

# **PRIVATE AND CONFIDENTIAL**

**JMI Syringes & Medical Devices Limited**

72/C, Progoti Shoroni, Middle Badda, Dhaka-1212

**Financial Statements & Auditor's Report  
For the year ended June 30, 2020**



**G. KIBRIA & CO.  
CHARTERED ACCOUNTANTS**

**Head Office :**

**SADHARAN BIMA SADAN (5TH FLOOR)  
24-25, DILKUSHA COMMERCIAL-AERA  
DHAKA-1000, BANGLADESH**

**Branch Office :**

**Plot 51, Floor-2, Road 14, Block-G Niketon  
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## Independent Auditor's Report

### To the Shareholders of JMI Syringes & Medical Devices Limited

Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of JMI Syringes & Medical Devices Limited ("the Company"), which comprise the statement of financial position as at June 30, 2020, 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 summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 of the current period. 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. In addition to the matter described in the Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

KEY AUDIT MATTER	How our audit addresses the Key Audit Matter
<b>Revenue Recognition</b>	<p>Our audit procedures included:</p> <p>Understanding the process of estimating, recording and reassessing going concern.</p> <ul style="list-style-type: none"> <li>▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.</li> <li>▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.</li> <li>▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately</li> <li>▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately</li> </ul> <p>Details of the Revenue Section are summarized in Note 22 to the Financial Statements</p> <p>Details of Revenue Recognition are included in Note 22.00 to the Financial Statements</p>



KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSES THE KEY AUDIT MATTER
<b>Adoption and Implementation of IFRS 16 Leases</b> <p>With reference to Note 3.3 to the financial statements, IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing International Accounting Standard 17 Leases. JMI Syringes and Medical Devices Limited have implemented the modified retrospective approach for the transition accounting. The application of the new lease standard resulted in the recognition, for the 01 July 2019 opening balance sheet, of right of use of asset and lease liability. The Company had a closing balance of BDT 12,498,014 of Right-of-Use Asset and Lease Liability as at June 30, 2020. The impact of the adaptation of the new standard is disclosed in Note 5.00 of the notes to the financial statements.</p>	<p>We obtained an understanding of the management's process for implementing IFRS 16 Leases, including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, 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"> <li>▶ Obtained and read the accounting policy for compliance with IFRS 16 Leases;</li> <li>▶ Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16 Leases. In respect of the contracts selected for testing;</li> <li>▶ Obtained and assess the borrowing rates;</li> <li>▶ Tested the assumptions used in the calculation model for the sample contracts selected for testing;</li> <li>▶ Performed test of details on a sample basis on different categories of lease for valuation of the right of use of asset and lease liability;</li> </ul> <p>Assessed the disclosures within the financial statements.</p>

**Details of IFRS 16 Leases have been included in Note 3.30, 5.00 and 16.00 to the Financial Statements**

#### Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2020 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis.

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, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### 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, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ 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. 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 auditor's 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 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ 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;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 27<sup>th</sup> October, 2020  
Dhaka, Bangladesh

A.K. Gulam Kibria, FCA  
Engagement Partner  
G. KIBRIA & CO.  
Chartered Accountants



# JMI Syringes & Medical Devices Ltd.

## Statement of Financial Position

All amounts presented in Bangladesh BDT

	Notes	30th June, 2020	30th June, 2019
<b>Assets</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	4	1,438,394,456	1,075,293,227
Factory Building Work in Progress	4 (e)	25,150,212	104,925,380
Right of use Asset	5	12,498,014	-
		1,476,042,682	1,180,218,607
<b>Current Assets</b>			
Inventories	6	465,110,589	489,912,762
Advance Deposit & Prepayments	7	218,758,291	288,225,242
Short Term Loan (Advance)	8	118,902,279	141,199,042
Advance Income Tax	9	258,278,341	219,010,106
Accounts Receivable	10	758,874,016	381,440,117
Cash and Cash Equivalents	11	28,540,531	338,768,201
		1,848,464,047	1,858,555,470
<b>Total Assets</b>		<b>3,324,506,729</b>	<b>3,038,774,077</b>
<b>Shareholder's Equity &amp; Liabilities</b>			
<b>Shareholder's Equity</b>			
Share Capital	12	221,000,000	110,000,000
Share Premium	12	1,708,395,698	-
Share Money Deposit	12	-	1,819,395,698
Tax Holiday Reserve	13	12,119,070	12,119,070
Revaluation Reserve	4 (d)	394,234,714	321,098,425
Retained Earnings		353,018,638	312,958,416
<b>Total Shareholder's Equity</b>		<b>2,688,768,120</b>	<b>2,575,571,609</b>
<b>Non-Current Liabilities</b>			
Long Term Loan (Non-Current Maturity)	14	10,159,638	12,233,093
Deferred Tax Liability	17	105,323,637	89,382,174
<b>Total Non-Current Liabilities</b>		<b>115,483,275</b>	<b>101,615,267</b>
<b>Current Liabilities</b>			
Long Term Loan (Current Maturity)	15	4,757,278	37,159,787
Lease Liability (Current Maturity)	16	12,498,014	-
Short Term Loan	18	125,193,080	72,661,571
Dividend Payable	19	2,971,311	3,205,687
Accrued Expenses Payable	20	391,000	200,000
Creditors and Other Payable	21	374,444,652	248,360,156
<b>Total Current Liabilities</b>		<b>520,255,334</b>	<b>361,587,201</b>
<b>Total Shareholder's Equity &amp; Liabilities</b>		<b>3,324,506,729</b>	<b>3,038,774,077</b>

Accompanying notes form an integral part of these Financial Statements

  
Muhammad Tarek Hossain Khan  
Company Secretary

Date: 27th October, 2020  
Place: Dhaka, Bangladesh

  
Ranjit Chakraborty, ACMA  
Chief Financial Officer

  
Md. Abdur Razzaq  
Managing Director

  
Md. Jaber Iqbal Pathan  
Chairman

  
G KIBRIA & CO.  
Chartered Accountants

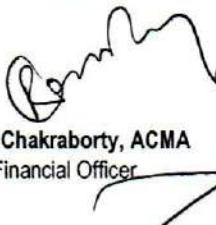


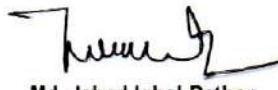
**JMI Syringes & Medical Devices Ltd.**  
**Statement of Profit or Loss and Other Comprehensive Income**  
All amounts presented in Bangladesh BDT

	Notes	June, 2020	June, 2019
<b>Revenue from Net Sales</b>	22.00	1,976,503,689	1,778,494,735
Less: Cost of Goods Sold	23.00	1,588,864,171	1,266,219,066
<b>Gross Profit</b>		<b>387,639,518</b>	<b>512,275,669</b>
<b>Less: Operating Expenses</b>			
Administrative Expenses	27.00	84,715,565	72,945,827
Mkt, Selling and Distribution Expenses	28.00	85,182,249	104,666,001
<b>Total Operating Expenses</b>		<b>169,897,814</b>	<b>177,611,828</b>
<b>Operating Profit</b>		<b>217,741,705</b>	<b>334,663,841</b>
Add: Other Income	29.00	14,747,361	2,025,497
		<b>232,489,066</b>	<b>336,689,338</b>
Less: Financial Expenses	30.00	5,764,249	179,636,872
<b>Net Income before adjustment of WPPF</b>		<b>226,724,817</b>	<b>157,052,466</b>
Less: Workers Profit Participation Fund		10,796,420	7,478,689
<b>Net Profit before adjustment of Income Tax</b>		<b>215,928,398</b>	<b>149,573,777</b>
Less: Income Tax Charged for the year	32.00	119,889,645	83,019,660
<b>Net Profit After Tax</b>		<b>96,038,752</b>	<b>66,554,117</b>
Other Comprehensive Income: Revaluation Surplus		83,457,759	-
<b>Total Comprehensive Income for the year</b>		<b>179,496,511</b>	<b>66,554,117</b>
<b>Earnings Per Share (EPS)</b>	33.00	<b>4.35</b>	<b>3.01</b>

Accompanying notes form an integral part of these Financial Statements

  
Muhammad Tarek Hossain Khan  
Company Secretary

  
Ranjit Chakraborty, ACMA  
Chief Financial Officer

  
Md. Jabed Iqbal Pathan  
Chairman

Date: 27th October, 2020  
Place: Dhaka, Bangladesh

  
Md. Abdur Razzaq  
Managing Director

  
G KIBRIA & CO.  
Chartered Accountants



# JMI Syringes & Medical Devices Ltd.

## Statement of Changes in Equity

All amounts presented in Bangladesh BDT

Particulars	Share Capital	Share Premium	Share Money Deposit	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01-07-2019	110,000,000	-	1,819,395,698	12,119,070	321,098,425	312,958,416	2,575,571,609
Addition / Adjustment	111,000,000	1,708,395,698	(1,819,395,698)	-	83,457,759	-	83,457,759
Net Profit after Tax	-	-	-	-	-	96,038,752	96,038,752
Dividend for the year- 2018-2019 (30% cash)	-	-	-	-	-	(66,300,000)	(66,300,000)
Revaluation Reserve Adjustment	-	-	-	-	(10,321,470)	10,321,470	-
<b>Balance as on 30-06-2020</b>	<b>221,000,000</b>	<b>1,708,395,698</b>	<b>-</b>	<b>12,119,070</b>	<b>394,234,714</b>	<b>353,018,638</b>	<b>2,688,768,120</b>

Particulars	Share Capital	Share Premium	Share Money Deposit	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as on 01-07-2018	110,000,000	-	-	12,119,070	390,637,275	271,235,608	783,991,953
Addition of Share Capital by Nipro Corporation	-	-	1,819,395,698	-	-	-	1,819,395,698
Net Profit after Tax	-	-	-	-	-	66,554,118	66,554,118
Dividend for the year- 2017-2018 (30% cash)	-	-	-	-	-	(33,000,000)	(33,000,000)
Error Correction Def. Tax related to revaluation up	-	-	-	-	(61,370,159)	-	(61,370,159)
Revaluation Reserve Adjustment	-	-	-	-	(8,168,691)	8,168,691	-
<b>Balance as on 30-06-2019</b>	<b>110,000,000</b>	<b>-</b>	<b>1,819,395,698</b>	<b>12,119,070</b>	<b>321,098,425</b>	<b>312,958,416</b>	<b>2,575,571,609</b>

Accompanying notes form an integral part of these Financial Statements

Muhammad Tarek Hossain Khan  
Company Secretary

Date: 27th October, 2020  
Place: Dhaka, Bangladesh

Ranjit Chakraborty, ACMA  
Chief Financial Officer

Md. Abdur Razzaq  
Managing Director

Md. Jaber Iqbal Pathan  
Chairman



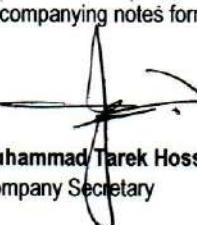
# JMI Syringes & Medical Devices Ltd.

