

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements

For the period From 01 July 2017 to 31 December 2017

Amount In Taka	
31.12.2017	30.06.2017

2 Inventories

The consists of as follows -

Raw Material	8,652,318	12,542,362
Packing Material	10,861,235	26,561,238
Work -in-Process	5,169,352	4,097,184
Finished Goods	18,746,532	19,842,414
Laboratory Chemicals & Accessories	1,865,239	1,786,555
Material in Transit	11,642,897	4,600,438
	56,937,573	69,430,191

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	954,627	1,471,408
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4 Accounts Receivable

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

Below 30 days	27,986,972	30,075,341
Within 30-60 days	12,252,498	11,178,156
Within 60-90 days	2,426,975	3,076,293
Above 90 days	6,128,573	3,841,286
Total	48,795,018	48,171,076

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	
31.12.2017	30.06.2017

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, 2015 - 2016 and 2016 - 2017.

6 Loans, Advance and Deposits

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

A. Advances

Employees	142,051	270,151
Rent	852,000	1,221,994
Income tax	30,958,374	29,164,859
Purchase	1,880,124	2,588,783
Other Expense	2,935,412	3,868,837
Total	36,767,961	37,114,624

B. Deposits

This is arrived at as follows -

Security deposit / Earnest money	3,831,183	3,016,669
Lease deposit	1,475,073	1,475,073
	5,306,256	4,491,742

C. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	3,004,087	2,159,220
Insurance Premium	-	718,179
	3,004,087	2,877,399
Grand total (A+B+C)	45,078,304	44,483,765

Amount In Taka	
31.12.2017	30.06.2017

7 Cash and Cash Equivalents

This is consists of as follows -

A. Cash in hand (Head office and Depots)

9,439,271

2,234,773

B. Cash at Bank -

Current Account

6,894,521

6,531,537

Fixed Deposit Account

1,126,628

1,126,628

8,021,149

7,658,165

Total (A + B)

17,460,420

9,892,938

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

12,516,000

12,516,000

fully paid -up in cash

9 Long Term Investment (Al-Arafah Islami Bank Ltd.)

305,808,090

305,808,090

This is consists of -

A long term Investment of Tk. 305,808,090 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.

56,340,980

57,683,992

This is consists of -

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 56,340,980 have been secured against personal property of the Directors.

Amount In Taka	
31.12.2017	30.06.2017

11 Term Investment (AI - 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 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 2017	4,210,284	4,042,762
Less: Adjustment	-	-
	<u>4,210,284</u>	<u>4,042,762</u>
Provision made	-	167,522
Closing balance 31 Dec 2017	<u>4,210,284</u>	<u>4,210,284</u>

13 Other Liabilities

This consists of -

Unpaid Dividend	29,703,501	31,051,350
Employees, Provident Fund	39,928,636	38,356,088
Workers' Profit Participation & Welfare Fund	8,193,830	7,748,303
	<u>77,825,967</u>	<u>77,155,741</u>

14 Short Term Investment (AI-Arafah Islami Bank Ltd.)

32,547,292 32,547,292

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.)

124,283,928 124,283,928

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

Amount In Taka	
31.12.2017	30.06.2017

16 Long Term loans - Current portion	10,500,000	8,700,000
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This is consists of -

Long Term loan amounting to Tk. 10,500,000 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	1,431,597	6,383,420
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Term loan amounting to Tk. 1,431,597 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	1,234,615	2,560,071
Promotional materials, printing & stationery	852,349	1,656,357
	2,086,964	4,216,428

B. For Services

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

Telephone & fax	6,427	5,781
Gas & electricity	1,462,348	1,304,180
Insurance	113,542	110,461
Audit fee	350,000	300,000
Salary and wages	3,562,497	3,357,857
Travelling expenses - F.F	1,954,623	2,354,612
C & F charges	52,649	13,636
Others	345,986	673,485
	7,848,072	8,120,012

Amount In Taka	
31.12.2017	30.06.2017

C. For Other Current Liabilities

This is arrived at as follows -

Dividend Payable	828,654	959,855
Refund warrant Payable	2,000	2,000
Income tax payable	1,623,757	1,623,757
Other Liabilities	3,583,332	4,436,661
Demand from Al- Arafah Islami Bank Ltd.	1,572,058,661	1,572,058,661
	1,578,096,404	1,579,080,934
Grand Total (A+B+C)	1,588,031,440	1,591,417,374

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, 2015 - 2016 and 2016 - 2017.

