

DRAFT INFORMATION MEMORANDUM

Secured, Non-convertible, and Fully-Redeemable, Zero-Coupon Bond of up to BDT 5,000,000,000/- (Five Billion Taka) for Renata Limited.

ISSUER: RENATA LIMITED



Corporate Office:

Plot No. 1, Milk Vita Road, Section-7,
Mirpur, Dhaka-1216, Bangladesh,

TRUSTEE: BRAC EPL INVESTMENTS LIMITED



Name of the Bond: Renata Zero-Coupon Bond

Type of Bond: Secured, Non-convertible, and Fully-Redeemable Zero-Coupon Bond

***Face Value:** BDT 6,601.50 million [*@10%p.a. discount rate*] **Discount Rate:** 9%p.a.- 10%p.a.

Issue Price: BDT 5,000 million (approx.)

Tenor: 1 Year - 5 Years, [*i.e., 12 months to 60 months from respective issue date*]

Minimum Investment: BDT 900,000 ***No. of Bonds to be issued:** 66,015

Face Value Per Bond: BDT 100,000 each

**Calculations are based on Discount Rate of 10%p.a.*

The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance.

IM Issue Date: XXXXX

Credit Rating Status			
Credit Rating by	Entity Rating		Bond Rating
	Long-Term	Short Term	
Rating	AAA	ST-1	AA+
Outlook	Stable		Stable
Validity	29 August 2023- 28 August 2024		19 th November 2023- 18 November 2024

Fund Arranger: City Bank Capital Resources Limited



"IF YOU HAVE ANY QUERY ABOUT THIS DOCUMENT, YOU MAY CONSULT THE ISSUER OR ORIGINATOR, ISSUE MANAGER AND THE TRUSTEE."

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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited

Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited

Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Notice & Disclaimer


Renata Limited (hereinafter referred as "Renata" or the "Issuer") has authorized City Bank Capital Resources Limited (hereinafter referred as "CBCRL" or the "Arranger") to distribute this Draft Information Memorandum (IM) in connection with the proposed transaction outlined in it (the "Transaction") and the Bond proposed to be issued in the Transaction (the "Renata Zero-Coupon Bond"). This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to invest or purchase the Zero-Coupon Bond. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Issuer and/or the Arranger.


The Issuer has prepared this Draft Information Memorandum and is solely responsible for its contents. The Issuer shall comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Zero-Coupon Bond. The Issuer, having made all reasonable inquiries, confirms that this Draft Information Memorandum contains all the information with respect to itself and the Zero-Coupon Bond to be issued by it, which is material in the context of the Bond; that the information contained in this Draft Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

The Arranger has relied on the information provided by the Issuer and such information has not been independently verified by the Issue Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or any affiliate of the Arranger for the accuracy, completeness, reliability, correctness or fairness of this Draft Information Memorandum or any of the information or opinions contained therein, and Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Draft Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Draft Information Memorandum or any information or errors contained therein or any omissions therefore. By accepting this Draft Information Memorandum, investors agree that the Arranger will not have any such liability.

Neither this Draft Information Memorandum nor any other information supplied in connection with the Issue is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arranger to the Issue that any recipient of this Draft Information Memorandum (or any other information supplied in connection with the Issue) should purchase or subscribe for any Zero-Coupon Bond. Each investor contemplating purchasing or Investing in the proposed bond should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer. Investors are advised not to construe the contents of this Draft Information Memorandum as investment, legal, accounting, regulatory or tax advice. Investors are also advised to consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning an investment in the Proposed Bond.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR INVESTING IN RENATA ZERO-COUPON BOND.


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Contact Details


The hard copy and soft copy of the Information Memorandum may be obtained from the following institutions:

Table 1: Contact Details


Name & Address	Telephone & Fax Number, E-mail, Website	Contact Person
ISSUER		
Renata Limited	Plot No. 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216, Bangladesh, Phone: (880-2) 8001450-54 Email: info@renata-ltd.com Web: renata-ltd.com	Md. Jubayer Alam Company Secretary
TRUSTEE		
BRAC EPL Investments Limited	Medona Tower, Level 4, 28 Mohakhali C/A Dhaka- 1213, Bangladesh Cell: + 88 01713 187 924 Email: samira.nasrin@bracepl.com	Samira Nasrin Risk Management & Compliance Officer
		Shah Rakib Khan, CFA Senior Assistant Vice President
LEAD ARRANGER		
City Bank Capital Resources Limited	Shanta Western Tower, Level- 14, Bir Uttam Mir Shawkat Road, 186 Tejgaon, I/A, Dhaka- 1208 Phone: +8809613011011 Email: info@cberl.com	Ershad Hossain Managing Director & CEO



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited




Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Lim.tcd


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

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Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Section 2: Risk factors and Management Perception About the Risks:

In the normal course of business operations, Renata Limited would subject to macroeconomic risks (external factors), sectoral risks (risk of a typical nature for similar Adhesives companies), and company-specific risks (internal factors). The majority of these risks can be mitigated effectively. Before making any investment decision, Investors should take the risk factors into consideration. Such major risk factors are described in brief as under:

(a) Interest rate risks

Interest rate risk is the possibility of financial positions of a Company being negatively impacted by shifts in interest rates. This risk affects bonds, loans, mortgages, financial institutions, investment portfolios, and real estate. To manage it, diversification, interest rate hedging, duration management, floating-rate instruments, and active monitoring are used. Interest rate risk highlights the need to adapt to ever-changing interest rate environments in financial decision-making.

Management Perception:

The management of The Company is always aware of the interest rates at which the debts of The Company are being financed. As a AAA rated company, Renata enjoys competitive interest rates. In anticipation of potential interest rate hikes, the management has made a strategic move by opting to issue a Zero-Coupon Bond. This decision is aimed at securing a fixed interest rate, ensuring stability and certainty for the company despite potential interest rate fluctuations.

(b) Foreign exchange risks

Foreign exchange risk, also referred to as FX risk or currency risk, is a financial vulnerability that emerges when a monetary transaction is stated in a currency differing from the base currency of the company. This risk materializes when the value of an investment fluctuates due to shifts in currency exchange rates.

Management Perception:

The Company faces the challenge of exchange rate risk due to its reliance on the import of raw materials and capital machinery. Recognizing the inherent volatility of the Bangladeshi Taka, the company has proactively devised a strategy to manage this risk. By adjusting the pricing of the final product, the company can effectively absorb and mitigate the impact of exchange rate fluctuations. This approach showcases the company's astute understanding of its exposure to currency risk and its ability to translate this awareness into a practical solution that safeguards its profitability. The deliberate alignment of product pricing with exchange rate movements not only cushions the financial impact but also underscores the company's commitment to maintaining stability and competitiveness in a dynamic market environment.

(c) Non-repayment risks

Non-repayment risk refers to the possibility of either not receiving payments or receiving only partial payments from the investment or credit sales. This kind of risk typically emerges when the Company making the payment undergoes sudden alterations in its historical payment patterns, encounters delays or incompleteness in payment processing, confronts



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

adverse conditions within its industry or the market, or deliberately defaults on its obligations.

Management Perception:

The company predominantly operates on a cash basis for product sales, with only a small fraction, ranging from 3% to 5% of the total sales, conducted on credit terms. This strategic approach significantly diminishes the company's susceptibility to non-repayment risk. By minimizing the reliance on credit transactions, the company inherently reduces its exposure to potential default situations, ensuring a more stable and secure revenue stream.

(d) Prepayment, call, or refunding risks

Prepayment, call, or refunding risks encompass the potential hazards linked to the premature repayment of high-yield assets. These risks arise when borrowers or issuers decide to repay loans or securities before their scheduled maturity dates, impacting the expected returns and durations of these assets.

Management Perception:

The company's operational setup has been designed in a way that it naturally avoids the negative impacts of early repayment risks. The specific structure, processes, or products of the company create a protective barrier that prevents these risks from significantly affecting its operations or financial health. This could be due to the nature of its customer base, the type of services it provides, or contractual agreements in place. Essentially, the company has established a strategic advantage that shields it from the potential disruptions caused by early repayment situations, ensuring a smoother and more stable business trajectory.

(e) Security risks


Security risk refers to the potential threats and vulnerabilities that could compromise the safety and protection of its physical assets, intellectual property, data, personnel, and overall operations. This includes risks such as theft, unauthorized access to facilities or sensitive information, industrial espionage, cyberattacks, natural disasters, fire, and other events that could disrupt the company's ability to function effectively and sustainably. Effective security risk management involves implementing measures to prevent, detect, and respond to these risks, ensuring the company's assets and operations are safeguarded from various potential threats.

