

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements
For the period From 01 July 2016 to 31 March 2017

Amount In Taka	
31.03.2017	30.06.2016

2 Inventories

The consists of as follows -

Raw Material	9,465,796	12,213,726
Packing Material	10,584,327	27,363,549
Work -in-Process	5,264,387	6,053,248
Finished Goods	24,436,794	18,965,324
Laboratory Chemicals & Accessories	1,735,683	1,653,791
Material in Transit	12,453,679	7,973,983
Total	63,940,666	74,223,621

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	1,946,516	1,456,429
----------------------	------------------	------------------

4 Accounts Receivable

This is unsecured, considered good and is falling due within one year -

Below 30 days	21,894,653	14,663,245
Within 30-60 days	8,564,721	4,902,824
Within 60-90 days	2,546,913	2,964,106
Above 90 days	6,248,714	6,487,674
Total	39,255,001	29,017,849

5 Other Receivables -

Demand from AI - Arafah Islami Bank Ltd.- as per Last account	1,572,058,661	1,572,058,661
----------------------------------------------------------------------	----------------------	----------------------

Amount In Taka	
31.03.2017	30.06.2016

This represent a demand of Tk. 1,572,058,661 by the Company from AI-Arafah Islami Bank Ltd. for loss and damage incurred by the bank to the Company duly approved by the Board of Directors, Shareholders at the last AGM held on 27 December 2015. The matter is under Sub - judice in the Court of Metro Senior Special Judge, Dhaka (criminal matter) and in the Court of Joint District Judge 2nd Court, Dhaka (civil matter) and the learned Court granted Status- quo in the later case. In the meantime the Company also attended in a hearing on the matter of Tk. 1,572,058,661 before the commission presiding over by a member where the Company submitted its argument and the matter continued as it is untill now. During the last Financial year, the Company submitted accounts statements for 3 quarters showing the amount of Tk. 1,572,058,661 as other accounts receivable. The matter of Tk.1,572,058,661 is also known to Bangladesh Bank and Ministry of Finance and duly audited by the External Auditors during the year 2014-2015 and 2015 - 2016.

6 Advance , Deposits and Prepayments

This is unsecured and considered good and consists of as follows -

A. Advances

Employees	62,170	32,860
Rent	852,000	852,000
Income tax	28,998,886	27,057,450
Advance for Furniture & Fixtures	-	92,974
Purchase	3,426,976	3,382,757
Sub - total	33,340,032	31,418,041

B. Deposits

This is arrived at as follows -

Security deposit / Earnest money	3,111,461	3,093,886
Lease deposit	1,475,073	1,475,073
Sub - total	4,586,534	4,568,959

C. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	5,285,699	2,391,017
Insurance Premium	1,429,130	1,491,270
	6,714,829	3,882,287
Grand total (A+B+C)	44,641,395	39,869,287

Amount In Taka	
31.03.2017	30.06.2016

7 Cash and Cash Equivalents

This is consists of as follows -

A. Cash in hand (Head office and Depots)	5,627,393	4,083,714
---------------------------------------------------	------------------	------------------

B. Cash at Bank -

Current Account	14,325,670	27,612,564
Fixed Deposit Account	516,000	516,000
	14,841,670	28,128,564
Total (A + B)	20,469,063	32,212,278

8 Share Capital

This represents-

A. Authorised 10,000,000 ordinary shares of Tk. 10 each	100,000,000	100,000,000
B. Issued, Subscribed and Paid up 1,251,600 Ordinary Shares of Tk. 10 each fully paid -up in cash	12,516,000	12,516,000

9 Long Term Investment (Al-Arafah Islami Bank Ltd.) **298,755,510** **305,808,090**

This is consists of -

A long term Investment of Tk. 298,755,510 was secured from Al- Arafah Islami Bank Ltd against Land, Building and Other Assets both present & future depositing the Title deeds of properties.

10 Long Term Loan - Union Capital Ltd. **60,121,692** **59,546,058**

This is consists of -

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 60,121,692 have been secured against personal property of the Directors.

Amount In Taka	
31.03.2017	30.06.2016

11 Term Investment (Al - Arafah Islami Bank Ltd.) **277,161,631** **277,161,631**

This is consists of -

Term Investment amounting to Tk. 277,161,631 was borrowed from Al- Arafah Islami Bank Ltd. Secured against Finished goods, Imported Raw & Packing materials.

