MOORE

Independent Auditors' Report

And Audited Financial Statements

of

Essential Drugs Company Limited

As of 30 June 2025

Presented By:

M. J. ABEDIN & CO.
Chartered Accountants

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Essential Drugs Company Limited
Schedule of Contents
As at and for the year ended 30 June 2025

MOORE

M. J. ABEDIN & CO
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Chartered Accountants

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Independent Auditor's Report

To the Shareholders of

The Essential Drugs Company Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Essential Drugs Company Limited** (the "Company"), which comprise the statement of financial position as at 30 June 2025, 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2025 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention note 18.02 in the financial statements which explains why foreign currency exchange loss has not been recognized against long term loan (Ministry of Health) Ref-ADB. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. 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. If, based on such work we perform, we conclude that there is a material misstatement of this other information, we are required that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Financial Statements.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with, International Financial Reporting Standards (IFRSs) 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 auditors' 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 decision of users taken on the basis of these financial statements.

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

- Identify and asses 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 evidences that are sufficient and appropriate to provide a basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud my 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. But not for the purpose of expressing an opinion on the effectiveness of the internal control.
- 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 evidences 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 evidences 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.

Report on other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1994 and the other applicable laws and regulations, we also report the following:

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of these books; and

c) The company 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.

Place: Dhaka
Dated: 03 DEC 2025

M.J Abedin & Co.
Chartered Accountants
Firm Reg. No : CAF-001-111

Partner,
Kamrul Abedin FCA,
Enrollment No:

DVC: 2512040527AS623494

Essential Drugs Company Limited
Statement of Financial Position
As at 30 June 2025

Descriptions	Notes	Amount in BDT	
		30-Jun-25	30-Jun-24
ASSETS			
Non-Current Assets		**10,854,791,306**	**11,047,077,327**
Property, Plant & Equipments	6.00	2,903,079,763	2,217,325,585
Capital Work-in-Progress	7.00	7,685,055,989	8,609,238,153
Deferred Tax Assets	8.00	266,655,554	220,513,588
Current Assets		**9,528,519,652**	**11,444,798,931**
Inventories	9.00	3,866,282,843	3,562,412,236
Trade and Other Receivable	10.00	941,299,144	796,345,354
Advance, Deposits & Prepayments	11.00	2,586,903,358	2,514,700,400
Short Term Investments	12.00	1,500,000,000	2,000,000,000
Cash & Cash Equivalents	13.00	634,034,306	2,571,340,942
Total Assets		**20,383,310,957**	**22,491,876,258**
EQUITY AND LIABILITIES			
Shareholders' Equity		**9,698,930,295**	**8,742,627,077**
Share Capital	14.00	1,009,248,500	1,009,248,500
General Reserve	15.00	5,355,000,000	4,555,000,000
Revaluation Reserve	16.00	1,384,222,688	1,389,737,978
Retained Earnings	17.00	1,950,459,107	1,788,640,599
Non Current Liabilities		**9,555,240,962**	**9,476,131,722**
Long Term Loan	18.00	422,805,498	443,005,498
Gratuity Payable	19.00	1,879,335,870	1,780,026,630
Advance Against GOB Contribution	20.00	7,253,099,593	7,253,099,593
Current Liabilities		**1,129,139,700**	**4,273,117,459**
Trade and Other Payable	21.00	873,701,786	1,259,682,307
Short Term Loan	22.00	70,070,612	3,873,284
Security deposit	23.00	89,076,005	115,951,087
Advance Against Sales		7,611,234	2,813,960,224
Workers' Profit Participation Fund	24.00	88,680,063	79,650,557
TOTAL LIABILITIES		**10,684,380,662**	**13,749,249,181**
TOTAL EQUITY AND LIABILITIES		**20,383,310,957**	**22,491,876,258**
Net Assets Value (NAV) Per Share	33.00	**96.10**	**86.63**

The Annexed Notes from 1 to 41 form an Integral Part of These Financial Statements.

Managing Director | **Director** | **Director**

As per our separate report of even date annexed.

Place: Dhaka
Dated: 03 DEC 2025

M. J. ABEDIN & CO
Chartered Accountants
DVC:
2512040527AS623494

Essential Drugs Company Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2025

Descriptions	Notes	Amount in BDT	
		30-Jun-25	30-Jun-24
Sales Revenue	25.00	10,963,132,738	11,365,887,328
Cost of Goods Sold	26.00	(8,110,062,110)	(8,607,393,653)
Gross Profit		**2,853,070,627**	**2,758,493,675**
Expenses		**(1,179,492,863)**	**(1,187,916,882)**
Administrative Expenses	27.00	1,170,642,629	1,172,259,030
Selling & Distribution Expenses	28.00	8,850,234	15,657,852
Profit from Operation		**1,673,577,765**	**1,570,576,793**
Financial Expenses	29.00	(53,552,373)	(20,627,406)
Operating Profit after Financial Expenses		**1,620,025,392**	**1,549,949,387**
Other Income	30.00	242,255,938	122,712,296
Profit before WPPF & Tax		**1,862,281,330**	**1,672,661,683**
Contribution to Worker's Participation & Welfare Funds	24.00	(88,680,063)	(79,650,557)
Profit Before Taxation		**1,773,601,267**	**1,593,011,126**
Income Tax Expenses		**(589,540,928)**	**(437,569,003)**
Current Tax	11.01.2	(634,166,188)	(488,548,991)
Deferred tax (expense)/income	8.00	44,625,261	50,979,988
Profit for the year		**1,184,060,339**	**1,155,442,123**
Other Comprehensive Income			
Item that will not be reclassified subsequently to profit or loss			
Defferred Tax Income/ (Expense)	8.00	-	-
		1,184,060,339	**1,155,442,123**
Earnings per Share (EPS)	32.00	11.73	11.45

The Annexed Notes from 1 to 41 form an Integral Part of These Financial Statements.

Managing Director | Director | Director

As per our separate report of even date annexed.

Place: Dhaka
Dated: 03 DEC 2025

M. J. ABEDIN & CO
Chartered Accountants
DVC:
2512040527AS623494

Essential Drugs Company Limited
Statement of Changes In Equity
For the Year Ended 30 June 2025

Descriptions	Amount in BDT				
	Share Capital	General Reserve	Revaluation Reseve	Retained Earnings	Total
Balance as at 01 July 2024	1,009,248,500	4,555,000,000	1,389,737,978	1,788,640,599	8,742,627,078
Prior year adjustment				(155,130,194)	(155,130,194)
Restated Opening Balance 01 July 2024	**1,009,248,500**	**4,555,000,000**	**1,389,737,978**	**1,633,510,405**	**8,587,496,883**
Cash Dividend				(50,462,425)	(50,462,425)
General Reserve		800,000,000		(800,000,000)	-
Deferred Tax Income Recognised directly in equity (Note 8.00)				1,516,705	1,516,705
Excess depreciation transferred from revaluation reserve to retained earnings			(5,515,290)	5,515,290	-
EDCL Foundation				(23,681,207)	(23,681,207)
Net Profit after Tax				1,184,060,339	1,184,060,339
Balance as on 30 June 2025	**1,009,248,500**	**5,355,000,000**	**1,384,222,688**	**1,950,459,107**	**9,698,930,295**
Balance as at 01 July 2023	1,009,248,500	3,755,000,000	1,394,309,477	1,502,198,244	7,660,756,221
Cash Dividend				(50,462,425)	(50,462,425)
General Reserve		800,000,000		(800,000,000)	-
Excess depreciation transferred from revaluation reserve to retained earnings			(6,303,651)	6,303,651	-
Related Tax On Excess Depreciation Transferred (Note 16.00)			1,733,504	(1,733,504)	-
Adjustment during the year on disposal			(1,352)	1,352	-
EDCL Foundation				(23,108,842)	(23,108,842)
Net Profit after Tax				1,155,442,123	1,155,442,123
Balance as on 30 June 2024	**1,009,248,500**	**4,555,000,000**	**1,389,737,978**	**1,788,640,599**	**8,742,627,078**

The Annexed Notes from 1 to 41 form an Integral Part of These Financial Statements.

