334	323,348,146
Total		308,774,356	323,736,894
Net Sales		(308,494,748)	(323,048,872)
Closing Inventory		<u>279,608</u>	<u>688,022</u>
Average selling price (per 1000 pcs.)		<u>2,106.00</u>	<u>2,209.80</u>

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

21.00 Administrative & Selling Expenses:

AGM Expenses	185,450	355,046
Salary & Remuneration/Honorarium	24,610,394	22,958,672
Bonus	3,031,000	1,888,300
Conveyance	168,726	149,899
Tours & Travelling	78,650	59,085
Entertainment	226,115	177,274
Office Rent	1,905,209	1,112,026
House Rent	1,004,000	1,008,000
Advertisement Expenses	287,212	278,637
Printing & Stationery	119,809	104,447
Telephone & Postage	85,668	93,349
Audit Fees	200,000	247,250
Carriage Outwards	1,193,405	1,137,415
Books & Periodicals	13,500	10,815
Renewal & Registration	139,447	396,609
Legal expense	53,000	20,000
Depreciation	1,060,120	648,380
Fuel for Vehicles	608,095	442,427
Vehicles Maintenance	186,602	287,027
Corporate Expenses	600,000	600,000
Business Promotion	601,955	688,187
Canteen Subsidy	202,487	207,866
Board Meeting Fee (Note 26.00)	198,000	204,000
Office Maintenance	266,960	281,462
Car Insurance	74,989	152,094
Listing Fee (DSE)	50,000	50,000
Membership Fee (BAPLC)	10,000	10,000
CDBL Exp	31,000	31,000
Rating Fees	20,000	21,500
Internet Expenses	74,677	77,730
Electricity Bill	143,971	167,111



		Amount in Taka	
		2022-2023	2021-2022
Software Expenses		12,600	12,600
Water & Sewerage Bill		42,673	69,615
Incentive		-	2,278,540
Leave Pay		-	1,253,076
Gratuity		1,243,931	6,933,447
Bad Debt expense		35,863	1,235,125
VAT Adjustment (Note: 40.02)		2,147,984	1,858,345
Mis. expense		13,200	1,070
Total Administrative & Selling Expenses		40,926,692	47,507,426
22.00 Other Income:			
Sale of Wastage		80,993	109,759
Less: VAT		(15,752)	(16,775)
Total Other Income		65,240	92,984
23.00 Financial Cost:			
Interest on Loans & Advances*		239,203	381,903
Bank Charges		111,866	100,909
Total Financial Cost		351,069	482,812
*Interest charged on WPPF & Provident Fund			

24.00 Income Tax Expenses			
Current Tax Expense (Note: 24.01(ii))		(16,730,311)	(18,508,033)
Deferred Tax (Expense)/Income (Note: 16.02.a)		50,798	(271,546)
		(16,679,513)	(18,779,579)

24.01 i) Reconciliation of Effective Tax rate

Types of Income	Income	2022-2023		2021-2022	
		Tax Expenses	Effective Tax Rate	Tax Expenses	Effective Tax Rate
Net Profit before Tax	10,296,799	16,730,311	162.48%	18,508,033	34.57%

ii) Reconciliation of Current Tax (Expense)/Income

Particulars	2022-2023	2021-2022
Net Profit before tax	10,296,799	53,544,414
Income tax rate @22.50% [A]	2,316,780	12,047,493
Income tax deducted at source u/s 163(2) of Income Tax Act-2023 [B]	16,730,311	18,508,033
Minimum Tax u/s 163(5) of Income Tax Act-2023 @0.60% of Revenue [C]	1,851,360	1,938,851
Income tax Provision for the year: Higher of [A, B & C]	16,730,311	18,508,033

25.00 Remuneration/Honorarium/Salary for Directors & Executives

	2022-2023		2021-2022	
	Directors	Executives	Directors	Executives
Remuneration/Honorarium/Salary	12,720,000	10,551,000	11,010,000	10,291,000
House rent	1,004,000	-	1,008,000	-
Bonus	1,836,000	1,028,500	1,101,000	713,000
	15,560,000	11,579,500	13,119,000	11,004,000
Number of person(s)	4	8	4	9



25.00 Meeting Fees:

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

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

Net Assets Value (NAV) per share	91.28	98.83
Net Assets Value (NAV) per share has decreased due to decrease in retained earnings and increase in current liabilities.		

