

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements

For the period From 01 July 2017 to 31 March 2018

Amount In Taka	
31.03.2018	30.06.2017

2 Inventories

The consists of as follows -

Raw Material	8,934,891	12,542,362
Packing Material	10,975,642	26,561,238
Work -in-Process	5,986,743	4,097,184
Finished Goods	26,968,542	19,842,414
Laboratory Chemicals & Accessories	2,254,623	1,786,555
Material in Transit	9,674,238	4,600,438
Total	64,794,679	69,430,191

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	2,265,427	1,471,408
----------------------	------------------	------------------

4 Accounts Receivable

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

Below 30 days	10,967,452	30,075,341
Within 30-60 days	15,442,153	11,178,156
Within 60-90 days	3,875,942	3,076,293
Above 90 days	3,976,415	3,841,286
Total	34,261,962	48,171,076

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	
31.03.2018	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 Advance , Deposits and Prepayments

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

A. Advances

Employees	131,991	270,151
Rent	852,000	1,221,994
Income tax	31,243,851	29,164,859
Purchase	3,470,736	2,588,783
Other Expense	3,613,992	3,868,837
Sub - total	39,312,570	37,114,624

B. Deposits

This is arrived at as follows -

Security deposit / Earnest money	3,373,683	3,016,669
Lease deposit	1,475,073	1,475,073
Sub - total	4,848,756	4,491,742

C. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	1,891,963	2,159,220
Insurance Premium	-	718,179
	1,891,963	2,877,399
Grand total (A+B+C)	46,053,289	44,483,765

Amount In Taka	
31.03.2018	30.06.2017

7 Cash and Cash Equivalents

This is consists of as follows -

A. Cash in hand (Head office and Depots)

4,083,713 2,234,773

B. Cash at Bank -

Current Account

6,794,653 6,531,537

Fixed Deposit Account

1,126,628 1,126,628

7,921,281 7,658,165

Total (A + B)

12,004,994 **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.

61,931,019 57,683,992

This is consists of -

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 61,931,019 have been secured against personal property of the Directors.

Amount In Taka	
31.03.2018	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	542,618	167,522
Closing balance 31 March 2018	<u>4,752,902</u>	<u>4,210,284</u>

13 Other Liabilities

This consists of -

Unpaid Dividend	31,580,901	31,051,350
Employees, Provident Fund	40,928,636	38,356,088
Workers' Profit Participation & Welfare Fund	8,193,830	7,748,303
	<u>80,703,367</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	
31.03.2018	30.06.2017

16 Long Term loans - Current portion

3,900,000	8,700,000
------------------	------------------

This is consists of -

Long Term loan amounting to Tk. 3,900,000 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
-------------------	-------------------

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

18 Term loans - Current portion

873,072	6,383,420
----------------	------------------

Term loan amounting to Tk. 873,072 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	1,894,653	2,560,071
Promotional materials, printing & stationery	1,354,781	1,656,357
Sub - total	3,249,434	4,216,428

B. For Services

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

Telephone & fax	8,476	5,781
Gas & electricity	1,894,637	1,304,180
Insurance	106,437	110,461
Audit fee	-	300,000
Salary and Wages	5,027,811	3,357,857
Travelling expenses - F.Force	1,954,623	2,354,612
C & F charges	49,764	13,636
Others	495,878	673,485
Sub - total	9,537,626	8,120,012

Amount In Taka	
31.03.2018	30.06.2017

C. For Other Current Liabilities

This is arrived at as follows -

Dividend Payable	1,421,432	959,855
Refund warrant Payable	2,000	2,000
Income tax payable	1,623,757	1,623,757
Other Liabilities	4,154,794	4,436,661
Demand from Al- Arafah Islami Bank Ltd.	1,572,058,661	1,572,058,661
	1,579,260,644	1,579,080,934
Grand Total (A+B+C)	1,592,047,704	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, & 2016 - 2017

20 Taxation Payable

This is arrived at as follows -

Balance 1 July 2017	9,900,018	7,815,835
Add: Current Tax	848,800	2,084,183
	10,748,818	9,900,018
Adjustment against advance Income tax for the period	-	-
Balance at 31 March 2018	10,748,818	9,900,018

Amount in Taka		Amount in Taka	
01 July 2017 to 31 March 2018.	01 July 2016 to 31 March 2017.	01 Jan 2018 to 31 March 2018.	01 Jan 2017 to 31 March 2017.