Management Perception:

Renata Limited's management adopts a comprehensive approach to security risk management within its manufacturing plant. This strategy encompasses 24/7 monitoring by both in-house and third-party security personnel, physical security measures like plant fencing, and advanced surveillance with Internet Protocol Camera Systems and Digital Video Recorders. Additionally, they maintain strict access control through gate passes and comprehensive logs for material and personnel movement. This proactive, multi-layered security approach, bolstered by a combination of personnel and technology, underscores the company's unwavering commitment to mitigating security risks, reducing the likelihood of breaches, and ensuring a secure manufacturing environment.



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CEO & Managing Director
Renata Limited



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Finance Division
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Md. Jubayer Alam
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Corporate Affairs Division
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(f) Liquidity risks

Liquidity risk entails the possibility that a company might encounter challenges in fulfilling its financial commitments within the expected time frame and without incurring excessive costs. This risk arises due to imbalances between a company's short-term financial obligations and its available liquid assets. When a company faces liquidity risk, it might struggle to access the necessary funds to meet its payment obligations, resulting in potential disruptions to its operations and reputation.

Management Perception:

The Company's strategy for liquidity management revolves around maintaining a consistent level of liquidity to effectively address its obligations, even in challenging circumstances, while avoiding detrimental losses or harm to its reputation. This primarily involves maintaining an adequate amount of cash and cash equivalents to cover anticipated operational costs, including meeting financial commitments. To achieve this, the management follows a structured approach: they analyze the timeline of payment obligations, create cash forecasts, and subsequently ensure the availability of ample funds to fulfill these obligations punctually and as expected.

(g) Management risks


Management risk pertains to the possibility that the Issuer's managers might prioritize their personal interests over the company's interests. This concept encapsulates the risk that arises when decisions made by management are not in the best interest of the company or its stakeholders, leading to potential negative outcomes that could have been avoided. Such circumstances could result in financial losses for Bondholders and other stakeholders.

Management Perception:

Syed S Kaiser Kabir's extensive and diverse background, including his past responsibilities and education, significantly contributes to mitigating management risk within Renata Limited. His track record of leadership as Chairman of Renata Agro Industries Limited, Purnava Limited, and Renata Oncology Limited, combined with his role as Vice President of the Bangladesh Association of Pharmaceutical Industries, demonstrates a deep understanding of the pharmaceutical sector. His experience as Managing Director of BRAC-Renata Agro Industries Limited and Executive Director of Sajida Foundation underscores his strong leadership and management skills. Furthermore, his global perspective, gained through education at prestigious institutions like the University of Oxford, University of East Anglia, and Claremont McKenna College, equips him with valuable knowledge and critical thinking abilities. Serving on the boards of influential organizations such as BRAC, BRAC Bank Limited, and GAIN, as well as his previous roles as a consultant for The World Bank and a national macroeconomist for the Financial Sector Reform Project, illustrate his ability to navigate complex economic and financial landscapes. His involvement in committees, including finance and audit, adds to his governance expertise. Collectively, Kaiser Kabir's extensive and varied experiences make him well-equipped to manage risk effectively and make informed decisions, instilling confidence in the company's management and its ability to steer Renata Limited in a stable and strategic direction.



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Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
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Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
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(h) Operational risks

Operational risks encompass potential disruptions to The Company's smooth operations, stemming from factors like material, equipment, or service unavailability. Furthermore, operational and mechanical failures of equipment could arise due to natural disasters, unforeseen circumstances, insufficient supervision, or negligence, culminating in significant accidents and ensuing losses.

Management Perception:

The company recognizes that effective allocation of its resources plays a pivotal role in significantly mitigating this particular risk factor. Understanding the importance of managing these risks, the company not only employs hedging strategies but also proactively implements preventive measures. By ensuring a well-balanced distribution of resources, the company aims to minimize the impact of operational disruptions caused by material or equipment unavailability. Additionally, the company's proactive stance towards risk management underscores its commitment to maintaining operational resilience and safeguarding against potential losses stemming from operational and mechanical failures.

(i) Business risks

Business risk pertains to the potential danger that the company could fall short of attaining its financial objectives, leading to profits lower than expected or even incurring losses. This risk is subject to the influence of diverse external elements, encompassing factors such as escalating costs of raw materials used in production, intensifying market competition, and alterations or augmentations in prevailing government regulations. The adverse outcome of such business risks could render the company incapable of fulfilling its obligations to bondholders.

Management Perception:

Renata's management perceives that mitigating business risk requires a multifaceted approach. This includes diversifying the product portfolio, exploring new geographical markets, investing in research and development, ensuring a resilient supply chain, adhering to rigorous regulatory standards, implementing risk assessment protocols, and practicing sound financial risk management. Additionally, maintaining strong corporate governance and ethical standards, forming strategic partnerships, preparing for crises, and utilizing insurance and risk transfer mechanisms are all integral to safeguarding the company's stability and reputation in the ever-evolving pharmaceutical industry.

(j) Industry risks


Industry risk encompasses the potential hazard arising from heightened competition both domestically and internationally, culminating in reduced prices, revenues, profit margins, and market share. Such developments have the potential to negatively affect the company's business operations, financial stability, and operational outcomes.

Management Perception:


Renata, as a leading pharmaceutical company, strategically manages industry risks to ensure continued success in the face of heightened domestic and international competition. To address the challenges of potential price reductions and market fluctuations, the company is committed to diversifying its product portfolio, thereby reducing reliance on specific products. A significant emphasis on research and development enables Renata to stay at the forefront of innovation, maintaining a



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CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
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Finance Division
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competitive advantage. Establishing collaborative partnerships within the industry fosters knowledge exchange and resource-sharing, bolstering the company's resilience. Renata places a strong emphasis on effective cost management and operational efficiency to sustain profitability in dynamic markets. Continuous monitoring of global and domestic market trends informs agile decision-making and allows the company to adapt strategies proactively. Implementing comprehensive risk assessment and mitigation protocols ensures Renata's readiness to respond promptly to emerging challenges, safeguarding its business operations, financial stability, and market position.

(k) Market and technology-related risks

Market risks encompass the potential of adverse market conditions to impact the company's sales and profitability. Typically, this risk stems from a decrease in demand for the product or service, which can negatively affect overall performance. Conversely, effective marketing and brand management have the capacity to expand the customer base. Technology plays a critical role in ensuring superior product quality, enhancing customer service, and minimizing costs for any business. As the company operates within a technology-driven industry, ongoing technological enhancements are integral. The use of outdated technology or machinery can pose challenges for a company to remain competitive in such a fiercely contested industry.

Management Perception:

Renata, a top pharmaceutical firm with a focus on essential products, exhibits resilience against market volatility tied to economic downturns. Its strategic product positioning mitigates purchasing power-related risks. Moreover, the company's annual investment of 150 crore in technology modernization reflects a proactive approach to staying technologically competitive. Renata's commitment to machinery replacement ensures superior product quality, cost efficiency, and heightened customer service. This sustained investment aligns with industry best practices, safeguarding against potential drawbacks of outdated technology. Renata's low market risk exposure and tech-forward strategy position it as a robust player in the pharmaceutical sector. The company's dedication to ongoing technological advancements reinforces its competitiveness and adaptability, key factors in navigating the dynamic industry landscape.

(l) Risk related to potential or existing government regulations;

The company operates under Companies Act 1994, Customs Act 1969, and Labor Law 2006, Income Tax Ordinance 1984, Income Tax Rules 1984, Value Added Tax (VAT) Act 1991, Value Added Tax (VAT) Rules 1991 and other related regulations. Any abrupt changes of the policies made by the regulatory authorities may adversely affect the business of the company.

Management Perception:

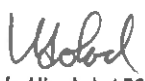
The management maintains goods relation with regulatory bodies and industry stakeholders. The management continuously tracks regulatory and policy development and well aware of making strategic adjustments accordingly.

(m) Risk related to potential changes in global or national policies


Alterations in current global or national policies can yield either advantageous or detrimental effects on the company's profitability. The company's performance might experience influences from uncontrollable factors within Bangladesh, including potential shifts in the pharmaceuticals industry, occurrences such as war, terrorism, political



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Renata Limited



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Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

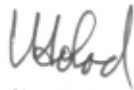
instability, natural disasters, and human-induced calamities, which could potentially exert adverse consequences on both the industry and the broader economy.

