

LIBRA INFUSIONS LIMITED
Notes to the Financial Statements
For the period ended 30 September 2017

Amount In Taka	
30.09.2017	30.06.2017

2 Inventories

The consists of as follows -

Raw Material	8,427,496	12,542,362
Packing Material	18,164,325	26,561,238
Work -in-Process	4,196,743	4,097,184
Finished Goods	21,195,674	19,842,414
Laboratory Chemicals & Accessories	954,732	1,786,555
Materials in Transit	4,983,407	4,600,438
	57,922,377	69,430,191

3 Stores & Supplies

The consists of as follows -

Spares & Accessories	1,242,531	1,471,408
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4 Trade Receivable

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

Below 30 days	19,458,673	30,075,341
Within 30-60 days	15,900,464	11,178,156
Within 60-90 days	4,529,665	3,076,293
Above 90 days	4,829,168	3,841,286
Total	44,717,970	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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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 3 (Three) Financial years, the Company submitted accounts statements 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.

Amount In Taka	
30.09.2017	30.06.2017

6 Advance , Deposits and Prepayments

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

a Advances

Employees	265,358	270,151
Rent	1,200,994	1,221,994
Income tax	29,486,151	29,164,859
Purchase	2,437,687	2,588,783
Other expenses	2,935,412	3,868,837
Total	36,325,602	37,114,624

b Deposits

This is arrived at as follows -

Security deposit / Earnest money	3,728,683	3,016,669
Lease Rental to UCL	1,475,073	1,475,073
	5,203,756	4,491,742

c. Prepayments

This is made - up as follows -

VAT (Value Added Tax)	4,336,591	2,159,220
Insurance Premium	-	718,179
	4,336,591	2,877,399
Grand total (a+b+c)	45,865,949	44,483,765

7 Cash and Cash Equivalents

This is consists of as follows -

A. Cash in hand (Head office and Depots)	3,458,976	2,234,773
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B. Cash at Bank -

Current Account	7,262,348	6,531,537
Fixed Deposit Account	1,126,628	1,126,628
	8,388,976	7,658,165
Total (A+B)	11,847,952	9,892,938

8 Share Capital

This represents-

a. Authorised Capital 10,000,000 ordinary shares of Tk. 10 each	100,000,000	100,000,000
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

Amount In Taka	
30.09.2017	30.06.2017

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. **56,233,992** **57,683,992**

Long Term loan for Unit No - 2 from Union Capital Ltd amounting to Tk. 56,233,992 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	4,210,284	4,042,762
Less : Adjustment	-	-
	<u>4,210,284</u>	<u>4,042,762</u>
Add: Provision	-	167,522
Closing balance	<u>4,210,284</u>	<u>4,210,284</u>

13 Other Liabilities

This consists of -

Unpaid Dividend	30,402,540	31,051,350
Employees, Provident Fund	39,928,636	38,356,088
Workers' Profit Participation & Welfare Fund	<u>7,971,067</u>	<u>7,748,303</u>
	<u>78,302,243</u>	<u>77,155,741</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	
30.09.2017	30.06.2017

15 Long Term Investment- Current portion (Al-Arafah Islami Bank Ltd.)	124,283,928	124,283,928
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This represents current portion of long term Investment from Al-Arafah Islami Bank Ltd. which are payable currently.

16 Long Term loans - Current portion	8,750,000	8,700,000
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This is consists of -
Long Term loan amounting to Tk. 8,750,000 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	3,331,597	6,383,420
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Term loan amounting to Tk. 3,331,597 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	1,445,618	2,560,071
Promotional materials, printing & stationery	1,515,846	1,656,357
	<u>2,961,464</u>	<u>4,216,428</u>

B. For Services

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

Telephone & fax	8,615	5,781
Gas & electricity	2,152,749	1,304,180
Insurance	123,642	110,461

	Amount In Taka	
	30.09.2017	30.06.2017
Audit fee	300,000	300,000
Salary and wages	3,483,245	3,357,857
Travelling expenses - field forces	2,238,547	2,354,612
C & F charges	28,643	13,636
Others	965,213	673,485
	9,300,654	8,120,012

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 (up to assessment year 2010 - 2011)	1,623,757	1,623,757
Other Liabilities	4,407,392	4,436,661
Demand from Al Arafah Islami Bank Ltd.	1,572,058,661	1,572,058,661
	1,578,920,464	1,579,080,934
Grand Total (A+B+C)	1,591,182,582	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 3 (Three) financial years the Company submitted accounts statements 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 at 1 July 2017	9,900,018	7,815,835
Add: Current Tax	301,673	2,084,183
	10,201,691	9,900,018
Adjustment against advance Income tax for the period	-	-
Balance at 30 September 2017	10,201,691	9,900,018

Amount In Taka	
01 July 2017 to 30 Sep 2017.	01 July 2016 to 30 Sep 2016.

