

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements

For the period From 01 July 2016 to 31 December 2016

Amount In Taka	
31.12.2016	30.06.2016

2 Inventories

The consists of as follows -

Raw Material	8,423,618	12,213,726
Packing Material	9,254,387	27,363,549
Work -in-Process	5,127,946	6,053,248
Finished Goods	23,875,324	18,965,324
Laboratory Chemicals & Accessories	2,251,362	1,653,791
Material in Transit	12,453,679	7,973,983
	61,386,316	74,223,621

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	2,854,236	1,456,429
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4 Accounts Receivable

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

Below 30 days	21,986,972	14,663,245
Within 30-60 days	8,642,165	4,902,824
Within 60-90 days	2,426,975	2,964,106
Above 90 days	6,128,573	6,487,674
Total	39,184,685	29,017,849

5 Other Receivable -

Demand from AI - Arafah Islami Bank Ltd.- as per Last account	1,572,058,661	1,572,058,661
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Amount In Taka	
31.12.2016	30.06.2016

This represent a demand of Tk. 1,572,058,661 by the Company from Al-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 Loans, Advance and Deposits

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	27,998,886	27,057,450
Advance for Furniture & Fixtures	-	92,974
Purchase	3,426,976	3,382,757
Total	32,340,032	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
	4,586,534	4,568,959

C. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	4,687,737	2,391,017
Insurance Premium	1,429,130	1,491,270
	6,116,867	3,882,287
Grand total (A+B+C)	43,043,433	39,869,287

Amount In Taka	
31.12.2016	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
	<u>14,841,670</u>	<u>28,128,564</u>
Total (A + B)	<u>20,469,063</u>	<u>32,212,278</u>

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.

60,876,242 59,546,058

This is consists of -

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 60,876,242 have been secured against personal property of the Directors.

Amount In Taka	
31.12.2016	30.06.2016

11 Term Investment (AI - Arafah Islami Bank Ltd.)	<u>277,161,631</u>	<u>277,161,631</u>
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This is consists of -

Term Investment amounting to Tk. 277,161,631 was borrowed from AI- 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'16	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 Dec'16	<u>4,042,762</u>	<u>4,042,762</u>

13 Other Liabilities

This consists of -

Unpaid Dividend	29,455,401	29,455,401
Employees, Provident Fund	33,211,405	32,692,715
Workers' Profit Participation & Welfare Fund	6,440,604	6,260,611
	<u>69,107,410</u>	<u>68,408,727</u>

14 Short Term Investment (AI-Arafah Islami Bank Ltd.)	<u>32,547,292</u>	<u>32,547,292</u>
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Short term Investment of Tk. 32,547,292 was taken from AI - Arafah Islami Bank Ltd. against Finished goods, Raw & Packing materials which are payable currently.

15 Long Term Investment - Current portion (AI-Arafah Islami Bank Ltd.)	<u>122,304,720</u>	<u>124,283,928</u>
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This represents current portion of long term Investment from AI-Arafah Islami Bank Ltd. which are payable currently.

Amount In Taka	
31.12.2016	30.06.2016

16 Long Term loans - Current portion

7,385,061	8,835,061
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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
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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
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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	2,077,280	2,687,137
Promotional materials, printing & stationery	2,154,768	1,654,328
	4,232,048	4,341,465

B. For Services

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

Telephone & fax	8,615	9,316
Gas & electricity	1,956,749	3,565,433
Insurance	123,642	90,738
Audit fee	-	300,000
Salary and wages	5,483,245	5,344,540
Travelling expenses - F.F	2,143,425	2,226,414
C & F charges	149,610	264,324
Others	165,213	184,376
	10,030,499	11,985,141

Amount In Taka	
31.12.2016	30.06.2016

C. For Other Current Liabilities

This is arrived at as follows -

Dividend Payable	828,441	828,654
Refund warrant Payable	2,000	2,000
Income tax payable	3,123,757	3,123,757
Other Liabilities	134,567	143,678
Demand from Al- Arafah Islami Bank Ltd.	1,572,058,661	1,572,058,661
	<u>1,576,147,426</u>	<u>1,576,156,750</u>
Grand Total (A+B+C)	<u>1,590,409,973</u>	<u>1,592,483,356</u>

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	1,979,208	2,419,933
	<u>9,795,043</u>	<u>7,815,835</u>
Adjustment against advance Incometax for the period	-	-
Balance at 31 December 2016	<u>9,795,043</u>	<u>7,815,835</u>

Amount in Taka		Amount in Taka	
01 July 2016 to 31 Dec 2016.	01 July 2015 to 31 Dec 2015.	01 Oct 2016 to 31 Dec 2016.	01 Oct 2015 to 31 Dec 2015.