Management Perception:

Renata, navigating the intricacies of pharmaceutical policy in Bangladesh, adeptly addresses risks tied to policy changes. Embracing the TRIPS framework until 2033, the company strategically uses the exemption period to fortify its adaptive strategies. Renata's proactive engagement with regulators showcases industry leadership, ensuring compliance and insights into evolving policies. As the company faces the impending loss of the TRIPS waiver upon exiting the Least Developed Country status, management anticipates challenges in legal compliance and market dynamics post-graduation. Renata's commitment to technological learning positions it favorably for potential industry consolidation, fostering a delicate balance between innovation incentives and regulatory adjustments. The company's resilience and strategic vision underscore its capability to sustain growth amidst evolving pharmaceutical policies and global market shifts. Renata's proactive stance involves continuous monitoring, ensuring agility in adapting strategies to comply with emerging regulations. Leveraging its industry leadership, Renata actively engages with regulatory bodies, contributing insights and participating in policy discussions. Through a combination of TRIPS considerations and proactive risk management, Renata aims to safeguard profitability while capitalizing on opportunities arising from evolving pharmaceutical industry policies.



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited




Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Section 3: Detailed Description and Information

Table 2: Detailed Description and Information

1. Particulars of issuer:		
a)	Name:	Renata Limited
b)	Legal status:	A public limited company incorporated in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Limited under the Companies Act 1913.
c)	Details of contact information:	Registered Office: Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216. Phone: (880-2) 8001450-54 Fax: (880-2) 8001447, 8001448 Email: info@renata-ltd.com Web: renata-ltd.com
d)	Date of incorporation	6 th December 1972 [as Pfizer Laboratories Limited]
e)	Date of commencement of business	6 th December 1972 [as Pfizer Laboratories Limited]
f)	Authorized capital	BDT 2,850,000,000 [as of 30 th June 2023]
g)	Paid-up capital	BDT 1,146,964,900 [as of 30 th June 2023]
h)	Total equity:	BDT 30,534,613,169 [as of 30 th June 2023]
i)	Total liabilities:	BDT 18,194,549,835 [as of 30 th June 2023]
j)	Total financial obligations:	BDT 14,280,726,823 [as of 30 th June 2023]
k)	Total assets:	BDT 48,729,163,004 [as of 30 th June 2023]
l)	Total tangible assets:	BDT 48,581,634,358 [as of 30 th June 2023]
m)	Net worth:	BDT 30,534,613,169 [as of 30 th June 2023]
2. Particulars of issue manager:		
		N/A
3. Particulars of the issue:		
a)	Name of the issue:	Renata Zero-Coupon Bond
b)	Type of instruments to be issued:	Secured, Non-convertible, and Fully-Redeemable, Zero-Coupon Bond
c)	Purpose of the issue:	Partial Refinancing of Existing Loan
d)	Number of securities to be offered:	*64,314 - 66,015
	Total size of the issue to be offered:	Issue Price: BDT 5,000 million (approx..)
e)	Face value and Issue Price per Bond:	Face Value: BDT 6,431.4 million – BDT 6,601.50 million Issue Price: BDT 5,000 million (approx..)
f)	Discount rate:	9.0% p.a. - 10.0% p.a.


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g)	Tenor or maturity:	Series of Zero-Coupon Bonds with tenors ranging from 1 Year - 5 Years i.e., 12 months to 60 months from respective issue date																																																													
h)	Details of conversion/exchange option features:	The bonds are non-convertible in nature.																																																													
i)	Mode of redemption or conversion:	<p>Will be redeemed in 9 instalments starting from the end of the 1st Year from the issue date and every 6 months thereafter, in the following manner:</p> <p style="text-align: center;"><i>(Considering 9% p.a. Discount Rate):</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>No. of Bond Redemption</th> <th>Issue Price In BDT</th> <th>Redemption Value in BDT</th> </tr> </thead> <tbody> <tr> <td>0.50</td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.00</td> <td>7,146.0</td> <td>655,596,330</td> <td>714,600,000</td> </tr> <tr> <td>1.50</td> <td>7,146.0</td> <td>627,947,398</td> <td>714,600,000</td> </tr> <tr> <td>2.00</td> <td>7,146.0</td> <td>601,464,523</td> <td>714,600,000</td> </tr> <tr> <td>2.50</td> <td>7,146.0</td> <td>576,098,530</td> <td>714,600,000</td> </tr> <tr> <td>3.00</td> <td>7,146.0</td> <td>551,802,315</td> <td>714,600,000</td> </tr> <tr> <td>3.50</td> <td>7,146.0</td> <td>528,530,761</td> <td>714,600,000</td> </tr> <tr> <td>4.00</td> <td>7,146.0</td> <td>506,240,656</td> <td>714,600,000</td> </tr> <tr> <td>4.50</td> <td>7,146.0</td> <td>484,890,607</td> <td>714,600,000</td> </tr> <tr> <td>5.00</td> <td>7,146.0</td> <td>464,440,969</td> <td>714,600,000</td> </tr> <tr> <td>Total</td> <td>64,314</td> <td>4,997,012,089</td> <td>6,431,400,000</td> </tr> </tbody> </table> <p style="text-align: center;"><i>(Considering 10% p.a. Discount Rate):</i></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>No. of Bond Redemption</th> <th>Issue Price In BDT</th> <th>Redemption Value in BDT</th> </tr> </thead> <tbody> <tr> <td>0.50</td> <td></td> <td></td> <td></td> </tr> <tr> <td>1.00</td> <td>7,335.0</td> <td>666,818,182</td> <td>733,500,000</td> </tr> </tbody> </table>		Year	No. of Bond Redemption	Issue Price In BDT	Redemption Value in BDT	0.50				1.00	7,146.0	655,596,330	714,600,000	1.50	7,146.0	627,947,398	714,600,000	2.00	7,146.0	601,464,523	714,600,000	2.50	7,146.0	576,098,530	714,600,000	3.00	7,146.0	551,802,315	714,600,000	3.50	7,146.0	528,530,761	714,600,000	4.00	7,146.0	506,240,656	714,600,000	4.50	7,146.0	484,890,607	714,600,000	5.00	7,146.0	464,440,969	714,600,000	Total	64,314	4,997,012,089	6,431,400,000	Year	No. of Bond Redemption	Issue Price In BDT	Redemption Value in BDT	0.50				1.00	7,335.0	666,818,182	733,500,000
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		2.00	7,335.0	606,198,347	733,500,000
		2.50	7,335.0	577,987,446	733,500,000
		3.00	7,335.0	551,089,406	733,500,000
		3.50	7,335.0	525,443,132	733,500,000
		4.00	7,335.0	500,990,370	733,500,000
		4.50	7,335.0	477,675,575	733,500,000
		5.00	7,335.0	455,445,790	733,500,000
		Total	66,015	4,997,434,438	6,601,500,000
j)	Mode of option:	<p><u>Pre-Payment:</u> The issuer has the option to redeem all, but not some, of the outstanding bonds of a specific lot by providing at least sixty (60) days' notice to the Trustee, and each of the Bondholders after one year of Issuance of the Respective Bonds; the redemption will occur on the next immediate Redemption Date following the sixty (60) days from the Issuer's Notice of Early Redemption.</p> <p>The Early Redemption amount shall be determined as per clause VII of the Deed of Trust and an 1% early Redemption Penalty will be charged.</p>			
k)	Rate of return:	Fixed at Discount Rate			
l)	Applicable tax rate:	According to the Laws of Bangladesh.			
m)	Default protection mechanism:	Pari-passu charge on the underlying assets among the Zero-Coupon Bond investors			
n)	Type of collateral securities being offered:	<p>The assets to be refinanced are currently encumbered. With the bond fund, the assets will be set free and pari-passu charge will be created in favor of the Zero-Coupon Bond subscribers.</p> <p><u>[Such pari-passu shall be created within 6 months of full closure of the Bond]</u></p>			
o)	Status of securities holders in case of priority of payment:	Senior Lenders			
p)	Period within which securities to be issued:	September 2024			
q)	Nature of tradability or listing in the stock exchange(s):	The bond is transferable as per conditions mentioned in Modus Operandi And may be tradable in the Alternative Trading Board if Required by BSEC via Consent Letter.			



Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

4 Particulars of the trustee												
a)	Name of the trustee:	BRAC EPL Investments Limited										
	Legal Status:	Public Limited Company										
	Registered Address:	Medona Tower, Level 4, 28 Mohakhali C/A Dhaka- 1213, Bangladesh										
b)	Paid-up capital of the trustee:	BDT 2,585,000,000 (as of December 2022)										
c)	Net worth of the trustee:	BDT 1,302,350,935 (as of December 2022)										
d)	Name of the issue(s) where performing as trustee:	Received Registration Certificate of Rupali Bank 2nd Subordinated Bond . The Bond is not Issued Yet.										
5 Particulars of the credit rating company												
a)	Name of credit rating company	Alpha Credit Rating Ltd.										
b)	Credit rating status of the issuer	Long Term Rating- AAA Short Term Rating- ST-1										
c)	Credit rating status of the bond	AA+										
d)	Date and validity of rating along with surveillance rating issuer	Rating Action: 2 nd Surveillance Rating Validity- 29 August 2023- 28 August 2024										
	Date and validity of rating along with surveillance rating issue	Rating Action: Initial Rating Validity- 19th November 2023- 18th November 2024										
e)	Latest default rate of the credit rating company:	0.03%										
f)	Average time to default of the rated category	N/A										
g)	Rating trigger, if any:	<p>If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then the Issuer shall pay an additional risk premium on the outstanding issue price as mentioned below:</p> <table border="1"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.5%</td> </tr> <tr> <td>B</td> <td>1.0%</td> </tr> <tr> <td>C</td> <td>1.50%</td> </tr> <tr> <td>D</td> <td>2.0%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.50%	D	2.0%
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Following documents has been attached with the application:

1. Certified copy of Memorandum and Articles of Association
2. Certified copy of certificate of incorporation
3. Certified Copy of particulars of directors
4. Certified Copy of return of allotment of shares and annual summary of share capital
5. Latest original Audited Financial Statements for the Year ended June 30, 2023 of Renata Limited
6. Purpose of issuance of securities and plan to use of proceeds thereof
7. Resolution of the board of directors deciding to issue Zero-Coupon Bond
8. Copy of disclosure of price sensitive information
9. Auditor's Certificate regarding deposit of an amount equivalent to the owners' stake in the issuer
10. Description of business or the issuer
11. Latest Credit rating of the issue
12. Latest Credit rating of the issuer
13. Draft Information Memorandum
14. Draft Trust Deed
15. Declaration relating to covenants for rating trigger
16. Due Diligence Certificate of Trustee as per Schedule D
17. Repayment Schedule of the proposed bond
18. Undertaking of issuer and its directors for obtaining CIB report from Bangladesh Bank along with respective NID, TIN and Enquiry Form

Additional Documents:

19. Previous 5 years Audited Financials
20. Credit rating agreement between Issuer and Credit Ratings agency
21. Deferral letter for submitting Trustee Registration Certificate
22. Appointment Letter of Trustee
23. Appointment letter of Arranger
24. Forecasted Financial Statements for the Tenure of the Bond



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Renata Limited



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Corporate Affairs Division
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Section 4: Details Plan of the Utilization of Proceeds

The Company is planning to refinance part of the existing bank loan form the bond proceeds.


The purpose of the management to issue the bond is to fix the interest rate to avoid any volatility in the interest rate scenario.


The detailed utilization plan of BDT 500,000,000 is as follows:

Table 3: Details Plan of the Utilization of Proceeds

Name of the Bank	Amount to be Refinanced in BDT million
Bank Asia Limited	634.37
BRAC Bank PLC	1,525.32
Dhaka Bank Limited	197.40
HSBC	1,475.00
IDLC	89.60
NCC	500.00
SCB	300.00
The City Bank Limited	278.31
Total	5,000.00


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Corporate Affairs Division
Renata Limited

Section 5: Detailed features of the Bond

The details feature of the bond is as stated below:

Table 4: Detailed features of the Bond

Issuer:	Renata Limited
Name of the Issue:	Renata Zero-Coupon Bond
Issue Type:	Secured, Non-convertible, and Fully-Redeemable, Zero-Coupon Bond
Trustee:	BRAC EPL Investments Limited <i>[Subjected to BSEC Approval]</i>
Fund Arranger:	City Bank Capital Resources Limited
Arrangement Basis:	Best Effort Basis
Purpose:	Partial Refinancing of Existing Loan
Investors:	Banks, NBFIs, Insurance, Institutional Investors and High net worth individuals.
Currency:	Bangladeshi Taka.
Face Value Issue Amount:	Face Value: BDT 6,431.4 million – BDT 6,601.5 million Issue Price: BDT 5,000 million (approx.) <i>The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance</i>
Face value per unit:	BDT 100,000 [Taka One Hundred Million Only]
Minimum Investment (Subscription):	BDT 900,000 [Taka Nine Hunderd Million Only]
Mode of Placement:	Private Offer
Tenor:	Series of Zero-Coupon Bonds with tenors ranging from 1 Year - 5 Years i.e., 12 months to 60 months from respective issue date
Discount Rate:	9%. p.a. – 10% p.a. <i>The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance</i>
Rate of Return Type	Fixed
Redemption	Will be redeemed in 9 instalments starting from the end of the 1st Year from the issue date and every 6 months thereafter.
Conversion Option:	The bonds shall be non-convertible in nature.
Prepayment, Call, Refunding, option	<u>Pre-Payment:</u> The issuer has the option to redeem all, but not some, of the outstanding bonds of a specific lot by providing at least sixty (60) days' notice to the Trustee, and each of the Bondholders after one year of Issuance of the Respective Bonds; the redemption will occur on the next immediate Redemption


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	Date following the sixty (60) days from the Issuer's Notice of Early Redemption. The Early Redemption amount shall be determined as per clause VII of the Deed of Trust and an 1% early Redemption Penalty will be charged.										
Governing Law:	The laws of The People's Republic of Bangladesh										
Transferability / Tradability	The bond is transferable as per conditions mentioned in Modus Operandi And may be tradable in the Alternative Trading Board if Required by BSEC via Consent Letter.										
Late Redemption	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the discount rate which will be payable on the amount not paid on the due date up till the date of actual payment.										
Rating Trigger	If the credit rating of the Issue falls below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then the Issuer shall pay an additional risk premium on the outstanding issue price as mentioned below: <table border="1" data-bbox="555 920 1295 1150"> <thead> <tr> <th>Issue Rating</th> <th>Risk Premium to be Added</th> </tr> </thead> <tbody> <tr> <td>BB</td> <td>0.5%</td> </tr> <tr> <td>B</td> <td>1.0%</td> </tr> <tr> <td>C</td> <td>1.50%</td> </tr> <tr> <td>D</td> <td>2.0%</td> </tr> </tbody> </table>	Issue Rating	Risk Premium to be Added	BB	0.5%	B	1.0%	C	1.50%	D	2.0%
Issue Rating	Risk Premium to be Added										
BB	0.5%										
B	1.0%										
C	1.50%										
D	2.0%										
Tax Features	According to the Laws of Bangladesh.										
Enforcement of charge over securities	Pari-passu charge on the underlying assets <i>[Such pari-passu shall be created within 6 months of full closure of the Bond]</i>										
Force Majeure	The Issuer shall not be liable for any failure or delay in the performance of their respective obligations under the Trust Deed or any other Documentation because of circumstances beyond their control, including, without limitation, Act(s) of God; flood; war (whether declared or undeclared); terrorism; fire; riot; embargo; labour disputes; pandemic or epidemic leading to lockdown or declaration of public holidays or similar measure by the government or local authorities; any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by the Trust Deed or any other Documentation, and other causes beyond the issuer's control whether or not of the same class or kind as specifically named above (each a "Force Majeure Event"). However, the Issuer as the case may be, shall use commercially reasonable efforts consistent with accepted practice in its										


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	industry to resume performance as soon as practicable under the circumstances
Event of Default	<p>Non-repayment of two consecutive payments shall be considered as event of default.</p> <p>In case of any Event of Default, the Trustee shall serve a notice within seven (07) working days of occurring such event to the Bondholders, the exchanges on which the securities will be traded and the Commission.</p> <p>If the trustee fails to negotiate within fifteen (15) working days of the occurrence of Event of Default as mentioned in the Trust Deed, the Trustee shall get the right to take legal action against the Issuer for recovery of the outstanding face value of the Bond as per existing laws.</p>

Repayment Schedule

There shall be 9 series of Zero-Coupon bonds with different maturity dates. The maturity of the first series shall be 1 year from the respective Issue Date. For the second series, the maturity shall be 1.5 years and for the last series, the maturity shall be 5 Years.

The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance.