21 Net Sales Revenue

This is arrived at as follows -

Sales	59,148,533	57,942,426
Less: VAT	(8,869,633)	(8,579,823)
Net sales revenue	50,278,900	49,362,603

22 Cost of Goods Sold

This is made - up as follows -

Work in process -opening	4,097,184	6,053,248
Raw materials consumed Note 23	8,557,842	8,412,121
Packing materials consumed Note, 24	20,329,331	19,345,806
Work in process -closing	(4,196,743)	(5,553,427)
Direct materials consumed	28,787,614	28,257,748
Direct labour	1,234,516	1,057,943
Manufacturing overhead Note: 25	7,714,056	7,679,051
Depreciation Note: 1	1,355,787	1,152,482
Cost of production	39,091,973	38,147,224
Finished goods opening	19,842,414	18,965,324
	58,934,387	57,112,548
Finished goods closing	(21,195,674)	(21,363,541)
	37,738,713	35,749,007
Cost of sample	(732,429)	(624,318)
Cost of Goods Sold	37,006,284	35,124,689

23 Raw Materials Consumed

This is made -up as follows -

Opening stock	12,542,362	12,213,726
Add: Purchase	4,442,976	4,254,723
	16,985,338	16,468,449
Less: Closing stock	(8,427,496)	(8,056,328)
Raw materials consumed	8,557,842	8,412,121

24 Packing Materials Consumed

This is consists of as follows -

Opening stock	26,561,238	27,363,549
Add: Purchase	11,932,418	11,838,730
	38,493,656	39,202,279
Less: Closing stock	(18,164,325)	(19,856,473)
Packing materials consumed	20,329,331	19,345,806

Amount In Taka	
01 July 2017 to 30 Sep 2017.	01 July 2016 to 30 Sep 2016.

25 Manufacturing Overhead

This is consists of as follows -

Salary,wages and benefits	3,880,259	3,805,430
Indirect materials	178,472	151,214
Overtime	281,387	240,906
Travelling & conveyance	77,050	76,950
Printing & stationery	67,062	61,197
Repairs & maintenance	170,734	161,263
Telephone, telex & fax	61,248	56,324
Gas & electricity	3,230,528	3,086,253
Insurance	175,439	166,692
Automobile operating expenses	125,419	116,911
Canteen expenses	700,974	813,854
	8,948,572	8,736,994

26 Administrative Expenses

This is consists of as follows -

Salary and allowances	2,034,788	1,989,737
Directors remuneration	465,375	465,375
Directors meeting fees	140,000	157,500
Office rent	60,000	60,000
Repairs and maintenance	99,600	96,447
Travelling & conveyance	80,692	67,749
Bank Charges	58,476	48,747
Office expenses	85,667	37,893
Fooding expenses	150,533	141,044
Automobile Operating expenses	114,847	118,513
Printing, stationery & office supplies	87,643	78,962
Postage, telephone and telex	82,125	79,249
Electricity, gas and water	76,419	69,359
Insurance	38,542	35,389
Legal, professional & other service charge	110,000	103,341
Depreciation Note:1	54,146	40,242
Total	3,738,853	3,589,547

27 Selling, Marketing and Distribution Expenses

This is consists of as follows -

Salary,allowances and benefits	6,888,043	6,599,151
Office rent	663,105	381,450
Repairs and maintenance	144,950	190,152

	Amount In Taka	
	01 July 2017 to 30 Sep 2017.	01 July 2016 to 30 Sep 2016.
Travelling & conveyance	2,094,368	1,947,624
Casual wages	790,600	787,059
Office expenses	129,399	102,503
Printing & stationery	135,521	121,613
Postage, telephone and telex	188,691	177,932
Electricity, gas and water	196,805	184,460
Insurance	125,423	100,865
Training & conference	69,874	68,043
Promotional materials expenses	584,019	573,299
Other promotional expenses	181,945	149,657
Sample expenses	732,429	1,024,318
Distribution expenses	892,583	807,274
Automobile operating expenses	138,272	101,300
Depreciation Note:1	330,893	245,922
Total	14,286,920	13,562,622

28 Finance Cost

Interest on Short Term Loan	348,176	575,407
Interest on Cash Credit	2,178,455	2,526,056
Interest on loan from P.F and Welfare Fund	1,229,611	938,256
	3,756,242	4,039,719

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 judice. 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 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 realized 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 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	(8,811,072)	(7,250,150)
b. Number of ordinary shares outstanding during the period	1,251,600	1,251,600
c. Earnings per share	(7.04)	(5.79)

Sd/-
ANM Mainuddin
Chief Financial Officer

Sd/-
Monami Alam
Director

Sd/-
Dr. Roushon Alam
Managing Director & CEO

Sd/-
Ayesha Alam
Chairperson