20 Taxation Payable

This is arrived at as follows -

Balance 1 July 2017	9,900,018	7,815,835
Add: Current Tax	2,043,233	2,084,183
	<u>11,943,251</u>	<u>9,900,018</u>
Adjustment against advance Income tax for the period	-	-
Balance at 31 December 2017	11,943,251	9,900,018

Amount in Taka		Amount in Taka	
01 July 2017 to 31 Dec 2017.	01 July 2016 to 31 Dec 2016.	01 Oct 2017 to 31 Dec 2017.	01 Oct 2016 to 31 Dec 2016.

21 Net Sales Revenue

This is arrived at as follows -

Sales	141,045,710	145,321,503	81,897,177	87,379,077
Less: VAT	20,904,560	22,276,082	12,034,927	13,696,259
Net Sales Revenue	120,141,150	123,045,421	69,862,250	73,682,818

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	4,097,184	6,053,248	4,196,743	5,553,427
Raw materials consumed, Note -23	15,227,771	15,299,454	6,669,929	6,887,333
Packing materials consumed, Note - 24	43,100,262	47,587,638	22,770,931	28,241,832
Work in process -closing	(5,169,352)	(5,127,946)	(5,169,352)	(5,127,946)
Direct materials consumed	57,255,865	63,812,394	28,468,251	35,554,646
Direct labour	1,352,799	1,432,675	1,354,976	1,432,675
Manufacturing overhead, Note -25	16,692,489	17,401,986	7,743,917	8,664,992
Depreciation, Note -1	2,713,751	2,304,963	1,355,786	1,152,481
Cost of Production	78,014,904	84,952,018	38,922,930	46,804,794
Finished goods opening	19,842,414	18,965,324	21,195,674	21,363,541
	97,857,318	103,917,342	60,118,604	68,168,335
Finished goods closing	(18,746,532)	(23,875,324)	(18,746,532)	(23,875,324)
	79,110,786	80,042,018	41,372,072	44,293,011
Cost of sample	(1,579,180)	(1,479,049)	(846,751)	(854,731)
Cost of Goods Sold	77,531,606	78,562,969	40,525,321	43,438,280

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,542,362	12,213,726	8,427,496	8,056,328
Add: Purchase	11,337,727	11,509,346	6,894,751	7,254,623
	23,880,089	23,723,072	15,322,247	15,310,951
Less: Closing stock	(8,652,318)	(8,423,618)	(8,652,318)	(8,423,618)
Raw materials consumed	15,227,771	15,299,454	6,669,929	6,887,333

Amount in Taka		Amount in Taka	
01 July 2017 to 31 Dec 2017.	01 July 2016 to 31 Dec 2016.	01 Oct 2017 to 31 Dec 2017.	01 Oct 2016 to 31 Dec 2016.

24 Packing Materials Consumed

This is consists of as follows -

Opening stock	26,561,238	27,363,549	18,164,325	19,856,473
Add: Purchase	27,400,259	29,478,476	15,467,841	17,639,746
	<u>53,961,497</u>	<u>56,842,025</u>	<u>33,632,166</u>	<u>37,496,219</u>
Less: Closing stock	(10,861,235)	(9,254,387)	(10,861,235)	(9,254,387)
Packing materials consumed	<u>43,100,262</u>	<u>47,587,638</u>	<u>22,770,931</u>	<u>28,241,832</u>

25 Manufacturing Overhead

This is consists of as follows -

Salary,wages and benefits	7,174,248	7,760,053	3,293,989	3,954,623
Indirect materials	294,747	275,750	116,275	124,536
Overtime	426,101	406,854	144,714	165,948
Travelling & conveyance	145,430	147,599	68,380	70,649
Printing & stationery	108,544	109,850	41,482	48,653
Repairs & maintenance	324,987	307,790	154,253	146,527
Telephone, telex & fax	100,699	94,736	39,451	38,412
Gas & electricity	6,243,496	6,240,932	3,012,968	3,154,679
Insurance	218,057	295,638	42,618	128,946
Automobile operating expenses	271,219	274,757	145,800	157,846
Canteen expenses	1,384,961	1,488,027	683,987	674,173
Total	<u>16,692,489</u>	<u>17,401,986</u>	<u>7,743,917</u>	<u>8,664,992</u>