## Statement of Cash Flows

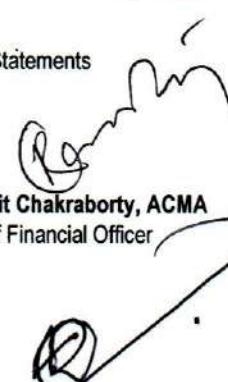
All amounts presented in Bangladesh BDT

	June, 2020	June, 2019
<b>A. Cash flows from operating activities</b>		
Collection from Sales	1,879,879,658	1,923,511,830
Collection from Others	14,229,597	1,661,613
Payments to Suppliers and Others	(1,839,643,744)	(1,428,796,444)
Tax Paid	(87,196,584)	(96,216,989)
<b>Net cash generated from operating activities</b>	<b>(32,731,073)</b>	<b>400,160,010</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of Non-Current Assets	(247,167,905)	(45,021,283)
Disposal / adjustment of Assets	1,167,126	11,728,471
<b>Net cash used in investing activities</b>	<b>(246,000,779)</b>	<b>(33,292,812)</b>
<b>C. Cash flows from financing activities</b>		
Net Increase / (Decrease) in Long Term Loans	(34,475,964)	(1,141,386,814)
Net Increase / (Decrease) in Short Term Loans	52,531,509	(533,939,503)
Net (Increase) / Decrease in Inter Company Advances	22,296,763	47,929,508
Share Money Deposit	-	1,819,395,698
Dividend & Dividend Tax Paid	(66,534,376)	(32,626,565)
Interest & Bank Charges paid	(5,313,749)	(197,928,053)
<b>Net cash (used in) / from financing activities</b>	<b>(31,495,817)</b>	<b>(38,555,729)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(310,227,669)</b>	<b>328,311,469</b>
<b>E. Opening cash and cash equivalents</b>	<b>338,768,201</b>	<b>10,456,732</b>
<b>F. Closing cash and cash equivalents (D+E)</b>	<b>28,540,531</b>	<b>338,768,201</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	<b>(1.48)</b>	<b>18.11</b>

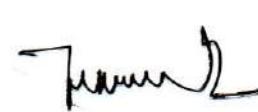
Accompanying notes form an integral part of these Financial Statements



Muhammad Tarek Hossain Khan  
Company Secretary

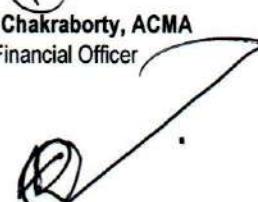


Ranjit Chakraborty, ACMA  
Chief Financial Officer



Md. Jaber Iqbal Pathan  
Chairman

Date: 27th October, 2020  
Place: Dhaka, Bangladesh



Md. Abdur Razzaq  
Managing Director



**JMI Syringes & Medical Devices Ltd.**  
**Notes, Comprising a Summary of Significant Accounting Policies and**  
**Other Explanatory Information**  
**For the year ended 30 June 2020**

**1. Legal Status & Nature of the Company**

**1.1** JMI Syringes & Medical Devices Ltd. was incorporated as a Private Limited Company on 5<sup>th</sup> April 1999 in Bangladesh with an Authorized Capital of Tk. 6,00,00,000/- divided into 600,000 ordinary shares of Tk. 100/= each under the Companies Act., 1994. Subsequently the Company increased its Authorized Capital to Tk. 30,00,00,000/- and reduced the denomination of the shares from Tk. 100/= to Tk. 10/= as per Extra Ordinary General Meeting held on February 04, 2002 and was converted into a Public Limited Company as per Extra Ordinary General Meeting held on August 20, 2002. Again, the Company reverted its denomination of the shares from Tk. 10/= to Tk. 100/= as per Extra Ordinary General Meeting held on May 05, 2003 and went for public issue during that year. Company's share is listed with the Dhaka and Chittagong Stock Exchange Ltd.

The Company has changed its name from **JMI-Bangla Co. Ltd.** to **JMI Syringes & Medical Devices Ltd.** as per an Extra-Ordinary resolution passed on October 01, 2009 and this change has been approved by the Registrar of Joint Stock Companies & Firms on April 15, 2010.

The Company has changed its authorized capital from Tk. 30 Crore to Tk. 100 Crore and reverted its denomination of the share from Tk. 100/= to Tk. 10/= each. So that the Ordinary Shares of the Company has also been changed from 30 Lac to 10 Crore. It was approved by the shareholder an Extra Ordinary General Meeting held on 29<sup>th</sup> September 2012 and approved by the Registrar of Joint Stock Companies on 14-11-2012.

The Company has raised paid-up capital as per Consent Letter accorded by Bangladesh Securities and Exchange Commission, against issuing 1,11,00,000 Ordinary Share @ BDT 164.10 per share including premium BDT 154.10 per share to NIPRO Corporation, Osaka, Japan. All amount against the above has been received from NIPRO Corporation and presenting in Statement of Financial Position and Paid-up Share was 2,21,00,000 and Paid-up Capital was BDT. 22,10,00,000/= at the end of the year.

**1.2 Address of Registered Office, Corporate Office and Factories:**

The Registered Office of the Company is situated at 72/C, Progoti Shoroni, Middle Badda, Dhaka-1212, Bangladesh. The Corporate Office of the Company is situated at "Unique Heights", Level-11, 119, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh, The Share Office of the Company is situated at 29/C & 29/D, Tejgaon Industrial Area, Dhaka-1208 and Factory address of the Company is situated at Noapara, Chaudhogram, Comilla, Bangladesh.

**1.3 Nature of Business:**

The Company is primarily engaged in business of manufacturing and marketing of Disposable Syringe, Auto Disable Syringe (AD Syringe), Needle (blister pack), Infusion Set, Scalp Vein Set, Urine Drainage Bag, Insulin Syringe, First AID Bandage, Eye Gel Set, Riles Tube, IV Cannula, Feeding Tube, Cooper-T, Blood Lancets, Blood Transfusion Set, 3-Way Stop Cock, Suction Catheter, Alcohol Pad, Nelaton Catheter, Umbilical Cord Clamp, Wound Drain Tube, Safety Box etc.

**1.4 Commencement of Business:**

The Company commenced commercial operation on 26<sup>th</sup> January 2002. But the operation has stopped for some technical reason for 5 months and commercial operation has restarted from June 18, 2002.

**1.5 Number of Employees:**

The number of employees at the end of the year was 932.



## **2. Basis of Preparation of Financial Statements:**

### **2.1 Statement of Compliance**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

### **2.2 Regulatory Compliances**

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- i. The Income Tax Ordinance 1984;
- ii. The Income Tax Rules 1984;
- iii. The Value Added Tax Act 1991;
- iv. The Value Added Tax Rules 1991;
- v. The Customs Act, 1969;
- vi. Bangladesh Labour Law, 2006;
- vii. The Securities and Exchange Ordinance, 1969;
- viii. The Securities and Exchange Rules, 1987; and
- ix. Securities and Exchange Commission Act, 1993

### **2.3 Structure, content and presentation of financial statements**

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 June 2020;
- ii. Statement of profit or loss and other comprehensive income for the financial year 30 June 2020;
- iii. Statement of cash flows for the financial year 30 June 2020;
- iv. Statement of changes in equity for the financial year 30 June 2020;
- v. Accounting policies and other explanatory notes for the financial year 30 June 2020.

### **2.4 Applicable Accounting Standards & Financial Reporting Standards**

The following IASs and IFRSs are applicable for the financial statements for the year under review:

Sl. No.	Name of the IAS	IAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
7	Property, Plant & Equipment	16
8	Employee Benefits	19
9	The Effects of Changes in Foreign Exchange Rates	21
10	Borrowing Costs	23
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**2.5 Basis of Measurement:**

The financial statements have been prepared on Historical Cost Basis except land building being revalued on 31<sup>st</sup> December 2012, 3<sup>rd</sup> December 2015 & 25<sup>th</sup> March 2020 and the cash flow statement being prepared on cash basis.

**2.6 Reporting Period:**

The financial statements cover one financial year (12 months) from July 01, 2019 to June 30, 2020.

**2.7 Authorization for issue:**

The financial statements have been authorized for issue by the Board of Directors on 27<sup>th</sup> October 2020.

**2.8 Functional and Presentation Currency:**

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All information presented has been rounded off to the nearest Taka except where indicated otherwise.