21 Net Sales Revenue

This is arrived at as follows -

Sales	145,321,503	118,868,703	87,379,077	53,202,691
Less: VAT	22,276,082	16,967,538	13,696,259	7,439,708
Net Sales Revenue	123,045,421	101,901,165	73,682,818	45,762,983

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	6,053,248	6,224,859	5,553,427	6,125,843
Raw materials consumed, Note -23	15,299,454	12,844,414	6,887,333	4,150,820
Packing materials consumed, Note - 24	47,587,638	44,521,900	28,241,832	21,982,311
Work in process -closing	(5,127,946)	(5,872,946)	(5,127,946)	(5,872,946)
Direct materials consumed	63,812,394	57,718,227	35,554,646	26,386,028
Direct labour	1,432,675	2,466,042	1,432,675	1,034,627
Manufacturing overhead, Note -25	17,401,986	13,509,945	8,664,992	7,627,952
Depreciation, Note -1	2,304,963	2,388,105	1,152,481	1,194,053
Cost of Production	84,952,018	76,082,319	46,804,794	36,242,660
Finished goods opening	18,965,324	19,638,642	21,363,541	23,543,627
	103,917,342	95,720,961	68,168,335	59,786,287
Finished goods closing	(23,875,324)	(29,584,273)	(23,875,324)	(29,584,273)
	80,042,018	66,136,688	44,293,011	30,202,014
Cost of sample	(1,479,049)	(1,714,391)	(854,731)	(848,962)
Cost of Goods Sold	78,562,969	64,422,297	43,438,280	29,353,052

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,213,726	12,842,567	8,056,328	13,498,725
Add: Purchase	11,509,346	11,566,176	7,254,623	2,216,424
	23,723,072	24,408,743	15,310,951	15,715,149
Less: Closing stock	(8,423,618)	(11,564,329)	(8,423,618)	(11,564,329)
Raw materials consumed	15,299,454	12,844,414	6,887,333	4,150,820

Amount in Taka		Amount in Taka	
01 July 2016 to 31 Dec 2016.	01 July 2015 to 31 Dec 2015.	01 Oct 2016 to 31 Dec 2016.	01 Oct 2015 to 31 Dec 2015.

24 Packing Materials Consumed

This is consists of as follows -

Opening stock	27,363,549	27,447,632	19,856,473	23,364,258
Add: Purchase	29,478,476	27,908,889	17,639,746	9,452,674
	<u>56,842,025</u>	<u>55,356,521</u>	<u>37,496,219</u>	<u>32,816,932</u>
Less: Closing stock	(9,254,387)	(10,834,621)	(9,254,387)	(10,834,621)
Packing materials consumed	<u>47,587,638</u>	<u>44,521,900</u>	<u>28,241,832</u>	<u>21,982,311</u>

25 Manufacturing Overhead

This is consists of as follows -

Salary,wages and benefits	7,760,053	7,089,118	3,954,623	4,231,458
Indirect materials	275,750	379,617	124,536	239,413
Overtime	406,854	324,061	165,948	180,341
Travelling & conveyance	147,599	117,728	70,649	43,490
Printing & stationery	109,850	111,140	48,653	50,000
Repairs & maintenance	307,790	337,908	146,527	177,658
Telephone, telex & fax	94,736	89,140	38,412	35,498
Gas & electricity	6,240,932	3,427,040	3,154,679	1,928,286
Insurance	295,638	296,817	128,946	137,854
Automobile operating expenses	274,757	369,234	157,846	220,435
Canteen expenses	1,488,027	968,142	674,173	383,519
Total	<u>17,401,986</u>	<u>13,509,945</u>	<u>8,664,992</u>	<u>7,627,952</u>

