

PRIVATE AND CONFIDENTIAL

**JMI Syringes & Medical
Devices Ltd.**

Auditor's Report and Financial Statements
For the Year ended
30 June 2019



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

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JMI Syringes & Medical Devices Ltd.

**Auditor's Report and Financial Statements
For the Year ended
30 June 2019**



Independent Auditor's Report To the Shareholders of JMI Syringes & Medical Devices Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of JMI Syringes & Medical Devices Limited ("the Company"), which comprise the statement of financial position as at June 30, 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Emphasis of Matter

We draw your attention to Note 29 to the Financial Statements which discuss the fact that Worker's Profit Participation Fund payments were made through Cash transactions. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report

RISK

OUR RESPONSE TO THE RISK

Revenue Recognition

Revenue of BDT 177 Crore is recognized in the income statement of JMI Syringes & Medical Devices Limited. The Company's revenue recognition policies and procedures are not complex and revenue is recognized at a point in time when the control of the manufactured goods is transferred to the customer. However, Revenue is highly material to the financial statement users and is the primary driver of key investor metrics such as Earnings per Share etc. This account is also subject to some risk due to the risks such as management override and bias.

Details of the Revenue Section are summarized in Note 20 to the Financial Statements

Our audit procedures included:

Understanding the process of estimating, recording and reassessing going concern.

- ▶ Obtain an understanding of Company's internal controls specifically geared towards adoption of the new accounting standard.
- ▶ Examine customer contracts to determine key arrangements between the Customer and Company to understand when control of the goods manufactured transfer from Company to Customer.
- ▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately



Details of the Revenue Section are summarized in Note 20 to the Financial Statements

- ▶ Reviewing Invoices, Shipping Documents and other supporting documentation to ensure revenue recognition is occurring appropriately
- ▶ Examine Payment documentation to ensure completion of revenue cycle is documented appropriately

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the 2019 Annual Report. The Annual Report comprises of the Director's Report, Corporate Governance Compliance Report and Management Discussion and Analysis. The Annual Report is expected to be made available to us after the date of this auditor's report

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and relevant notifications issues by Bangladesh Securities and Exchange Commission, we also report that:

- ▶ We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ▶ In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- ▶ The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- ▶ The expenditures incurred were for the purpose of the Company's business.

Date: 21st September, 2019
Dhaka, Bangladesh



A.K. Gulam Kibria
A.K. Gulam Kibria, FCA
Engagement Partner
G. KIBRIA & CO.
Chartered Accountants

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JMI Syringes & Medical Devices Ltd.

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JMI Syringes & Medical Devices Ltd.

Statement of Financial Position

All amounts presented in Bangladesh BDT

	Notes	June 30, 2019	June 30, 2018
Assets			
Non-Current Assets			
Property, Plant & Equipment	4	1,07,52,93,227	1,10,39,83,892
Factory Building Work in Progress	4e	10,49,25,380	9,79,62,811
Total Non-Current Assets		1,18,02,18,607	1,20,19,46,703
Current Assets			
Inventories	5	48,99,12,762	49,21,73,544
Advance Deposit & Prepayments	6	28,82,25,242	31,76,11,929
Short Term Loan (Advance)	7	14,11,99,042	18,91,28,550
Advance Income Tax	8	21,90,10,106	25,11,64,770
Accounts Receivable	9	38,14,40,117	33,54,83,923
Cash and Cash Equivalents	10	33,87,68,201	1,04,56,732
Total Current Assets		1,85,85,55,470	1,59,60,19,448
Total Assets		3,03,87,74,077	2,79,79,66,151
Share Holder's Equity and Liability			
Shareholder's Equity			
Share Capital	11	11,00,00,000	11,00,00,000
Tax Holiday Reserve	12	1,21,19,070	1,21,19,070
Revaluation Reserve	4.d	32,10,98,425	39,06,37,275
Retained Earnings		31,29,58,416	27,12,35,608
Share Money Deposit	11	1,81,93,95,698	-
Total Shareholder's Equity		2,57,55,71,608	78,39,91,953
Non-Current Liabilities			
Long Term Loan (Non Current Maturity)	13	1,22,33,093	1,12,83,81,265
Deferred Tax Liability	15	8,93,82,174	6,43,85,369
Total Non-Current Liabilities		10,16,15,267	1,19,27,66,634
Current Liabilities			
Long Term Loan (Current Maturity)	14	3,71,59,787	6,23,98,429
Short Term Loan	16	7,26,61,571	60,66,01,074
Dividend Payable	17	32,05,687	28,32,252
Accrued Expenses Payable	18	2,00,000	1,84,41,181
Creditors and Other Payable	19	24,83,60,156	13,09,34,628
Total Current Liabilities		36,15,87,201	82,12,07,564
Total Liabilities and Shareholder's Equity		3,03,87,74,077	2,79,79,66,151


Accompanying notes form an integral part of these Financial Statements


Muhammad Tarek Hossain Khan
Company Secretary



Ranjit Chakraborty
Chief Financial Officer


Md. Javed Iqbal Pathan
Chairman

Date: September 21, 2019
Place: Dhaka, Bangladesh


Md. Abdur Razzaq
Managing Director

As per our report of same date


G. KIBRIA & CO.
Chartered Accountants



JMI Syringes & Medical Devices Ltd.

Statement for Profit or Loss and Comprehensive Income

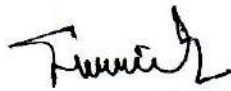
All amounts presented in Bangladesh BDT

	Notes	June 30, 2019	June 30, 2018
Revenue from Net Sales	20	1,77,84,94,735	1,42,13,78,736
Less: Cost of Goods Sold	21	1,26,62,19,066	1,00,95,30,185
Gross Profit		51,22,75,670	41,18,48,551
Administrative Expenses	25	7,29,45,827	6,61,96,603
Mkt, Selling and Distribution Expenses	26	10,46,66,001	8,41,10,491
Total Operating Expense		17,76,11,828	15,03,07,094
Operating Income		33,46,63,841	26,15,41,457
Add: Other Income	27	20,25,497	37,83,234
Less: Financial Expense	29	17,96,36,872	15,58,20,258
Net Income before Adjustment of WPPF		15,70,52,466	10,95,04,433
Less: WPPF Contribution	30	74,78,689	52,14,497
Net Income before Tax		14,95,73,778	10,42,89,936
Income Tax Charged for the Year	31	8,30,19,660	2,87,92,362
Net Profit After Tax		6,65,54,117	7,54,97,574
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		6,65,54,117	7,54,97,574
Earnings per Share (Basic)	32.A	6.05	6.86
Earnings per Share (Diluted)	32.B	3.04	6.86

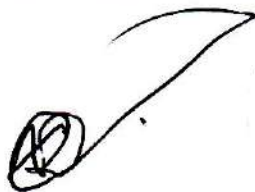
Accompanying notes form an integral part of these Financial Statements


Muhammad Tarek Hossain Khan
 Company Secretary


Ranjit Chakraborty
 Chief Financial Officer


Md. Javed Iqbal Pathan
 Chairman

Date: September 21, 2019
 Place: Dhaka, Bangladesh


Md. Abdur Razzaq
 Managing Director

As per our report of same date


G. KIBRIA & CO.
 Chartered Accountants



Equity


Statement for Change in Equity

All amounts presented in Bangladesh BDT

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as at 01.07.2018	11,00,00,000	-	1,21,19,070	39,06,37,275	27,12,35,608	78,39,91,953
Addition of Share Capital by NIPRO Corporation, Japan	-	1,81,93,95,698	-	-	-	1,81,93,95,698
Net Loss for the Year	-	-	-	-	6,65,54,117	6,65,54,117
Divident for the year- 2017-2018 (30% cash)	-	-	-	-	(3,30,00,000)	(3,30,00,000)
Error Correction: Def. Tax related to Revaluation (Up to Fiscal 2018) - (Refer to Anx 2)	-	-	-	(6,13,70,159)	-	(6,13,70,159)
Revaluation Reserve	-	-	-	(81,68,691)	81,68,691	-
Balance as at 30.06.2019	11,00,00,000	1,81,93,95,698	1,21,19,070	32,10,98,425	31,29,58,416	2,57,55,71,609

Particulars	Share Capital	Share Money Deposit	Tax Holiday Reserve	Revaluation Surplus	Retained Earnings	Total
Balance as at 01.07.2017	11,00,00,000	-	1,21,19,070	40,21,02,104	21,97,81,136	74,40,02,310
Net Loss for the Year	-	-	-	-	7,54,97,574	7,54,97,574
Divident for the year- 2016-2017 (30% cash)	-	-	-	-	(3,30,00,000)	(3,30,00,000)
Revaluation Reserve	-	-	-	(1,14,64,829)	89,56,898	(25,07,931)
Balance as at 30.06.2018	11,00,00,000	-	1,21,19,070	39,06,37,275	27,12,35,608	78,39,91,953


Accompanying notes form an integral part of these Financial Statements


Muhammad Tareq Hossain Khan
Company Secretary



Ranjit Chakraborty
Chief Financial Officer


Md. Javed Iqbal Pathan
Chairman

Date: September 21, 2019
Place: Dhaka, Bangladesh


Md. Abdur Razzaq
Managing Director

As per our report of Same Date


G. KIBRIA & CO.
Chartered Accountants




JMI Syringes & Medical Devices Ltd.