As per our report of same date.

Managing Director

Director

Director

M. J. ABEDIN & CO
Chartered Accountants
DVC: 2512040527AS623494

Place: Dhaka
Dated: 03 DEC 2025

Essential Drugs Company Limited
Statement of Cash Flows
For the Year Ended 30 June 2025

Descriptions	Notes	Amount in BDT	
		30-Jun-25	30-Jun-24
A. Cash Flows from Operating Activities			
Cash receipts from customers and others		8,254,085,895	9,897,485,210
Cash paid to suppliers, employees and others		(9,686,253,308)	(9,373,317,361)
Income tax paid		(770,565,124)	(851,386,346)
Interest paid		(53,552,373)	(20,627,406)
Net cash use from operating activities		**(2,256,284,909)**	**(347,845,903)**
B. Cash Flows from Investing Activities			
Acquisition of fixed assets		(137,903,738)	(159,424,473)
Disposal of Fixed Asset		-	879,222
Work In progress		(11,777,809)	(165,862,472)
Short Term Investment		500,000,000	(1,000,000,000)
Net cash used in investing activities		**350,318,453**	**(1,324,407,723)**
C. Cash Flows from Financing Activities			
Long term loan repayment		(20,200,000)	(20,200,000)
Govt. contribution		-	109,303,056
Security Deposit		(26,875,082)	25,563,246
Bank overdraft		66,197,328	3,873,284
Dividend paid		(50,462,425)	(50,462,425)
Net cash provided by financing activities		**(31,340,179)**	**68,077,161**
Net decrease in cash and cash equivalents (A+B+C)		**(1,937,306,635)**	**(1,604,176,465)**
Cash and cash equivalents at the beginning of the year		2,571,340,942	4,175,517,406
Cash and cash equivalents at the end of the year		**634,034,306**	**2,571,340,942**
Net Operating Cash Flow Per share (NOCFPS)	**34.00**	**(22.36)**	**(23.85)**

The Annexed Notes from 1 to 41 form an Integral Part of These Financial Statements.

Managing Director | **Director** | **Director**

As per our report of same date.

M. J. ABEDIN & CO
Chartered Accountants
DVC:
2512040527AS623494

Place: Dhaka
Dated 03 DEC 2025

Essential Drugs Company Limited

Notes to the Financial Statements
For the year ended 30 June 2025

1. Status of the Company and principal activities:

Company information

Essential Drugs Company Limited (hereinafter referred to as "the Company") was incorporated in Bangladesh as a public company with limited liability fully owned by the Government of the Peoples' Republic of Bangladesh on 10 August 1983 under the Companies Act 1994.

The company was originated in the year 1962 by the then Government, as "Government Pharmaceutical Laboratories" with a view to manufacture and supply essential drugs to government hospitals and clinics.

Address of registered office and factory

The principal place of business is 395-397, Tejgaon Industrial Area, Dhaka, and the address of the registered office is also the same, and manufacturing plants are located at Tejgaon Industrial Area, Dhaka; Thanthania, Bogra; and Gilatala, Khulna.

Nature of business activities

The Company owns and operates a modern pharmaceuticals factory, latex processing plant, produces pharmaceutical drugs, medicines, condoms, and sells them to the local government institutes and foreign market. The company is also engaged in the manufacture, formulation, and marketing of essential drugs and medicines of public health.

2. Projects of the Company

2.1 Khulna plant

The company's project at Khulna named "Khulna Essential Latex Plant" has been in operation since 2009. It was established with Tk. 58 Crore funded by the Government of People's Republic of Bangladesh (GOB) against which shares were allotted to GOB. The plant situated at Madhupur, Tangail is producing raw materials for condoms.

2.2 Cephalosporin project (Bogra)

Bogra project is established to produce cephalosporin at a cost of Tk. 60 Crore. The Bogura project has been transferred to PPE during the year.

2.3 EDCL (Gopalgonj project)

EDCL has taken another project for producing contraceptives from pill to birth control injections, IV Fluid Penicillin products at Gopalgonj by GOB fund. The estimated project cost is Tk. 799.76 core and will go for production by 2020. However, as of 30th June 2025 Tk. 7,347,502,669 has been expended.

3. Basis of preparation of financial statements

3.1 Statement on compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

3.2 Other regulatory compliances

The Company is also required to comply with the following major legal provisions in addition to the Companies Act 1994 and other applicable laws and regulations:

- The Income Tax Rules 1984
- The Income Tax Act 2023
- The Value Added Tax and Supplementary Duty Act 2012
- The Value Added Tax and Supplementary Duty Rules 2016
- The Drugs Act 1940 and the Drug Rules 1946
- The Drugs (Control) Ordinance 1982
- The Customs Act 1969
- The Stamp Act 1899
- Bangladesh Labour Act, 2006 (as amended to 2016 and 2018)

3.3 Authorization for issue

The financial statements were authorized for issue by the Board of Directors in its meeting held on 03 DEC 2025 for publication.

3.4 Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain assets which are stated either at the revalued amount or fair market value as explained in the accompanying notes.

3.5 Accrual basis of accounting

The Essential drugs Company Limited prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS Conceptual Framework.

3.6 Presentations of financial statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of Financial Statements. The financial statements comprise of:

a) Statement of Financial Position as of 30 June 2025;
b) Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2025;
c) Statement of Changes in Equity for the year ended 30 June 2025;
d) Statement of Cash Flow for the year ended 30 June 2025; and
e) Notes, comprising a summary of significant accounting policies and other explanatory information.

3.7 Functional and presentation currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

3.8 Use of estimates and judgments

The preparation of financial statements in conformity with International Reporting Standards requires 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. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

3.9 Materiality, aggregation and offset

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on a net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not offset by way of deduction from another liability or asset unless there exists a legal right, therefore. No such incident existed during the year.

3.10 Going concern assumption

The financial statements are prepared on the basis of going concern assumptions. As per management assessment, there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

3.11 Reporting period

The reporting period of the company covers 12 (twelve) months from 01 July 2024 to 30 June 2025.

3.12 Comparative information

Comparative information has been disclosed in respect of 01 July 2023 to 30 June 2024 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for the understanding of the current periods of financial statements. The prior-year figure has been rearranged wherever considered necessary to ensure comparability with the current period.

4. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

4.1 Property, plant and equipment

Recognition and measurement

An item shall be recognized as property, plant and equipment if, and only it is probable that future economic benefits associated with the item will flow to the entry and the cost of the item can be measured reliably.