12 Deferred Tax Liability

This represents provision is made for deferred income tax to pay future income tax liability for temporary difference which is arrived at as follows:

Opening balance 01 July 2016	4,042,762	2,603,359
Less: Adjustment	-	-
	<u>4,042,762</u>	<u>2,603,359</u>
Provision made	-	1,439,403
Closing balance 31 March 2017	<u>4,042,762</u>	<u>4,042,762</u>

13 Other Liabilities

This consists of -

Unpaid Dividend	31,011,951	29,455,401
Employees, Provident Fund	33,211,405	32,692,715
Workers' Profit Participation & Welfare Fund	7,142,426	6,260,611
	<u>71,365,782</u>	<u>68,408,727</u>

14 Short Term Investment (Al-Arafah Islami Bank Ltd.) **32,547,292** **32,547,292**

Short term Investment of Tk. 32,547,292 was taken from Al - Arafah Islami Bank Ltd. against Finished goods, Raw & Packing materials which are payable currently.

15 Long Term Investment - Current portion (Al-Arafah Islami Bank Ltd.) **122,304,720** **124,283,928**

This represents current portion of long term Investment from Al-Arafah Islami Bank Ltd. which are payable currently.

Amount In Taka	
31.03.2017	30.06.2016

16 Long Term loans - Current portion

7,385,061	8,835,061
------------------	------------------

This is consists of -

Long Term loan amounting to Tk. 7,385,061 was borrowed from Union Capital Ltd. against Directors personal land which are payable currently.

17 Term Investment - Current portion (Al-Arafah Islami Bank Ltd.)

91,423,915	91,423,915
-------------------	-------------------

This represents current portion of term Investment from Al-Arafah Islami Bank Ltd. which are payable currently.

18 Term loans - Current portion

8,840,001	12,170,185
------------------	-------------------

Term loan amounting to Tk. 8,840,001 was borrowed from Premier Bank Ltd. against Directors personal land which are payable currently.

19 Creditors and Other Payables

This is consists of -

A. For goods

This represents amount payable to regular suppliers of packing materials, promotional materials etc. All suppliers were paid on a regular basis.

This is made up as follows -

Packing materials	2,165,439	2,687,137
Promotional materials, printing & stationery	1,062,923	1,654,328
Sub - total	3,228,362	4,341,465

B. For Services

These are falling due within one year and arrived at as follows-

Telephone & fax	9,243	9,316
Gas & electricity	1,987,546	3,565,433
Insurance	243,618	90,738
Audit fee	-	300,000
Salary and wages	5,325,045	5,344,540
Travelling expenses - F.F	1,849,723	2,226,414
C & F charges	124,956	264,324
Others	185,643	184,376
Sub - total	9,725,774	11,985,141

Amount In Taka	
31.03.2017	30.06.2016

C. For Other Current Liabilities

This is arrived at as follows -

Dividend Payable	825,619	828,654
Refund warrant Payable	2,000	2,000
Income tax payable	3,123,757	3,123,757
Other Liabilities	124,635	143,678
Demand from Al- Arafah Islami Bank Ltd.	1,572,058,661	1,572,058,661
	1,576,134,672	1,576,156,750
Grand Total (A+B+C)	1,589,088,808	1,592,483,356

A similar amount of Tk. 1,572,058,661 has also been claimed by the Company from Al-Arafah Islami Bank Ltd. on account of loss and damages incurred by the bank to the Company duly approved by the Board of Directors, Shareholders at the last AGM held on 27 December 2015. The matter is under Sub-judice in the Court of Metro Senior Special Judge, Dhaka (criminal matter) and in the Court of Joint District Judge 2nd Court, Dhaka (civil matter) and the learned Court granted Status- quo in the later case. In the meantime the Company also attended in a hearing on the matter of Tk. 1,572,058,661 before the commission presiding over by a member where the Company submitted its argument and the matter continued as it is until now. During the last financial year the Company submitted accounts statements for 3 quarters showing the amount of Tk. 1,572,058,661 as other finance - Demand from Al-Arafah Islami Bank Ltd. The matter of Tk.1,572,058,661 is also known to Bangladesh Bank and Ministry of Finance and duly audited by the External Auditors during the year 2014-2015 and 2015 - 2016.

20 Taxation Payable

This is arrived at as follows -

Balance 1 July 2016	7,815,835	5,395,902
Add: Current Tax	1,710,143	2,419,933
	<u>9,525,978</u>	<u>7,815,835</u>
Adjustment against advance Income tax for the period	-	-
Balance at 31 March 2017	9,525,978	7,815,835

Amount in Taka		Amount in Taka	
01 July 2016 to 31 March 2017.	01 July 2015 to 31 March 2016.	01 Jan 2017 to 31 March 2017.	01 Jan 2016 to 31 March 2016.