Statement of Cash Flow

All amounts presented in Bangladesh BDT


	June 30, 2019	June 30, 2018
A. Cash Flows from Operating Activities		
Collection from Sales	1,92,35,11,830	1,53,75,04,131
Collection from Others	16,61,613	34,42,730
Payments to Suppliers and Others	(1,42,87,96,444)	(1,32,80,66,637)
Tax Paid	(9,62,16,989)	(6,28,63,897)
Net cash used in operating activities (A)	40,01,60,010	15,00,16,327
B. Cash Flows from Investing Activities		
Acquisition of Non-Current Assets	(4,50,21,283)	(7,58,75,030)
Disposal of Vehicle	1,17,28,471	14,77,000
Net Cash from Investing Activities (B)	(3,32,92,812)	(7,43,98,030)
C. Cash Flows from Financing Activities		
Net Increase / (Decrease) in Long Term Loans	(1,14,13,86,814)	67,19,107
Net Increase / (Decrease) in Short Term Loans	(53,39,39,503)	6,88,44,579
Net (Increase) / Decrease in Inter Company Advances	4,79,29,508	-
Share Money Deposit	1,81,93,95,698	-
Dividend & Dividend Tax Paid	(3,26,26,565)	(3,32,60,004)
Interest & Bank Charges paid	(19,79,28,053)	(14,06,33,784)
Net Cash from Financing Activities (C)	(3,85,55,729)	(9,83,30,102)
D. Net increase/(decrease) in Cash (A+B+C)	32,83,11,469	(2,27,11,805)
E. Opening cash and cash equivalents	1,04,56,732	3,31,68,537
Closing Cash and Cash Equivalents	33,87,68,201	1,04,56,732
Net Operating Cash Flow Per Share (NOCFPS)	36.38	13.64

Accompanying notes form an integral part of these Financial Statements


Muhammad Tareq Hossain Khan
 Company Secretary


Md. Javed Iqbal Pathan
 Chairman


Ranjit Chakraborty
 Chief Financial Officer


Md. Abdur Razzaq
 Managing Director

As per our report of Same Date


G KIBRIA & CO.
 Chartered Accountants

Place: Dhaka, Bangladesh
 Date: 31st September, 2019



JMI Syringes & Medical Devices Ltd.
Notes, Comprising a Summary of Significant Accounting Policies and
Other Explanatory Information
For the year ended 30 June, 2019

1. Legal Status & Nature of the Company

- 1.1 JMI Syringes & Medical Devices Ltd.** was incorporated as a Private Limited Company on 5th April, 1999 in Bangladesh with an Authorized Capital of Tk. 6,00,00,000/- divided into 600,000 ordinary shares of Tk. 100/= each under the Companies Act., 1994. Subsequently the Company increased its Authorized Capital to Tk. 30,00,00,000/- and reduced the denomination of the shares from Tk. 100/= to Tk. 10/= as per Extra Ordinary General Meeting held on February 04, 2002 and was converted into a Public Limited Company as per Extra Ordinary General Meeting held on August 20, 2002. Again, the Company reverted its denomination of the shares from Tk. 10/= to Tk. 100/= as per Extra Ordinary General Meeting held on May 05, 2003 and went for public issue during that year. Company's share is listed with the Dhaka and Chittagong Stock Exchange Ltd.

The Company has changed its name from **JMI-Bangla Co. Ltd.** to **JMI Syringes & Medical Devices Ltd.** as per an Extra-Ordinary resolution passed on October 01, 2009 and this change has been approved by the Registrar of Joint Stock Companies & Firms on April 15, 2010.

The Company has changed its authorized capital from Tk. 30 Crore to Tk. 100 Crore and reverted its denomination of the share from Tk. 100/= to Tk. 10/= each. So that the Ordinary Shares of the Company has also been changed from 30 Lac to 10 Crore. It was approved by the shareholder an Extra Ordinary General Meeting held on 29th September, 2012 and also approved by the Registrar of Joint Stock Companies on 14-11-2012.

The Company has raised paid-up capital as per Consent Letter accorded by Bangladesh Securities and Exchange Commission, against issuing 1,11,00,000 Ordinary Share @ BDT 164.10 per share including premium BDT 154.10 per share to NIPRO Corporation, Osaka, Japan. All amount against the above has been received from NIPRO Corporation and presenting in Statement of Financial Position as Share Money Deposit. After completion of all formalities Company will allot subscribed shares to NIPRO Corporation and number of Paid-up Share will be 2,21,00,000 and Paid-up Capital will be BDT 22,10,00,000/=.

1.2 Address of Registered Office, Corporate Office and Factories:

The Registered Office of the Company is situated at 7/A, Shantibag, Dhaka-1217, Bangladesh. The Corporate Office of the Company is situated at "Unique Heights", Level-11, 119, Kazi Nazrul Islam Avenue, Dhaka-1000, Bangladesh & Factory address of the Company is situated at Noapara, Chaudagram, Comilla, Bangladesh.

1.3 Nature of Business:

The Company is primarily engaged in business of manufacturing and marketing of Disposable Syringe, Auto Disable Syringe (AD Syringe), Needle (blister pack), Infusion Set, Scalp Vein Set, Urine Drainage Bag, Insulin Syringe, First AID Bandage, Eye Gel Set, Riles Tube, IV Cannula, Feeding Tube, Cooper-T, Blood Lancets, Blood Transfusion Set, 3-Way Stop Cock, Suction Catheter, Alcohol Pad, Nelaton Catheter, Umbilical Cord Clamp, Wound Drain Tube, Safety Box etc.

1.4 Commencement of Business:

The Company commenced commercial operation on 26th January 2002. But the operation has stopped for some technical reason for 5 months and commercial operation has restarted from June 18, 2002.

1.5 Number of Employees:

The number of employees at the end of the year was 970.

2.0 Basis of Preparation of Financial Statements:



2.1 Statement of Compliance

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Securities & Exchange Rules 1987, the Listing Regulations of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and other relevant local laws as applicable and in accordance with the applicable International Financial Reporting Standards (IFRSs) including International Accounting Standards (IAS) as issued by International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). Prior year financial statements were prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS) which were adopted accounting standards from IFRS. Management has made an assessment of the difference between these two standards and concluded that there are no differences which would impact any numerical amounts or note disclosures.

2.2 Regulatory Compliances

As required by the company, the management complies with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- i. The Income Tax Ordinance 1984;
- ii. The Income Tax Rules 1984;
- iii. The Value Added Tax Act 1991;
- iv. The Value Added Tax Rules 1991;
- v. The Customs Act, 1969;
- vi. Bangladesh Labour Law, 2006;
- vii. The Securities and Exchange Ordinance, 1969;
- viii. The Securities and Exchange Rules, 1987; and
- ix. Securities and Exchange Commission Act, 1993

2.3 Structure, content and presentation of financial statements

According to the International Accounting Standards (IAS)-1 as adopted by ICAB as IAS-1 "Presentation of Financial Statements" the complete set of financial statements includes the following components.

- i. Statement of financial position as at 30 June 2019;
- ii. Statement of profit or loss and other comprehensive income for the financial year 30 June 2019;
- iii. Statement of cash flows for the financial year 30 June 2019;
- iv. Statement of changes in equity for the financial year 30 June 2019;
- v. Accounting policies and other explanatory notes for the financial year 30 June 2019.

2.4 Applicable Accounting Standards & Financial Reporting Standards

The following IASs and IFRSs are applicable for the financial statements for the year under review:

Sl. No.	Name of the IAS	IAS's no.
1	Presentation of Financial Statements	1
2	Inventories	2
3	Statement of Cash Flows	7
4	Accounting policies, Changes in accounting Estimates and Errors	8
5	Events after the Reporting Period	10
6	Income Taxes	12
7	Property, Plant & Equipment	16
8	Leases	17
9	Employee Benefits	19
10	The Effects of Changes in Foreign Exchange Rates	21
11	Borrowing Costs	23
12	Related Party Disclosures	24
13	Financial Instruments: Presentation	32
14	Earnings Per Share	33
15	Impairment of Assets	36



16	Provision, Contingent Liabilities and Contingent Assets	37
17	Intangible Assets	38

Sl. No.	Name of the IFRS	IFRS No
1	Financial Instruments: Disclosures	7
2	Operating Segments	8
3	Financial Instruments	9
4	Revenue	15
5	Fair Value Measurement	13

2.5 Basis of Measurement:

The financial statements have been prepared on Historical Cost Basis except land building being revalued on 31st December, 2012, & 3rd December, 2015 and the cash flow statement being prepared on cash basis.

2.6 Reporting Period:

The financial statements cover one financial year (12 months) from July 01, 2018 to June 30, 2019.

2.7 Authorization for issue:

The financial statements have been authorized for issue by the Board of Directors on 21st September, 2019.

2.8 Functional and Presentation Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency. All information presented has been rounded off to the nearest Taka except where indicated otherwise.

2.9 Use of Estimates and Judgments:

The preparation of financial statements in conformity with the IFRSs including IASs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and for contingent assets and liabilities that require disclosure, during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include depreciation, inventory valuation, accrued expenses and other payable.

3.00 Significant Accounting Policies:

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

3.1 Revenue Recognition:

In compliance with the requirements of IFRS 15: the Company recognizes revenue when control of the goods or services has been transferred to the customer and the performance obligation has been completed. Revenue is measured at the fair value of the amount of consideration to which the Company expects to be entitled to, including variable consideration, if any, to the extent that it is highly probable that a significant reversal will not occur.

Net Revenue reflects the Company's sale of goods less returns and discounts. Revenue is recognized at the point of delivery measured at fair value of the consideration received, net of discounts. IFRS 15 requires Company's to determine variable factors such as sales returns when calculating the fair value of the consideration to be received. The magnitude and quantity of sales returns as a percentage of sales has been historically very low. As a result, the Company does not make a sales return allowance at the end of the year. The Company does however monitor the



activity of sales returns during the year and the behavior of customers to determine if a sales return allowance is required. As of June 30 2019, no sales return allowance was deemed to be required.

Revenue from sales is exclusive of VAT.

Wastage sales are showing in other income (notes-27).

3.2 Property, Plant and Equipment:

3.2.1 Recognition and Measurement:

This has been stated at cost or revalued amount less accumulated depreciation in compliance with the requirements of IAS 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.2.2 Maintenance Activities:

The company incurs maintenance costs for all its major items of property, plant and equipment. Repair and maintenance costs are charged as expenses when incurred.