Items of property, plant and equipment other than Land and Land Development, Building Construction, Plant and Machinery, Laboratory Equipment and Motor Vehicle are measured at cost less accumulated depreciation as per IAS 16: Property, Plant and Equipment.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. The cost also includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term debt availed for the construction/ implementation of the Property, Plant and Equipment, if the recognition criteria are met.

The cost of self-constructed assets includes the cost of material and direct labor and other costs directly attributable to bringing the assets to a working condition inclusive of inward freight, duties and non-refundable taxes for their intended use.

Subsequent costs

The subsequent expenditure is only capitalized as part of assets when the useful life or economic benefit or both of that asset is increased provided that it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as 'Repair and Maintenance' when it is incurred.

Measurement of property, plant and equipment after recognition

Cost model

After recognition as an asset, an item of property, plant and equipment is carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

After recognition as an asset, an item of property, plant and equipment is to be measured at a revalued amount, which is its fair value less subsequent accumulated depreciation and impairment accumulated losses.

The increase in the carrying amount of revalued assets is recognized in the separate component of equity under the head of the revaluation surplus. However, the increase is recognized in the profit or loss account to the extent that it reverses a revaluation decrease of the same assets previously recognized in the profit or loss account. A sum of revaluation surplus is transferred directly to equity each year in line with paragraph 41 of IAS 16: Property, plant and equipment as the asset is used by the company. The amount of the revaluation surplus transferred would be the difference between the depreciation based on the revalued carrying amount of the asset and the depreciation based on the asset's original cost. Transfer from revaluation surplus to retained earnings is not made through profit or loss.

Revaluation of property, plant and equipment

The company made revaluation of the following items of Property Plant and Equipment on 29 September 2011 to reflect the fair value of the property in terms of the prevailing market price of the properties. Details of revaluation are as follows:

Details of Revaluation of property, plant and equipment:

Amount in Taka

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land Development	M J Abedin & Co.	Chartered Accountants	September 29, 2011	12,579,861	1,354,328,941	1,341,749,080
Building Construction				54,895,177	159,811,547	104,916,370
Plant and Machinery				256,047,619	406,951,319	150,903,700
Laboratory Equipment				27,510,999	37,263,763	9,752,764
Motor Vehicle				27,106,612	29,183,741	2,077,129
Total:				**378,140,268**	**1,987,539,311**	**1,609,399,043**

The increase in the carrying amount of revalued assets was recognized in the separate component of equity as Revaluation Reserve.

Other Fixed Assets were kept outside the scope of the revaluation works. These are expected to be realizable at Written down value (WDV) as mentioned in the Statement of Financial Position of the Company.

Depreciation on non-current assets

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of IAS 16 Property, Plant and Equipment. Depreciation is charged on additions made during the year from the date on which

those assets are ready for use. Depreciation is charged on all the fixed assets except the land on reducing balance method at the following rates:

Particular of Assets	Rate of Depreciation
Building Construction	10%
Plant and Machinery	15%
Laboratory Equipment	10%
Books and Journals	30%
Office Equipment	15%
Furniture & Fixtures	10%
PABX Installation	15%
Motor Vehicle	20%
Deep Tube-well	15%
Gas Connection	15%

Depreciation methods, useful lives and residual values are reviewed after each reporting period. No estimate in respect of Property, Plant and equipment was revised during the year.

Impairment

As per IAS 36: "Impairment of Assets" the carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated to determine the extent of the impairment loss, if any. The impairment loss is recorded on a judgmental basis, for which provision may differ in the future years based on the actual experience.

An impairment loss is recognized immediately in profit or loss unless the asset is carried at the revalued amount in accordance with another standard. Any impairment loss of a revalued asset is treated as a revaluation decrease. No such assets have been impaired during the year and for this reason, no provision has been made for impairment of assets.

Disposal of property, plant and equipment

An item of property, plant and equipment is removed from the statement of financial position when it is disposed of or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal or retirement of an item of property, plant and equipment is included in the statement of profit or loss and other comprehensive income in the period in which derecognition occurs.

Capital work in progress

Property, plant and equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost. Essential Drugs Company Limited has expenses that are capitalized under capital work in progress as disclosed in accompanying note 6.00.

4.2 Intangible assets and research and development expenditures

Intangible assets are stated at cost less provisions for amortization and impairments if any. License, patents, know-how and marketing rights acquired are amortized over their estimated useful lives, using the straight-line basis, from the time they are available for use. The cost of acquiring and developing computer software for internal use and internet sites for external use are capitalized as intangible assets where the software or site supports a significant business system and the expenditure leads to the creation of a durable asset.

In compliance with the requirements of IAS 38: Intangible Assets, research, development and experimental costs are usually absorbed as revenue charges as and when incurred. However, the research and development expenditures that are definite to yield benefit to the Company and are material in the Company's and/ local context, are capitalized as per IAS 38: Intangible Assets.

Essential Drugs Company Limited has no intangible asset as at 30 June 2025.

4.3 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

4.4 Inventories

Inventories consisting of raw materials, work in progress, finished goods are valued at lower of cost and net realizable value as per IAS 2: Inventory. Cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. The cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.5 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and with banks on current accounts, deposit accounts and short-term investments (FDR- maturity less than 3 months) which are held and available for use by the company without any restriction. There is an insignificant risk of change in the value of the same.

4.6 Revenue

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows in conformance with IFRS 15: Revenue from Contracts with Customers-

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the Company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised service to a customer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

The specific recognition criteria described below must also be met before revenue is recognized.

(a) Sale of goods

Revenue from the sale of goods is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) Interest income

Interest on bank deposits has been accounted for on an accrual basis.

4.7 Leases

Financial Reporting Principles IFRS 16: Leases effective from annual periods beginning on or after January 1, 2019, have significantly changed how the company accounts for its lease contracts. The company leases a number of spaces for storing raw material, packing material and finished goods. Before the adoption of IFRS 16, all lease contracts were classified as operating leases. IFRS 16 requires all contracts that contain a lease to be recognized in the statement of financial position as a right-of-use asset and a lease liability. Only certain short-term and low-value leases are exempt.

In compliance with the standard, the Company has elected to use the recognition exemptions in the standard due to their being short-term leases and leases of low-value items. In such cases, the lease payments are accounted for as expenses in the statement of profit or loss and other comprehensive income.

4.8 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) - debt investment; Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the cost is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) it is held within a business model whose objective is achieved by collecting contractual cash flows; and
(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as amortized cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost

These assets are classified as financial assets measured at amortized cost. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

4.9 Impairment

(a) Financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to:

- financial assets measured at amortized cost,
- contract assets and
- debt investments measured at FVOCI, but the standard does not apply to investments in equity instruments.

The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for accounts receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

(b) Non-financial assets

The carrying amounts of the company's non-financial assets, other than Inventories and Deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization if no impairment loss had been recognized.

4.10 Earnings Per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS 33: Earnings Per Share.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

For the purpose of calculating diluted earnings per share, an entity adjusts profit or loss attributable to each ordinary equity holder of the entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company commits to issue ordinary shares in the future at the reporting date. No such commitment is held by the company at the reporting date.

4.11 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effects of Changes in Foreign Exchange Rates.

a) Foreign currency monetary items are translated using the closing rate.
b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.
c) Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at a rate different from those at which they were translated on initial recognition during the period or in previous financial statements are recognized in profit or loss in the period in which they arise.