The computation of EPS is given below:

Weighted average number of ordinary shares

1. Net Sales decreased by 4.51% due to hamper in production resulting from frequent electricity load shedding and shortage of gas supply.

2. Cost of Goods Sold has become 83.14% of Net Sales during the year which was only 67.77% during the previous year.

3. Cost of primary raw materials i.e. neutral glass tubes, printing color, and medium which are 100% imported and contribute around 60% to the production cost, has significantly increased by over 29% (over 35% after the reporting period) due to price hike by foreign suppliers and drastic depreciation of BD Taka against US Dollar.

4. Gas consumption expense drastically increased by 105% as CNG and LPG consumption increased, thus also significantly increasing the carriage expenses by over 156%. Beside tremendous shortage of natural gas supply, its price is also hiked by over 150%.

5. Cost of Electricity increased by around 23% and staff benefit & welfare increased by over 25% due to inflation.

6. Several other expense accounts combined have significantly increased due to inflation.

7. Despite being a publicly listed Company whose income tax rate should not be more than 22.50%, minimum income tax expense is charged as per Section 163(2) of Income Tax Act-2023, causing the tax expense to be 162.48% (Note-24.01(ii)) of Profit before Tax for the year ended June 30, 2023. Thus dropping the EPS lower to negative.

8. Despite appealing against the illogical claim in the VAT case mentioned in Note-40.02 of the Annual Report, the NBR did not give verdict in the Company's favor and enforced an additional VAT payment of Tk.21.48 Lac during the period.

9. Last and the most important point, selling price of glass ampoules remained unchanged for many years due to severe competition with the local and foreign suppliers. To stay competitive, increasing the selling price was not possible. However, it has been cautiously increased with effect from July 2023.



29.00 Net Operating Cash Flows Per Share (NOCFPS) :

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

Net Cash Flows from Operating Activities

Weighted average number of Ordinary shares

Net Operating Cash Flows Per Share (NOCFPS)

Amount in Taka	
2022-2023	2021-2022

7,267,227	33,845,869
3,120,000	3,120,000
2.33	10.85

NOCFPS decreased due to decrease in collection from sales and others and increase in payment to suppliers.

30.00 Capacity Utilization:

1. Installed Capacity (In Lac pcs.)

2. Actual Production (In Lac pcs.)

3. Capacity Utilized

1,540	1,540
1,460.59	1,464.16
94.84%	95.08%



31.00 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.

32.00 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.

33.00 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).

34.00 Number of Employees Drawing Salary:

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

2022-2023	2021-2022
-	-
-	-
79	79
79	79

35.00 Imported Goods:

- a) Neutral Glass Tubes
- b) Colours

Amount in BDT	
2022-2023	2021-2022
144,370,209	134,404,523
9,450,412	13,078,658
153,820,620	147,483,181

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

36.00 Work in Process:

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

37.00 The Cost of Raw Materials, Spare Parts, etc. (in lac Taka) with their percentage to the Cost of Goods Manufactured are as under:

- a) Raw Materials-Glass Tubes
- b) Printing Materials/Colours
- c) Packing Materials
- d) Spare Parts

2022-2023		2021-2022	
1,523.98	59.52%	1,178.77	56.23%
97.56	3.81%	87.71	4.18%
112.03	4.38%	104.11	4.97%
10.53	0.41%	9.55	0.46%

Note: As per Notes 20.01, 20.02, 20.03 & 20.04



38.00 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		2022-2023	2021-2022
			Debit	Credit	Receivable/	(Payable)
Excelsior Corporation Ltd.	Common Management	Loan	-	-	1,072,136	1,072,136
Excelsior Shoes Ltd.	Common Management	Loan	-	200,000	61,769	261,769
			-	200,000	1,133,905	1,333,905

39.00 Contingent Assets/Liabilities:

39.01 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.

39.02 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.

39.03 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.



40.00 VAT (Mushok)

40.01 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. However, since the case is being dragged for more than a decade with no positive outcome till now, the Company has written-off the entire amount as an administrative expense for the reporting year 2021-2022.