3.2.3 Depreciation:

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS 16: Property, Plant and Equipment. Depreciation is provided at the following rates on reducing balance basis:

Sl. No.	Name of Assets	% Of Depreciation
01.	Land and Land Development	0%
02.	Factory Building	5%
03.	Machineries	7%
04.	Furniture and Fixtures	10%
05.	Factory and Office Equipment	20%
06.	Office Decoration	10%
07.	Power Station	15%
08.	Air Cooler	20%
09.	Telephone Line Installation	15%
10.	Deep Tubewel & Pump	15%
11.	Crockeries and Cutleries	20%
12.	Vehicles	20%

The company's policy is to transfer excess depreciation of revalued assets are transferred from revaluation surplus to retained earnings net of deferred tax.

3.2.4 The Changes in Accounting Policy:

The management had changed the rate of depreciation for the following assets from the year-2008 to till now:

<u>Name of Assets</u>	<u>Present Rate</u>	<u>Previous Rate</u>
Factory Building	5%	20%
Machineries	7%	20%

Rate of depreciation for other assets are consistently following.

3.2.5 Retirements and Disposal:

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain loss on such disposal is reflected in the income statement, which is determined with reference to the net book value of the assets and net sales proceeds.

3.3 Leased Assets:

In compliance with the IAS 17: Leases, cost of assets acquired under finance lease along with related obligation has been accounted for as assets and liabilities respectively of the company, and the interest element has been charged as expenses. Lease payments made under finance leases are apportioned between the finance expenses and the reduction of the outstanding liability.



3.4 Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial Assets:

Financial assets of the company include cash and cash equivalents, accounts receivable and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.4.1(a) Accounts Receivable:

Accounts Receivable are created at original invoice amount less any provisions for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account aging, previous experience and general economic conditions. When an accounts receivable is determined to be uncollected it is written off, firstly against any provision available and then to the profit and loss account. Subsequent recoveries of amounts previously provided for are credited to the profit and loss account.

3.4.1 (b) Cash and Cash Equivalents:

Cash and cash equivalents include cash in hand, in transit and with banks on current, std. FC and deposit accounts which are held and available for use by the company without any restriction. There is insignificant risk of change in value of the same.

3.4.2 Financial Liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include payable for expenses, liability for capital expenditure and other current liabilities.

3.5 Impairment:

(a) Financial Assets:

Accounts receivable and other receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset, that can be estimated reliably. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy etc.

(b) Non-Financial Assets:

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease.

3.6 Inventories:

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS 2: Inventories. Cost is determined on weighted average cost basis. The cost of inventories comprises of expenditure incurred in the normal course of business in bringing the inventories to their present location and condition. Net realizable value is based on estimated selling price less any further costs expected to be incurred to make the sale.



3.7 Provisions:

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the date of statement of financial position. Where the effect of time value of money is material, the amount of provision is measured at the present value of the expenditures expected to be required to settle the obligation.

3.8 Income Tax Expenses:

Income tax expenses comprises of current and deferred tax. Income tax expenses is recognized in the Statement of Profit or Loss and Other Comprehensive Income and accounted for in accordance with the requirements of IAS 12: Income Tax.

Current tax:

Current tax is the expected tax payable on the taxable income for the year, and any adjustment to tax payable in respect of previous years. The company qualifies as a "Publicly Traded Company"; hence the applicable Tax Rate is 25.00% for profit on local sales & 12.50% for profit on export sales.

Deferred tax:

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12: Income Taxes. The company's policy of recognition of deferred tax assets / liabilities is based on temporary differences (Taxable or deductible) between the carrying amount (Book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income / expenses has been considered to determine net profit after tax and earnings per shares (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.9 Interest Income:

Interest income is recognized on accrual basis.

3.10 Borrowing Cost:

Borrowing costs are recognized as expenses in the period in which they are incurred unless capitalization of such is allowed under IAS 23: Borrowing Costs.

3.11 Employee Benefits:

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

The company has accounted for and disclosed employee benefits in compliance with the provisions of IAS 19: Employee Benefits.

The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate.

The company's employee benefits include the following:

(a) Short-term employee benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, fooding allowance, transportation, accommodation, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:



This represents 5% of net profit before tax contributed by the company as per

Provisions of the Bangladesh Labor (amendment) Act 2014 and is payable to workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The Company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

3.12 Proposed Dividend:

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also, the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors. The obligation will be created when the proposed dividend would be approved in the Annual General Meeting.

3.13 Earnings per Share (EPS):

This has been calculated in compliance with the requirements of IAS 33: Earnings Per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic EPS:

The company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS:

Diluted EPS is only be calculated where the company has commitment to issue ordinary share at future date at reporting date. No such commitment is hold by the company at reporting date.

3.14 Foreign Currency Transaction:

Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date. The monetary assets and liabilities, if any, denominated in foreign currencies at the financial position date are translated at the applicable rates of exchanges ruling at that date. Exchange differences are charged off as revenue expenditure in compliance with the provisions of IAS 21: The Effects of Changes in Foreign Currency Rates.

3.15 Statement of Cash Flows:

The Statement of Cash Flow has been prepared in accordance with the requirements of IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and as the benchmark treatment of IAS 7, whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed. In addition, the management disclosed indirect method under IAS-7 statement of cash flows from audit activities as per circular no. Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/ 2006-158/208/Admin/81, dated: 20 June 2018: Reconciliation of Net operating cash flow under Indirect Method.

3.16 Events after Reporting Period:



Even after the reporting period that provide additional information about the company's position at the date of Statement of Financial Position or those that indicate that the going concern assumption is not appropriate are reflected in the financial statements. Events after reporting period that are not adjusting events are disclosed in the notes when material.

3.17 Comparative Information:

Comparative information has been disclosed in respect of the year 2017-2018 for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current period financial statements.

Figures for the year 2017-2018 have been re-arranged wherever considered necessary to ensure better comparability with the current period.



4 Property, Plant & Equipment:

The details of property, plant & equipment are shown in Annexure-1

	June 30, 2019	June 30, 2018
Opening Balance (At Cost)	1,62,00,95,638	1,56,49,05,867
Addition during the year	3,80,58,714	5,74,62,763
Sales / Transfer	(1,79,08,190)	(22,72,992)
Total Cost	1,64,02,46,162	1,62,00,95,638
Less: Accumulated Depreciation (Notes-4-b)	56,49,52,935	51,61,11,746
Carrying Value	1,07,52,93,227	1,10,39,83,892

4.b Accumulated Depreciation

	June 30, 2019	June 30, 2018
Opening Balance	51,61,11,746	46,17,64,036
Add: Depreciation during the year (Notes-4-c)	5,50,20,908	5,54,84,206
Less: Adjustment (Sales / Transfer)	(61,79,719)	(11,36,496)
Closing Balance of Accumulated Depreciation	56,49,52,935	51,61,11,746

4.c Allocation of depreciation charge for the period has been made in the accounts as follows:

	June 30, 2019	June 30, 2018
Factory Overhead	4,98,35,865	5,08,61,039
Administrative Expenses	51,85,043	46,23,167
	5,50,20,908	5,54,84,206

4.d Revaluation Reserve:

The Company has revalued of their land and factory building by Axis Resources Ltd. and certified by Hoda Vasi Chowdhury & Co., Chartered Accountants as of 30th September, 2012, following " Current cost method". Such revaluation resulted into a revaluation surplus aggregating Tk. 35,04,06,455/-. Again the company has revalued of their Land & Factory Building on the basis of 30th September, 2015 by M/S. Malek Siddiqui Wali, Chartered Accountants and revaluation surplus aggregating Tk. 9,98,01,289/- Current balance is arrived at as follows:

	June 30, 2019	June 30, 2018
Opening Balance	39,06,37,275	40,21,02,104
Less: Deferred Tax related to Asset Revaluation (Anx 2)	(6,13,70,159)	
Adjusted Opening Balance	32,92,67,115	
Less: Transfer to Retained Earnings (net of Def. Tax)	(81,68,691)	(1,14,64,829)
Total Revaluation Reserve:	32,10,98,425	39,06,37,275

4.e Factory Building & Staff Quarter Building Work in Progress :

	June 30, 2019	June 30, 2018
Opening Balance (At Cost)	9,79,62,811	7,95,50,544
Addition during the year	69,62,569	1,84,12,267
Total as at 30th June, 2019	10,49,25,380	9,79,62,811

5 Inventory

	June 30, 2019	June 30, 2018
Raw and Chemical materials	12,62,91,430	12,15,59,787
Packing Materials	4,91,19,501	4,29,04,681
Raw, Chemical and Packing Materials	17,54,10,931	16,44,64,468
Work-in-Process	7,27,82,087	8,35,83,527
Finished Goods	23,11,68,331	23,11,23,842
Generator Fuel, Stationery, Spare Parts & Others	1,05,51,412	1,30,01,707
Total Inventory	48,99,12,762	49,21,73,544

Raw Materials, WIP & Finished Goods are valued at lower of Cost and Net Realizable Value



6 Advance, Deposits and Prepayments

	June 30, 2019	June 30, 2018
Security deposit to CPB Samity-2	30,06,227	30,06,227
Advance to Employee	2,88,242	(23,03,284)
Security Deposit for Office Rent & Depot Rent	33,93,330	30,46,130
Advance to ISN	3,000	3,000
Advance to Rankstel	4,000	4,000
Security deposit to CDBL	2,00,000	2,00,000
Security deposit to Sonali Bank	1,73,400	1,73,400
Janata Bank, Corp. Branch, SD A/c-70104001 (LC /PAD)	245	245
Advance for Purchase of Land	-	9,49,26,843
Advance for Purchase of Floor Space	-	2,80,51,080
LC Margin & Others	1,76,66,916	85,46,252
Advance to Supplier	4,63,56,990	5,20,01,507
Advance for Goods	17,39,68,405	10,56,46,087
Bank Guarantee & Earnest Money Security	3,99,47,630	2,04,12,521
VAT Current Account	32,16,857	38,97,921
Total Advance, Deposits & Prepayments	28,82,25,242	31,76,11,929
Maturity analysis for above amount as under:		
Adjustment within 1 year	28,14,45,040	31,11,78,927
Adjustment within after 1 year	67,80,202	64,33,002
Total Advance, Deposits & Prepayments	28,82,25,242	31,76,11,929