4.12 Employee benefits

The company maintains both a defined contribution plan and a 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) 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 an equal contribution.

The company recognizes the contribution to a 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.

b) Defined benefit plan (Gratuity)

This represents an unfunded gratuity scheme for its permanent employees. Employees are entitled to gratuity benefits after completion of a minimum of three years of service in the company. The gratuity is calculated on the last two months' basic pay and payable for every completed year of service.

Though no valuation was done to quantify actuarial liabilities as per the IAS 19: Employee Benefits, such valuation is not likely to yield a result significantly different from the current provision.

c) Short term employee benefits

Short-term employee benefits include salaries, bonuses, leave encashment, etc. Obligations for such benefits are measured on an undiscounted basis and are expensed as the related service is provided.

The company has also a Leave Encashment Benefit Scheme for its permanent employees who are entitled to en-cash accumulated earned leave subject to a maximum of 150 days.

d) 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 Labour (amendment) Act 2013 and is payable to workers as defined in the said law.

4.13 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced, or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of Trade and other payables.

(b) 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 reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year, the company has made sufficient provisions where applicable.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date, the company does not have any contingent assets.

4.14 Operating segments

No geographical segment reporting is applicable for the Company as required by IFRS 08: Operating Segments, as the Company operates in a single geographical area and has a single business line of product i.e. manufacturing and selling of medicines.

4.15 Statement of cash flows

The Statement of Cash Flows 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 the benchmark treatment of IAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

4.16 Related party disclosures

As per International Accounting Standards IAS 24: Related Party Disclosures, parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. The company has no related parties.

4.17 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 27.5%.

(b) Deferred tax

Deferred tax is recognized as income or an expense amount within the tax charge, and included in the net profit or loss for the period. Deferred tax relating to items dealt with as Other Comprehensive income (such as a revaluation) is recognized as tax relating to Other Comprehensive income within the statement of Profit or Loss and Other Comprehensive Income.

Deferred tax liability is measured at the tax rates that are expected to apply to the period when the assets are realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Taxable Temporary difference

Deferred tax liability is recognized for all taxable differences, except to the extent that the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Revaluations to fair value – Property, Plant and Equipment

The revaluation does not affect taxable profits in the period of revaluation and consequently, the tax base of the asset is not adjusted. Hence a temporary difference arises. This is provided for in full based on the difference between carrying amount and tax base. An upward revaluation is therefore given rise to a deferred tax liability.

Deductible temporary difference

A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

4.18 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements as per International Accounting Standards IAS 10: Events after the Reporting Period.

All material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed.

4.19 Risk exposure

Interest rate risk

Interest rate risk is the risk that Company faces due to unfavorable movements in the interest rates. Changes in the government's monetary policy, along with increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management perception

The Company maintains a low debt/ equity ratio; and accordingly, the adverse impact of interest rate fluctuation is insignificant.

Exchange rate risk

Exchange rate risk occurs due to changes in exchange rates. As the Company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company. If the exchange rate increases against local currency, more costs may incur on importing raw materials and equipment.

Management perception

The products of the company are sold mostly in local currency. Therefore, the volatility of the exchange rate will have no impact on the profitability of the Company.

Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management perception

Management is optimistic about growth opportunities in the pharmaceutical sector in Bangladesh. Furthermore, there is an untapped international market.

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase its customer base.

Management perception

Management is fully aware of the market risk and act accordingly. The market for pharmaceuticals, drugs and medicines in Bangladesh is growing at an exponential rate.

Operational risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of The Company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management perception

The company perceives that the allocation of its resources properly can reduce this risk factor to great extent. The Company hedges such risks in costs and prices and also takes preventive measures.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price.

Management perception

The Company's approach to managing liquidity 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, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of their financial obligation through the preparation of the cash forecast, prepared based on the timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

5. Compliance with Financial Reporting Standards as applicable in Bangladesh:

The Company complies with the following International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	12	Income Taxes	Complied
7	16	Property, Plant & Equipment	Complied
8	17	Leases	Not Applicable
9	19	Employee Benefits	Complied
10	20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Cost	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable
15	27	Separate Financial Statements	Not Applicable
16	28	Investments in Associates and joint ventures	Not Applicable
17	29	Financial Reporting in Hyperinflationary Economics	Not Applicable
18	31	Interest in Joint Ventures	Not Applicable
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Not Applicable
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Not Applicable
25	40	Investment Property	Not Applicable
26	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Not Applicable
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral Resources	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
9	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Not Applicable
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in other Entities	Not Applicable
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from contracts with customers	Complied
16	16	Leases	Complied
17	17	Insurance Contracts	Not Applicable

	Amount in BDT	
	30-Jun-25	30-Jun-24

6.00 Property, Plant & Equipment

	30-Jun-25	30-Jun-24
A. Cost and Revaluation		
Opening Balance	4,426,866,998	4,269,295,975
Add: Addition during the year	918,034,763	159,424,473
Less: Adjustment during the year	-	(1,853,450)
	5,344,901,761	4,426,866,998
B. Accumulated Depreciation		
Opening Balance	2,209,541,413	2,093,515,733
Add: Charged during the year	232,280,585	117,859,324
Less: Adjustment during the year	-	(1,833,644)
	2,441,821,998	2,209,541,413
C. Written down value(A-B)	2,903,079,763	2,217,325,585

Schedule of Property, Plant and Equipment is given in Annexure-A.

7.00 Capital Work-In-Process

	30-Jun-25	30-Jun-24
Cephalosporin project at Bogra	-	935,149,257
Deep Tubewell	6,823,529	-
Building and Construction at Dhaka	-	810,716
Fire Safety System	4,752,323	2,808,823
Land & Building & Machineries at Gopalgonj project	7,347,502,669	7,344,801,162
EDCL BIOTECH Vaccine Project	323,100,220	323,026,736
Manikgonj Project	2,877,248	2,641,459
	7,685,055,989	8,609,238,153

8.00 Deferred Tax Assests/(Liability)

	30-Jun-25	30-Jun-24
Opening Balance	220,513,588	169,533,600
Deferred tax income/(expenses) during the year	44,625,261	50,979,988
Deferred tax income/(expenses) recognised directly in equity	1,516,705	-
	266,655,554	220,513,588

As at 30 June 2025	Carrying Amount	Tax Base Value	Taxable (deductable)/ Temporary Difference	Applicable Tax Rate	Deferred tax Assets/(liability)
Property, Plant and Equipment	(1,502,353,426)	(1,365,257,729)	(137,095,697)	27.50%	(37,701,317)
Gratuity provision	1,879,335,870	-	1,879,335,870	27.50%	516,817,364
A. Deferred Tax Assets/(Liabilities)					**479,116,048**
Revaluation of land	(1,341,749,080)	-	(1,341,749,080)	15.00%	(201,262,362)
Revaluation of PPE other than land	(40,720,484)	-	(40,720,484)	27.50%	(11,198,133)
B. Deferred Tax Assets/(Liabilities)					**(212,460,495)**
C. Total deferred tax asset/(liability)					**266,655,553**