21 Net Sales Revenue

This is arrived at as follows -

Sales	166,081,822	228,958,290	25,036,112	83,636,787
Less: VAT	24,615,193	34,671,994	3,710,633	12,395,912
Net Sales Revenue	141,466,629	194,286,296	21,325,479	71,240,875

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	4,097,184	6,053,248	5,169,352	5,127,946
Raw materials consumed, Note -23	20,803,141	22,911,605	5,575,370	7,612,151
Packing materials consumed, Note - 24	55,573,498	67,821,916	12,473,236	20,234,278
Work in process -closing	(5,986,743)	(5,264,387)	(5,986,743)	(5,264,387)
Direct materials consumed	74,487,080	91,522,382	17,231,215	27,709,988
Direct labour	2,349,614	3,267,531	994,637	1,834,856
Manufacturing overhead, Note -25	24,104,859	27,163,648	7,412,370	9,761,662
Depreciation, Note -1	4,067,359	3,454,599	1,355,786	1,151,533
Cost of Production	105,008,912	125,408,160	26,994,008	40,458,039
Finished goods opening	19,842,414	18,965,324	18,746,532	23,875,324
	124,851,326	144,373,484	45,740,540	64,333,363
Finished goods closing	(26,968,542)	(24,436,794)	(26,968,542)	(24,436,794)
	97,882,784	119,936,690	18,771,998	39,896,569
Cost of sample	(1,829,053)	(2,355,591)	(249,873)	(876,542)
Cost of Goods Sold	96,053,731	117,581,099	18,522,125	39,020,027

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,542,362	12,213,726	8,652,318	8,423,618
Add: Purchase	17,195,670	20,163,675	5,857,943	8,654,329
	29,738,032	32,377,401	14,510,261	17,077,947
Less: Closing stock	(8,934,891)	(9,465,796)	(8,934,891)	(9,465,796)
Raw materials consumed	20,803,141	22,911,605	5,575,370	7,612,151

Amount in Taka		Amount in Taka	
01 July 2017 to 31 March 2018.	01 July 2016 to 31 March 2017.	01 Jan 2018 to 31 March 2018.	01 Jan 2017 to 31 March 2017.

24 Packing Materials Consumed

This is consists of as follows -

Opening stock	26,561,238	27,363,549	10,861,235	9,254,387
Add: Purchase	39,987,902	51,042,694	12,587,643	21,564,218
	66,549,140	78,406,243	23,448,878	30,818,605
Less: Closing stock	(10,975,642)	(10,584,327)	(10,975,642)	(10,584,327)
Packing materials consumed	55,573,498	67,821,916	12,473,236	20,234,278

25 Manufacturing Overhead

This is consists of as follows -

Salary, wages and benefits	10,293,998	11,606,627	3,119,750	3,846,574
Indirect materials	430,978	552,599	136,231	276,849
Overtime	653,624	666,467	227,523	259,613
Travelling & conveyance	210,862	296,120	65,432	148,521
Printing & stationery	215,966	239,396	107,422	129,546
Repairs & maintenance	525,947	593,209	200,960	285,419
Telephone, telex & fax	164,937	163,389	64,238	68,653
Gas & electricity	9,070,791	9,790,688	2,827,295	3,549,756
Insurance	333,911	524,581	115,854	228,943
Automobile operating expenses	387,049	562,705	115,830	287,948
Canteen expenses	1,816,796	2,167,867	431,835	679,840
Total	24,104,859	27,163,648	7,412,370	9,761,662