7 Short Term Loan (Advance)

	June 30, 2019	June 30, 2018
Nipro JMI Pharma Ltd.	-	1,26,89,480
JMI Vaccine Ltd.	14,11,99,042	23,78,14,068
JMI Marketing Ltd.	-	(18,05,19,030)
JMI Builders & Construction Ltd. (Developer Consultants)	-	3,77,82,198
Mazzak Inter Trade Ltd.	-	7,00,00,000
JMI Industrial Gas Ltd. (Purchase of Goods)	-	1,13,61,834
Total Short Term Loan (Advance)	14,11,99,042	18,91,28,550

8 Advance Income Tax

	June 30, 2019	June 30, 2018
Opening Balance	25,11,64,770	18,83,00,873
Addition during the period:		
AIT deducted against Sales	7,87,43,343	5,03,45,272
AIT deposit against Vehicle	2,13,000	2,56,000
AIT deposit against Bank Interest	18,498	14,548
AIT deducted against Import of Raw Materials	1,72,42,148	1,22,48,077
	9,62,16,989	6,28,63,897
Balance after addition	34,73,81,759	25,11,64,770
Less: Adjustment		
NBR IT Assessment Adjustment ((01-01-14 to 31-12-16)	5,79,11,887	-
NBR IT Assessment Adjustment (01-01-10 to 31-12-13)	7,04,59,766	-
	12,83,71,653	-
Closing Balance Advance Income Tax	21,90,10,106	25,11,64,770

9 Accounts Receivable

	June 30, 2019	June 30, 2018
Opening Balance	33,54,83,923	29,40,29,329
Add: Sales with VAT during the year	1,96,88,43,771	1,57,89,58,725
Less Realisation / adjustment during the year	1,92,35,11,830	1,53,75,04,131
Closing Balance	38,08,15,864	33,54,83,923



Add: Unrealized Gain for balance of export sales	6,24,253	-
Net Closing Balance	38,14,40,117	33,54,83,923
US 8,32,338 included in receivable at the end of the year. Subsequently the receivables have been realized and aging are as follows:		
Receivable amount within 30 Days	20,47,82,370	23,30,69,076
Receivable amount within 60 Days	13,14,48,164	7,96,69,044
Receivable amount within 90 Days	2,02,57,057	1,88,26,807
Receivable amount over 90 Days	2,49,52,526	39,18,996
Total Receivable Amount	38,14,40,117	33,54,83,923

Disclosure for related party transaction as Sundry Debtors:

Name	Total Transactions	June 30, 2019	June 30, 2018
JMI Marketing Ltd.	60,54,67,755	1,47,16,002	12,67,64,702
Nipro JMI Pharma Ltd.	42,84,698	30,06,759	8,88,551
Total	60,97,52,453	1,77,22,761	12,76,53,253

10 Cash & Cash Equivalents

	June 30, 2019	June 30, 2018
Cash at Bank		
Janata Bank, Corporate Branch, CD A/c-1010216	24,20,657	2,857
Jamuna Bank, F.Ex. Branch-CD A/c-210005144	1,04,283	1,04,283
Janata Bank, Corporate Branch, STD A/c- 004001122	13,73,16,634	6,656
Janata Bank, Corporate Branch, STD A/c- 004001592	24,981	15,256
Janata Bank, Corporate Branch, FC A/c-402000452	10,30,752	6,70,735
Janata Bank, Chauddagram Branch, CD A/c- 001006817	32,98,743	50,418
Janata Bank, Corporate Branch, STD A/c- 004001119	5,710	6,656
AB Bank, IPO A/c-221252430	31,218	31,218
Janata Bank, Corporate Branch, FC A/c-413000087	16,75,00,000	-
Pubali Bank Ltd. STD A/c-2001221	18,85,404	23,213
Pubali Bank Ltd. STD A/c-3850102000116	20,01,224	-
Standard Bank Ltd. Motijheel Branch, CD A/c-00233012214	17,754	2,80,882
Dutch Bangla Bank CD A/c-10411024464	69,963	71,458
Dutch Bangla Bank STD A/c-1011205276	9,76,300	8,80,150
Islami Bank Chauddagram Branch-A/c-1320	258	24,408
Total Cash at Bank	31,66,83,881	21,68,190
Cash in Hand		
Head Office	84,73,029	57,41,562
Factory Office	1,36,11,291	24,81,582
Depot Office	-	65,398
Total Cash in Hand	2,20,84,320	82,88,542
Closing Balance Cash & Cash Equivalents	33,87,68,201	1,04,56,732

We have received USD \$21,800,000 through FC accounts against FDI Investment from Nipro Corporation, Osaka, Japan and ending of the year USD \$2,001,194.74 equivalents BDT 16,75,00,000 balance available in that accounts.

11 SHARE CAPITAL

	June 30, 2019	June 30, 2018
Authorized :		
10,00,00,000 Ordinary Shares of Tk.10/- each	1,00,00,00,000	1,00,00,00,000
Issued, Subscribed & Paid up Capital :		
1,10,00,000 Ordinary Shares of Tk.10/- each at par fully paid up	11,00,00,000	11,00,00,000
Bangladeshi	54,24,000	54,24,000
Foreigners	13,00,000	13,00,000



Sponsors	67,24,000	67,24,000
General Public	31,25,100	31,25,100
Institution	11,50,900	11,50,900
Public Shares	42,76,000	42,76,000
Share Money Deposit	1,81,93,95,698	-

Share Money Deposited by NIPRO Corporation, Osaka, Japan as per Consent letter accorded by Bangladesh Securities and Exchange Commission, against 1,11,00,000 Ordinary Shares @ BDT 164.10 per share including premium BDT 154.10 per share, represents after netting off relevant charges and expenses.



(b) Distribution Schedule:

The distribution schedule showing the number of shareholders and their shareholdings in percentage has been disclosed below as a requirement of the "Listing Regulations" of Stock Exchanges:

Range of Holdings in number of shares	Number of shareholders		% Of shareholders		No. of Shares		% of Share Capital	
	2019	2018	2019	2018	2019	2018	2019	2018
1 to 500	2,812	1,385	120	59	3,79,978	2,70,877	3	2
501 to 5,000	994	804	43	34	15,88,743	13,61,826	14	12
5,001 to 10,000	73	80	3	3	5,12,145	5,48,218	5	5
10,001 to 20,000	43	39	2	2	5,81,934	5,52,882	5	5
20,001 to 30,000	12	11	1	0	2,94,595	2,64,635	3	2
30,001 to 40,000	3	2	0	0	1,03,300	70,000	1	1
40,001 to 50,000	4	1	0	0	1,67,658	43,500	2	0
50,001 to 1,00,000	4	3	0	0	3,01,797	2,48,623	3	2
1,00,001 to 10,00,000	8	8	0	0	22,56,310	18,06,899	21	16
Over 10,00,000	4	4	0	0	48,13,540	58,32,540	44	53
Total	3,957	2,337	169	100	1,10,00,000	1,10,00,000	100	100

(C) Market Price of Ordinary Shares:

The shares are listed with Dhaka and Chittgong Stock Exchanges. On the last working day of the year, each share was quoted at Tk. 468.20 in Dhaka Stock Exchange Ltd. and Tk. 467.70 in Chittagong Stock Exchange Ltd.



12 Tax Holiday Reserve :

This has been provided for as per provision of the Income Tax Ordinance, 1984:

	June 30, 2019	June 30, 2018
Opening Balance	1,21,19,070	1,21,19,070
Addition during the period	-	-
Closing Balance	1,21,19,070	1,21,19,070

As per circular of NBR the tax holiday reserve has been made @40% on net profit earned by the Company up to 31-12-2006.

13 Long Term Loan-Secured (Non Current Maturity)

This represents long term loans from financial institutions are as follows:

	June 30, 2019	June 30, 2018
Janata Bank Ltd, JBCB, Dhaka (Payment within 5 years)	-	56,96,54,905
Janata Bank Ltd, JBCB, Dhaka (Payment after 5 years)	-	44,66,01,956
One Bank Ltd, Motijheel, Dhaka (Payment within 5 years)	-	9,97,59,564
Pubali Bank Ltd, BB Avenue, Dhaka (within 5 years)	1,22,33,093	1,23,64,840
	1,22,33,093	1,12,83,81,265

14 Long Term Loan-Secured (Current Maturity)

This represents current portion of long term secured loan from financial institutions which are

	June 30, 2019	June 30, 2018
1. Janata Bank Ltd, Bhaban Branch, Dhaka	3,32,33,473	3,21,66,000
2. One Bank Ltd, Motijheel Branch, Dhaka	-	2,72,31,940
3. Pubali Bank Ltd, BB Avenue Branch, Dhaka	39,26,314	30,00,489
Total Long-Term Loan (Current Maturity)	3,71,59,787	6,23,98,429

a)	Lender:	1. Janata Bank, Corporate Branch, Dhaka. 2. One Bank Ltd, Motijheel Branch, Dhaka 3. Pubali Bank Ltd, BB Avenue Branch, Dhaka
b)	Security:	1. 1st Charge on Project Land, Building and Plant and Machinery of the Company and 2. Mortgage/ Lien of Sponsor Director's Share & personal guarantee of all directors of the Company 3. Mortgage/ Lien of Sponsor Director's Share & personal guarantee of all directors of the Company
c)	Interest Rate:	1. 12% p.a. compounded half-yearly 2. 13% p.a. compounded monthly 3. 10.50% p.a. compounded quarterly

15 Deferred Tax Liability

In prior years, management calculated deferred tax rate based on the temporary differences between accounting and tax base of assets and liabilities and the prevalent local tax rates. The calculation however, erroneously did not consider the deferred tax impact on the revaluation of land and building. Due to the revaluation of land and building, an additional temporary difference is created as the carrying value of the asset has increased but there was no change in the tax value of. For the current year, a corrected deferred tax liability has been calculated. The calculation has been done considering the impact of the revaluation surplus. Paragraph 43 of IAS 8 states that retrospective restatement is not required for prior year error corrections if it is considered impracticable to determine the period specific effects or the cumulative effects of the error. In addition, Paragraph 80 H of IAS 12 states that tax expense related errors are included in profit and loss because they cannot be accounted for retrospectively.