Two Repayment Schedules Considering Minimum 9% and Maximum 10% Discount Rate is shown below:


Table 5: Assumptions at 9% Discount Rate

Assumptions for Bond	
Issue Size (in BDT mn)	4,997.01
Face Value (in BDT mn)	6,431.40
No of Bond to be Issued	64,314
Bond Per Lot	9
Discount Rate	9% p.a.
Minimum Subscription (in BDT)	900,000
Maturity	1 - 5.0 years

Table 6: Draft Repayment Schedule Considering 9% Discount Rate per annum

Years	Face Value Per Bond	Discount Factor	Issue Price Per Bond	Units to be Issued	Discounted Value of Each Series	Redemption Amount (Face Value)
0.00						
0.50						
1.00	100,000	0.92	91,743	7,146.0	655,596,330	714,600,000
1.50	100,000	0.88	87,874	7,146.0	627,947,398	714,600,000
2.00	100,000	0.84	84,168	7,146.0	601,464,523	714,600,000
2.50	100,000	0.81	80,618	7,146.0	576,098,530	714,600,000


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3.00	100,000	0.77	77,218	7,146.0	551,802,315	714,600,000
3.50	100,000	0.74	73,962	7,146.0	528,530,761	714,600,000
4.00	100,000	0.71	70,843	7,146.0	506,240,656	714,600,000
4.50	100,000	0.68	67,855	7,146.0	484,890,607	714,600,000
5.00	100,000	0.65	64,993	7,146.0	464,440,969	714,600,000
Total	900,000		699,274.01	64,314	4,997,012,089	6,431,400,000


Table 7: Assumptions at 10% Discount Rate per annum

Assumptions for Bond	
Issue Size (in BDT mn)	4,997.43
Face Value (in BDT mn)	6,601.50
No of Bond to be Issued	66,015
Bond Per Lot	9
Discount Rate	10% p.a.
Minimum Subscription (in BDT)	900,000
Maturity	1 - 5.0 years

Table 8: Draft Repayment Schedule Considering 10% Discount Rate per annum

Years	Face Value Per Bond	Discount Factor	Issue Price Per Bond	Units to be Issued	Discounted Value of Each Series	Redemption Amount (Face Value)
0.00						
0.50						
1.00	100,000	0.91	90,909	7,335.0	666,818,182	733,500,000
1.50	100,000	0.87	86,678	7,335.0	635,786,190	733,500,000
2.00	100,000	0.83	82,645	7,335.0	606,198,347	733,500,000
2.50	100,000	0.79	78,799	7,335.0	577,987,446	733,500,000
3.00	100,000	0.75	75,131	7,335.0	551,089,406	733,500,000
3.50	100,000	0.72	71,635	7,335.0	525,443,132	733,500,000
4.00	100,000	0.68	68,301	7,335.0	500,990,370	733,500,000
4.50	100,000	0.65	65,123	7,335.0	477,675,575	733,500,000
5.00	100,000	0.62	62,092	7,335.0	455,445,790	733,500,000
Total	900,000		681,313	66,015	4,997,434,438	6,601,500,000


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Section 6: Description of Collateral Security and Type of Charges to be Created Against the Issue

The Company will refinance the term loan facility with 6 banks which was initially taken to financing the Capital Machinery & Spa Parts for its Bhaluka Project. With the bond proceeds, the term loan shall be refinanced and pari-passu charge on the Capital Machinery & Spa Parts would be created within 6 months of the closure of the Bond Subscription.

The list of Capital Machinery & Spa Parts which shall be given as security is as follows:

Table 9: List of Capital Machinery & Spa Parts to be Given as Security

Purchase Date	Item	Item Name	Economic Life	Country of Origin	Amount in BDT
1-Mar-22	Capital Machinery & Spa Parts	Air handling Unit	15	Malaysia	77,729,250
	Capital Machinery & Spa Parts	Dust collector and butterfly valve	20		7,374,566
	Capital Machinery & Spa Parts	Air Handling Unit	15	MALAYSIA	43,750,560
	Capital Machinery & Spa Parts	Prefabricated sandwich panel with accessories	20+	THAILAND, CHINA	77,793,162
23-Mar-22	Capital Machinery & Spa Parts	Automatic controlling system with standard accessories	Spares	USA, INDIA, FRANCE, EU, GERMANY, UK, ITALY, INDONESIA, SINGAPORE, CHINA	26,312,243
	Capital Machinery & Spa Parts	Air Handling unit with standard accessories	15	INDIA	11,043,500
	Capital Machinery & Spa Parts	Air-cooled screw chiller and Air Handling Unit	20		14,744,681
28-Mar-22	Capital Machinery & Spa Parts	Ackley Single or Bilayer Tablet Laser Drilling System with vision inspection	20	USA	14,947,731
6-Apr-22	Capital Machinery & Spa Parts	Water cooled chiler Fan coil unit	20	MALAYSIA, CHINA	23,583,457



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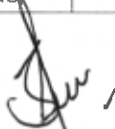


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6-Apr-22	Capital Machinery & Spa Parts	Water cooled chiler, Fan coil unit	20	MALAYSIA, CHINA	10,886,400
20-Apr-22	Capital Machinery & Spa Parts	Air Handling unit with standard accessories	15	MALAYSIA	13,487,484
20-Apr-22	Capital Machinery & Spa Parts	Bin blender, Bin washing station	15	China	11,961,167
19-May-22	Capital Machinery & Spa Parts	Bus Bar trunking system	20	CHINA	9,346,700
26-May-22	Capital Machinery & Spa Parts	Spa Parts for Uhlmann blister Machine Model No. 177/0423 & B1770C for pharmaceutical industry	Spares	Germany	2,395,590
	Capital Machinery & Spa Parts	Fire Alarm System	20	USA, MEXICO, SWITZERLAND, MALAYSIA, INDONESIA, CHINA	7,465,493
	Capital Machinery & Spa Parts	Air Handling unit with standard accessories	15	Turkey	9,753,495
7-Aug-22	Capital Machinery & Spa Parts	Air Handling unit with standard accessories	15	MALAYSIA	25,483,503
	Capital Machinery & Spa Parts	Balance weight and printer	15	SWITZERLAND, TAIWAN, GERMANY, CHINA	35,746,698
	Capital Machinery & Spa Parts	Dissolution tester, CD maximizer	7	USA	4,361,333
	Capital Machinery & Spa Parts	Tools and format parts	Spares	GERMANY	85,639,652
	Capital Machinery & Spa Parts	UPS set with batteries	15	Singapore	64,593,425
	Capital Machinery & Spa Parts	U-Shape finned heater elements	Spares	India	6,031,450
	Capital Machinery & Spa Parts	Spare Parts for Bin Blender, Washing, Discharge Station	Spares	India	9,639,609
	Capital Machinery & Spa Parts	Dissolution system, Disintegration Apparatus	7	SWITZERLAND AND USA	146,288,625



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		Tablet testing system, Friability Tester			
	Capital Machinery & Spa Parts	Steam boiler with standard accessories	20	USA	44,914,254
24-Mar-22	Capital Machinery & Spa Parts	Inductively Coupled Plasma-Mass Spectrometer	7	USA & GERMANY	3,608,032
31-Mar-22	Capital Machinery & Spa Parts	Laboratory Equipment for Pharmaceutical Industry	10	India	5,068,818
4-Apr-22	Capital Machinery & Spa Parts	Gansons Vibro Sifter (Single Deck), HSMG,Gansons Bin Blender,5L	20	India	28,632,627
5-Apr-22	Capital Machinery & Spa Parts	Automatic Blister Packaging Machine	20	South Korea	20,365,148
5-Apr-22	Capital Machinery & Spa Parts	Industrial Steel Racking System	20+	China	9,741,845
10-Apr-22	Capital Machinery & Spa Parts	NG-HSD Fid boiler with standard accessories	20	India	119,670,747
18-Apr-22	Capital Machinery & Spa Parts	Water cooled scw chiller	20	France, EU	25,410,159
24-Apr-22	Capital Machinery & Spa Parts	Online viable and viable particle monitoring system	20	USA	7,220,750
27-Apr-22	Capital Machinery & Spa Parts	Gas Chromatography	7	USA, India, Singapore, Australia	4,720,496
27-Apr-22	Capital Machinery & Spa Parts	Pharma II Hot Melt Extruder with necessary accessories	7	Germany	4,962,240
28-Apr-22	Capital Machinery & Spa Parts	ARC HPLC co system with accessories	10	Ireland, Singapore, China, USA, Indonesia	16,518,867
	Capital Machinery & Spa Parts	High-Performance Liquid Chromatography System with all accessories	10	EU, Germany, Hungary, Romania, UK, Japan, Belgium, Switzerland, USA, China, Liechtenstein	16,233,945
11-May-22	Capital Machinery & Spa Parts	HPLC System with all accessories	10	GERMANY, HUNGARY, JAPAN, BELGIUM, SWITZERLAND	3,441,646