**2.9 Use of Estimates and Judgments:**

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates is recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payable.

**3.0 Significant Accounting Policies:**

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

**3.1 Revenue Recognition:**

In compliance with the requirements of IFRS 15, the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Company to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically very low. As a result, the Company does not make a sales return allowance at the end of the year.



The Company does however monitor the activity of sales returns during the year and the behavior of customers to determine if a sales return allowance is required. As of June 30 2020, no sales return allowance was deemed to be required

Revenue from sales is exclusive of VAT.  
Wastage sales are showing in other income (notes-27).

### 3.2 Property, Plant and Equipment:

#### 3.2.1 Recognition and Measurement:

This has been stated at cost or revalued amount less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

#### 3.2.2 Maintenance Activities:

The company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

#### 3.2.3 Depreciation:

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

Sl. No.	Name of Assets	% Of Depreciation
01.	Land and Land Development	0%
02.	Factory Building	5%
03.	Machineries	7%
04.	Furniture and Fixtures	10%
05.	Factory and Office Equipment	20%
06.	Office Decoration	10%
07.	Power Station	15%
08.	Air Cooler	20%
09.	Telephone Line Installation	15%
10.	Deep Tube-well & Pump	15%
11.	Crockeries and Cutleries	20%
12.	Vehicles	20%

The company's policy is to transfer excess depreciation of revalued assets are transferred from revaluation surplus to retained earnings.

#### 3.2.4 The Changes in Accounting Policy:

The management had changed the rate of depreciation for the following assets from the year-2008 to till now:

Name of Assets	Present Rate	Previous Rate
Factory Building	5%	20%
Machineries	7%	20%

Rate of depreciation for other assets are consistently following.



### **3.2.5 Retirements and Disposals:**

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

### **3.2.6 Impairment**

The carrying amount of the entity's non-financial assets, other than inventories and deferred tax assets (considered as disclosed separately under respective accounting standards), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. However, no such conditions that might be suggestive of a heightened risk of impairment of assets existed at the reporting date.

An impairment loss is recognized through the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is calculated as the present value of estimated future cash flows, that will be generated using that asset, discounted at an appropriate rate.

Impairment indicators comprise:

- reduced earnings compared to expected future outcome;
- material negative development trends in the sector or the economy in which the Company operates;
- damage to the asset or changed use of asset;

### **3.3 Leases:**

The Company applied IFRS 16 Leases for the first time on 1 July 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A Lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the Company used to charge the consideration paid in its books as rent expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1 January 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight-line operating lease expense (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1 January 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company applied IFRS 16 initially on 1 July 2019, using the modified retrospective approach. Accordingly, the comparative information presented for fiscal 2019 has not been restated. The 2019 numbers are presented, as previously reported, under IAS 17 and related interpretations. This includes recognizing a lease liability at 1 July 2019, measured at the present value of the remaining lease payments and discounted at the incremental borrowing rate. A right-of-use asset has been recognized at 1 July 2019 measured at an amount equal to the lease liability and adjusted by any prepaid or accrued lease payments relating to that



lease contained in the statement of financial position immediately before 1 July 2019. There was no material impact on the retained earnings due to the transition.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes **right-of-use assets** at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes **lease liabilities** measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

#### **3.4 Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **3.4.1 Financial Assets:**

The Company recognizes a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company derecognizes a financial asset when and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

###### **3.4.1(a) Accounts Receivable:**

Accounts Receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, considering aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account.

###### **3.4.1(b) Cash and Cash Equivalents:**

Cash and cash equivalents include cash in hand, in transit and with banks on current, std. FC and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

###### **3.4.2 Financial Liability:**

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.



**3.5 Impairment:**

Financial assets not carried at fair value through profit or loss and receivables are assessed at each reporting date to determine whether there is objective evidence that any particular asset is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

**3.6 Inventories:**

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.

**3.7 Provisions:**

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

**3.8 Income Tax Expenses:**

Income tax expenses comprises of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Tax.

**Current tax:**

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 25.00% for profit on local sales & 12.50% for profit on export sales.

**Deferred tax:**

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets / liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income / expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**3.9 Interest Income:**

Interest income is recognized on accrual basis.

**3.10 Borrowing Cost:**

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under IAS 23: Borrowing Costs.



### **3.11 Employee Benefits:**

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

#### **(a) Short-term employee benefits:**

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transportation, accommodation, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

#### **(b) Contribution to Workers' Profit Participation and Welfare Funds:**

This represents 5% of net profit before tax contributed by the company as per Provisions of the Bangladesh Labor (amendment) Act 2014 and is payable to workers as defined in the said law.

#### **(c) Insurance Scheme:**

Employees of the company are covered under insurance schemes.

#### **(d) Defined Contribution Plan (Provident Fund):**

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

### **3.12 Proposed Dividend:**

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

### **3.13 Earnings per Share (EPS):**

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

#### **Basic EPS:**

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

#### **Diluted EPS:**

Diluted EPS is only being calculated where the company has commitment to issue ordinary share at future date at reporting date. No such commitment is held by the company at reporting date.

### **3.14 Foreign Currency Transaction:**

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchange ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Currency Rates.



**3.15 Statement of Cash Flows:**

The Statement of Cash Flow has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. In addition, the management disclosed indirect method under IAS-7 statement of cash flows from audit activities as per circular no. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/ 2006-158/208/Admin/81, dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method.

**3.16 Events after Reporting Period:**

Even after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

**3.17 Comparative Information:**

Comparative information has been disclosed in respect of the year 2019-2020 & 2018-2019 for all numerical information in the financial statements and the narrative and descriptive information where it is relevant for understanding of the current period financial statements.

Figures for the year 2018-2019 have been re-arranged wherever considered necessary to ensure better comparability with the current period.



**4.00 Property, Plant & Equipment:**

The details of property, plant & equipment are shown in Annexure-1

The above balances are made up as follows :

Opening Balance (At Cost)	1,640,246,162	1,620,095,638
Addition during the year	428,818,651	38,058,714
Sales / Transfer	(2,514,964)	(17,908,190)
<b>Total Cost</b>	<b>2,066,549,849</b>	<b>1,640,246,162</b>
Less: Accumulated Depreciation (Notes-4-b)	628,155,393	564,952,935
<b>Carrying Value</b>	<b>1,438,394,456</b>	<b>1,075,293,227</b>

**4.b Accumulated Depreciation**

Opening Balance	564,952,935	516,111,746
Add: Depreciation during the year (Notes-4-c)	64,550,296	55,020,908
Less: Adjustment (Sales / Transfer)	(1,347,838)	(6,179,719)
<b>Closing Balance of Accumulated Depreciation</b>	<b>628,155,393</b>	<b>564,952,935</b>

**4.c Allocation of depreciation charge for the period has been made in the accounts as follows:**

Factory Overhead	60,563,945	49,835,865
Administrative Expenses	3,986,351	5,185,043
	<b>64,550,296</b>	<b>55,020,908</b>

**4.d Revaluation Reserve:**

The Company has revalued of their land and factory building by Axis Resources Ltd. and certified by Hoda Vasi Chowdhury & Co., Chartered Accountants as of 30th September, 2012, following " Current cost method". Such revaluation resulted into a revaluation surplus aggregating Tk. 35,04,06,455/. Again the company has revalued of their Land & Factory Building on the basis of 30th September, 2015 by M/S. Malek Siddiqui Wali, Chartered Accountants and revaluation surplus aggregating Tk. 9,98,01,289/- Again the company has revalued of their Land & Factory Building on the basis of the June 30, 2021 by M/S. Malek Siddiqui Wali, Chartered Accountants and revaluation surplus aggregating Tk. 101,875,578/= Current balance is arrived at as follows:

Opening Balance (WDV)	321,098,425	390,637,275
Add: Addition during the period	101,875,578	-
Less: Deferred Tax related to assets revaluation	(18,417,819)	(61,370,159)
Less: Depreciation on revalued assets	(10,321,470)	(8,168,691)
<b>Closing Balance (WDV)</b>	<b>394,234,714</b>	<b>321,098,425</b>

**4.e Factory Building & Staff Quarter Building Work in Progress :**

The above balances are made up as follows :

Opening Balance (At Cost)	104,925,380	97,962,811
Addition during the month	37,896,413	6,962,569
Less: Transfer to Assets Schedule for charging depreciation	(117,671,581)	-
<b>Net Closing Balance</b>	<b>25,150,212</b>	<b>104,925,380</b>

**5.00 Right of use Asset :**

Opening Balance	17,137,632	-
Addition during the Year	-	-
Less: Amortization during the year	(4,639,619)	-
<b>Closing Balance (WDV)</b>	<b>12,498,014</b>	-

**6.00 Inventories :****A) Raw, Chemical and Packing Materials**

Raw and Chemical materials	155,896,649	126,291,430
Packing Materials	23,714,986	49,119,501

**B) Work-in-Process**

23,557,255	72,782,087
------------	------------

**C) Finished Goods**

250,839,183	231,168,331
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**D) Generator Fuel, Stationery, Spare Parts & Others**

11,102,516	10,551,413
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**Total of Inventory**

465,110,589	489,912,762
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As net realisable value of stock of Raw Materials, WIP & Finished Goods are higher than the acquisition cost or manufacturing cost, as such all these items of stocks were valued at cost.