The Company has concluded that retrospective adjustment is impractical as the only line items effected are Deferred Tax and Revaluation Reserve. To restate the full financial statements for such limited number of accounts was considered to be impractical. Paragraph 45 states that if it is impracticable to determine the cumulative effect, at the beginning of the current period, of an error on all prior periods, the entity shall restate the comparative information to correct the error



prospectively from the earliest date practicable. In line with the guidance, the adjustment is made prospectively by calculating the opening balance of deferred tax liability for the current period and then re-calculating the deferred tax expense for the current year. Details of the calculations are

	June 30, 2019	June 30, 2018
a) Temp. difference on Fixed Assets (including Revaluation)		
Balance as at December 31st, 2019	8,92,26,111	6,43,85,369
For details, refer to Annexure - 2		
b) Unrealized Gain at accounting base	6,24,253	-
Tax charges @ 25%	1,56,063	-
Total (A+B)	8,93,82,174	6,43,85,369

16 Short Term Loan :

	June 30, 2019	June 30, 2018
A. Pubali Bank PAD L/C A/c	3,71,27,026	5,29,86,508
B. Janata Bank PAD L/C A/c	-	36,14,566
C. Standard Bank PAD L/C A/c	3,23,84,545	-
D. One Bank Ltd. CC Hypo A/c	-	55,00,00,000
E. NIPRO Corporation, Osaka, Japan	31,50,000	-
	7,26,61,571	60,66,01,074

The above loan was taken from various Banks against mortgage of sponsor share of director of the Company & personal guarantee of all director's of the Company. This facility availed for yearly basis and rate of interest was Tk. 13% P.A. except loan from NIPRO Corporation.

17 Dividend Payable:

	June 30, 2019	June 30, 2018
Opening Balance	28,32,252	30,92,256
Addition for the year-2017-2018 (30% Cash)	3,30,00,000	3,30,00,000
Balance after addition	3,58,32,252	3,60,92,256
Less: Tax at Source Payable	47,79,711	47,47,271
Less: Payments during the year	2,78,46,854	2,85,12,733
Closing Balance	32,05,687	28,32,252

Details of Unpaid Dividend

For the Year-2004	75,160	75,160
For the Year-2005	47,250	47,250
For the Year-2006	56,025	56,025
For the Year-2007	57,825	57,825
For the Year-2008	1,64,888	1,64,888
For the Year-2009	1,64,063	1,64,063
For the Year-2010	3,07,080	3,07,080
For the Year-2011	3,27,770	3,27,770
For the Year-2012	3,56,444	3,56,444
For the Year-2013	2,08,710	2,08,710
For the Year-2014	3,01,973	3,01,973
For the Year-2015	2,41,124	2,47,874
For the Year-2016 (6 months-up to 30/06/16)	88,776	96,851
For the Year-2016-2017	4,17,789	4,20,339
For the Year-2017-2018	3,90,810	-
Closing Balance	32,05,687	28,32,252

18 Accrued Expenses Payable

	June 30, 2019	June 30, 2018
Interest & Charges Payable for Long Term Loan	-	18,428
Interest & Charges Payable for Short Term Loan A/c	-	1,82,72,753
Audit Fees	2,00,000	1,50,000



Total Accrued Expenses	2,00,000	1,84,41,181
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19 Creditors and Other Payables :

	June 30, 2019	June 30, 2018
Goods & Service	16,40,06,585	7,61,16,428
Salary & Bonus Payable	24,66,843	20,51,091
Wages & Bonus Payable	78,95,660	53,36,645
Remuneration & Bonus Payable	12,78,000	7,43,000
Electricity Bill Payable-Factory	23,90,186	18,74,717
Electricity Bill Payable-H/O	57,743	27,790
Telephone & Mobile Bill Payable	71,601	62,259
Gas Bill Payable-H/O	546	3,886
WASA Bill Payable-H/O	18,652	7,593
Tax at Source Payable	83,63,686	92,10,849
VAT at Source Payable	1,74,321	5,47,008
TA/DA Bill Payable-Mkt	56,710	46,120
Providend Fund	1,23,56,162	1,24,05,784
Workers Profit Participation Fund	74,78,689	52,14,497
Provision for Income Tax	4,02,53,081	1,61,31,405
Other Expenses	14,91,691	11,55,556
	24,83,60,156	13,09,34,628

20 Revenue from Net Sales:

	June 30, 2019	June 30, 2018
General Sales (JMI Product)	1,26,89,93,571	1,05,33,09,389
Export Sales (JMI Product)	9,75,91,125	3,49,04,300
Vat Exempted Sales (JMI Product)	34,47,44,956	27,68,08,122
Tender Sales (Other Product)	6,85,36,674	5,91,33,053
Total Sales Revenue:	1,77,98,66,326	1,42,41,54,864
Less: Sales Return from Customer	13,71,591	27,76,128
Net Sales Revenue	1,77,84,94,735	1,42,13,78,736
Declaration of Sales:		
Sales: Section 82/C of Income Tax Ordinance, 1984	1,76,26,53,925	1,41,14,79,886
Sales Other than Section 82/C	1,58,40,810	1,26,74,978
	1,77,84,94,735	1,42,41,54,864

Total Export Sales US\$ 11,75,797/= for the year 30th June-2019 & US\$ 4,47,491/= for the year 30th June-2018.

21 Cost of Goods Sold

	June 30, 2019	June 30, 2018
Work-in-Process (Opening)	8,35,83,527	3,43,95,093
Raw Materials Consumed (Note-22)	84,96,73,234	66,90,83,085
Packing Materials Consumed (Note-23)	18,62,59,692	15,51,06,255
Factory Overhead (Note-23)	22,11,42,628	20,62,77,327
Total Manufacturing Cost	1,34,06,59,081	1,06,48,61,760
Work-in-Process (Closing)	(7,27,82,087)	(8,35,83,527)
Cost of Goods Manufactured	1,26,78,76,994	98,12,78,233
Finished Goods (Opening)	23,11,23,842	26,06,94,694
Finished Goods available	1,49,90,00,836	1,24,19,72,927
Cost of Physician Sample transferred to Sample Stock	(16,13,439)	(13,18,900)
Finished Goods (Closing)	(23,11,68,331)	(23,11,23,842)
Total Cost of Goods Sold	1,26,62,19,066	1,00,95,30,185

22 Raw Materials Consumed

	June 30, 2019	June 30, 2018
Opening Stock	12,15,59,787	12,13,97,516



Purchase for the year	85,44,04,877	66,92,45,356
Closing Stock	<u>(12,62,91,430)</u>	<u>(12,15,59,787)</u>
	<u>84,96,73,234</u>	<u>66,90,83,085</u>

23 Packing Materials Consumed

	June 30, 2019	June 30, 2018
Opening Stock	4,29,04,681	3,14,44,605
Purchase for the year	19,24,74,512	16,65,66,331
Closing Stock	<u>(4,91,19,501)</u>	<u>(4,29,04,681)</u>
	<u>18,62,59,692</u>	<u>15,51,06,255</u>

24 Factory Overhead :

	June 30, 2019	June 30, 2018
Travelling & Conveyance	2,39,863	1,68,021
Fuel, Petrol, Light Diesel Etc	50,31,210	67,06,906
Depreciation	4,98,35,865	5,08,61,039
Factory Staff Uniform	3,45,118	2,60,200
Electricity Bill	2,86,98,236	2,29,01,635
Factory Expenses	69,72,068	67,83,123
Factory Employee Free Lunch & Entertainment	82,90,693	88,63,549
Freight Charge/ Carriage Inward	5,19,820	4,46,800
Worker Mess Rent	3,56,400	3,00,000
Insurance Premium	13,65,585	6,83,100
Internet Bill	1,15,756	1,36,964
Laboratory Consumable Stores	7,68,622	8,08,895
Stationery Expenses	4,94,071	3,88,765
Printing Expenses	4,12,557	2,53,594
Papers & Periodicals	3,030	2,670
Spare Parts	22,60,762	22,24,377
Municipal Tax	13,974	19,995
Medical expenses	1,92,063	1,88,467
Repairs & Maintenance	18,68,927	20,46,450
Telephone & Mobile Bill	2,48,051	2,32,995
Remuneration-Director with Bonus	24,46,000	20,46,000
Provident Fund (Companies Contribution)	27,62,420	26,13,975
Research and Development	10,26,150	11,15,048
Overtime Expenses	1,31,78,373	1,21,62,844
Daily Labour Charge	19,31,585	18,77,749
Salary & Allowances with Bonus	9,17,65,429	8,21,84,166
Total Factory Overhead	<u>22,11,42,628</u>	<u>20,62,77,327</u>

- Salary and allowances includes bonus.
- The value of stores, spares and other materials cost represent actual consumed cost.
- Factory expenses & maintenance cost which is included repairs & maintenance of office, premises, building and other infrastructures.