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	5,081,871	5,951,326	1,542,319	1,965,847
Directors remuneration	1,396,125	1,396,125	465,375	465,375
Directors meeting fees	500,000	530,000	180,000	150,000
Office rent	180,000	180,000	60,000	60,000
Repairs and maintenance	283,146	372,933	157,946	218,546
Travelling & conveyance	223,949	268,453	107,233	141,763
Bank Charges	109,145	160,369	27,035	85,876
Office expenses	325,523	220,791	171,659	125,249

	Amount in Taka		Amount in Taka	
	01 July 2017 to 31 March 2018.	01 July 2016 to 31 March 2017.	01 Jan 2018 to 31 March 2018.	01 Jan 2017 to 31 March 2017.
Fooding expenses	488,814	469,984	148,937	196,524
Automobile Operating expenses	329,789	364,373	129,765	160,213
Printing, stationery & office supplies	174,826	216,560	59,393	108,652
Postage, telephone and telex	196,079	171,944	73,470	55,149
Electricity, Gas and Water	172,589	202,758	51,648	93,542
Insurance	136,926	134,222	58,743	59,857
Legal, professional & other service charge	280,200	282,165	62,200	126,524
Membership fee	156,032	70,000	106,032	-
Audit fee	350,000	300,000	-	-
AGM expenses	306,200	189,330	-	-
Depreciation, Note - 1	162,439	120,538	54,146	40,179
Total	10,853,653	11,601,871	3,455,901	4,053,296

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary, allowances and benefits	18,965,534	20,078,895	5,780,813	6,854,927
Office rent	2,662,800	1,426,005	937,200	663,105
Repairs and maintenance	520,290	860,096	230,100	383,517
Travelling & conveyance	3,896,622	4,016,166	386,746	524,963
Casual wages	1,237,801	1,105,393	107,800	194,856
Office expenses	433,698	336,373	186,065	113,521
Printing & stationery	380,718	338,462	133,121	106,429
Postage, telephone and telex	423,359	456,554	59,895	92,932
Electricity, Gas and Water	420,542	425,104	104,895	106,428
Insurance	284,292	347,493	94,348	192,349
Training & conference	218,290	183,804	86,746	81,249
Promotional materials expenses	1,868,642	1,999,183	589,751	669,543
Other promotional expenses	767,584	788,686	370,105	384,653
Sample expenses	1,829,053	2,755,591	249,873	876,542
Distribution expenses	2,365,478	3,381,608	516,923	1,324,581
Automobile operating expenses	630,289	702,777	259,005	376,948
Depreciation, Note -1	992,681	736,618	330,894	245,539
Total	37,897,673	39,938,808	10,424,280	13,192,082

Amount in Taka		Amount in Taka	
01 July 2017 to 31 March 2018.	01 July 2016 to 31 March 2017.	01 Jan 2018 to 31 March 2018.	01 Jan 2017 to 31 March 2017.

28 Finance Cost

Interest on the loan of

Interest on Short Term Loan	487,927	2,239,770	39,330	984,935
Interest on Cash Credit	6,682,795	10,255,533	1,924,393	4,864,719
Interest on Loan from P.F & Welfare Fund	3,928,557	4,125,131	1,469,335	1,943,218
Total	11,099,279	16,620,434	3,433,058	7,792,872

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 2016 - 2017 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 March 2018.	01 July 2016 to 31 March 2017.	01 Jan 2018 to 31 March 2018.	01 Jan 2017 to 31 March 2017.

29 Earnings Per Share (EPS)

A. Earnings attributable during the period	(15,829,124)	6,102,917	(15,180,456)	5,130,427
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	(12.65)	4.88	(12.13)	4.10

Sd/-
ANM Mainuddin
Chief Financial Officer

Sd/-
Monami Alam
Director

Sd/-
Dr. Roushon Alam
Managing Director & CEO

Sd/-
Ayesha Alam
Chairperson

Date: 26 April 2018