As at 30 June 2024	Carrying Amount	Tax Base Value	Taxable (deductable)/ Temporary Difference	Applicable Tax Rate	Deferred tax Assets/(liability)
Property, Plant and Equipment	(816,760,870)	(616,700,738)	(200,060,132)	27.50%	(55,016,536)
Gratuity provision	1,780,026,630	-	1,780,026,630	27.50%	489,507,323
A. Deferred Tax Assets/(Liabilities)					**434,490,787**
Revaluation of land	(1,341,749,080)	-	(1,341,749,080)	15.00%	(201,262,362)
Revaluation of PPE other than land	(46,235,774)	-	(46,235,774)	27.50%	(12,714,838)
B. Deferred Tax Assets/(Liabilities)					**(213,977,200)**
C. Total deferred tax asset/(liability)					**220,513,588**

	Amount in BDT	
	30-Jun-25	30-Jun-24
9.00 Inventories		
Raw Materials	1,273,896,761	987,398,840
Packing Materials	628,939,579	634,094,079
Work-in-Process	211,752,481	299,943,382
Finished Goods	1,063,741,648	961,438,446
Spares and Accessories & Others	180,136,732	167,078,138
Stationery	2,576,788	3,439,639
Stores-in-Transit	518,690,072	519,563,826
	3,879,734,061	**3,572,956,350**
Less: Provision for inventory	(13,451,218)	(10,544,115)
	3,866,282,843	**3,562,412,235**
10.00 Trade and Other Receivable		
Trade Receivable	798,022,680	739,846,130
Other Receivable (Note-10.01)	143,276,464	56,499,224
	941,299,144	**796,345,354**
10.01 Other Receivable		
Stores on loan	2,864,583	547,678
Short receipts	2,151,546	2,151,546
Interest on FDR Receivable	138,260,335	53,800,000
	143,276,464	**56,499,224**
11.00 Advance, Deposits & Prepayments		
Advances (Note-11.01)	2,463,402,596	2,412,076,489
Deposits(Note-11.02)	105,895,319	73,748,596
Prepayments (Note-11.03)	17,605,443	28,875,314
	2,586,903,358	**2,514,700,400**
11.01 Advances :	**2,463,402,596**	**2,412,076,489**
Advance income tax net of provision for income tax (Note- 11.01.1)	2,341,846,453	2,205,447,518
Against purchase	24,652,910	27,999,214
Against expenses	92,565,793	169,944,825
Against works	493,333	493,333
Against imprest	2,388,557	2,318,557
Advance tax	1,455,549	5,205,243
Revenue Stamp	-	667,800
11.01.1 Advance Income Tax	**2,341,846,453**	**2,205,447,518**
Advance income tax	6,591,236,144	5,820,671,021
Less: Provision for income tax (Note- 11.01.2)	**(4,249,389,691)**	**(3,615,223,503)**
11.01.2 Provision for Income Taxation	**4,249,389,691**	**3,615,223,503**
Opening balance	3,615,223,503	3,126,674,512
Add: Addition during the year	634,166,188	488,548,991
Less : Adjustment during the year	-	-
11.02 Deposit	**105,895,319**	**73,748,596**
Security deposit	24,643,891	23,869,847
Account current - VAT	81,251,427	49,878,749

	Amount in BDT	
	30-Jun-25	30-Jun-24

11.03 Prepayments | | **17,605,443** | **28,875,314**

	30-Jun-25	30-Jun-24
11.03 Prepayments	**17,605,443**	**28,875,314**
Prepaid insurance	17,605,443	28,875,314

12.00 Short Term Investment

	30-Jun-25	30-Jun-24
Fixed Deposit (Note: 12.01)	1,500,000,000	2,000,000,000
	1,500,000,000	**2,000,000,000**

12.01

Name of the Bank	Account No.	1,500,000,000	2,000,000,000
Premier Bank PLC	44	500,000,000	-
Sonali Bank PLC	669	-	500,000,000
Sonali Bank PLC	670	-	500,000,000
Sonali Bank PLC	671	500,000,000	500,000,000
Sonali Bank PLC	672	500,000,000	500,000,000

13.00 Cash & Cash Equivalents

		30-Jun-25	30-Jun-24
Cash in hand		595,120	1,390,044.18
Cash at bank	(Note-13.01)	633,439,185	2,569,950,898
		634,034,306	**2,571,340,942**

13.01 Cash at Bank

Name of the Bank	Account Number	633,439,185	2,569,950,898
Sonali Bank Ltd.	SND-047	343,152,342	1,796,495,862
Sonali Bank Ltd.	CD-935	(231,197,917)	(336,660,316)
Shahajala Islami Bank Ltd.	2039	464,601	167,764,626
Prime Bank Ltd.	339	4	4
Dutch Bangla Bank	8450	1,073,607	1,078,337
Shahajala Islami Bank Ltd.	841	167,269,331	186,482,241
Dutch Bangla Bank Ltd.	3171	283	1,393
Agrani Bank Limited - Bogra	CD A/c - 3031	8,865,909	1,876,976
Agrani Bank Limited - Bogra	STD A/c - 5653	317,112,468	369,981,766
Primer Bank Ltd.	162	15,738	16,428
Prime Bank Ltd.	3292	1,966	1,966
Dutch Bangla Bank Ltd.	218	-	319,603
Sonali Bank Ltd.	CC-018	8,500,292	
Dutch Bangla Bank Ltd.	5528	7,258,452	7,719,683
Prime Bank Ltd.	477	668,145	669,335
Sonali Bank Ltd.	12562	168,147	280,630
Sonali Bank Ltd.	30509	1,280,097	2,957,559
Dutch Bangla Bank Ltd.	46811	1,907,595	1,362,955
Sonali Bank Ltd.	14483	6,536,700	93,617,138
Sonali Bank Ltd.	0124200004247	348,320	369,010
CC A/C DBBL Dilkusha	348	-	263,764,107
CD A/C BRAC Bank -0001	0001	13,103	6,179,713
CD A/C Mutual Trust Bank Ltd-635	635	-	5,671,881

	Amount in BDT	
	30-Jun-25	30-Jun-24

14.00 Share Capital

	30-Jun-25	30-Jun-24
Authorized Capital		
200,000,000 ordinary shares of Tk.10 each	**2,000,000,000**	**2,000,000,000**
Issued, Subscribed and Paid up Capital		
68,050,200 ordinary shares of Tk.10 each fully paid in cash	680,502,000	680,502,000
3,28,74,650 bonus shares of Tk.10 each	328,746,500	328,746,500
	1,009,248,500	1,009,248,500

15.00 General Reserve

	30-Jun-25	30-Jun-24
Prior year balance	4,555,000,000	3,755,000,000
Add: Transferred during the year	800,000,000	800,000,000
	5,355,000,000	**4,555,000,000**

16.00 Revaluation Reserve

	30-Jun-25	30-Jun-24
Opening balance	1,389,737,978	1,394,309,477
Less: Excess depreciation transferred to retained earnings	(5,515,290)	(6,303,651)
Add: Related tax on excess depreciation transferred to retained earnings (27.5% on transfer amount)	-	1,733,504
Add/ (Less): Adjustment related to disposal during the year	-	(1,352)
Closing Balance	**1,384,222,688**	**1,389,737,978**