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 Company Secretary
 Corporate Affairs Division
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				LIECHTENSTEIN, LITHUANIA, AND PR OF CHINA	
17-May-22	Capital Machinery & Spa Parts	Automated Microbial identification system with standard accessories	10	USA	6,651,585
18-May-22	Capital Machinery & Spa Parts	Atlas Copco Rotary Tooth Air compressor	20	EU & UK	7,126,031
	Capital Machinery & Spa Parts	Mastersizer 3000 particle size analyzer along with accessories	10	UK, SE, CN, USA	5,292,609
	Capital Machinery & Spa Parts	Dynamic pass box	20	China	5,177,703
9-Jun-22	Capital Machinery & Spa Parts	Shimadzu Headspace Auto sampler Model HS-20NX with necessary accessories for 220V, 50 c/s operation	10	Japan	115,175,360
12-Jun-22	Capital Machinery & Spa Parts	Offline Dissolution Tester	7	India	11,875,000
12-Jun-22	Capital Machinery & Spa Parts	Vial washing, Stlizing Tunnel Machine, filling machine, stopping and capping machine	20	China, Italy	58,900,000
28-Jun-22	Capital Machinery & Spa Parts	Multi bowl spheronizer, extruder and variable density extruder	10	UK	27,162,883
1-Jul-22	Capital Machinery & Spa Parts	Automatic tablet coating machine with accessories	20	India	8,265,000
1-Jul-22	Capital Machinery & Spa Parts	Barrier, washer-extractor	20	Italy, Spain	26,683,695
13-Jun-22	Capital Machinery & Spa Parts	Shimadzu Equipment	10	Japan, Malaysia	10,811,000
5-Jul-21	Capital Machinery & Spa Parts	Cooling Tower	20	MALAYSIA	99,750,000



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Md. Jubayer Alam
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7-Jul-21	Capital Machinery & Spa Parts	ADAPTA 200 - Capsule filler with Standard Accessories	20	Italy	10,279,000
8-Jul-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand, China	20,441,720
14-Jul-21	Capital Machinery & Spa Parts	Automatic controlling and regulating equipment's	Spares	Switzerland , Singapore ,USA, China ,GB ,India ,Germany ,France	19,000,000
18-Jul-21	Capital Machinery & Spa Parts	Dispensing Booth, Dynamic Pass Box	20	China	39,900,000
13-Jul-21	Capital Machinery & Spa Parts	ROLLER COMPACTOR MODEL: WP200 WITH STANDARD ACCESSORIES	20	GERMANY	4,576,008
19-Jul-21	Capital Machinery & Spa Parts	Boiler (Duel Fuel: NG-HSD Fired) with Industrial Burner and Standard Accessories	20	India	6,420,000
27-Jul-21	Capital Machinery & Spa Parts	Air Handling Unit, Fan Coil Unit	15	Malaysia	15,710,150
26-Jul-21	Capital Machinery & Spa Parts	Automatic Film Coating Machine with Standard Accessories	20	India	10,212,097
26-Jul-21	Capital Machinery & Spa Parts	Granulation line machine	20	India	57,017,981
3-Aug-21	Capital Machinery & Spa Parts	Desiccant type dehumidifier	15	SWEDEN	19,285,000
31-Aug-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand ,China	52,250,000
16-Aug-21	Capital Machinery & Spa Parts	Busbar Trunking System	15	China	3,325,000
17-Aug-21	Capital Machinery & Spa Parts	Tablet Press Machine	20	KOREA	60,800,000
25-Aug-21	Capital Machinery & Spa Parts	Tablet coating machine	20	India	31,350,000
2-Sep-21	Capital Machinery & Spa Parts	Steam sterilizer / Steam generation	20	ITALY	5,225,000



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 Corporate Affairs Division
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12-Sep-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand ,China	7,695,000
15-Sep-21	Capital Machinery & Spa Parts	Laboratory furniture for pharmaceutical industry	20++	Germany	10,357,755
15-Sep-21	Capital Machinery & Spa Parts	PW & WFI Loop Installation	20	China	28,025,000
12-Sep-21	Capital Machinery & Spa Parts	Hanningfield Uni-Mill M20-U, Lifting & Positioning Device	20	India	12,238,565
25-Aug-21	Capital Machinery & Spa Parts	Centrifugal Chiller / Screw Chiller	20	France	20,483,900
27-Sep-21	Capital Machinery & Spa Parts	Centrifugal pump with motor	20	SINGAPORE	13,605,710
31-Oct-21	Capital Machinery & Spa Parts	Self-Propelled trucks, Electric Pallet Stackers	20	Czech Republic	7,315,000
26-Oct-21	Capital Machinery & Spa Parts	Steam sterilizer, Air/Steam mixture sterilizers	20	Italy,EU	6,766,969
25-Oct-21	Capital Machinery & Spa Parts	FG Wilson Diesel Generator	15	UK	15,485,000
3-Nov-21	Capital Machinery & Spa Parts	HORMONAL INJECTION WASHING, STERILIZING TUNNEL, FILLING AND SEALING COMPLETE SYSTEM	20	Italy,EU	54,552,800
2-Nov-21	Capital Machinery & Spa Parts	Laboratory Equipments for Pharmaceutical Industry	10	Germany	23,037,500
2-Nov-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand, China	194,750,000
4-Nov-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand, China	10,543,396
28-Nov-21	Capital Machinery & Spa Parts	FG Wilson Diesel Generator	15	UK	32,775,000


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6-Dec-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel Prefabricated sandwich panel	20++	Thailand, China	28,384,290
9-Dec-21	Capital Machinery & Spa Parts	Brand new fire pump & sprinkler system with stanadar accessories	15	UAE,UK,Russia	16,965,847
22-Dec-21	Capital Machinery & Spa Parts	Autoclave sterilizer with accessories	20	Czech Republic,Italy	24,462,500
26-Dec-21	Capital Machinery & Spa Parts	BMS Spare Parts	Spares	GERMANY, SINGAPORE, USA, SWITZERLAND, CHINA, GREAT BRITAIN,INDIA	80,130,458
27-Dec-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20++	Thailand ,China	24,891,009
3-Jan-22	Capital Machinery & Spa Parts	Tablet Pss Machine and Vaccum cleaner	20	Germany, Italy	6,213,000
10-Jan-22	Capital Machinery & Spa Parts	Pfabricated sandwich panel	20++	THAILAND	6,175,000
11-Jan-22	Capital Machinery & Spa Parts	IMA Spas	20	Italy	13,219,250
18-Jan-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20		12,199,755
18-Nov-21	Capital Machinery & Spa Parts	Drying Oven with standard accessories	20		28,049,119
5-May-22	Capital Machinery & Spa Parts	TOC Analyzer and accessories	10	USA	45,086,488
14-Feb-22	Capital Machinery & Spa Parts	HBC Complete Internal & External Washing &Drying machine	20	Taiwan	149,625,000



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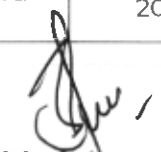


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

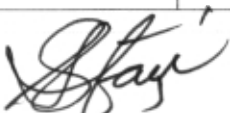
15-Feb-22	Capital Machinery & Spa Parts	Turnetable, washing, drying, sterilization machine	20	China	25,619,131
30-Jan-20	Capital Machinery & Spa Parts	Caterpillar Gas Generator	15	Netherland, Thailand, USA	6,514,646
24-Feb-20	Capital Machinery & Spa Parts	PMS Container Blender	20	Thailand	50,184,308
21-Jun-20	Capital Machinery & Spa Parts	Capsule filling machine model: ADAPTA200	20	Italy	50,483,204
11-Mar-21	Capital Machinery & Spa Parts	Solar Panel	20	Singapore	50,014,773
26-Jul-20	Capital Machinery & Spa Parts	Air Handling Unit	15	Malaysia	12,803,782
13-Aug-20	Capital Machinery & Spa Parts	Sandwich panel including standard accessories	20+	Thailand, China	4,625,775
10-Sep-20	Capital Machinery & Spa Parts	Container Blender	20	EU, Germany	6,166,384
29-Sep-20	Capital Machinery & Spa Parts	Fette Spare Parts	Spares	Germany, France, Hungary, Switzerland	3,857,624
3-Nov-20	Capital Machinery & Spa Parts	Sterilizing & Drying Machine with Accessories	20	China	72,482,100
3-Nov-20	Capital Machinery & Spa Parts	Automatic controlling and regulating apparatus	Spares	Germany, Singapore, USA, Switzerland, China, Thailand, GB	14,952,000
16-Nov-20	Capital Machinery & Spa Parts	Automatic Encapsulation Machine	20	India	21,493,500
13-Dec-20	Capital Machinery & Spa Parts	Water cooled screw chiller	20	France	73,933,256
13-Jan-21	Capital Machinery & Spa Parts	Air Handling Unit	15	Malaysia	9,013,440
20-Jan-21	Capital Machinery & Spa Parts	Drying oven with standard accessories	20	China	5,989,200