25 Administrative Expenses:

	June 30, 2019	June 30, 2018
Advertisement	1,88,960	1,76,520
Audit Fees	2,00,000	1,50,000
Vehicles Fuel Expenses	41,01,680	39,39,365
Conveyance	7,12,321	6,94,039
Depreciation	51,85,043	46,23,167
Electric Bill-H/O	5,13,627	4,59,691
Entertainment	15,36,187	13,69,444
Fooding Expenses-H/O	17,12,747	15,13,628
Gas Bill	9,048	31,303
Internet Bill	1,85,326	1,72,702



Group Insurance	9,86,857	8,16,228
Legal Expenses	3,73,714	3,11,132
Office Expenses	27,53,474	25,78,547
Office Rent	32,31,624	22,02,536
Overtime	1,60,232	6,49,165
Postage and Courier Charge	3,22,762	3,46,449
Printing Expenses	6,84,548	3,41,884
Research and Development	6,30,000	6,28,803
Providend Funds (Companies Contribution)	7,31,178	9,08,298
Professional Fees	3,00,000	7,50,000
Registration Renewal Fees	8,19,870	8,03,540
Remuneration-Director (with bonus)	87,19,000	74,84,400
Repair & Maintenance H/O	5,17,532	5,00,654
AGM, Secreterial & Regulatory Expenses	20,02,691	16,99,195
Salary and allowances (with bonus)	2,94,73,756	2,78,70,017
Stationery Expenses	8,13,871	7,43,249
Subscription & Annual Membership Fees	4,21,956	4,90,269
Telephone and Mobile Bill	7,87,934	6,58,559
Travelling Expenses-Overseas & Inland	48,01,891	30,83,606
Water Bill	67,998	2,00,213
	7,29,45,827	6,61,96,603

26 Marketing, Selling and Distribution Expenses

	June 30, 2019	June 30, 2018
Goods Delivery Expenses (Own Vehicle)	83,05,940	1,38,62,605
Product Certification, Enlisted & Inclusion Expenses	77,83,844	22,27,501
Fooding & Office Expenses	13,73,778	22,29,473
Exhibition Expenses	10,99,600	10,20,631
Export Expenses	4,80,718	10,54,044
Gas & Water Bill	14,400	22,200
Loading / Unloading & Labour Charge	5,11,866	5,03,315
Depot Rent	-	20,67,300
Office Rent	7,48,201	15,88,824
Salary and allowance (with bonus)	96,48,516	3,24,08,533
Sales Commission to JMI Marketing Ltd.	5,87,95,928	64,24,483
Sample & Promotional Expenses	1,02,95,127	1,00,36,352
Providend Fund (Companies Contribution)	2,01,594	7,41,844
T.A & D.A to Marketing Officials	37,84,030	80,45,979
Telephone, Mobile & Internet Expenses	99,665	3,94,923
Tours and Travell	12,99,136	13,54,940
Training Expenses	2,23,658	1,27,544
	10,46,66,001	8,41,10,491

27 Other Income

	June 30, 2019	June 30, 2018
Wastage Sales	6,79,238	5,00,000
Bank Interest	1,54,453	1,59,233
Rental	3,61,013	14,79,397
Profit on Sale of Vehicle & Equipments	2,63,112	3,40,504
Foreign Exchange Gain/(Loss): Realized	-	(59,650)
Foreign Exchange Gain/(Loss): Unrealized - Note 28	1,00,772	-
Others	4,66,909	13,63,750
	20,25,497	37,83,234

It should be noted that the Company has reported US Sales of US 11,75,797. However the Company did not record any realized foreign exchange gains or losses. This is due to the fact that even though the Company made US sales, the sales were not done through LCs but rather through Sales Contracts which had the consideration quoted in US and BDT. The Final payment was also received in BDT which meant that there was no difference between the sale recognized and



The Company did however incur unrealized gains and losses because there were some LCs (both Master LC for sale purposes and back-to-back LCs for purchase purposes) which were issued or received near the very end of the year. As these LCs remained unrealized at the end of the year, they were translated at the year-end US dollar rate in line with IAS 21.

28 Other Comprehensive Income

	June 30, 2019	June 30, 2018
Details are as under :		
Unrealized Gain for balance of export sales	6,24,253	-
Unrealized Loss ForEx for LC Liabilities (PAD & DEF L/C)	(5,23,481)	-
Total Other Comprehensive Income	1,00,772	-

29 Financial Expenses:

	June 30, 2019	June 30, 2018
Interest & Charges for Short Term Loan	6,20,07,043	5,07,51,519
Interest & Charges for Long Term Loan	11,57,03,728	9,94,39,026
Bank Charges and Commission	8,53,275	24,40,577
Realized Loss for ForEx Transaction for import of materials	10,72,826	31,89,136
Total Financial Expenses	17,96,36,872	15,58,20,258

30 Contribution to WPPF:

This represents statutory contribution by the company as per Bangladesh Labour (amendment) Act, 2013. The amount is computed @ 5% of net profit before tax (but after charging such contribution). Last year's provision was paid during the period in accordance with the requirement of said act.

The payment to the WPPF trust was done in increments throughout the year through cash transactions. Moving on, the Company will look to move away from making WPPF payments in Cash. Instead the Company will make payments to the WPPF trust through A/C Payee Cheque.

31 Income Tax Charged for the year:

	June 30, 2019	June 30, 2018
Details are as under :		
Current Tax:		
On Net Profit	2,37,05,419	1,27,36,612
On Other Income	3,76,790	8,35,787
On Profit on Sale of Vehicle	39,467	51,076
NBR IT Assessment Adjustment (01-01-14 to 31-12-16)	5,79,11,887	-
NBR IT Assessment Adjustment (01-01-10 to 31-12-13)	3,73,59,452	-
	11,93,93,015	1,36,23,474
Deferred Tax Expenses (Annexure 2)	(3,63,73,355)	1,51,68,888
Total Income Tax Charged for the year	8,30,19,660	2,87,92,362

32 Earning Per Share (EPS):

A. Basic Earnings Per Share (EPS):

	June 30, 2019	June 30, 2018
(a) Earnings attributable to the Ordinary	6,65,54,117	7,54,97,574
(b) Weighted Average Ordinary Shares outstanding	1,10,00,000	1,10,00,000
	6.05	6.86

As described in Note 11, the Company has received Share Money Deposit of BDT 1,81,93,95,698 from the Nipro Corporation and 1,11,00,000 shares were issued to the Company on July 2019. Since the shares were issued after the reporting period, these shares are not considered in the calculation of EPS for the current year but rather disclosed here in accordance with Paragraph 70D of IAS 33. The effect of this share issuance is shown in the diluted EPS calculation.

B. Diluted Earnings Per Share



	June 30, 2019	June 30, 2018
(a) Earnings attributable to the Ordinary	6,65,54,117	7,54,97,574
(b) Potential Ordinary Shares outstanding	2,20,00,000	1,10,00,000
	3.01	6.86

As described in Note 32A, the Company has received share money deposit at the end of the year and the shares have been subsequently issued in fiscal 2020. Since the issue of shares in the following year is dilutive, a diluted EPS is calculated here. In line with paragraph 65 of IAS 33, the diluted EPS of prior year is not restated with the potential new shares for fiscal 2019.

33 Net Assets Value Per Share (NAVPS):

	June 30, 2019	June 30, 2018
(a) Equity attributable to the Ordinary Shareholders	2,57,55,71,608	78,39,91,953
(b) Less: Share Money deposit	(1,81,93,95,698)	-
Net Equity attributable to Ordinary Shareholders	75,61,75,910	78,39,91,953
(c) Weighted Average Ordinary Shares outstanding	1,10,00,000	1,10,00,000
	68.74	71.27

Share Money deposited by NIPRO Corporation, Osaka, Japan against 1,11,00,000 Ordinary Shares @ 164.10 per share including Share Premium @ 154.10 per share in June 2019 represents the net amount after considering relevant charges and expenses, which was shown in face of Statement of Financial Position. Subsequently, 1,11,00,000 Ordinary Shares were allotted in favour of NIPRO Corporation on 3rd July, 2019. The difference between the receipt of funds and issuance of shares is less than 10 working days. However, with the year-end cut-off date falling in between, there is an artificial increase in Net Assets per Value (since the assets have increased in June 2019 while the corresponding increase in Ordinary Shares took place in early July 2019). Therefore when calculating NAVPS, we have excluded the share money deposit proceeds in order to present a consistent and reasonable representation of financial performance for the year. If this adjustment was not made, the users of the financial statements could be misled by an artificial increase in

34 Clause No. 5 (2) (e) of Notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated: 20 June 2019: Reconciliation of Net operating cash flow under Indirect Method:

	June 30, 2019	June 30, 2018
Net Profit	6,65,54,117	7,54,97,574
Less: Non-Cash OCI	(1,00,772)	-
Add: Def. Tax Gain	(3,63,73,355)	1,51,68,888
Add: Interest paid on LT Loan	19,79,28,053	15,58,20,258
Add: Depreciation	5,50,20,908	5,54,84,206
Add: Increase in Inventory Balance	22,60,782	(3,84,97,072)
Less: Decrease in Receivable (including OCI impact)	(4,53,31,941)	(4,14,54,594)
Add: Increase in Advance	2,93,86,687	(3,20,89,376)
Add: Increase in AIT Balance	3,21,42,777	(4,92,40,423)
Less: Decrease in Accrued Expenses	(1,82,41,181)	1,51,86,474
Add: Increase in Accounts Payables (including OCI)	11,69,02,048	(58,59,608)
Net Operating Cash Flow	40,01,48,123	15,00,16,327
Weighted Average Shares Outstanding:	1,10,00,000	1,10,00,000
Net Operating Cashflow per share	36.38	13.64

35 Related Party Transaction-Disclosures under IAS 24 "Related Party Disclosure"

The Company carried out a number of transactions with related parties / associates undertakings in the normal course of business and on arms length basis. The nature of transaction and their total value are in below:

Name	Nature of Transaction	Total Transaction for the year	Balance as on 30-06-2019
A. Advance & Short Term Loan paid			



JMI Vaccine Ltd.	Short Term Loan	9,66,15,026	14,11,99,042
Total for Advance & Short Term Loan paid		9,66,15,026	14,11,99,042
B. Supplier / Creditors (Payable)			
JMI Hospital Requisit Mfg. Ltd.	Supplier (Creditors)	57,44,26,988	(12,11,55,718)
JMI CNG Dispensing Ltd.	Supplier (Creditors)	35,13,113	(6,59,697)
JMI Industrial Gas Ltd.	Supplier (Creditors)	2,98,86,772	(21,95,679)
JMI Printing & Packaging Ltd.	Supplier (Creditors)	9,50,45,180	(1,42,13,580)
JMI Pharmacy	Supplier (Creditors)	18,109	-
Advance Travel Planners Ltd.	Supplier (Creditors)	40,64,800	-
JMI Engineering Ltd.	Supplier (Creditors)	13,26,388	(8,77,138)
Total for Supplier / Creditors		70,82,81,350	(13,91,01,812)
C. Sundry Debtors (Product Sales) (Receivable)			
JMI Marketing Ltd.	Product Sales (Debt)	60,54,67,755	1,47,16,002
Nipro JMI Pharma Ltd.	Product Sales (Debt)	42,84,698	30,06,759
Total for Sundry Debtors (Product Sales)		60,97,52,453	1,77,22,761
Grand Total		1,41,46,48,829	1,98,19,991

36 Capital Expenditure Commitment

There was no contingent liabilities as on 30-06-2019 except L/C liabilities.