40.02 Also, another VAT audit was conducted for the financial years 2012-13 to 2016-17, following which the Commissioner of Customs, Excise & VAT, issued a show-cause notice and demand note containing a claim of Tk.63,55,844.84 (excl. interest) against the Company under sub-section-1 of section-55 of the Value Added Tax Act, 1991. In the context of the notice, the Managing Director has sent a letter to the Commissioner on 11-10-2020 asking for an opportunity to attend a hearing along with a detailed explanation that the claim is illogical and baseless. Following the letter, the Commissioner fixed the date of hearing on 24-11-2020. The representative of the Company appeared in the said hearing and requested the Commissioner to waive the unreasonable claims by presenting various arguments. Thereafter, several correspondences were made for final decision. Lastly the Company submitted a detailed statement and clarification in writing on 30-03-2022 to the authority explaining that the Company paid due VAT; but they sent us a Revised Demand Note on 17-05-2022 reducing their claim from Tk. 63,55,844.84 to Tk. 21,47,984.00 with a provision for further hearing on 29-05-2022. The Company attended the hearing with a copy of letter dated 11-10-2020 written by the Company's Managing Director explaining the facts that the Company in no way was the defaulter of any amount of VAT. Then the Commissioner expressed their willingness to look into matter more precisely. Thereafter, on the basis of verbal and telephonic conversations, the Company's Managing Director appeared on 10-08-2022 personally before the authority and explained in details that the Company was not convinced for paying that extra VAT which was illogical, unacceptable and, as such, cancellable. Ultimately, the NBR did not give verdict in the Company's favor and enforced the payment during the FY 2022-23.

41.00 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 30,2023	June 30,2022
Profit from Operation	11,097,468	56,611,463
Depreciation	7,623,040	7,822,342
Other Income	65,240	92,984
Financial Cost	(351,069)	(482,812)
Inventories (Increase)/Decrease	6,843,953	(24,313,809)
Trade and Other Receivables (Increase)/Decrease	(2,544,759)	6,205,540
Advance, Deposits & Prepayments (Increase)/Decrease	2,818,630	(1,625,622)
Advance for Goods (Increase)/Decrease	(339,410)	9,131,887
CSR Fund Payment	(1,590,842)	(1,795,101)
Trade Payable Increase/(Decrease)	244,884	1,253,907
Liabilities for expenses Increase/(Decrease)	(4,202,768)	(3,176,336)
Payment of Employees WPPF	(2,677,221)	(3,715,681)
Liabilities for Providend Fund Increase/(Decrease)	1,591,666	(2,528,119)
Provision for Expense Increase/(Decrease)	2,396,164	15,512,808
Short term loan (AIBL)	9,998,756	-
Tax paid	(23,706,504)	(25,147,582)
Total	7,267,227	33,845,869



42.00 Event after reporting period

1. The Board of Directors recommended Cash Dividend of Tk.1/- per Share for the financial year 2022-23 at the Board meeting held on November 07, 2023. The total amount of dividend required for disbursement for the year is Tk. 31,20,000.
2. Unpaid dividend of Tk.15,50,479 for FY 2017-18 & 2018-19 has been transferred to CMSF SND Account.
3. Selling prices of glass ampoules have been cautiously increased with effect from July 2023.
4. The Company has executed a toll manufacturing agreement with a private limited company to meet increased demand for glass ampoules effective from October 1, 2023 till March 31, 2024, which may be revalidated subject to satisfactory outcome.

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.

43.00 Financial Instruments and Related Disclosure**43.01 Financial instruments by category****Financial Assets:****Loans and Receivables**

Accounts & Other Receivables

Advance, Deposit & Prepayments

Cash and bank balances

Amount in Taka	
2022-2023	2021-2022
155,163,604	152,818,845
79,818,851	58,930,976
15,117,469	24,906,967
250,099,923	236,656,788

Financial liabilities:**At Amortised Cost**

Trade Payables

Loans & Advances

Liabilities for Expenses

Unclaimed/Undistributed Dividend

Liabilities for WPPF

Liabilities for Provident Fund

1,662,102	1,417,218
1,475,936	986,472
4,162,654	8,365,422
2,166,459	2,104,298
514,840	2,677,221
2,083,396	491,730
12,065,386	16,042,361

43.02 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:

43.02a 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:

Trade & Other Receivables
Loans and Advances
Bank balances

2022-2023	2021-2022
155,163,604	152,818,845
1,475,936	986,472
14,534,668	24,741,286
171,174,208	178,546,603



The Trade 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.