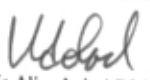

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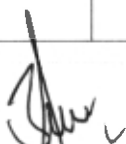

Mustafa Alim Aolad FCA (ICAEW)
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 Finance Division
 Renata Limited


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25-Jan-21	Capital Machinery & Spa Parts	ACG Machine upgradation and spares	Spares	India	63,754,632
25-Jan-21	Capital Machinery & Spa Parts	Tablet deduster with metal detector machine	20	Belgium	10,605,000
7-Mar-21	Capital Machinery & Spa Parts	Prefabricated Sandwich Panel including Standard Accessories	20+	Thailand, China	14,147,936
2-Feb-21	Capital Machinery & Spa Parts	Dehumidifier with standard accessories	15	Sweden	7,098,325
16-Mar-21	Capital Machinery & Spa Parts	Tablet press machine with standard accessories	20	EU, Switzerland	6,011,865
15-Feb-21	Capital Machinery & Spa Parts	Purified Water Generation, Water for Injection, Storage & Distribution System	20+	China	16,493,625
25-Feb-21	Capital Machinery & Spa Parts	Bio safety equipments	7	Indonasia	18,675,760
23-Mar-21	Capital Machinery & Spa Parts	High Performance Liquid Chromatography with Accessories	10	U.S.A., SINGAPORE, IRELAND, CHINA	47,659,500
25-Mar-21	Capital Machinery & Spa Parts	Lyophilizer Machine (Dryer), Automatic Loading and Unloading System, Capping Machine, External Washing Machine	20	China	14,200,721
31-Mar-21	Capital Machinery & Spa Parts	Shimadzu QC Equipment	10	Japan, USA, UK, EU, Malaysia	3,964,350
22-Apr-21	Capital Machinery & Spa Parts	IBC Bin Blender Machine / IBC for Tablet Press Machine	20	EU, India	2,087,774
22-Apr-21	Capital Machinery & Spa Parts	Dust Collector	15	Italy	35,444,474



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25-Apr-21	Capital Machinery & Spa Parts	Fluid Bed Machine	20	India	28,157,050
22-Apr-21	Capital Machinery & Spa Parts	Waters Alliance HPLC System	10	U.S.A, SINGAPORE, IRELAND	11,614,452
27-Apr-21	Capital Machinery & Spa Parts	Self Levelling Epoxy Flooring System	20+	India	9,554,198
3-May-21	Capital Machinery & Spa Parts	Fluid Bed Machine	20	India	10,019,200
5-May-21	Capital Machinery & Spa Parts	Automatic controlling and regulating equipment's	Spares	Germany, Singapore, USA, Switzerland, China	19,821,750
6-May-21	Capital Machinery & Spa Parts	Electrolab 14 Station Offline Dissolution Tester Electrolab 14 Station Dissolution Tester	7	India	34,216,635
12-May-21	Capital Machinery & Spa Parts	ATOMIC ABSORPTION SPECTROPHOTOMETER	10	China	85,463,914
12-May-21	Capital Machinery & Spa Parts	Laboratory Balance	7	Germany,Taiwan, China	18,650,234
12-May-21	Capital Machinery & Spa Parts	Shimadzu QC Equipments	10	JAPAN,MALAYSIA,USA,EU	7,192,436
25-May-21	Capital Machinery & Spa Parts	Cargo Lift	20	CHINA	24,557,032
6-Jun-21	Capital Machinery & Spa Parts	Industrial Steel Rack	20++	CHINA	12,669,469
9-Jun-21	Capital Machinery & Spa Parts	CFM-2000 Automatic Capsule Filling Machine QVC Vacuum loading machine	20	China	8,203,274
15-Jun-21	Capital Machinery & Spa Parts	Dissolution Tester / CD Maximizer	7	USA	10,113,304



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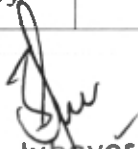

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 Company Secretary
 Corporate Affairs Division
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16-Jun-21	Capital Machinery & Spa Parts	Laboratory Incubator	10	EU, Germany	28,367,358
16-Jun-21	Capital Machinery & Spa Parts	Offline Dissolution Tester / Dissolution Basic Dissolution Tester	7	India	10,161,653
23-Jun-21	Capital Machinery & Spa Parts	GenAqua PW, WFI Storage and Distribution Loop system with Accessories	20	China	5,288,456
7-Jul-21	Capital Machinery & Spa Parts	Steel racks	20++	China	29,593,718
25-Jul-21	Capital Machinery & Spa Parts	Powered Stacker	15	Sweden	14,935,459
25-Jul-21	Capital Machinery & Spa Parts	Air Shower, Static Pass Box, Dispensing Booth, Dynamic Pass Box	20	China	35,479,395
31-Aug-21	Capital Machinery & Spa Parts	Cargo Elevator	20	China	4,423,189
15-Sep-21	Capital Machinery & Spa Parts	Brand new fire pump & sprinkler system with stanadar accessories	15	UAE,UK	9,124,007
15-Sep-21	Capital Machinery & Spa Parts	Elevator	20	China	596,257,959
12-Oct-21	Capital Machinery & Spa Parts	Fluid bed processorFluid bed processor	20	India	19,242,281
7-Nov-21	Capital Machinery & Spa Parts	Prefabricated sandwich panel	20+	Thailand, China	7,599,000
26-Dec-21	Capital Machinery & Spa Parts	Weight Balance (Bench Scale)	15	GERMANY,CHINA	15,967,922
21-Dec-21	Capital Machinery & Spa Parts	Spare Parts for Pharmaceutical Industry	Spares	India	7,685,236


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 Company Secretary
 Corporate Affairs Division
 Renata Limited

16-Jan-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	23,319,580
16-Jan-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	11,970,000
18-Jan-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	13,006,656
24-Jan-22	Capital Machinery & Spa Parts	Laboratory dry heat stlizer,oven with accessories	20	EU, Germany	33,660,000
14-Feb-22	Capital Machinery & Spa Parts	Fluid bed machine with accessories	20	India	20,589,800
20-Feb-22	Capital Machinery & Spa Parts	Softgel encapsulation machine (SV-1000) with necessary accessories	20	Republic of Korea	27,080,857
20-Feb-22	Capital Machinery & Spa Parts	Linde ach Truck Double deep R20HD	20	Singapore	34,296,383
4-Apr-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	7,939,260
27-Apr-22	Capital Machinery & Spa Parts	Water purifying machine for Pharmaceutical Industry	20	England	75,632,095
2-Jul-20	Capital Machinery & Spa Parts	IMA Coating Machine, Model: GS480	20	EU ,ITALY	21,739,155


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9-Jan-22	Capital Machinery & Spa Parts	Automatic Sterile Injectable Solution Preparation System (CIP & SIP)	20	China	42,156,300
13-Apr-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	6,500,677
13-Apr-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	34,774,399
22-Nov-22	Capital Machinery & Spa Parts	PMS high speed mixer granulator machine	20	Thailand	6,708,710
5-Jun-22	Capital Machinery & Spa Parts	Blister Packing Line Machine with standard Accessories;Model: C80HSA	20	Thailand	9,421,518
7-Jun-22	Capital Machinery & Spa Parts	Stacker cranes,roller,sandwich panel,racking system	20	ITALY, CHINA, INDIA	17,829,900
21-Jun-22	Capital Machinery & Spa Parts	Light Inspection Machine, Model DNDJ-150	7	China	26,099,138
24-Jul-22	Capital Machinery & Spa Parts	Dust collector	15	South Korea	2,503,131
25-Jul-22	Capital Machinery & Spa Parts	Two pillow packing machine	15	Taiwan	2,317,985
26-Jul-22	Capital Machinery & Spa Parts	Roller compactor, Model: BT120	20	Germany	27,733,893
11-Sep-22	Capital Machinery & Spa Parts	HPLC system with accessories	10	JAPAN,MALAYSIA	154,635,000
22-Sep-22	Capital Machinery & Spa Parts	Dispensing booth	20	CHINA	11,727,462



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24-Nov-22	Capital Machinery & Spa Parts	HPLC system with accessories, Gas Chromotagraphy	10	JAPAN,MALAYSIA,USA,EU	53,271,219
7-Feb-23	Capital Machinery & Spa Parts	PMS whole package	20	USA,CHINA,UK,EU,ITALY,T HAILAND,HONG KONG	47,399,506
Total					5,087,513,766


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 Finance Division
 Renata Limited


 Md. Jubayer Alam
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 Corporate Affairs Division
 Renata Limited

Section 7: Rights and Obligations of the Issuer

7.1. Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any of them becomes due to be repaid, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:

- 7.1.1. every payment of Redemption Amount in respect of the Bonds or any of them made to the Bondholder directly or to the account of the Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- 7.1.2. if any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders directly or, if earlier, the [seventh day] after notice has been given to the Bondholders by the agent that the full amount has been received by the Agent or the Trustee except, in the case of payment to the Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- 7.1.3. in any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused, incremental charge shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the other covenants including Clause 14.3 (*Other Covenants by the Issuer*) on trust for the Bondholders.