17.00 Retained Earnings

	30-Jun-25	30-Jun-24
Opening Balance	1,788,640,599	1,502,198,244
Less: Prior year adjustment*	(155,130,194)	-
Restated Opening Balance	**1,633,510,405**	**1,502,198,244**
Add: Profit for the year	1,184,060,339	1,155,442,123
Add: Excess depreciation transferred from revaluation reserve to retained earnings	5,515,290	6,303,651
Less: Related tax on excess depreciation (note 16.00)	-	(1,733,504)
Add: Deferred tax on revalued assets recognised directly in equity (note 8)	1,516,705	
Add: Gain on disposal of revalued assets	-	1,352
Less: Dividend paid	(50,462,425)	(50,462,425)
Less: Transfer to general reserve	(800,000,000)	(800,000,000)
Less: Transfer to EDCL foundation	(23,681,207)	(23,108,842)
Closing Balance	**1,950,459,107**	**1,788,640,599**

**Prior year adjustment has been made to rectify interest and other expenses wrongly capitalised under CWIP (Bogura Cephalosphorin Project).*

18.00 Long Term Loan

	30-Jun-25	30-Jun-24
EDCL Foundation - (Cephalosporin) (Note-18.01)	25,250,000	45,450,000
Ministry of Health- (Ref-ADB) (Note-18.02)	397,555,498	397,555,498
	422,805,498	**443,005,498**

18.01 EDCL Foundation - (Cephalosporin)	**25,250,000**	**45,450,000**
Opening Balance	45,450,000	65,650,000
Paid during the year	(20,450,000)	(20,650,000)
Addition during the year	250,000	450,000

18.02 Ministry of Health- (Ref-ADB)	**397,555,498**	**397,555,498**
Opening Balance	397,555,498	397,555,498
Fluctuation gain/loss	-	-
Paid during the year	-	-

	Amount in BDT	
	30-Jun-25	30-Jun-24

The Ministry of Health provided EDCL with a loan amounting to USD 87,54,605.91 (equivalent to BDT 24,33,69,288 at an exchange rate of 27.79 Taka/USD) between 1983 and 1987, through a Subsidiary Loan Agreement (SLA) with the Health Ministry. The loan was provided by the Asian Development Bank (ADB) under a first-party agreement between the Bangladesh Government and ADB. The loan bears a service charge @ 1% per annum and was repayable in sixty half yearly installments.

The loan was to be repaid in sixty equal installments, starting in 1989 and continuing until 2018. By 2004, EDCL had paid 31 installments totaling USD 36,77,142.09 (or 17,86,51,546.96 Taka). The remaining principal amount, 64,717,740.87 Taka, was settled in full following a decision in the 166th Board meeting of EDCL.

This resolution followed a request from EDCL to the Ministry of Health to settle the loan in local currency, due to the continuous increase in the exchange rate and the declining financial position of the company. Subsequently, in the 113th Board meeting (2007), EDCL's request was approved and the Ministry of Health also agreed to settle the loan in local currency. The Ministry instructed the Finance Ministry to resolve the issue arising from exchange rate fluctuations in 2008.

Despite this, the Finance Ministry did not agree with the settlement in local currency. Instead, they suggested that the loan be treated as an exemption, a government grant, or converted into equity. It is important to note that the loan received from ADB was fully repaid by November 1, 2005, and the Bangladesh Government no longer held any liability for the loan, as confirmed by a letter from the Finance Ministry's Economic Relations Division (ERD) on March 4, 2008.

Given this background, it is proposed that an inter-ministry meeting be convened to resolve the matter. This will allow for a final decision on whether the foreign exchange loss liability can be considered fully settled or converted into equity shares, as per the original resolution.

19.00 Gratuity payable

	30-Jun-25	30-Jun-24
Opening balance	1,780,026,630	1,588,823,970
Add: Addition during the year	240,794,280	236,615,480
	2,020,820,910	1,825,439,450
Less: Paid during the year	141,485,040	45,412,820
Closing balance	**1,879,335,870**	**1,780,026,630**
Total	**1,879,335,870**	**1,780,026,630**
Manager	150,964,840	143,788,640
Officer	549,577,350	496,525,960
Staff	235,855,280	226,099,610
Worked	942,938,400	913,612,420

Under the gratuity program, EDCL simply assume obligation to provide the agreed amount (Last two month's basic salary) of payments/ contribution to the employees. The liability at 30 June 2025 against gratuity is based on last two month's basic salary multiplied by the number of years served. Employees are entitled to this benefit after completion of 3 (three) year's regular service.

20.00 Advance against GOB contribution

	30-Jun-25	30-Jun-24
Opening balance	7,253,099,593	7,143,796,537
Add: Amount paid by Government for Gopalgonj project during the year	-	109,303,056
	7,253,099,593	7,253,099,593
Less: Amount paid to Government	-	-
Total	**7,253,099,593**	**7,253,099,593**

Government of Bangladesh (GoB) has approved "Establishment of Essential Drugs Company Ltd. (3rd Plant) at Gopalgonj" project under the Ministry of Health and Family Welfare. The amount has been received as Grant from the Government of Bangladesh as per the RDPP. The grant has been recognized under non-current liabilities. This balance will be recognised in profit or loss on a systematic basis over the useful life of the asset as per IAS 20 para 26.

	Amount in BDT	
	30-Jun-25	30-Jun-24

21.00 Trade & Other Payable

Trade Payable	446,990,616	756,003,223
Other Payable (Note: 21.01)	426,711,169	503,679,083
	873,701,786	**1,259,682,307**

21.01 Other Payable	**426,711,169**	**503,679,083**
Liabilities for expense	88,433,548	178,341,659
Tax deduction at source/Post paid Insurance	-	-
Insurance Claim Received	7,714,080	4,070,160
Service Charges on ADB Loan	19,241,963	19,241,963
Exchange fluctuation on ADB loan	5,360,261	5,360,261
EDCL Foundation	23,681,207	23,108,842
Provision for bonus	258,660,625	248,986,747
Stores on loan	15,739,821	10,836,616
Officers welfare association	90,500	741,030
Welfare fund	675,125	30,000
CBA Subscription	36,070	36,060
Unpaid salary	7,077,969	10,594,624
Tax Deduction on employees salary	-	15,767
VAT rebate a/c	-	2,315,352

22.00 Short Term Loan

CC Loan Dutch Bangla Bank Plc	69,526,542	-
Short Term Loan Shahjalal Islami Bank	544,070	-
Sonali Bank PLC (018)	-	3,873,284
	70,070,612	**3,873,284**

23.00 Security deposit payable

Opening Balance	115,951,087	90,387,841
Add: Received during the year	34,805,899	64,471,603
	150,756,987	**154,859,444**
Less : Adjustment during the year	61,680,982	38,908,357
Closing Balance	**89,076,005**	**115,951,087**

24.00 Workers' Profit Participation Fund

Opening Balance	79,650,557	60,558,500
Add: Addition during the year	88,680,063	79,650,557
	168,330,620	**140,209,057**
Less : Paid during the year	(79,650,557)	(60,558,500)
Closing Balance	**88,680,063**	**79,650,557**