21 Net Sales Revenue

This is arrived at as follows -

Sales	228,958,290	163,952,053	83,636,787	45,083,350
Less: VAT	34,671,994	21,916,110	12,395,912	4,948,572
Net Sales Revenue	194,286,296	142,035,943	71,240,875	40,134,778

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	6,053,248	6,224,859	5,127,946	5,872,946
Raw materials consumed, Note -23	22,911,605	15,340,386	7,612,151	2,495,972
Packing materials consumed, Note - 24	67,821,916	53,267,425	20,234,278	8,745,525
Work in process -closing	(5,264,387)	(6,934,219)	(5,264,387)	(6,934,219)
Direct materials consumed	91,522,382	67,898,451	27,709,988	10,180,224
Direct labour	3,267,531	3,591,289	1,834,856	1,125,247
Manufacturing overhead, Note -25	27,163,648	20,671,097	9,761,662	7,161,152
Depreciation, Note -1	3,454,599	3,582,158	1,151,533	1,194,053
Cost of Production	125,408,160	95,742,995	40,458,039	19,660,676
Finished goods opening	18,965,324	19,638,642	23,875,324	29,584,273
	144,373,484	115,381,637	64,333,363	49,244,949
Finished goods closing	(24,436,794)	(32,058,427)	(24,436,794)	(32,058,427)
	119,936,690	83,323,210	39,896,569	17,186,522
Cost of sample	(2,355,591)	(2,363,344)	(876,542)	(648,953)
Cost of Goods Sold	117,581,099	80,959,866	39,020,027	16,537,569

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,213,726	12,842,567	8,423,618	11,564,329
Add: Purchase	20,163,675	14,462,148	8,654,329	2,895,972
	32,377,401	27,304,715	17,077,947	14,460,301
Less: Closing stock	(9,465,796)	(11,964,329)	(9,465,796)	(11,964,329)
Raw materials consumed	22,911,605	15,340,386	7,612,151	2,495,972

Amount in Taka		Amount in Taka	
01 July 2016 to 31 March 2017.	01 July 2015 to 31 March 2016.	01 Jan 2017 to 31 March 2017.	01 Jan 2016 to 31 March 2016.

24 Packing Materials Consumed

This consists of as follows -

Opening stock	27,363,549	27,447,632	9,254,387	10,834,621
Add: Purchase	51,042,694	40,873,214	21,564,218	12,964,325
	78,406,243	68,320,846	30,818,605	23,798,946
Less: Closing stock	(10,584,327)	(15,053,421)	(10,584,327)	(15,053,421)
Packing materials consumed	67,821,916	53,267,425	20,234,278	8,745,525

25 Manufacturing Overhead

This consists of as follows -

Salary,wages and benefits	11,606,627	9,758,145	3,846,574	2,669,027
Indirect materials	552,599	610,979	276,849	231,362
Overtime	666,467	558,243	259,613	234,182
Travelling & conveyance	296,120	244,116	148,521	126,388
Printing & stationery	239,396	198,552	129,546	87,412
Repairs & maintenance	593,209	597,556	285,419	259,648
Telephone, telex & fax	163,389	132,799	68,653	43,659
Gas & electricity	9,790,688	5,891,963	3,549,756	2,464,923
Insurance	524,581	512,454	228,943	215,637
Automobile operating expenses	562,705	625,575	287,948	256,341
Canteen expenses	2,167,867	1,540,715	679,840	572,573
Total	27,163,648	20,671,097	9,761,662	7,161,152

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	5,951,326	4,023,289	1,965,847	1,329,510
Directors remuneration	1,396,125	1,396,125	465,375	465,375
Directors meeting fees	530,000	150,000	150,000	120,000
Office rent	180,000	180,000	60,000	60,000
Repairs and maintenance	372,933	261,600	218,546	97,102
Travelling & conveyance	268,453	213,323	141,763	118,623
Bank Charges	160,369	133,045	85,876	44,060
Office expenses	220,791	207,625	125,249	74,051

Amount in Taka		Amount in Taka	
01 July 2016 to 31 March 2017.	01 July 2015 to 31 March 2016.	01 Jan 2017 to 31 March 2017.	01 Jan 2016 to 31 March 2016.

Fooding expenses	469,984	339,585	196,524	120,175
Automobile Operating expenses	364,373	256,436	160,213	49,208
Printing, stationery & office supplies	216,560	189,693	108,652	97,731
Postage, telephone and telex	171,944	173,227	55,149	42,315
Electricity, Gas and Water	202,758	155,723	93,542	72,649
Insurance	134,222	114,447	59,857	48,956
Legal, professional & other service charge	282,165	156,920	126,524	24,000
Membership fee	70,000	44,500	-	-
Audit fee	300,000	80,000	-	-
AGM expenses	189,330	161,393	-	-
Depreciation, Note - 1	120,538	127,611	40,179	42,537
Total	11,601,871	8,364,542	4,053,296	2,806,292

