

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements
For the period ended 30 September 2016

Amount In Taka	
30.09.2016	30.06.2016

2 Inventories

The consists of as follows -

Raw Material	8,056,328	12,213,726
Packing Material	19,856,473	27,363,549
Work -in-Process	5,553,427	6,053,248
Finished Goods	21,363,541	18,965,324
Laboratory Chemicals & Accessories	864,325	1,653,791
Materials in Transit	5,634,925	7,973,983
	<u>61,329,019</u>	<u>74,223,621</u>

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	<u>724,563</u>	<u>1,456,429</u>
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4 Trade Receivable

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

Below 30 days	22,456,218	14,663,245
Within 30-60 days	3,865,479	4,902,824
Within 60-90 days	2,954,236	2,964,106
Above 90 days	6,745,923	6,487,674
Total	<u>36,021,856</u>	<u>29,017,849</u>

5 Other Receivable -

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

Amount In Taka	
30.09.2016	30.06.2016

6 Advance , Deposits and Prepayments

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

a Advances

Employees	76,217	32,860
Rent	852,000	852,000
Income tax	28,480,869	27,057,450
Advance for Furniture & Fixtures	-	92,974
Purchase	3,520,243	3,382,757
Total	<u>32,929,329</u>	<u>31,418,041</u>

b Deposits

This is arrived at as follows -

Security deposit / Earnest money	3,546,972	3,093,886
Lease Rental to UCL	1,475,073	1,475,073
	<u>5,022,045</u>	<u>4,568,959</u>

c. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	2,441,784	2,391,017
Insurance Premium	864,320	1,491,270
	<u>3,306,104</u>	<u>3,882,287</u>
Grand total (a+b+c)	<u>41,257,478</u>	<u>39,869,287</u>

7 Cash and Cash Equivalents

This is consists of as follows -

A. Cash in hand (Head office and Depots)	<u>5,337,080</u>	<u>4,083,714</u>
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B. Cash at Bank -

Current Account	20,134,628	27,612,564
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Fixed Deposit Account

	516,000	516,000
	<u>20,650,628</u>	<u>28,128,564</u>
Total (A+B)	<u><u>25,987,708</u></u>	<u><u>32,212,278</u></u>

8 Share Capital

This represents-

a. Authorised Capital

10,000,000 ordinary shares of Tk. 10 each

	100,000,000	100,000,000
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Issued, Subscribed and Paid up Capital

1,251,600 ordinary shares of Tk. 10 each
fully paid -up in cash

	12,516,000	12,516,000
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Amount In Taka	
30.09.2016	30.06.2016

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

305,808,090

305,808,090

117560775

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.

50973415

168534190

10 Long Term Loan - Union Capital Ltd.

56,946,058

59,546,058

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 56,946,058 have been secured against personal property of the Directors.

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	4,042,762	2,603,359
Less : Adjustment	-	-
	<u>4,042,762</u>	<u>2,603,359</u>
Add: Provision	-	1,439,403
Closing balance	<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 (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.

Amount In Taka	
30.09.2016	30.06.2016

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

124,283,928

124,283,928

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

16 Long Term loans - Current portion

7,685,061

8,835,061

This is consists of -

Long Term loan amounting to Tk. 7,685,061 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	10,670,185	12,170,185
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Term loan amounting to Tk. 10,670,185 was borrowed from Premier Bank Ltd. against Directors' personal land which are payable currently.

19 Creditors and other Payables

This 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	2,177,067	2,687,137
Promotional materials, printing & stationery	2,154,768	1,654,328
	<u>4,331,835</u>	<u>4,341,465</u>

B. For Services

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

Telephone & fax	8,615	9,316
Gas & electricity	2,956,749	3,565,433
Insurance	123,642	90,738

Amount In Taka	
30.09.2016	30.06.2016

Audit fee	-	300,000
Salary and wages	5,483,245	5,344,540
Travelling expenses - field forces	2,143,425	2,226,414
C & F charges	149,610	264,324
Others	165,213	184,376
	<u>11,030,499</u>	<u>11,985,141</u>

C. For Other Current Liabilities

This is arrived at as follows -

Dividend Payable	828,654	828,654
Refund warrant Payable	2,000	2,000
Income tax payable (up to assessment year 2010 - 2011)	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>1,576,147,639</u>	<u>1,576,156,750</u>

Grand Total (A+B+C)

	<u>1,591,509,973</u>	<u>1,592,483,356</u>
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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 at 1 July 2016	7,815,835	5,395,902	
Add: Current Tax	296,176	2,419,933	49,362,603
	<u>8,112,011</u>	<u>7,815,835</u>	296,176
Adjustment against advance Income tax for the period	(623,419)	-	
Balance at 30 September 2016	<u>7,488,592</u>	<u>7,815,835</u>	

Amount In Taka	
July 01, 2016 to Sep 30, 2016.	July 01, 2015 to Sep 30, 2015.