There was no credit facility available to the company under any contract, other than trade credit available in the ordinary course of business and not availed of as on 30.06.2019.

37 Payment in Foreign Currency:

During the year ended at 30 June 2019 the Company has made payment in foreign currency in respect of the following:

	June 30, 2019	June 30, 2018
Import of Raw Materials & Finished Goods	60,03,122	38,48,312
Import of Machineries, Spare Parts & Other Assets	3,47,291	4,66,175
	U\$ 63,50,413	43,14,487

No other expense included consultancy fee, royalty, technical expert and professional advisory fee,

38 Foreign Exchange Earned / Received:

The Company earned the following foreign currency during the year:

	June 30, 2019	June 30, 2018
Total Export Earning	U\$ 11,75,797	4,47,491.03

No other income in foreign currencies except as stated above.

39 Commission, Brokerage or Discount against sales

Other than JMI Marketing Ltd. no commission was incurred or paid to distributors, agents nor any

40 Credit Facility Not Availed

There was no credit facility available by the company under any contract, but not availed as on 30-06-2019 other than trade credit available in the ordinary course of businesses.

41 Segment Reporting

As there is single business and geographic segment within the company operates as such no segment reporting is felt necessary.



42. Attendance Status of Board Meeting of Directors

During the period from 01-07-2018 to 30-06-2019 there were 21 Board Meetings and 1 EGM & 1 AGM were held. The attendance status of all the meetings is as follows:

Name of Director	Positions Held	Meetings Held (#)		Attended (#)	
		2017-18	2018-19	2017-18	2018-19
Md. Jabed Iqbal Pathan	Chairman	23	21	23	20
Md. Abdur Razzaq	Managing Director	23	21	23	21
Md. Jafar Chowdhury	Director	23	21	23	21
Md. Hemayet Hossain	Independent Director	23	21	9	6
Md. Abdul Haque	Independent Director	23	21	8	5
Mr. Hoi Kwan Kim	Director	23	0	0	0

Mr. Hoi Kwan Kim newly appointed as a Director of the Company from 23rd February, 2019. For Board Meeting, AGM & EGM, attendance fees were not paid to the Directors of the Company.

43. Disclosure as per requirement of Schedule XI, Part II of the Company Act, 1984

A. Disclosure as per requirement of Schedule XI, Part II, Note 5 of Para 3.

A(i). Employee Position as at 30th June, 2019

Salary Range (Monthly)	Office & Staff		Worker	Total Employee
	Head Office	Factory		
Below Tk. 5,000	0	0	155	155
Above Tk. 5,000	171	52	592	815
Total	171	52	747	970

B. Disclosure as per requirement of Schedule XI, Part II, Para 4

The aggregate amounts paid to / provided for the Directors of the Company for the period ended 30th June-2019 is disclosed below:

Name of Directors	Designation	Remuneration	Festival Bonus	AIT Deducted	Net PMT
Md. Jabeb Iqbal Pathan	Chairman	31,10,000	3,96,000	5,10,000	29,96,000
Md. Abdur Razzaq	Managing Director	31,10,000	3,96,000	5,10,000	29,96,000
Md. Abu Jafar Chowdhury	Director	15,03,000	17,07,000	2,10,000	14,97,000
Md. Golam Mostafa	Director - Factory	21,31,000	24,46,000	3,06,000	21,40,000
Total		98,54,000	13,11,000	1,11,65,000	96,29,000

Period of payment to Directors is from 1st July 2018 to 30th June 2019.

The above Directors of the company did not take any benefit from the company other than the remuneration and festival bonus.

1. Expenses reimbursed to the managing agent: Nil
2. Commission or other remuneration payable separately to a managing agent or his associate: Nil
3. Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil
4. The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil
5. Any other perquisites or benefit in cash or in kind stating: Nil
6. Other allowances and commission including guarantee commission: Nil
7. Pensions: Nil



8. Gratuities: Nil
9. Payments from Provident Fund: Nil
10. Compensation for Loss of office: Nil
11. Consideration in connection with retirement from office: Nil

C. Disclosure as per requirement of Schedule XI, Part II, Para 7

Particulars	Licence Capacity	Installed Capacity in MT (Per Year)	Actual Production in MT from 01-07-2018 to 30-06-2019	Capacity Utilization from 1st July, 2018 to 30th June, 2019
Annual Production Capacity	Not mentioned in the Licence	4,000	3,210	80.25%

D. Disclosure as per requirement of Schedule XI, Part II, Para 8

i. Raw Materials, Spare Parts, Packing Materials

Items	Purchase in Taka			Consumption in Taka	Percentage
	Import	Local	Total		
Raw Materials & Chemicals	32,88,95,852	52,55,09,025	85,44,04,877	84,96,73,234	99.45%
Spare Parts	11,43,625	8,44,402	19,88,027	22,60,762	113.72%
Packing Material	4,05,55,041	15,19,19,471	19,24,74,512	18,62,59,692	96.77%
Total	37,05,94,518	67,82,72,898	1,04,88,67,416	1,03,81,93,688	98.98%

The value of imported material is calculated on CIF Basis

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July 2018 to 30th June 2019 on account of royalty, know-how, professional fee, consultancy fees and interest.
- iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.
- iv. The value of export from the period from 1st July 2018 to 30th June 2019.

E. Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The turnover	1,77,84,94,735
3(i)(b) Commission paid to selling agents	Nil
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	84,96,73,234
3(i)(d)(ii) The opening and closing stocks of goods produced	OB 49,21,73,544/= & CB 48,99,12,762/=
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	N/A
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	N/A
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	N/A
3(i)(h) In the case of other companies, the gross income derived under different heads	N/A



3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	7,27,82,087
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	5,50,20,908
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	8,90,06,891
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up.	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi)(1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	3 (i)(p) (i) 22,60,762/=, (ii) 3,83,44,753/=, (iii) 43,36,225/=, (iv) & (v) 23,86,459/=, (vi)(1) 13,08,87,701/=, (2) 36,95,192/=, (3) 74,73,890/=

44. Subsequent Disclosure of Events after the Balance Sheet Date - Under IAS 10

Share Money Deposited by NIPRO Corporation, Osaka, Japan as per Consent letter accorded by Bangladesh Securities and Exchange Commission, against 1,11,00,000 Ordinary Shares @ BDT 164.10 per share including premium BDT 154.10 per share, represents after netting off relevant charges and expenses.

The directors recommended 30% Final Cash Dividend (i.e. Tk. 3.00 per share) for the year ended on 30 June, 2019. The dividend proposal is subject to shareholders' approval in the forthcoming 20th annual general meeting. Excepting to that, no circumstances have arisen since the date of Statement of Financial Position which would require adjustment to, or disclosure in, the financial statements or notes thereto.

45. Details of Lease Agreement

There are no leased assets. Therefore, no lease agreement was required or signed.

46. Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Accounts Receivable

In this regard to sundry debtors the following particulars are shown in separately by Annexure-4.

47. (I) **Debt considered good in respect of which the company is collectable:** The debtors occurred in the ordinary course of business are considered good and collectable.
 (II) **Debt considered good for which the company hold no security other than the debtor's personal security:** There is no such debt in this respect as on 30 June' 2019.
 (III) **Debt considered doubtful or bad:** The company does not make any provision for doubtful debts as on 30 June 2018, because of the fact that sales/export are being made on regular basis with fixed maturity dates.



(IV) Debt due by directors or other officers of the company: There is no such debt in this respect as on 30th June, 2019.

(V) Debt due by Common Management: There are no amount due from sister company under common management as on 30 June, 2019.

(VI) The maximum amount due by directors or other officers of the company: There is no such debt in this respect as on 30 June, 2019.

48. Approval of Financial Statements:

These financial statements were authorized for issue in accordance with a resolution of the company's Board of Directors on 21st September, 2019.

49. Internal Control

The following steps have been taken for implementation of an effective internal control procedure of the Company: Regular review of internal audit reports with view to implement the suggestion of internal auditors in respect of internal control technique To establish an effective management system that includes planning, organizing and supervising culture in the factory as well as at Head Office.

50. Contingent Liability

There are no contingent liabilities of the Company for the year ended June 30, 2019

51. Financial Risk Management

International Financial Reporting Standards (IFRS) 7 - Financial instruments: Disclosures - requires disclosure of information relating to: both recognized and unrecognized financial instruments, their significance and performance, accounting policies, terms and conditions, net fair values and risk information- the Company's policies for controlling risks and exposures.

The management has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. This note presents information about the company's exposure to each of the following risks, the company's objectives, policies and processes for measuring and managing risk, and its management of capital. The company has exposure to the following risks from its use of financial instruments.