June-2020

June-2019

**7.00 Advance, Deposits and Prepayments :**

The above balances are made up as follows :

Security deposit to CPB Samity-2  
 Advance to Employee  
 Security Deposit for Office Rent & Depot Rent  
 Security deposit to CDBL  
 Advance to ISN  
 Advance to Ranktel  
 Security Deposit to Sonali Bank  
 Janata Bank, Corporate Branch, SD A/c-70104001 (LC / PAD)  
 Pubali Bank, BB Avenue Branch SD A/c- (LC / PAD)  
 LC Margin & Others  
 Advance to Supplier  
 Advance for Goods  
 Bank Guarantee & Earnest Money Security  
 VAT Current Account  
**Total**

3,006,227	3,006,227
(599,884)	288,242
3,889,830	3,393,330
200,000	200,000
-	3,000
-	4,000
-	173,400
245	245
-	-
43,877,090	17,666,916
9,029,491	46,356,990
-	173,968,405
159,355,292	39,947,630
-	3,216,857
<b>218,758,291</b>	<b>288,225,242</b>

**Maturity analysis for above amount as under:**

Adjustment within 1 year  
 Adjustment within after 1 year  
**Total**

211,662,234	281,445,040
7,096,057	6,780,202
<b>218,758,291</b>	<b>288,225,242</b>

**8.00 Short Term Loan (Advance)**

The above balances are made up as follows :

a) JMI Vaccine Ltd.  
**Total**

118,902,279	141,199,042
<b>118,902,279</b>	<b>141,199,042</b>

This Advance was issued to an associate company, JMI Vaccine Limited several years prior to the current period. The sanction of this loan was done with approval of the Board of Directors of the Company and subsequently ratify the decision of the board regarding the loan at 20th Annual General Meeting held on November 23, 2019.

**9.00 Advance Income Tax:**

The above balances are made up as follows :

Opening Balance

219,010,106      251,164,770

**Addition during the period**

AIT deducted against Sales  
 AIT deposit against Vehicle  
 AIT deposit against Bank Interest  
 AIT deducted against Import of Raw Materials

68,597,741	78,743,343
258,000	213,000
140,920	18,498
18,199,923	17,242,148
<b>87,196,584</b>	<b>96,216,989</b>

**Balance after addition**

306,206,690      347,381,759

**Less: Adjustment**

NBR IT Assessment Adjustment (01-01-2014 to 30-06-2016)

128,371,653

NBR IT Assessment Adjustment (01-07-2016 to 30-06-2017)

47,928,349

**Closing Balance**

**258,278,341**      **219,010,106**

The Advance Income Tax balance consists of the following years:

AIT paid for Assessment year (01-07-2019)	62,833,897
AIT paid for Assessment year (01-07-2020)	96,216,989
AIT paid for Assessment year (01-07-2021)	87,196,584
IT Refund as per NBR Assessment (01-07-2018)	12,030,871
<b>Total AIT Balance</b>	<b>258,278,341</b>



June-2020

June-2019

**10.00 Accounts Receivable :**

The above balances are made up as follows :

Opening Balance	381,440,117	335,483,923
Add: Sales with VAT during the month	2,256,795,794	1,968,843,771
Balance after addition	2,638,235,911	2,304,327,694
Less Realisation / adjustment during the period	1,879,879,659	1,923,511,830
<b>Closing Balance</b>	<b>758,356,252</b>	<b>380,815,864</b>
<b>Add: Unrealized Gain for balance of export sales</b>	<b>517,764</b>	<b>624,253</b>
<b>Net Closing Balance</b>	<b>758,874,016</b>	<b>381,440,117</b>

U\$ 7,13,391 including in receivable amount at the end of the period.

**Receivable Aging:**

Receivable amount within 30 Days	293,704,683	204,782,370
Receivable amount within 60 Days	39,842,329	131,448,164
Receivable amount within 90 Days	58,381,237	20,257,057
Receivable amount over 90 Days	366,945,767	24,952,526
<b>Total Receivable Amount</b>	<b>758,874,016</b>	<b>381,440,117</b>

**Disclosure for related party transaction as Sundry Debtors:**

Name	Total Transaction	June 30, 2020	June 30, 2019
JMI Marketing Limited	443,501,845	(1,178,460)	14,716,002
Nipro JMI Pharma Limited	5,519,933	2,326,129	3,006,759
<b>Total</b>	<b>449,021,778</b>	<b>1,147,669</b>	<b>17,722,761</b>

**11.00 Cash & Cash Equivalents:**

The above balances are made up as follows :

**Cash at Bank**

Janata Bank, Corporate Branch, CD A/c-1010216	3,000,869	2,420,657
Jamuna Bank, F.Ex. Branch-CD A/c-210005144	104,283	104,283
Janata Bank, Corporate Branch, STD A/c- 004001122	4,365	137,316,634
Janata Bank, Corporate Branch, STD A/c- 004001592	23,647	24,981
Janata Bank, Corporate Branch, FC A/c-402000452	1,030,752	1,030,752
Janata Bank, Chaudhogram Branch, CD A/c- 001006817	1,135,038	3,298,743
Janata Bank, Corporate Branch, STD A/c- 004001119	4,733	5,710
AB Bank, IPO A/c-221252430	31,218	31,218
Janata Bank, Corporate Branch, FC A/c-413000087	-	167,500,000
Pubali Bank Ltd. STD A/c-2001221	352,490	1,885,404
Pubali Bank Ltd. STD A/c-3850102000116	1,609,956	2,001,224
Standard Bank Ltd. Motijheel Branch, CD A/c-00233012214	81,345	17,754
Dutch Bangla Bank CD A/c-10411024464	69,273	69,963
Dutch Bangla Bank STD A/c-1011205276	346,044	976,300
Islami Bank Chaudhogram Branch-A/c-1320	258	258
	<b>7,794,270</b>	<b>316,683,881</b>

**Cash in Hand**

Head Office	11,641,597	8,473,029
Factory Office	9,104,664	13,611,291
<b>Closing Balance</b>	<b>20,746,261</b>	<b>22,084,320</b>
	<b>28,540,531</b>	<b>338,768,201</b>



## 12.00 (a). SHARE CAPITAL :

This represents :

Authorized :

10,00,00,000 Ordinary Shares of Tk.10/- each

1,000,000,000      1,000,000,000

Issued, Subscribed &amp; Paid up Capital :

2,21,00,000 Ordinary Shares of Tk.10/- each at par fully paid up in cash

221,000,000      110,000,000

Composition of Shareholding:

22,100,000      11,000,000

Sponsors

Bangladeshi

5,424,000

Foreigners

1,300,000

Public Shares

17,602,500      6,724,000

General Public

3,125,100

Institution

1,150,900

4,497,500      4,276,000

Share Premium

1,708,395,698      -

Share Money Deposit

-      1,819,395,698



The Company received Share Money Deposit from NIPRO Corporation, Osaka, Japan in the year ended June 30, 2019 worth BDT 164.10 per share for 11,100,000 shares which included share premium of BDT 154.10 per share. The funds were received as per Consent letter accorded by Bangladesh Securities & Exchange Commission. Total proceeds received after netting of relevant charges and expenses was BDT 1,819,395,698. The Company issued 11,100,000 at BDT 10.00 per share against this Deposit during the year ended June 30, 2020 and the remaining balance is presented as Share Premium on the Statement of Financial Position.

**(b) Distribution Schedule:**

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Stock Exchanges:

Range of Holdings in number of shares	Number of shareholders		% Of shareholders		No. of Shares		% of Share Capital	
	2020	2019	2020	2019	2020	2019	2019	2019
1 to 500	3,861	2,812	76.76	71.06	516,191	379,978	2.34	3.45
501 to 5,000	1,035	994	20.58	25.12	1,504,871	1,588,743	6.81	14.44
5,001 to 10,000	67	73	1.33	1.84	463,154	512,145	2.10	4.66
10,001 to 20,000	33	43	0.66	1.09	449,460	581,934	2.03	5.29
20,001 to 30,000	10	12	0.20	0.30	231,566	294,595	1.05	2.68
30,001 to 40,000	5	3	0.10	0.08	179,416	103,300	0.81	0.94
40,001 to 50,000	2	4	0.04	0.10	91,900	167,658	0.42	1.52
50,001 to 1,00,000	5	4	0.10	0.10	327,689	301,797	1.48	2.74
1,00,001 to 10,00,000	8	8	0.16	0.20	2,422,213	2,256,310	10.96	20.51
Over 10,00,000	4	4	0.08	0.10	15,913,540	4,813,540	72.01	43.76
<b>Total</b>	<b>5,030</b>	<b>3,957</b>	<b>100.00</b>	<b>100.00</b>	<b>22,100,000</b>	<b>11,000,000</b>	<b>100.00</b>	<b>100.00</b>

**(C) Market Price of Ordinary Shares:**

The shares are listed with Dhaka and Chittgong Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 289.50 in Dhaka Stock Exchange Ltd. and Tk. 286.90 in Chittagong Stock Exchange Ltd.



**13.00 Tax Holiday Reserve :**

This has been provided for as per provision of the Income Tax Ordinance 1984 which is arrived as follows:

Opening Balance	12,119,070	12,119,070
Addition during the period		
<b>Closing Balance</b>	<b>12,119,070</b>	<b>12,119,070</b>

As per circular of NBR the tax holiday reserve has been made @40% on net profit earned by the Company up to 31-12-2006.