		Amount in BDT	
		30-Jun-25	30-Jun-24
25.00 Sales Revenue			
Local Sales		12,573,948,977	13,035,335,840
Less: VAT		(1,610,816,239)	(1,669,448,512)
		10,963,132,738	**11,365,887,328**
26.00 Cost of Goods Sold :			
Raw materials	(Note- 26.01)	2,884,712,665	3,226,857,417
Packing materials	(Note- 26.02)	1,527,384,696	1,824,609,178
		4,412,097,361	**5,051,466,595**
Direct labor/factory wages		1,672,393,273	1,615,072,419
Prime cost		**6,084,490,634**	**6,666,539,014**
Indirect materials consumed		23,194,532	15,176,449
Salary and allowances		665,979,203	649,417,526
Outsourced manufacturing charges		576,657,983	652,912,970
Factory overhead	(Note- 26.03)	410,613,249	399,604,065
Repairs and maintenance	(Note- 26.04)	126,879,010	123,437,042
Depreciation	(Annexure-A)	212,103,625	97,880,160
		2,015,427,602	**1,938,428,211**
Inventory adjustment	(Note- 26.05)	(14,112,301)	(3,515,091)
Inventory write-off expenses		24,256,175	5,941,520
		8,110,062,110	**8,607,393,653**
26.01 Raw Materials Consumed		**2,884,712,665**	**3,226,857,417**
Opening Stock of Raw Materials		3,226,857,417	1,060,246,720
Add : Purchase during the year		931,752,010	3,154,009,537
Less : Closing Stock of Raw Materials		(1,273,896,761)	(987,398,840)
26.02 Packing Materials Consumed		**1,527,384,696**	**1,824,609,178**
Opening Stock of Packing Materials		1,824,609,178	507,925,436
Add : Purchase during the year		331,715,097	1,950,777,821
Less : Closing Stock of Packing Materials		(628,939,579)	(634,094,079)
26.03 Factory Overhead		**410,613,249**	**399,604,065**
Electricity		139,561,613	129,328,745
Water		25,019,523	24,218,259
Gas		13,408,675	11,433,914
Washing charges		885,089	752,185
Insurance		28,153,884	20,807,016
Liveries and uniform		7,805,468	4,360,326
Fooding expenses		69,460,762	70,115,645
Registration & Renewal fee		3,075,454	1,264,869
Carrying & Handling		10,129,677	19,567,596
Godown rent/Office rent		96,614,363	93,152,018
Printing		739,680	1,500,534
Stationary		3,602,370	4,363,038
Conveyance expenses		909,961	848,309
Telephone and trunk call		478,549	442,813
Medical expenses		309,648	2,910,561
Sports and refreshment		10,458,532	14,538,236
26.04 Repairs and Maintenance		**126,879,010**	**123,437,042**
Canteen maintenance		3,731,412	3,906,734
Plant and machinery		101,670,976	97,981,410
Furniture and fixtures		765,716	1,166,093
Factory building		20,574,683	20,365,331
Workshop		136,223	17,473

	Amount in BDT	
	30-Jun-25	30-Jun-24
26.05 Inventory adjustment (A-B)	**(14,112,301)**	**(3,515,091)**
A. Opening inventory	**1,261,381,828**	**1,257,866,737**
Work in process	299,943,382	206,642,480
Finished goods	961,438,446	1,051,224,257
B. Closing inventory	**1,275,494,129**	**1,261,381,828**
Work in process	211,752,481	299,943,382
Finished goods	1,063,741,648	961,438,446
27.00 Administrative Expenses :		
Salary and allowances	863,157,652	840,212,116
Directors board meeting fee	140,640	159,392
Electricity	15,506,846	14,369,861
Water	2,779,947	2,690,918
Gas	4,469,558	3,811,305
Washing charge	590,059	501,457
Insurance	7,038,471	5,201,754
Liveries and uniform	2,601,823	1,453,442
Food expenses	46,307,175	46,743,763
Vehicles running expenses	19,384,632	23,129,303
TA / DA expenses	30,397,393	44,153,604
Carrying & handling	4,341,290	8,386,113
Godown Rent/ Office Rent	52,023,119	50,158,779
Printing	1,109,520	1,029,229
Stationery	5,403,554	6,544,557
Postage and telegram	228,417	206,746
Conveyance	2,123,242	1,979,388
Telephone and fax	1,914,198	1,771,252
Medical expense	206,432	1,940,374
Entertainment	4,536,445	5,887,304
Advertisement and publicity	10,112,177	16,185,214
Journals and periodicals	177,920	201,502
Subscription and donation	75,080	105,080
Training expense	504,579	1,122,475
Bank charges	2,919,510	1,357,181
Professional fees	581,958	1,748,839
Honorarium for selection Committee	216,604	539,021
Welfare exp.	4,992,547	5,303,092
Sports and refreshment	6,972,355	9,692,157
Legal expense	1,423,600	1,010,045
Survey Fees	35,949	5,727
Honorarium of Committee members	1,855,340	2,148,425
Consultancy fees	301,200	425,000
Misc. Expense	93,790	126,799
Depreciation (Annexure-A)	20,176,960	19,979,164
Repairs and maintenance (Note- 27.01)	25,310,812	25,483,406
Registration and Renewal Fees	1,656,013	681,083
Audit Fee	977,500	460,000
Promotional expenses	-	846,667
Transport for Employees	27,998,321	24,507,496
	1,170,642,629	**1,172,259,030**
27.01 Repairs and Maintenance	**25,310,812**	**25,483,406**
Office building	4,230,737	7,140,525
Office equipment	10,766,890	7,510,330
Furniture and fixtures	191,429	291,523
Vehicles	7,634,148	7,936,537
Canteen maintenance	2,487,608	2,604,490

	Amount in BDT	
	30-Jun-25	30-Jun-24
28.00 Selling & Distribution Expenses :		
Delivery expense(Truck fair & Lebour Bill)	8,120,125	13,077,219
Collection Charge (Bank & Others)	239,983	1,927,954
Entertainment for Sales	480,126	638,679
Purchase of Tender Schedule	10,000	14,000
	8,850,234	**15,657,852**
29.00 Financial Expenses :		
Interest on overdraft	53,552,373	20,627,406
	53,552,373	**20,627,406**
30.00 Other Income :		
Interest received on fixed deposit	206,854,211	99,487,326
Interest on STD account	2,842,546	8,157,884
Sales on tender form	2,308,800	2,884,000
Sales on scraps & others	30,250,381	12,183,086
	242,255,938	**122,712,296**
31.00 Dividend		
Cash dividend	50,462,425	50,462,425
	50,462,425	**50,462,425**
32.00 Earnings Per Share		
Profit attributable to ordinary shareholders	1,184,060,339	1,155,442,123
Number of ordinary shares	100,924,850	100,924,850
Basic earning per share	**11.73**	**11.45**
33.00 Net Asset Value (NAV) Per Share		
Net Asset Value	9,698,930,295	8,742,627,077
Number of ordinary shares	100,924,850	100,924,850
Net Asset Value (NAV) Per Share	**96.10**	**86.63**
34.00 Net Operating Cash Flow (NOCF) Per Share		
Cash Flows from Operating Activities as per Statement of Cash Flows	(2,256,284,909)	(110,023,654)
Number of ordinary shares	100,924,850	100,924,850
Net Operating Cash Flow-Per Share	(22.36)	(1.09)

35.00 Salaries/Perquisites to Directors

The aggregate amounts paid/provided during the year in respect of directors of the company as defined in the Securities and Exchange Rules, 2020 are disclosed below:

	Directors	Directors
Board Meeting Fees	140,640	159,392
	140,640	**159,392**

36.00 Tax Status as on June 30, 2025

Income Year	Assessment Year	Tax Provision	Tax assessed by DCT	Tax Paid	Remarks
2004-2005	2005-2006	103,617,535	210,591,351	101,789,035	Appeal to High Court
2010-2011	2011-2012	262,457,488	262,667,716	183,060,766	Appeal to High Court
2011-2012	2012-2013	221,645,751	232,523,937	172,172,512	Appeal to High Court
2012-2013	2013-2014	120,306,964	278,791,741	253,752,962	Appeal to High Court
2013-2014	2014-2015	112,569,736	218,441,438	150,565,410	Tribunal with the Commissioner of Tax (Tribunal)
2014-2015	2015-2016	186,887,339	235,776,743	235,175,949	Tribunal with the Commissioner of Tax (Tribunal)
2015-2016	2016-2017	108,017,812	202,598,018	210,352,689	Disposed of appeal by the Appellate Tribunal
2016-2017	2017-2018	156,603,505	299,008,765	300,794,692	Assessment complete
2017-2018	2018-2019	152,859,351	389,970,261	383,654,143	Appeal is under Consideration
2018-2019	2019-2020	271,534,900	541,414,675	541,064,675	Appeal is under Consideration
2019-2020	2020-2021	343,432,087	435,935,582	435,406,285	Appeal is under Consideration
2020-2021	2021-2022	313,749,133	415,652,204	496,784,497	Appeal is under Consideration
2021-2022	2022-2023	439,921,159		710,012,550	Return Submitted
2022-2023	2023-2024	333,071,753	-	794,698,509	Return Submitted
2023-2024	2024-2025	488,548,991	-	851,386,346	Return Submitted
2024-2025	2025-2026	634,166,188	-	770,565,123	Return to be Submitted
Total		**4,249,389,692**	**3,723,372,430**	**6,591,236,144**	

37.00 Contingent liabilities: Claim not acknowledged as debt

There was no claim against the company not acknowledged as debt as on 30 June 2025 other than the following case:

The tax authority assessed Tax Tk. 3,723,372,430.00 against Tk. 2,353,681,601.00 provided in accounts for assessment years 2005-2006, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020, 2020-2021 & 2021-2022.

The Company has preferred appeal against the order of Tax authority.

38.00 Capital expenditure commitment

There was no material capital expenditure authorized by the board but not contracted for at 30 June 2025.

39.00 Credit facility not availed

There was no such credit facility available to the company under any contract and not availed other than trade credit available in the ordinary course of business as on 30 June 2025.

40.00 Post Balance Sheet Events - Disclosure Under IAS-10 "Events After Reporting Period"

No circumstances have arisen since the date of the statement of financial position which would require adjustment to, or disclosure in, the financial statements or notes thereto in accordance with IAS-10 Events After the Reporting Period.

No dividend has been recommended or declared by the Board of Directors for the year ended 30 June 2025.

41.00 Employee Positions of EDCL as per Requirements of The Companies Act 1994, Schedule XI, Part II, Paragraph 3

As of 30 June 2025, the company employs a total of 4,326 full-time staff distributed as follows: 1,890 in Dhaka, 872 in Bogura, 718 in Khulna, 169 in ELPP, and 677 in Gopalganj. All employees receive an annual salary exceeding BDT 36,000.

M.J.Abedin & Co. Chartered Accountants Dhaka-1205

Essential Drugs Company Limited
Property, Plant & Equipments

Annexure-A

Descriptions	Cost / Valuation				Rate of Dep.%	Depreciation				Written Down Value as on 30-Jun-2025
	Balance as on 01-July-2024	Addition during the year	Adjustment during the year	Total cost as on 30-Jun-2025		Balance as on 01-July-2024	Charged during the year	Adjustment during the year	Total cost as on 30-Jun-2025	
Cost										
Leasehold land *	12,579,861	5,676,912	-	18,256,773	0%	-	-	-	-	18,256,773
Building Construction	420,925,211	149,708,075	-	570,633,285	10%	276,071,535	29,398,174.6	-	305,469,709	265,163,576
Plant & Machinary	1,910,765,502	708,565,387	-	2,619,330,889	15%	1,420,802,450	168,946,611.4	-	1,589,749,062	1,029,581,827
Laboratory Equipment	134,378,885	24,978,424	-	159,357,309	10%	74,696,109	7,922,920.2	-	82,619,030	76,738,279
Books & Journals	2,897,556	-	-	2,897,556	30%	2,722,712	52,453.2	-	2,775,165	122,391
Office Equipment	90,008,040	10,080,054	-	100,088,094	15%	59,412,255	5,635,845.4	-	65,048,101	35,039,993
Funiture & Fixture	107,950,491	17,123,793	-	125,074,284	10%	55,903,792	6,678,693.4	-	62,582,485	62,491,799
Motor Vehicles	141,639,984	-	-	141,639,984	20%	103,066,520	7,714,692.8		110,781,213	30,858,771
PABX Installation	1,938,567	309,800	-	2,248,367	15%	1,728,227	78,021.0	-	1,806,248	442,119
Deep Tubewell	3,309,440	-	-	3,309,440	15%	2,657,895	97,731.7	-	2,755,627	553,813
Gas Connetion	137,696	1,592,318	-	1,730,014	15%	129,006	240,151.3	-	369,157	1,360,857
Sub-Total	**2,826,531,232**	**918,034,763**	**-**	**3,744,565,995**		**1,997,190,501**	**226,765,295**	**-**	**2,223,955,796**	**1,520,610,199**
Revaluation										
Leasehold land *	1,341,749,080	-	-	1,341,749,080	0%	-	-	-	-	1,341,749,080
Building Construction	104,867,903	-	-	104,867,903	10%	78,141,626	2,672,627	-	80,814,253	24,053,650
Plant & Machinary	145,343,914	-	-	145,343,914	15%	127,682,193	2,649,258	-	130,331,451	15,012,463
Laboratory Equipment	6,838,522	-	-	6,838,522	10%	5,077,018	176,150	-	5,253,168	1,585,354
Motor Vehicles	1,536,346	-	-	1,536,346	20%	1,450,075	17,254	-	1,467,329	69,018
Sub-Total	**1,600,335,765**	**-**	**-**	**1,600,335,765**		**212,350,912**	**5,515,290**	**-**	**217,866,202**	**1,382,469,564**
Total	**4,426,866,998**	**918,034,763**	**-**	**5,344,901,761**		**2,209,541,413**	**232,280,585**	**-**	**2,441,821,998**	**2,903,079,763**
Net Book Value as on 30 June 2025	**4,426,866,998**	**918,034,763**	**-**	**5,344,901,761**		**2,209,541,413**	**232,280,585**	**-**	**2,441,821,998**	**2,903,079,763**
Net Book Value as on 30 June 2024	**4,269,295,975**	**159,424,473**	**(1,853,450)**	**4,426,866,998**		**2,093,515,733**	**117,859,324**	**(1,833,644)**	**2,209,541,413**	**2,217,325,585**

Allocation of Depreciation:	Amount in BDT 30-Jun-25	Amount in BDT 30-Jun-24
Cost of Goods Sold **(Note-26.00)**	212,103,625	101,809,137
Administrative Expenses **(Note-27.00)**	20,176,960	20,686,823
	232,280,585	122,495,960

** Leasehold land consists of land properties in Tejgaon, Khulna, Bogra and Gopalganj. These properties have been leased from the Government of Bangladesh for 99 years except the land in Khulna.*

M.J. Abedin & Co. Chartered Accountants
MJA