21 Net Sales Revenue

This is arrived at as follows -

Sales	57,942,426	65,666,012
Less: VAT	<u>(8,579,823)</u>	<u>(9,527,830)</u>

Net sales revenue 49,362,603 56,138,182 88

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	6,053,248	6,224,859	
Raw materials consumed Note 23	8,412,121	8,693,594	
Packing materials consumed Note, 24	19,345,806	22,539,589	
Work in process -closing	<u>(5,553,427)</u>	<u>(6,125,843)</u>	
Direct materials consumed	28,257,748	31,332,199	
Direct labour	1,057,943	1,431,415	
Manufacturing overhead Note: 25	7,679,051	5,881,993	
Depreciation Note: 1	<u>1,152,482</u>	<u>1,194,053</u>	
Cost of production	38,147,224	39,839,660	
Finished goods opening	<u>18,965,324</u>	<u>19,638,642</u>	-19638642
	57,112,548	59,478,302	
Finished goods closing	<u>(21,363,541)</u>	<u>(23,543,627)</u>	
	35,749,007	35,934,675	
Cost of sample	<u>(624,318)</u>	<u>(865,429)</u>	
Cost of Goods Sold	<u>35,124,689</u>	<u>35,069,246</u>	100

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,213,726	12,842,567
Add: Purchase	<u>4,254,723</u>	<u>9,349,752</u>
	16,468,449	22,192,319
Less: Closing stock	<u>(8,056,328)</u>	<u>(13,498,725)</u>
Raw materials consumed	<u>8,412,121</u>	<u>8,693,594</u>

24 Packing Materials Consumed

This is consists of as follows -

Opening stock	27,363,549	27,447,632
Add: Purchase	<u>11,838,730</u>	<u>18,456,215</u>
	39,202,279	45,903,847
Less: Closing stock	<u>(19,856,473)</u>	<u>(23,364,258)</u>
Packing materials consumed	<u>19,345,806</u>	<u>22,539,589</u>

Amount In Taka	
July 01, 2016 to Sep 30, 2016.	July 01, 2015 to Sep 30, 2015.

25 Manufacturing Overhead

This is consists of as follows -

Salary,wages and benefits	3,805,430	2,857,660
Indirect materials	151,214	140,204
Overtime	240,906	143,720
Travelling & conveyance	76,950	74,238
Printing & stationery	61,197	61,140
Repairs & maintenance	161,263	160,250
Telephone, telex & fax	56,324	53,642
Gas & electricity	3,086,253	1,498,754
Insurance	166,692	158,963
Automobile operating expenses	116,911	148,799
Canteen expenses	<u>813,854</u>	<u>584,623</u>
	8,736,994	5,881,993

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	1,989,737	1,228,321
Directors remuneration	465,375	465,375
Directors meeting fees	157,500	15,000
Office rent	60,000	60,000
Repairs and maintenance	96,447	120,426
Travelling & conveyance	67,749	64,523
Bank Charges	48,747	77,854
Office expenses	37,893	45,612
Fooding expenses	141,044	134,328
Automobile Operating expenses	118,513	160,489
Printing, stationery & office supplies	78,962	72,345
Postage, telephone and telex	79,249	76,428
Electricity, gas and water	69,359	60,342
Insurance	35,389	28,942
Legal, professional & other service charge	103,341	98,420
Depreciation Note:1	<u>40,242</u>	<u>42,537</u>
Total	<u>3,589,547</u>	<u>2,750,942</u>

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary,allowances and benefits	6,599,151	5,119,620
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Office rent	381,450	381,450
Repairs and maintenance	190,152	284,612

Amount in Taka	
July 01, 2016 to Sep 30, 2016.	July 01, 2015 to Sep 30, 2015.

Travelling & conveyance	1,947,624	1,846,789
Casual wages	787,059	395,467
Office expenses	102,503	125,643
Printing & stationery	121,613	153,246
Postage, telephone and telex	177,932	187,684
Electricity, gas and water	184,460	165,428
Insurance	100,865	95,643
Training & conference	68,043	64,520
Promotional materials expenses	573,299	548,359
Other promotional expenses	149,657	113,462
Sample expenses	1,024,318	865,429
Distribution expenses	807,274	765,479
Automobile operating expenses	101,300	143,467
Depreciation Note:1	245,922	259,947
Total	13,562,622	11,516,245

28 Finance Cost

Interest on Short Term Loan	575,407	2,164,523
Interest on Cash Credit	2,526,056	9,731,292
Interest on LTR	-	3,264,398
Interest on loan from P.F and Welfare Fund	938,256	714,371
	4,039,719	15,874,584

Al- Arafah Islami Bank 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 judge. The bank is calming 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 Judge.

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 realized 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 first quarter 2015-16 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.

29 Earnings Per Share (EPS)

a. Earning attributable during the period	(7,250,149)	(9,583,636)
b. Number of ordinary shares outstanding during the period	1,251,600	1,251,600
c. Earnings per share	(5.79)	(7.66)

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