**14.00 Long Term Loan-Payable ( Non Current Maturity)**

This represents current portion of long term secured loan from financial institutions which are repayable within after 12 months from June 30, 2020 and consists of the following:

Pubali Bank Ltd, BB Avenue Corporate Branch, Dhaka	10,159,638	12,233,093
	<b>10,159,638</b>	<b>12,233,093</b>

**15.00 Long Term Loan-Payable (Current Maturity )**

This represents current portion of long term secured loan from financial institutions which are repayable within next 12 months from March-2020

Janata Bank Ltd, Janata Bhaban Corporate Branch, Dhaka	-	33,233,473
Pubali Bank Ltd, BB Avenue Corporate Branch, Dhaka	4,757,278	3,926,314
	<b>4,757,278</b>	<b>37,159,787</b>

- a) Lender: Pubali Bank Ltd, BB Avenue Branch, Dhaka
- b) Security: Mortgage/ Lien of Sponsor Director's Share & personal guarantee of all directors of the Company.
- c) Interest Rate: 10.50% p.a. compounded quarterly

**16.00 Lease Liability (Current & Non Current Maturity)**

Opening Balance	17,137,632	-
Accretion/Interest Expense during the year	450,499	-
Closing Balance after Addition	17,588,132	-
Less: Payment during the year	5,090,118	-
<b>Closing Liability</b>	<b>12,498,014</b>	<b>-</b>

**17.00 Deferred Tax Liability**

Opening Balance	89,382,173	64,385,369
Adjustment (Error correction to opening balance)	-	61,370,159
Increase in DT due to revaluation	18,417,819	-
Deferred Tax (Gain) / Loss at accounting base during year	107,799,992	125,755,528
<b>Closing balance</b>	<b>(2,476,355)</b>	<b>(36,373,355)</b>
<b>Calculation:</b>	<b>105,323,637</b>	<b>89,382,173</b>
a) WDV of Fixed Assets (without land) as per Accounting Base	1,074,939,456	745,414,776
WDV of Fixed Assets (without land) as per Tax Base	687,183,805	416,159,216
<b>Taxable temporary difference</b>	<b>387,755,651</b>	<b>329,255,560</b>
Deferred Tax Liability (i.e Tax Rate 25%)	<b>96,938,913</b>	<b>82,313,890</b>

b) WDV of Fixed Assets (land) as per Accounting Base	363,455,000	329,878,450
WDV of Fixed Assets (land) as per Tax Base	157,072,931	157,072,931
<b>Taxable temporary difference</b>	<b>206,382,069</b>	<b>172,805,519</b>
Deferred Tax Liability (i.e Tax Rate 4%)	<b>8,255,283</b>	<b>6,912,221</b>
c) Unrealized Gain at accounting base	517,764	624,253
Unrealized Gain at tax base	-	-
<b>Temporary difference</b>	<b>517,764</b>	<b>624,253</b>
Tax charges@25%	129,441	156,063
<b>Total Deferred Tax Liability (a+b+c)</b>	<b>105,323,637</b>	<b>89,382,174</b>
Less: Opening Balance of Deferred Tax Liability	<b>89,382,174</b>	<b>125,755,529</b>
Deferred Tax (Gain)/ Expenses for the period	<b>15,941,463</b>	<b>(36,373,355)</b>



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<b>18.00 Short Term Loan :</b>		
A. PAD-Pubali Bank	122,689,067	37,127,026
B. PAD Standard Bank	-	32,384,545
C. NIPRO Corporation, Osaka, Japan	2,504,013	3,150,000
<b>Grand Total (A+B+C)</b>	<b>125,193,080</b>	<b>72,661,571</b>

The above loan was taken from various Banks against mortgage of sponsor share of director of the Company & personal guarantee of all director's of the Company. This facility availed for yearly basis and rate of interest was Tk. 13% P.A. except loan from NIPRO Corporation.

<b>19.00 Dividend Payable:</b>		
Opening Balance	3,205,687	2,832,252
Addition for the year-2018-2019 (30% Cash)	66,300,000	33,000,000
Balance after addition	69,505,687	35,832,252
Less: Tax at Source Payable	11,187,267	4,779,711
Less: Payments during the month/year	55,347,109	27,846,854
<b>Closing Balance</b>	<b>2,971,311</b>	<b>3,205,687</b>

<b>20.00 Accrued Expenses Payable</b>		
Interest & Charges Payable for Long Term Loan	-	-
Interest & Charges Payable for Short Term Loan A/c	-	-
Audit Fees	391,000	200,000
<b>Closing Balance</b>	<b>391,000</b>	<b>200,000</b>

<b>21.00 Creditors and Other Payables :</b>		
Goods & Service	199,115,697	164,006,585
Salary & Bonus Payable	4,124,178	2,466,843
Wages & Bonus Payable	9,817,035	7,895,660
Remuneration & Bonus Payable	1,250,000	1,278,000
Electricity Bill Payable-Factory	-	2,390,186
Electricity Bill Payable-H/O	66,187	57,743
Telephone & Mobile Bill Payable	87,545	71,601
Gas Bill Payable-H/O	-	546
WASA Bill Payable-H/O	24,909	18,652
TA/DA Bill Payable-Mkt	42,640	56,710
Provident Fund	15,008,715	12,356,162
Other Expenses including VAT	7,519,705	1,491,692
Tax at Source Payable	11,852,852	8,363,686
VAT at Source Payable	48,036	174,321
Workers Profit Participation Fund	10,796,420	7,478,689
Provision for Current Income Tax (Note 21.01)	114,690,732	40,253,081
<b>Closing Balance</b>	<b>374,444,652</b>	<b>248,360,156</b>

<b>21.01 Provision for Income Tax</b>		
Opening Balance	40,253,081	16,131,405
Provision for Current Tax for the Year	122,366,001	119,393,015
Less: IT NBR Adjustment	(47,928,349)	(95,271,339)
<b>Closing Balance</b>	<b>114,690,732</b>	<b>40,253,081</b>

<b>22.00 Revenue from Sales:</b>		
General Sales (JMI Product)	2,148,906,135	1,459,342,607
Export Sales (JMI Product)	11,281,315	97,591,125
Vat Exempted Sales (JMI Product)	1,374,450	344,744,956
Tender Sales (Other Product)	105,219,666	68,536,674
<b>Total Sales Revenue:</b>	<b>2,266,781,566</b>	<b>1,970,215,362</b>
Less: VAT	280,292,105	190,349,036
Less: Sales Return from Customer	9,985,772	1,371,591
<b>Net Sales Revenue</b>	<b>1,976,503,689</b>	<b>1,778,494,735</b>



**Declaration of Sales:**

Sales: Section 82/C of Income Tax Ordinance, 1984  
 Sales Other than Section 82/C

1,959,985,389	1,762,653,925
16,518,300	15,840,810
<b>1,976,503,689</b>	<b>1,778,494,735</b>

Total Export Sales U\$ 135,919 for the year 30th June-2020 & U\$ 1,175,797 for the year 30th June-2019.

**23.00 Cost of Goods Sold:**

Work-in-Process (Opening)	72,782,087	83,583,527
Raw Materials Consumed (Note-24)	950,375,238	849,673,234
Packing Materials Consumed (Note-25)	320,091,608	186,259,692
Factory Overhead (Note-26)	290,805,594	221,142,628
<b>Total Manufacturing Cost</b>	<b>1,634,054,527</b>	<b>1,340,659,081</b>
Work-in-Process (Closing)	(23,557,255)	(72,782,087)
<b>Cost of Goods Manufactured</b>	<b>1,610,497,272</b>	<b>1,267,876,994</b>
Finished Goods (Opening)	231,168,331	231,123,842
<b>Finished Goods available</b>	<b>1,841,665,603</b>	<b>1,499,000,836</b>
Cost of Physician Sample transferred to Sample Stock	(1,962,249)	(1,613,439)
Finished Goods (Closing)	(250,839,183)	(231,168,331)
	<b>1,588,864,171</b>	<b>1,266,219,066</b>

**24.00 Raw Materials Consumed**

Opening Stock	126,291,430	121,559,787
Purchase for the period	979,980,457	854,404,877
Closing Stock	(155,896,649)	(126,291,430)
	<b>950,375,238</b>	<b>849,673,234</b>

**25.00 Packing Materials Consumed**

Opening Stock	49,119,501	42,904,681
Purchase for the month	294,687,093	192,474,512
Closing Stock	(23,714,986)	(49,119,501)
	<b>320,091,608</b>	<b>186,259,692</b>

**26.00 Factory Overhead :**

Travelling & Conveyance	425,127	239,863
Fuel, Petrol, Light Diesel Etc.	7,002,794	5,031,210
Depreciation	60,563,945	49,835,865
Factory Staff Uniform	1,670,842	345,118
Electricity Bill	37,171,748	28,698,236
Factory Expenses	9,225,054	6,972,068
Factory Employee Free Lunch	13,291,169	8,290,693
Freight Charge/ Carriage Inward	567,651	519,820
Worker Residential Expenses	388,400	356,400
Insurance Premium	1,474,000	1,365,585
IT & Computer Accessories	418,080	115,756
 Laboratory Consumable Stores	 4,356,891	 768,622
Stationery Expenses	658,717	494,071
Printing Expenses	788,376	412,557
Papers & Periodicals	3,290	3,030
Spare Parts and Accessories Consumption	5,972,157	2,260,762
Municipal Tax	2,000	13,974
Medical expenses	379,829	192,063
Repairs & Maintenance	889,505	1,868,927
Telephone & Mobile Bill	285,319	248,051
Remuneration-Director with Bonus	3,762,000	2,446,000
Provident Fund (Companies Contribution)	3,004,318	2,762,420
Research and Development	1,092,800	1,026,150
Overtime Expenses	25,764,287	13,178,373
Daily Labour Charge	2,667,882	1,931,585
Salary & Allowances with Bonus	108,979,413	91,765,429
	<b>290,805,594</b>	<b>221,142,628</b>



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- a) Salary and allowances including bonus.
- b) The value of stores, spares and other materials cost which are shown in actual consumed cost.
- c) Factory expenses & maintenance cost which is included repairs & maintenance of office, premises, building and other