Credit risk on bank balances is limited as these are placed with banks having good credit ratings. Loans to employees are being adjusted from monthly salary.

43.02b 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, 2023	Within 1 year	2 - 5 years	More than 5 years	Total
Trade Payables	1,662,102	-	-	1,662,102
Loans & Advances	1,475,936	-	-	1,475,936
Liabilities for Expenses	4,162,654	-	-	4,162,654
Unclaimed/Undistributed Dividend	2,166,459	-	-	2,166,459
Liabilities for WPPF	514,840	-	-	514,840
Short term loan	9,998,756	-	-	9,998,756
Liabilities for Provident Fund	2,083,396	-	-	2,083,396
	22,064,142	-	-	22,064,142

June 30, 2022	Within 1 year	2 - 5 years	More than 5 years	Total
Accounts Payables	1,417,218	-	-	1,417,218
Loans & Advances	986,472	-	-	986,472
Liabilities for Expenses	8,365,422	-	-	8,365,422
Unclaimed/Undistributed Dividend	2,104,298	-	-	2,104,298
Liabilities for WPPF	2,677,221	-	-	2,677,221
Liabilities for Provident Fund	491,730	-	-	491,730
	16,042,361	-	-	16,042,361

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.

43.02c 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.

43.02d 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 incurred interest of Tk.444,889 from the sanctioned TR limit of 2 Crore.

43.02e 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 risk is limited.

44.00 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, 2023, are located in Bangladesh.



PHARMA AIDS LIMITED
Schedule of Property, Plant & Equipment
As on June 30, 2023

Annexure-D

Sl No.	Category of Assets	Cost				Rate	Depreciation				Written down value as on 30-06-23
		Balance as on 01-07-22	Addition during the Period	Disposal/ Adjustment	Total as on 30-06-23		Balance as on 01-07-22	Charged during the Period	Disposal/ Adjustment	Total as on 30-06-23	
01	Land	80,811			80,811	-	-	-		-	80,811
02	Building	14,285,160	-		14,285,160	5%	6,635,900	382,463.00		7,018,363	7,266,797
03	Plant & Machinery	167,005,131	2,002,350		169,007,481	10%	112,129,905	5,520,895.00		117,650,800	51,356,681
04	Air Compressor	640,000	-		640,000	10%	160,480	47,952.00		208,432	431,568
05	Electrical Installation	1,641,282	-		1,641,282	10%	424,580	121,670.00		546,250	1,095,032
06	Electrical Equipment	561,679	-		561,679	10%	419,727	14,195.00		433,922	127,757
07	Office Equipment	674,594	37,100		711,694	15%	527,823	26,051.00		553,874	157,820
08	Furniture & Fixture	770,888	5,500		776,388	15%	592,596	27,225.00		619,821	156,567
09	Gas Line Installation	701,845	-		701,845	10%	587,270	11,458.00		598,728	103,117
10	Oxygen Generator	5,180,583	-		5,180,583	20%	4,201,165	195,884.00		4,397,049	783,534
11	Air Cooler	868,141	-		868,141	20%	393,544	94,919.00		488,463	379,678
12	Mobile Scissor Lift	483,447	-		483,447	20%	204,981	55,693.00		260,674	222,773
13	Motor Vehicles	13,215,410	-		13,215,410	20%	8,086,852	1,025,712.00		9,112,564	4,102,846
14	Sundry Assets	1,450,191	163,400		1,613,591	15%	919,449	98,923.00		1,018,372	595,219
	Total 30-06-2023	207,559,162	2,208,350	-	209,767,512		135,284,272	7,623,040.30	-	142,907,312	66,860,200
	Total 30-06-2022	202,858,826	4,700,336	-	207,559,162		127,461,930	7,822,341.54	-	135,284,272	72,274,890

Depreciation Charge for the Period has been allocated as follows:

Manufacturing Overhead (Cost of Goods sold)
Administrative & Selling Expenses

30-06-2023	30-06-2022
6,562,920	7,173,962
1,060,120	648,380
7,623,040	7,822,342