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	3,985,479	2,693,779	1,995,742	1,465,458
Directors remuneration	930,750	930,750	465,375	465,375
Directors meeting fees	380,000	30,000	222,500	15,000
Office rent	120,000	120,000	60,000	60,000
Repairs and maintenance	154,387	164,498	57,940	44,072
Travelling & conveyance	126,690	94,700	58,941	30,177
Bank Charges	74,493	88,985	25,746	11,131
Office expenses	95,542	133,574	57,649	87,962

	Amount in Taka		Amount in Taka	
	01 July 2016 to 31 Dec 2016.	01 July 2015 to 31 Dec 2015.	01 Oct 2016 to 31 Dec 2016.	01 Oct 2015 to 31 Dec 2015.
Fooding expenses	273,460	219,410	132,416	85,082
Automobile Operating expenses	204,160	207,228	85,647	46,739
Printing, stationery & office supplies	107,908	91,962	28,946	19,617
Postage, telephone and telex	116,795	130,912	37,546	54,484
Electricity, gas and water	109,216	83,074	39,857	22,732
Insurance	74,365	65,491	38,976	36,549
Legal, professional & other service charge	155,641	132,920	52,300	34,500
Membership fee	70,000	44,500	70,000	44,500
Audit fee	300,000	80,000	300,000	80,000
AGM expenses	189,330	161,393	189,330	161,393
Depreciation, Note - 1	80,484	85,074	40,242	42,537
Total	7,548,700	5,558,250	3,959,153	2,807,308

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary, allowances and benefits	13,223,968	10,669,953	6,624,817	5,550,333
Office rent	762,900	1,070,400	381,450	688,950
Repairs and maintenance	476,579	490,225	286,427	205,613
Travelling & conveyance	3,491,203	3,056,926	1,543,579	1,210,137
Casual wages	910,537	468,567	123,478	73,100
Office expenses	222,852	242,858	120,349	117,215
Printing & stationery	232,033	236,462	110,420	83,216
Postage, telephone and telex	363,622	319,437	185,690	131,753
Electricity, gas and water	318,676	294,461	134,216	129,033
Insurance	155,144	136,822	54,279	41,179
Training & conference	102,555	89,866	34,512	25,346
Promotional materials expenses	1,329,640	1,213,926	756,341	665,567
Other promotional expenses	404,033	320,757	254,376	207,295
Sample expenses	1,879,049	1,714,391	854,731	848,962
Distribution expenses	2,057,027	1,821,572	1,249,753	1,056,093
Automobile operating expenses	325,829	509,604	224,529	366,137
Depreciation, Note -1	491,845	519,896	245,923	259,948
Total	26,747,492	23,176,123	13,184,870	11,659,877

Amount in Taka		Amount in Taka	
01 July 2016 to 31 Dec 2016.	01 July 2015 to 31 Dec 2015.	01 Oct 2016 to 31 Dec 2016.	01 Oct 2015 to 31 Dec 2015.

28 Finance Cost

Interest on the loan of

Interest on Short Term Loan	1,254,835	-	679,428	(2,164,523)
Interest on Cash Credit	5,390,814	1,243,448	2,864,758	(8,487,844)
Interest on LTR	-	-	-	(3,264,398)
Interest on Loan from P.F & Welfare Fund	2,181,913	1,960,262	1,243,657	1,245,891
Total	8,827,562	3,203,710	4,787,843	(12,670,874)

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 acrues 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+diputed 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 Dec 2016.	01 July 2015 to 31 Dec 2015.	01 Oct 2016 to 31 Dec 2016.	01 Oct 2015 to 31 Dec 2015.

29 Earnings Per Share (EPS)

A. Earnings attributable during the period	970,499	3,369,705	5,937,623	10,192,687
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	0.78	2.69	4.74	8.14

ANM Mainuddin
Chief Financial Officer

Jahangir Alam
Company Secretary

Monami Alam
Director

Dr. Roushon Alam
Managing Director & CEO

Ayesha Alam
Chairperson

Date: 02 February 2017