**27.00 Administrative Expenses:**

Advertisement	408,000	188,960
Audit Fees	391,000	200,000
Vehicles Fuel Expenses	5,351,119	4,101,680
Conveyance	662,995	712,321
Depreciation	3,986,351	5,185,043
Electric Bill-H/O	467,589	513,627
Entertainment	2,793,647	1,536,187
Fodding Expenses-H/O	1,715,827	1,712,747
Gas Bill	16,894	9,048
Internet Bill	449,782	185,326
Group Insurance	1,449,858	986,857
Office Expenses	2,873,183	2,753,474
Amortization Charges for Lease Finance under IFRS-16	4,639,619	3,231,624
Overtime	104,946	160,232
Postage and Courier Charge	368,753	322,762
Printing Expenses	989,380	684,548
Research and Development	1,924,879	630,000
Provident Funds (Companies Contribution)	862,785	731,178
Legal & Professional Fees	327,070	673,714
Registration Renewal Fees	246,982	819,870
Remuneration-Director (with bonus)	8,316,000	8,719,000
Repair & Maintenance H/O	648,598	517,532
AGM, Secretarial & Regulatory Expenses	1,832,878	2,002,691
Salary and allowances (with bonus)	37,802,393	29,473,756
Stationery Expenses	842,923	813,871
Subscription & Annual Membership Exp	360,000	421,956
Telephone and Mobile Bill	680,019	787,934
Travelling Expenses-Overseas & Inland	4,125,813	4,801,891
Water Bill	76,283	67,998
	<b>84,715,565</b>	<b>72,945,827</b>

**27.01 Key Management Personnel Compensation**

Compensation to Key Management personnel	<b>29,417,175</b>	<b>23,628,767</b>
In accordance with IAS 24 Paragraph 17, the Company has disclosed Compensation to Key Management Personnel. Key Management Personnel includes Directors and Executive employees up to DGM of the Company. Compensation to key personnel includes compensation, bonus and provident fund benefit.		

**28.00 Marketing, Selling and Distribution Expenses :**

Goods Delivery Expenses (Own Vehicle)	11,602,991	8,305,940
Product Certification, Enlisted & Inclusion Expenses	10,655,686	7,783,844
Fodding & Office Expenses	1,902,047	1,373,778
Exhibition Expenses	1,420,454	1,099,600
Export Expenses	453,653	480,718
Electricity Bill for Unique Height Level-7	104,311	-
Gas & Water Bill	112,460	14,400
Loading / Unloading & Labour Charge	1,574,830	511,866
Amortization Charges for Lease Finance under IFRS-16	-	748,201
Salary and allowance (with bonus)	11,087,577	9,648,516
Sales Commission	9,330,059	58,795,928
Sample & Promotional Expenses	11,361,988	10,295,127
Provident Fund (Companies Contribution)	240,051	201,594
T.A & D.A to Marketing Officials	2,527,101	3,784,030
Telephone, Mobile & Internet Expenses	90,315	99,665



	June-2020	June-2019
Tours and Travel	943,732	1,299,136
Training Expenses	171,300	223,658
Bad Debt Expenses (Written off)	21,603,694	-
	<u><b>85,182,249</b></u>	<u><b>104,666,001</b></u>
<b>29.00 Other Income</b>		
Wastage Sales	500,000	679,238
Interest Income - Interest from Loan for JMI Vaccine	11,432,913	-
Bank Interest	979,549	154,453
Rental	616,130	361,013
Profit on Sale of Vehicle & Equipment	-	263,112
Foreign Exchange Unrealized Gain / Loss-Notes-29.1.	517,764	100,772
Foreign Exchange Realized Gain / Loss-Notes-29.2.	204,641	466,909
Others	496,364	466,909
	<u><b>14,747,361</b></u>	<u><b>2,025,497</b></u>
<b>29.1. Foreign Exchange Unrealized Gain/Loss - Details</b>		
Details are as under :		
Unrealized Gain for balance of export sales	517,764	624,253
Unrealized Loss ForEx for LC Liabilities (PAD & DEF L/C)	-	(523,481)
<b>Total Other Comprehensive Income</b>	<u><b>517,764</b></u>	<u><b>100,772</b></u>
<b>29.2. Foreign Exchange Realized Gain/Loss - Details</b>		
Details are as under :		
Realized Gain for Exchange of Import Items.(PAD&DEF L/C)	204,641	-
Realized Loss for Exchange of Import Items.(PAD&DEF L/C)	-	-
<b>Total Other Comprehensive Income</b>	<u><b>204,641</b></u>	<u><b>-</b></u>
<b>30.00 Financial Expenses:</b>		
Interest & Charges for Short Term Loan	2,444,476	62,007,043
Interest & Charges for Long Term Loan	2,055,880	115,703,728
Interest & Charges for Lease Finance under IFRS-16	450,499	853,275
Bank Charges and Commission	813,393	1,072,826
Realized Loss for Forex Transaction for import of materials	-	-
<b>Total Financial Expenses</b>	<u><b>5,764,249</b></u>	<u><b>179,636,872</b></u>
<b>31.00 Contribution to WPPF:</b>		
This represents statutory contribution by the company as per Bangladesh Labour (amendment) Act, 2013. The amount is computed @ 5% of net profit before tax (but after charging such contribution). Last year's provision was paid during the period in accordance with the requirement of said act.		
<b>32.00 Income Tax Charged for the year:</b>		
Details are as under :		
<b>Current Tax:</b>		
On Net Profit	69,276,075	23,705,419
On Other Income	5,161,576	376,790
On Profit on Sale of Vehicle	-	39,467
NBR IT Assessment .Adjustment (01-07-2016 to 30-06-2017)	47,928,349	95,271,339
NBR IT Assessment Adjustment (01-07-2017 to 30-06-2018)	122,366,001	-
Deferred Tax Expenses / (Gain) - Note 17	(2,476,355)	119,393,015
<b>Total Income Tax Charged for the year</b>	<u><b>119,889,645</b></u>	<u><b>(36,373,355)</b></u>
	<u><b>119,889,645</b></u>	<u><b>83,019,660</b></u>
In accordance with IAS 12 paragraph 81, the relationship between tax expense(income) and accounting profit is provide in Annexure - 2		
<b>33.00 Earning Per Share (EPS):</b>		
(a) Earnings attributable to the Ordinary Shareholders	96,038,752	66,554,117
(b) Weighted average number of Ordinary Shares outstanding during the year	22,100,000	22,100,000
<b>Earnings Per Share (EPS): [A/B]</b>	<u><b>4.35</b></u>	<u><b>3.01</b></u>



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**34.00 Net Assets Value Per Share (NAVPS):**

- (a) Total Equity attributable to the Ordinary Shareholders  
 (b) Weighted average number of Ordinary Shares outstanding during the year.
- Net Assets Value Per Share (NAVPS): [A/B]**

2,688,768,120	756,175,911
22,100,000	11,000,000
<b>121.66</b>	<b>68.74</b>

Share Money deposited by NIPRO Corporation, Osaka, Japan against 1,11,00,000 Ordinary Shares @ 164.10 per share including Share Premium @ 154.10 per share in June 2019 represents the net amount after considering relevant charges and expenses, which was shown in face of Statement of Financial Position. Subsequently, 1,11,00,000 Ordinary Shares were allotted in favour of NIPRO Corporation on 3rd July, 2019. The difference between the receipt of funds and issuance of shares is less than 10 working days in last year. However, with the last year end cut-off date falling in between, there is a artificial increases in Net Assets per Value (since the assets have increased in June 2019 while the corresponding increase in Ordinary Shares took place in early July 2019). Therefore when calculating NAVPS for prior year, we have excluded the share money deposit proceeds in order to present a consistent and reasonable representation of financial performance for the last year. If this adjustment was not made, the users of the financial statements could get misled by an artificial increase in Net Assets Value per Share in last year.

**35.00 Net Operating Cash Flow Per Share (NOCFPS):**

- (a) Operating Cash flow attributable to Ordinary Shareholders  
 (b) Weighted average number of Ordinary Shares outstanding during the year.
- Net Assets Value Per Share (NAVPS): [A/B]**

(32,731,073)	400,160,010
22,100,000	22,100,000
<b>(1.48)</b>	<b>18.11</b>

Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2019: Reconciliation of Net operating cash flow under Indirect Method:

Net Profit	96,038,752	66,554,117
Less: Unrealized FX gain	(517,764)	(100,772)
Add: Def. Tax Exp	(2,476,355)	(36,373,355)
Add: Interest paid (excludes interest related to IFRS 16 lease finance)	5,313,749	197,928,053
Add: Depreciation	64,550,296	55,020,908
Add: Decrease in Inventory Balance	24,802,173	2,260,782
Less: Increase in Accounts Receivable	(376,916,135)	(45,331,941)
Less: Increase in Advance	69,466,951	29,386,687
Less: Increase in AIT Balance	(39,268,235)	32,142,777
Add: Increase in Accrued Expenses	191,000	(18,241,181)
Add: Increase in Accounts Payables including OCI impact	126,084,495	116,913,935
Net Operating Cash Flow	<b>(32,731,073)</b>	<b>400,160,010</b>
Weighted Average Shares Outstanding	<b>22,100,000</b>	<b>22,100,000</b>
Net Operating Cash flow per share	<b>(1.48)</b>	<b>18.11</b>

**36.00 Related Party Transaction-Disclosures under IAS 24 " Related Party Disclosure"**

The Company carried out a number of transactions with related parties / associates undertakings in the normal course of business and on arms length basis. The nature of transaction and their total value are in below:

Name	Total Transaction for the year	Balance as on 30-06-2020	Balance as on 30-06-2019
<b>A. Advance &amp; Short Term Loan paid</b>			
JMI Vaccine Ltd.	22,296,763	118,902,279	141,199,042
<b>Total for Advance &amp; Short Term Loan paid</b>	<b>22,296,763</b>	<b>118,902,279</b>	<b>141,199,042</b>
<b>B. Supplier / Creditors (Payable)</b>			
JMI Hospital Requisit Mfg. Ltd.	(612,505,967)	(144,594,355)	(121,155,718)
JMI CNG Dispensing Ltd.	(3,517,020)	(293,085)	(659,697)
JMI Industrial Gas Ltd.	(34,084,478)	(6,074,872)	(2,195,679)
JMI Printing & Packaging Ltd.	(122,175,248)	(16,518,274)	(14,213,580)
JMI Pharmacy	(49,385)	(16,890)	-
JMI Marketing Ltd.	(11,667,661)	(11,667,661)	-
Advance Travel Planners Ltd.	(2,204,176)	-	-
JMI Engineering Ltd.	(487,403)	(18,595)	(877,138)
<b>Total for Supplier / Creditors</b>	<b>(786,691,338)</b>	<b>(179,183,732)</b>	<b>(139,101,812)</b>



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C. Sundry Debtors (Product Sales) (Receivable)			
JMI Marketing Ltd.	443,501,845	(1,178,460)	14,716,002
Nipro JMI Pharma Ltd.	5,519,933	2,326,129	3,006,759
<b>Total for Sundry Debtors (Product Sales)</b>	<b>449,021,778</b>	<b>1,147,669</b>	<b>17,722,761</b>
<b>Grand Total</b>	<b>(315,372,797)</b>	<b>(59,133,784)</b>	<b>19,819,991</b>

**37.00 Capital Expenditure Commitment**

There was no contingent liabilities as on 30-06-2020 except L/C liabilities.

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2020.

**38.00 Payment in Foreign Currency:**

During the year ended at 30 June 2020 the Company has made payment in foreign currency in respect of the following:

	June 30, 2020	June 30, 2019
Import of Raw Materials & Finished Goods	4,774,687	6,003,122
Import of Machineries, Spare Parts & Other Assets	2,147,876	347,291
U\$	<u>6,922,563</u>	<u>6,350,413</u>

No other expense included consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. was incurred or paid in foreign currencies except as stated above.

**39.00 Foreign Exchange Earned / Received:**

The Company earned the following foreign currency during the year:

	June 30, 2020	June 30, 2019
<b>Total Export Earning</b>	<u>135,919</u>	<u>1,175,797</u>

No other income in foreign currencies except as stated above.

**40.00 Commission, Brokerage or Discount against sales**

Other than JMI Marketing Ltd. no commission was incurred or paid to distributors, agents nor any brokerage or discount was incurred or paid against sales.

**41.00 Credit Facility Not Availed**

There was no credit facility available by the company under any contract, but not availed as on 30-06-2020 other than trade credit available in the ordinary course of business.

**42.00 Segment Reporting**

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.



#### 43. Attendance Status of Board Meeting of Directors

During the period from 01-07-2019 to 30-06-2020 there were 18 Board Meetings and 1 EGM & 1 AGM were held. The attendance status of all the meetings is as follows:

Name of Director	Positions Held	Meetings Held (#)		Attended (#)	
		2918-19	2919-20	2018-19	2019-20
Md. Jaber Iqbal Pathan	Chairman	21	20	20	19
Md. Abdur Razzaq	Managing Director	21	20	21	20
Md. Jafar Chowdhury	Director (Retired)	21	6	21	5
Md. Hemayet Hossain	Independent Director (Retired)	21	10	6	9
Md. Abdul Haque	Independent Director	21	20	5	12
Mr. Hoi Kwan Kim	Director	0	20	0	3
Mr. ATM Serajus Salekin Chowdhury	Independent Director	0	11	0	11
Mr. Mustafizur Rahman	Independent Director	0	7	0	1
Mr. Kazuo Wakatsuki	Nominee Director of Nipro Corporation	0	17	0	2
Mr. Takehito Yogo	Nominee Director of Nipro Corporation	0	17	0	2
Mr. Noriyoshi Iwasaki	Nominee Director of Nipro Corporation	0	17	0	2
Mr. Seigo Tsuchiya	Nominee Director of Nipro Corporation	0	17	0	2
Mr. Hisao Nakamori	Nominee Director of Nipro Corporation	0	17	0	3
Mr. Kyoetsu Kobayashi	Nominee Director of Nipro Corporation	0	7	0	1
Mr. Katsuhiko Fujii	Nominee Director of Nipro Corporation	0	7	0	1

Mr. ATM Serajus Salekin Chowdhury & Mr. Mustafizur Rahman newly appointed as an Independent Director and also 7 Nominee Director was appointed on behalf of Nipro Corporation in this year. For Board Meeting, AGM & EGM, attendance fees were not paid to the Directors of the Company.

#### 44. Disclosure as per requirement of Schedule XI, Part II of the Company Act, 1984

##### A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3.

###### A(i). Employee Position as at 30th June, 2020

Salary Range (Monthly)	Office & Staff		Worker	Total Employee
	Head Office	Factory		
Below TK. 5,000	0	0	78	78
Above Tk. 5,000	120	48	686	854
Total	120	48	764	932

##### B. Disclosure as per requirement of Schedule XI, Part II, Para 4

The aggregate amounts paid to / provided for the Directors of the Company for the period ended 30th June-2020 is disclosed below:

Name of Directors	Designation	Remuneration	Festival Bonus	AIT Deducted	Net PMT
Md. Abdur Razzaq	Managing Director	51,60,000	5,16,000	8,40,000	48,36,000
Md. Abu Jafar Chowdhury	Director-Procurement	24,00,000	2,40,000	1,64,000	24,76,000
Md. Golam Mostafa	Director - Factory	34,20,000	3,42,000	37,62,000	6,36,000
Total		1,09,80,000	10,98,000	16,40,300	1,04,37,700



Period of payment to Directors is from 1st July 2019 to 30th June 2020.

The above Directors of the company did not take any benefit from the company other than the remuneration and festival bonus.

1. Expenses reimbursed to the managing agent: Nil
2. Commission or other remuneration payable separately to a managing agent or his associate: Nil
3. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil
4. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil
5. Any other perquisites or benefit in cash or in kind stating: Nil
6. Other allowances and commission including guarantee commission: Nil
7. Pensions: Nil
8. Gratuities: Nil
9. Payments from Provident Fund: Nil
10. Compensation for Loss of office: Nil
11. Consideration in connection with retirement from office: Nil

C. Disclosure as per requirement of Schedule XI, Part II, Para 7

Particulars	Licence Capacity	Installed Capacity in MT (Per Year)	Actual Production in MT from 1 <sup>st</sup> July, 2019 to 30 <sup>th</sup> June, 2020	Capacity Utilization from 1 <sup>st</sup> July, 2018 to 30 <sup>th</sup> June, 2019
Annual Production Capacity	Not mentioned in the Licence	4,000	3,100	77.50%

D. Disclosure as per requirement of Schedule XI, Part II, Para 8

i. Raw Materials, Spare Parts, Packing Materials

Items	Purchase in Taka			Consumption in Taka	Percentage
	Import	Local	Total		
Raw Materials & Chemicals	36,52,10,084	61,47,70,373	97,99,80,457	95,03,75,238	96.98%
Spare Parts	61,61,801	3,61,559	65,23,360	59,72,157	91.55%
Packing Material	4,03,99,561	25,42,87,532	29,46,87,093	32,00,91,608	108.62%
Total	41,17,71,446	86,94,19,464	128,11,90,910	127,64,39,003	99.63%

The value of imported material is calculated on CIF Basis

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July 2019 to 30th June 2020 on account of royalty, know-how, professional fee, consultancy fees and interest.
- iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.
- iv. The value of export from the period from 1st July 2019 to 30th June 2020.

E. Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover	197,65,03,689/=
3(i)(b) Commission paid to selling agents	93,30,059/=
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	86,94,19,464/=
3(i)(d)(ii) The opening and closing stocks of goods produced	OB 48,99,12,762/= & CB 46,51,10,589/=
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	N/A
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	N/A



3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	N/A
3(i)(h) In the case of other companies, the gross income derived under different heads	N/A
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	2,35,57,255/=
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	6,45,50,296/=
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	7,19,59,292/=
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up.	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	3 (i)(p) (i) 59,72,157/=, (ii) 4,41,74,212/=, (iii) 50,90,118/=, (iv) 6,48,598/=, (v) 8,89,505/=, (vi)(1) 15,69,05,383/=, (2) 41,07,154/=, (3) 1,07,40,456/=

#### 45. Subsequent Disclosure of Events after the Balance Sheet Date - Under IAS 10

The directors recommended 30% Final Cash Dividend (i.e. Tk. 3.00 per share) for the year ended on 30 June, 2020. The dividend proposal is subject to shareholders' approval in the forthcoming 21<sup>st</sup> Annual General Meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

#### 46. Details of Lease Agreement

There are no leased assets. Therefore, no lease agreement was required or signed.

**47. (I) Debt considered good in respect of which the company is fully secured:** The debtors occurred in the ordinary course of business are considered good and secured.

**(II) Debt considered good for which the company hold no security other than the debtor's personal security:** There is no such debt in this respect as on 30 June' 2020.

**(III) Debt considered doubtful or bad:** The company does not make any provision for doubtful debts as on 30 June 2020, because of the fact that sales/export are being made on regular basis with fixed maturity dates.

**(IV) Debt due by directors or other officers of the company:** There is no such debt in this respect as on 30th June, 2020.

**(V) Debt due by Common Management:** There are no amount due from sister company under common management as on 30 June, 2020.