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	3,539,552	3,985,479	1,504,764	1,995,742
Directors remuneration	930,750	930,750	465,375	465,375
Directors meeting fees	320,000	380,000	180,000	222,500
Office rent	120,000	120,000	60,000	60,000
Repairs and maintenance	125,200	154,387	25,600	57,940
Travelling & conveyance	116,716	126,690	36,024	58,941
Bank Charges	82,110	74,493	23,634	25,746
Office expenses	153,864	95,542	68,197	57,649

	Amount in Taka		Amount in Taka	
	01 July 2017 to 31 Dec 2017.	01 July 2016 to 31 Dec 2016.	01 Oct 2017 to 31 Dec 2017.	01 Oct 2016 to 31 Dec 2016.
Fooding expenses	339,877	273,460	189,344	132,416
Automobile Operating expenses	200,024	204,160	85,177	85,647
Printing, stationery & office supplies	115,433	107,908	27,790	28,946
Postage, telephone and telex	122,609	116,795	40,484	37,546
Electricity, gas and water	120,941	109,216	44,522	39,857
Insurance	78,183	74,365	39,641	38,976
Legal, professional & other service charge	218,000	155,641	108,000	52,300
Membership fee	50,000	70,000	50,000	70,000
Audit fee	350,000	300,000	350,000	300,000
AGM expenses	306,200	189,330	306,200	189,330
Depreciation, Note - 1	108,293	80,484	54,146	40,242
Total	7,397,752	7,548,700	3,658,898	3,959,153

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary,allowances and benefits	13,184,721	13,223,968	6,296,678	6,624,817
Office rent	1,725,600	762,900	1,062,495	381,450
Repairs and maintenance	290,190	476,579	145,240	286,427
Travelling & conveyance	3,509,876	3,491,203	1,415,508	1,543,579
Casual wages	1,130,001	910,537	339,401	123,478
Office expenses	247,633	222,852	118,234	120,349
Printing & stationery	247,597	232,033	112,076	110,420
Postage, telephone and telex	363,464	363,622	174,773	185,690
Electricity, gas and water	315,647	318,676	118,842	134,216
Insurance	189,944	155,144	64,521	54,279
Training & conference	131,544	102,555	61,670	34,512
Promotional materials expenses	1,278,891	1,329,640	694,872	756,341
Other promotional expenses	397,479	404,033	215,534	254,376
Sample expenses	1,579,180	1,879,049	846,751	854,731
Distribution expenses	1,848,555	2,057,027	955,972	1,249,753
Automobile operating expenses	371,284	325,829	233,012	224,529
Depreciation, Note -1	661,787	491,845	330,894	245,923
Total	27,473,393	26,747,492	13,186,473	13,184,870

Amount in Taka		Amount in Taka	
01 July 2017 to 31 Dec 2017.	01 July 2016 to 31 Dec 2016.	01 Oct 2017 to 31 Dec 2017.	01 Oct 2016 to 31 Dec 2016.

28 Finance Cost

Interest on the loan of

Interest on Short Term Loan	448,597	1,254,835	100,421	679,428
Interest on Cash Credit	4,758,402	5,390,814	2,579,947	2,864,758
Interest on Loan from P.F & Welfare Fund	2,459,222	2,181,913	1,229,611	1,243,657
Total	7,666,221	8,827,562	3,909,979	4,787,843

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 2017 to 31 Dec 2017.	01 July 2016 to 31 Dec 2016.	01 Oct 2017 to 31 Dec 2017.	01 Oct 2016 to 31 Dec 2016.

29 Earnings Per Share (EPS)

A. Earnings attributable during the period	51,557	970,499	6,129,699	5,937,623
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	0.04	0.78	4.90	4.74

Sd/-
ANM Mainuddin
Chief Financial Officer

Sd/-
Monami Alam
Director

Sd/-
Dr. Roushon Alam
Managing Director & CEO

Sd/-
Ayesha Alam
Chairperson

Date: 29 January 2018