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary, allowances and benefits	20,078,895	16,145,652	6,854,927	5,475,699
Office rent	1,426,005	1,605,600	663,105	535,200
Repairs and maintenance	860,096	685,859	383,517	195,634
Travelling & conveyance	4,016,166	3,441,186	524,963	384,260
Casual wages	1,105,393	641,217	194,856	172,650
Office expenses	336,373	293,139	113,521	50,281
Printing & stationery	338,462	296,116	106,429	59,654
Postage, telephone and telex	456,554	370,487	92,932	51,050
Electricity, Gas and Water	425,104	367,904	106,428	73,443
Insurance	347,493	239,456	192,349	102,634
Training & conference	183,804	135,066	81,249	45,200
Promotional materials expenses	1,999,183	1,775,942	669,543	562,016
Other promotional expenses	788,686	590,124	384,653	269,367
Sample expenses	2,755,591	2,363,344	876,542	648,953
Distribution expenses	3,381,608	2,818,338	1,324,581	996,766
Automobile operating expenses	702,777	774,544	376,948	264,940
Depreciation, Note -1	736,618	779,844	245,539	259,948
Total	39,938,808	33,323,818	13,192,082	10,147,695

Amount in Taka		Amount in Taka	
01 July 2016 to 31 March 2017.	01 July 2015 to 31 March 2016.	01 Jan 2017 to 31 March 2017.	01 Jan 2016 to 31 March 2016.

28 Finance Cost

Interest on the loan of

Interest on Short Term Loan	2,239,770	554,341	984,935	554,341
Interest on Cash Credit	10,255,533	1,243,448	4,864,719	-
Interest on LTR	-	2,590,964	-	2,590,964
Interest on Loan from P.F & Welfare Fund	4,125,131	3,504,674	1,943,218	1,544,412
Total	16,620,434	7,893,427	7,792,872	4,689,717

Al- Arafah Islami Bank Ltd. can not charge any profit (Interest) to the Company on the following grounds -

i) Al-Arafah Islami Bank Ltd. has tried to convince our Company that Islamic Shariah Banking is beneficial for this world and also for the next world and their activities is based on get the nation rid of Usury (interest). Furthermore the bank declared in their Memorandum of Association clause 3.1, 3.2, 3.3, 3.5 & 3.6 specifically stating that the Bank shall not enter into any transaction of any kind including any investment which involves interest directly or indirectly. But in the speech in the Parliament Finance Minister has declared the activities of Islami Banks are based on frauds which the Company has also experienced. The bank have also committed to the principle of rendering banking services of all kinds on interest free and profit and loss sharing basis in accordance with the Islamic Shariah. On this condition the Company agreed to take investment from the Bank.

ii) The Company claimed a demand for a sum of Tk. 157.20 crore on account of loss and damage to the Company which is under Sub judice. The bank is claiming a sum of Tk. 83.12 crore which is not acceptable to the Company.

iii) The aforesaid amount of Tk. 83.12 crore is disputed which included a profit (Interest) of Tk. 45.92 crore which is illegal as per Islamic Shariah Principle. This is also under Sub Judice.

iv) The Bank is entitle to share of Profit and Loss which accrues on the finalization of Profit and Loss of the Company at the end of the year.

v) Once the Company wins the case it will be impossible for the Company to realize a sum of Tk.120.00 crore (157.20-83.12+disputed interest of Tk.45.92=120.00 crore) from the Bank.

vi) The Company as per experts opinion, has not apportioned the profit (Interest) of the bank during the period Second quarter of 2016 - 2017 as the accounts are yet to be finalized.

vii) The quarterly accounts and audited financial statement 2015 - 2016 has also been submitted to the BSEC, DSE and CSE without charging interest for the aforesaid ground.

viii) As on the date of 27/10/2016 the company shall get a sum of Tk.120 crore as above from the bank question of provision/charging of profit (interest) cannot arise in any way at all as because it will be total violation of Islamic Shariah law.

Amount in Taka		Amount in Taka	
01 July 2016 to 31 March 2017.	01 July 2015 to 31 March 2016.	01 Jan 2017 to 31 March 2017.	01 Jan 2016 to 31 March 2016.

29 Earnings Per Share (EPS)

A. Earnings attributable during the period	6,102,917	7,056,860	5,130,427	3,687,155
B. Number of ordinary shares outstanding during the period	1,251,600	1,251,600	1,251,600	1,251,600
C. Earnings per share	4.88	5.64	4.10	2.95

Sd/- ANM Mainuddin Chief Financial Officer	Sd/- Jahangir Alam Company Secretary	Sd/- Monami Alam Director	Sd/- Dr. Roushon Alam Managing Director & CEO	Sd/- Ayesha Alam Chairperson
--------------------------------------------------	--------------------------------------------	---------------------------------	-----------------------------------------------------	------------------------------------

Date: 26 April 2017