**(VI) The maximum amount due by directors or other officers of the company:** There is no such debt in this respect as on 30 June, 2020.



**48. Approval of Financial Statements:**

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 27<sup>th</sup> October, 2020.

**49. Internal Control**

The following steps have been taken for implementation of an effective internal control procedure of the Company: Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect of internal control technique To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.

**50. Contingent Liability**

There are no contingent liabilities of the Company for the year ended June 30, 2020.

**51. Financial Risk Management**

International Financial Reporting Standards (IFRS) 7 - Financial instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital. The company has exposure to the following risks from its use of financial instruments.

**A. Credit Risk:**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, e. i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of surgical device products. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

**Exposure of Credit Risk**

	30 June, 2020	30 June, 2019
Trade Debtors (All type)	75,88,74,015	38,14,40,117
Advances, Deposits and Prepayments	29,24,58,347	28,82,25,242
Cash and Bank Balances	2,85,40,531	33,87,68,201
Total	1,07,98,72,893	1,00,84,33,560

**Aging of Receivables**

	30 June, 2020	30 June, 2019
Receivable amount within 30 Days	29,37,04,682	20,47,82,370
Receivable amount within 60 Days	3,98,42,329	13,14,48,164
Receivable amount within 90 Days	5,83,81,237	2,02,57,057
Receivable amount over 90 Days	36,69,45,767	2,49,52,526
Total	75,88,74,015	38,14,40,117



Credit Exposure by Credit Rating

	Credit Rating	30 June, 2020	30 June, 2019
Trade Debtors (All type)	NR	75,88,74,015	38,14,40,117
Advances, Deposits and Prepayments	NR	29,24,58,347	28,82,25,242
Cash in Hand	NR	2,85,40,531	2,20,84,320
Janata Bank Ltd	AAA	53,03,687	31,17,01,760
Arab Bangladesh Bank Ltd.	A1	31,218	31,218
Pubali Bank Ltd.	AA	19,62,446	38,86,628
Standard Bank Ltd.	AA	81,345	17,754
Dutch Bangla Bank Ltd.	AA+	4,15,317	10,46,263
Islami Bank Ltd.	AAA	258	258
Total		108,76,67,134	38,14,40,117

B. Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) 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. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based of time line of payment of the financial obligations and accordingly arrange for sufficient liquidity / fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying Amount	Maturity Period	Contractual Cash Flow	Within 6 Months or Less	Within 12 Months or Less
Short Term Loan	12,99,50,358	12 Months	12,99,50,358	5,56,30,114	7,43,20,244
Creditors and Accruals	45,24,64,298	12 Months	45,24,64,298	23,44,19,323	21,80,44,975
Total	58,24,14,656		58,24,14,656	29,00,49,437	29,23,65,219

C. Market Risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings financial instruments.

i. Currency risk:

The company is exposed to currency risk on certain revenues and purchases such as raw materials, packing materials, spare parts and acquisition of machineries & equipment. Majority of the company's foreign currency transactions are denominated in USD.

The company have the foreign currency assets at the year-end for which an exchange gain / (loss) are being accounted for during the year. As such the company have no significant exposure to currency risk.

The following significant exchange rates are applied at the end of the year-end:

	30 June, 2020	30 June, 2019
Exchange Rate US Dollar	83.75	83.75



ii. Foreign Exchange Rate Sensitivity Analysis for Foreign Currency Expenditures:

There being no current risk exposure, sensitivity analysis has not been presented

iii. Interest rate risk:

Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The company's exposure to the risk of changes market interest rate relates primarily to the company's short-term finance and term loan. The company's policy is to keep its short-term running finance at lowest level by effectively keeping the positive bank balances. The company made fixed interest rate borrowing from the financial institution under finance lease.

**52. General Comments and Observations**

- A. Comparative amount: Previous period's figure have been regrouped / reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- B. Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.
- C. All shares have been fully called and paid up.
- D. Auditors are paid only statutory audit fees.
- E. No foreign exchange remitted to the relevant shareholders during the period under audit.
- F. No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- G. There was no bank guarantee issued by the company on behalf of Directors.



# JMI Syringes & Medical Devices Ltd.

Schedule of Property Plant & Equipments  
As at 30th June, 2020

Annexure-1

**1. Before Revaluation :**

Particulars	Cost				Depreciation				WDV as on 30-06-2020
	Opening as on 01-07-2019	Addition for the year	Sales/Adjustme- nt / Transfer	Total as at 30-06- 2020	Rate(%)	Opening as on 01-07-2019	For the year	Sales/ Adjustment	
Land and Land Development	157,072,931	-	-	157,072,931	0%	-	-	-	157,072,931
Machineries	747,570,751	181,688,322	202,798	929,056,275	7%	339,852,615	32,967,843	-	372,820,459
Factory Buildings	156,161,695	117,876,581	163,200	273,875,076	5%	72,391,008	6,644,296	-	79,035,304
Furniture and Fixtures-Factory	9,568,401	359,006	-	9,927,407	10%	5,038,532	465,000	-	5,503,532
Furniture and Fixtures-H.O	4,924,739	800,246	-	5,724,985	10%	2,290,514	324,783	-	2,615,296
Office Equipment H.O.	10,841,033	618,164	1,128	11,458,069	20%	7,401,240	747,349	-	8,148,588
Factory Equipment	22,780,821	17,949,577	-	40,730,398	20%	12,931,649	4,232,010	-	17,163,660
Office Decoration	14,982,554	60,644	-	15,043,198	10%	7,568,920	743,578	-	8,312,498
Deep Tubewel & Pump	2,188,408	-	-	2,188,408	15%	1,330,427	128,697	-	1,459,124
Air Cooler	5,859,010	-	-	5,859,010	20%	5,121,762	147,450	-	5,269,212
Power Station	6,411,459	1,780,703	-	8,172,162	15%	5,444,600	216,620	-	5,661,221
Telephone Installation	762,626	-	-	762,626	15%	608,464	23,124	-	631,588
Crockeries and Cutleries	587,001	19,694	-	606,695	20%	341,557	51,921	-	393,478
Vehicles	50,326,985	5,259,885	2,147,838	53,439,032	20%	34,169,588	4,095,664	1,347,838	36,917,414
Software Development	-	550,251	-	550,251	0%	-	-	-	550,251
<b>Sub Total as at June 30, 2020</b>	<b>1,190,038,417</b>	<b>326,943,073</b>	<b>2,514,964</b>	<b>1,514,466,526</b>		<b>494,490,876</b>	<b>50,788,336</b>	<b>1,347,838</b>	<b>543,931,374</b>
<b>Subtotal as at June 30, 2019</b>	<b>1,169,887,893</b>	<b>38,058,714</b>	<b>17,908,190</b>	<b>1,190,038,417</b>		<b>456,541,274</b>	<b>44,129,321</b>	<b>6,179,719</b>	<b>494,490,876</b>
									<b>695,547,541</b>

**2. On Revalued Amount :**

Particulars	Cost				Depreciation				WDV as on 30-06-2020
	Opening as on 01-07-2019	Addition	Sales/Adjustme- nt / Transfer	Total as at 30-06- 2020	Rate(%)	Opening as on 01-07-2019	For the year	Sales/ Adjustment	
Land and Land Development	172,805,519	33,576,550	-	206,382,069	-	-	-	-	206,382,069
Factory Buildings	277,402,226	68,299,028	-	345,701,254	5%	70,462,059	13,761,960	-	84,224,019
<b>Sub Total as at June 30, 2020</b>	<b>450,207,745</b>	<b>101,875,578</b>	<b>-</b>	<b>552,083,323</b>		<b>70,462,059</b>	<b>13,761,960</b>	<b>-</b>	<b>84,224,019</b>
<b>Subtotal as at June 30, 2019</b>	<b>450,207,745</b>	<b>-</b>	<b>-</b>	<b>450,207,745</b>		<b>59,570,471</b>	<b>10,891,588</b>	<b>-</b>	<b>70,462,059</b>
<b>Grand Total as at June 30, 2020</b>	<b>1,640,246,162</b>	<b>428,818,651</b>	<b>2,514,964</b>	<b>2,066,549,849</b>		<b>564,952,935</b>	<b>64,550,296</b>	<b>1,347,838</b>	<b>628,155,392</b>
<b>Grand Total as at June 30, 2019</b>	<b>1,620,095,638</b>	<b>38,058,714</b>	<b>17,908,190</b>	<b>1,640,246,162</b>		<b>516,111,745</b>	<b>55,020,909</b>	<b>6,179,719</b>	<b>564,952,935</b>
									<b>1,438,394,456</b>
									<b>1,075,293,227</b>

Particulars	June, 2020	June, 2019
Factory Overhead	60,563,945	49,835,865
Administrative Overhead	3,986,351	5,185,043
<b>Total</b>	<b>64,550,296</b>	<b>55,020,908</b>



# JMI Syringes & Medical Devices Ltd.

## Schedule of Income Tax Calculation

As at 30th June, 2020

Annexure-2

Total Net Profit	215,928,398
Less: Other Income	(14,747,361)
<b>Operating Profit</b>	<b>201,181,036</b>
Net Profit allocated to Section 82C [A]	199,499,699
Net Profit allocated to non-Section 82C [B]	1,681,337
<b>Operating Profit [C=A+B]</b>	<b>201,181,036</b>
Income Tax related to Section 82C - [D = 25% * C]	49,874,925
Income Tax deducted at Source related to Section 82C Sales [E] (From Note 9)	68,855,741
Net Income Tax related to Section 82C - greater of [D] and [E] above	68,855,741
Income Tax related to non-Section 82C - 25%	420,334
<b>Total Current Tax Provision related to Operating Profits</b>	<b>69,276,075</b>