A. Credit Risk:

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, e, i.e. their legal status, financial condition, ageing profile etc. Accounts receivable are related to sale of surgical device products. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Exposure of Credit Risk

	30 June, 2019	30 June, 2018
Trade Debtors (All type)	38,14,40,117	33,54,83,923
Advances, Deposits and Prepayments	28,82,25,242	31,76,11,929



Cash and Bank Balances	33,87,68,201	1,04,56,732
Total	1,00,84,33,560	66,35,52,584

Aging of Receivables

	30 June, 2019	30 June, 2018
Receivable amount within 30 Days	20,47,82,370	23,30,69,076
Receivable amount within 60 Days	13,14,48,164	7,96,69,044
Receivable amount within 90 Days	2,02,57,057	1,88,26,807
Receivable amount over 90 Days	2,49,52,526	39,18,996
Total	38,14,40,117	33,54,83,923

Credit Exposure by Credit Rating

	Credit Rating	30 June, 2019	30 June, 2018
Trade Debtors (All type)	NR	38,14,40,117	33,54,83,923
Advances, Deposits and Prepayments	NR	28,82,25,242	31,76,11,929
Cash in Hand	NR	2,20,84,320	82,88,542
Janata Bank Ltd	AAA	31,17,01,760	8,56,861
Arab Bangladesh Bank Ltd.	A1	31,218	31,218
Pubali Bank Ltd.	AA	38,86,628	23,213
Standard Bank Ltd.	AA	17,754	2,80,882
Dutch Bangla Bank Ltd.	AA+	10,46,263	9,51,608
Islami Bank Ltd.	AAA	258	24,408
Total		38,14,40,117	33,54,83,923

B. Liquidity Risk:

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based of time line of payment of the financial obligations and accordingly arrange for sufficient liquidity / fund to make the expected payments within due dates. Moreover, the company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities:

Category of Liabilities	Carrying Amount	Maturity Period	Contractual Cash Flow	Within 6 Months or Less	Within 6 Months or Less
Short Term Loan	7,26,61,571	12 Months	7,26,61,571	2,72,87,950	4,53,73,621
Creditors and Accruals	25,42,16,451	12 Months	25,42,16,451	10,55,30,770	14,86,85,681
Total	32,68,78,022		32,68,78,022	13,28,18,720	19,40,59,302



C. Market Risk

Market risk is the risk that any change in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings financial instruments.

i. Currency risk:

The company is exposed to currency risk on certain revenues and purchases such as raw materials, packing materials, spare parts and acquisition of machineries & equipment. Majority of the company's foreign currency transactions are denominated in USD.

The company have the foreign currency assets at the year-end for which an exchange gain / (loss) are being accounted for during the year. As such the company have no significant exposure to currency risk.

The following significant exchange rates are applied at the end of the year – end:

	30 June, 2019	30 June, 2018
Exchange Rate US Dollar	83.75	83.58

ii. Foreign Exchange Rate Sensitivity Analysis for Foreign Currency Expenditures:

There being no current risk exposure, sensitivity analysis has not been presented

iii. Interest rate risk:


Interest rate risk is the risk that arises due to changes in interest rates on borrowing. The company's exposure to the risk of changes market interest rate relates primarily to the company's short-term finance and term loan. The company's policy is to keep its short-term running finance at lowest level by effectively keeping the positive bank balances. The company made fixed interest rate borrowing from the financial institution under finance lease.

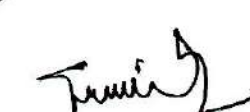
52. General Comments and Observations

- Comparative amount: Previous period's figure have been regrouped / reclassified wherever considered necessary to confirmed to current period's presentation. Figures have been rounded off to the nearest taka, as the currency represented in this financial statement.
- Presentation currency: The annexed financial statements are presented in Bangladeshi currency (Taka), which have been rounded off to the nearest Taka.
- All shares have been fully called and paid up.
- Auditors are paid only statutory audit fees.
- No foreign exchange remitted to the relevant shareholders during the period under audit.
- No amount of money was expended by the company for compensating any members of the Board for special service rendered.
- There was no bank guarantee issued by the company on behalf of Directors


Muhammad Tarek Hossain
Khan
Company Secretary


Ranjit Chakraborty
Chief Financial Officer


Md. Abdur Razzaq
Managing Director


Md. Javed Iqbal Pathan
Chairman



JMI Syringes & Medical Devices Ltd.

Schedule of Property, Plant & Equipment
As at 30th June, 2019

Annexure-01
Amount in Taka

1. Before Revaluation:

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 30-06-2019
	Opening Balance 01-07-2018	During the year		Total as at 30-06-2019		Opening Balance 01-07-2018	During the year		Total as at 30-06-2019	
		Addition	Sales / Disposal				Charged	Sales / Disposal		
Land and Land Development	15,70,72,931	-	-	15,70,72,931	-	-	-	-	15,70,72,931	
Machineries	71,93,80,994	2,81,89,757	-	74,75,70,751	7%	31,09,83,726	2,88,68,889	-	33,98,52,615	40,77,18,136
Factory Buildings	15,61,61,695	-	-	15,61,61,695	5%	6,79,82,024	44,08,984	-	7,23,91,008	8,37,70,687
Furniture and Fixture-Factory	90,53,082	5,15,319	-	95,68,401	10%	45,54,082	4,84,450	-	50,38,532	45,29,869
Furniture and Fixture-H/O	61,74,858	2,71,781	15,21,900	49,24,739	10%	26,11,783	3,71,195	6,92,464	22,90,514	26,34,225
Office Equipment-H/O	1,08,80,958	8,69,786	9,09,711	1,08,41,033	20%	68,61,698	9,13,465	3,73,923	74,01,240	34,39,793
Factory Equipment	1,88,67,554	39,13,267	-	2,27,80,821	20%	1,11,30,097	18,01,552	-	1,29,31,649	98,49,172
Office Decoration-H/O	1,47,22,692	2,59,862	-	1,49,82,554	10%	67,56,176	8,12,744	-	75,68,920	74,13,634
Deep Tubewell & Pump	21,13,408	75,000	-	21,88,408	15%	11,81,224	1,49,203	-	13,30,427	8,57,982
Air Cooler	58,59,010	-	-	58,59,010	20%	49,37,450	1,84,312	-	51,21,762	7,37,248
Power Station	64,11,459	-	-	64,11,459	15%	52,73,978	1,70,622	-	54,44,600	9,66,859
Telephone Installation	7,61,815	811	-	7,62,626	15%	5,81,402	27,062	-	6,08,464	1,54,163
Crockeries and Cutleries	5,58,610	28,391	-	5,87,001	20%	2,85,003	56,554	-	3,41,557	2,45,445
Vehicles	6,18,68,824	39,34,740	1,54,76,579	5,03,26,985	20%	3,34,02,631	58,80,289	51,13,332	3,41,69,588	1,61,57,398
Sub Total	1,16,98,87,393	3,80,58,714	1,79,08,190	1,19,00,38,417		45,65,41,274	4,41,29,321	61,79,719	49,44,90,876	69,55,47,540

2. On Revalued Amount

Particulars	Cost				Rate %	Depreciation				Written Down Value as on 30-06-2019
	Opening Balance 01-07-2018	During the year		Total as at 30-06-2019		Opening Balance 01-07-2018	During the year		Total as at 30-06-2019	
		Addition	Sales / Disposal				Charged	Sales / Disposal		
Land and Land Development	17,28,05,519	-	-	17,28,05,519	-	-	-	-	-	17,28,05,519
Factory Buildings	27,74,02,226	-	-	27,74,02,226	5%	5,95,70,471	1,08,91,588	-	7,04,62,059	20,69,40,167
Sub Total	45,02,07,745	-	-	45,02,07,745		5,95,70,471	1,08,91,588	-	7,04,62,059	37,97,45,686
Total	1,62,00,95,638	3,80,58,714	1,79,08,190	1,64,02,46,162		51,61,11,745	5,50,20,908	61,79,719	56,49,52,935	1,07,52,93,226

Depreciation Charged to

Particulars	30-Jun-19	30-Jun-18
Factory Overhead	4,98,35,865	5,08,61,039
Administrative Overhead	51,85,043	46,23,167
Total	5,50,20,908	5,54,84,206



JMI Syringes & Medical Devices

Deferred Tax and Revaluation Reserve Calculation

As at 30th June, 2019

Annexure - 2

Opening Balance Adjustment

As per Note 15, no deferred tax on revaluation reserve was calculated erroneously in prior years. The opening balance of the Revaluation Reserve and the Opening balance of the Deferred Tax Liability is recalculated below.

Fixed Asset Revaluation Reserve

Opening WDV Balance - Land [A]	17,28,05,519
Opening WDV Balance - Building [B]	21,78,31,755
Total Fixed Assset Revaluation Reserve	<u>39,06,37,274</u>

Deferred Tax on Revaluation Reserve - Land [C=4% of A] *	69,12,221
Deferred Tax on Revaluation Reserve - Other Assets - [D = 25% of B]	5,44,57,939
Addition to Opening Balance of DTL and Reduction to Reserve [E=C+D]:	<u>6,13,70,159</u>

As per the above calculation, BDT 6,13,70,159 will be reduced from the Opening balance of revaluation reserve and added to the opening deferred tax liability.

Year End Calculation:

Transfer from Reserve to Retained Earnings:

Paragraph 64 of IAS 16 states that when revaluation surplus is transferred to retained earnings, the amount transferred is net of any related deferred tax.

Excess Depreciation due to Revaluation [F]	1,08,91,588
Deferred Tax related to this transfer [G = F*25%]	27,22,897
Net Transfer from Reserve to Retained Earnings [H = F - G]	<u>81,68,691</u>

Deferred Tax Liability

Accounting Value of Fixed Assets (Excluding Land)	74,54,14,776
Tax Value of Fixed Assets (Excluding Land)	41,61,59,216
Temporary Difference	<u>32,92,55,560</u>
Deferred Tax - Tax Rate of 25% [I]	8,23,13,890

Accounting Fixed Assets (Land)	32,98,78,450
Tax Value of Fixed Assets (Excluding Land)	15,70,72,931
Temporary Difference	17,28,05,519
Deferred Tax - Tax Rate of 4%* [J]	69,12,221

Total Deferred Tax Liability [K=I+J]	8,92,26,111
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* As per Section 53H of Income Tax Ordinance, 1984

Calculation of Deferred Tax Expense

Deferred Tax Opening Balance (unadjusted)	6,43,85,369
Error correction to opening balance (from above)	6,13,70,159
Corrected Deferred Tax Opening Balance	<u>12,57,55,529</u>
Closing Balance (from above)	<u>8,92,26,111</u>
Deferred Tax Gain:	3,65,29,418
Deferred Tax Loss related to unrealized gain (Note 15B)	1,56,063
Net Deferred Tax Gain for the Year	3,63,73,355