7.2. Following an Event of Default

- 7.2.1. At any time after any Default or Event of Default has occurred, the Trustee may by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.
- 7.2.2. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions (including,



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
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Finance Division
Renata Limited



Md. Jubayer Alam
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Corporate Affairs Division
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without limitation, Clause 14.3 (Other Covenants by the Issuer), and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed and the Conditions, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.


- 7.2.3. The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

7.3. Other Covenants by the Issuer

The Issuer hereby covenants with the Trustee that so long as any of the Bonds remain outstanding, it will:

- 7.3.1. *Comply with Bond Documents*
Comply with, perform and observe all those provisions of the Trust Deed, the Agency Agreement, the Conditions and the other schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in the Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.
- 7.3.2. *Comply with Applicable Laws*
Comply with, perform and observe all those provisions of the applicable laws including, but not limited to, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, terms of consent of Bangladesh Securities and Exchange Commission (BSEC). The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable laws and will be deemed to have notice of all of the provisions of the applicable laws, as applicable to them.
- 7.3.3. *Execution of further documents:*
So far as permitted by applicable law, do all such further acts and things as may be necessary in the reasonable opinion of the Trustee to give effect to the provisions of the Trust Deed;
- 7.3.4. *Notices to the Bondholders:*
Send or procure to be sent to the Trustee not less than three (3) Business Days prior to the date of publication one copy of each notice to be given to


Syed S. Kalsoor Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice.

7.3.5. *Evidence of Due Approval by the Board of Directors and Authorized Signatories:*

Upon reasonable notice by the Trustee to deliver to the Trustee a copy of the resolution of the Board of Directors of the Settlor authorizing issuance of the Bond, the declaration of the Trust, a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same.

7.3.6. *Payments:*

Moneys payable by it to the Trustee under Clause 7.1 (*Expenses*) of the Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law, and in the event of any deduction or withholding compelled by law pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

7.3.7. *Payment of Risk Premium*

Pay any Risk Premium payable by it to the Trustee in case of a downgrade of credit rating (i.e. below the rating trigger) of the issue under surveillance rating in accordance with the Trust Deed.

It is hereby covenanted by the Issuer that the Bonds will be issued in registered and dematerialized form and the Issuer shall apply to the stock exchange (s) for listing in Alternative Trading Board preferably from the date of availing the facilities under Bangladesh Securities and Exchange commission ATB Rule 2019 and respective regulations of stock exchange in this regard as and when the ATB becomes operational

Section 8: Rights and obligations of the trustee

8.1. Trustee's Right

8.1.1. *Rights under Applicable Law*

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such rights and powers granted to it under the applicable law including, but is not limited to, the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.


8.1.2. *Advice*

The Trustee may in relation to the Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;

8.1.3. *Certificate of directors or Authorized Signatories*

The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorized Signatories or other person duly authorized on their behalf as to any fact or matter prima facie within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying,


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do.

8.1.4. *Resolution or direction of Bondholders*

The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a written resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a written resolution or to have been passed at any meeting or the making of the directions was not valid or binding upon the Bondholders.

8.1.5. *No obligation to monitor*

The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations.

Provided that the Trustee shall monitor timely payment of all dues of the Issuer to the Bondholders as per terms of this Deed, Conditions, Information Memorandum or other terms and conditions of the issue as per Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

8.1.6. *Bonds held by the Issuer*

In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates.


8.1.7. *Events of Default*

The Trustee shall not be bound to give notice to any person or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable.

8.1.8. *Right to deduct or withhold for taxes*

Notwithstanding anything contained in the Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of Liability of


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

whatsoever nature and when so ever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under the Trust Deed (other than in connection with its remuneration as provided for herein or any other amounts for its own account) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of the Trust Deed (other than the remuneration herein specified or any other amounts for its own account) or otherwise, then the Trustee shall be entitled to make such proper deduction or withholding to the extent required by any applicable law or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any Liability to tax (as required by any applicable law) which relates to sums so received or distributed or to discharge any such other Liability of the Trustee (as required by any applicable law) from any funds that may from time to time be held by the Trustee upon the trusts of the Trust Deed.

8.1.9. *No responsibility to investigate*

The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:

- a) the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any or all of the Bond Documents;
- b) any recitals, statements, warranties, representations or covenants of any party to any of the Bond Documents;
- c) its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
- d) the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents.

8.1.10. *Error of judgment*


The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate matters.

8.1.11. *No responsibility for loss*

The Trustee shall not in any circumstances, except under any applicable laws or regulations:

- a) be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or
- b) be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, willful default or fraud.


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
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Finance Division
Renata Limited


Md. Jubayer Alam
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Corporate Affairs Division
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8.1.12. *Enforcement of Obligations of the Issuer*

The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions as if the same were set out and contained in the Trust Deed which shall be read and construed as one document with the Bonds.

8.1.13. *Immunities*

The Trustee's immunities and protections from liabilities and its right to indemnification in connection with the performance of its duties under the Trust Deed shall extend to the Trustee's officers, directors, employees and consultants. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of the Trust Deed and final payment of the Bonds, but in any event will be subject to any gross negligence, willful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under the Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to the Trust Deed, the Issuer will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

8.1.14. *Professional Charges*

Any Trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him on matters arising in connection with the Trust of the Trust Deed and also its properly incurred charges in addition to disbursements for all other work and business done and all time spent by him on matters arising in connection with the Trust Deed.

8.1.15. *Expenditure by the Trustee*

Nothing contained in the Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial Liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or Liability is not reasonably assured to it.

8.1.16. *Trustee may enter into financial transaction with the Issuer*

No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transaction in the ordinary course of business with the Issuer or any subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any subsidiary, or from accepting the trusteeship of any other debenture stock, debenture or securities of the Issuer or any subsidiary or any person or body corporate directly or indirectly associated with the Issuer or an event subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any subsidiary, or any person



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
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Company Secretary
Corporate Affairs Division
Renata Limited

or body corporate directly or indirectly associated with the Issuer or any subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty retain the same for its or his own benefit.

8.2. Trustee's requirements regarding Agents etc.

8.2.1. At any time after an Event of Default have occurred and for so long as Event of Default is continuing and has not been waived or, in the opinion of the Trustee, has not been remedied or the Bonds shall otherwise have become due and repayable or the Trustee shall have received any money which it proposes to pay under Condition XI-B (*Application of Moneys*) to the relevant Bondholders, the Trustee may:


- 8.2.1.1. by notice in writing to the Issuer, the Agents and the Registrar, require the Agent:
- a) to act thereafter as Agents of the Trustee in relation to payments to be made by or on behalf of the Trustee under the terms of the Trust Deed *mutatis mutandis* on the terms provided in the Agency Agreement (save that the Trustee's Liability under any provisions thereof for the indemnification, remuneration and payment of proper out-of-pocket expenses of the Agents shall be limited to the amounts for the time being held by the Trustee on the trusts of the Trust Deed relating to the Bonds and available for such purpose) and thereafter to hold all Bonds and all sums, documents and records held by them in respect of Bonds on behalf of the Trustee; or
 - b) to deliver up all Bonds and all sums, documents and records held by them in respect of Bonds to the Trustee or as the Trustee shall direct in such notice *provided that* such notice shall be deemed not to apply to any documents or records which the relevant Agent is obliged not to release by any law or regulation; and
 - c) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Bonds to or to the order of the Trustee and not to the Agent and with effect from the issue of any such notice and until such notice is withdrawn shall cease to have effect.

8.3. Trustee's Duty and Obligation

8.3.1. *Duties and Obligation under Applicable Law*

Notwithstanding anything contained in the Trust Deed, the Trustee shall have all such duties and obligations as set out in the applicable laws including but is not limited to the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

- 8.3.2. *Administration of Trust*
The Trustee shall issue, manage and administer the Bonds in accordance with the terms of the Trust Deed and the Conditions and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith and to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof.
- 8.3.3. *Act for the Bondholders*
Save the provision of all applicable laws of Bangladesh, the Trustee shall act on behalf and for the exclusive interests of the Bondholders and be liable to sue and to be sued on behalf of them.
- 8.3.4. *Monitoring*
The Trustee shall ensure that the Issuer is observing the applicable laws including, but not limited to, the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach. The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the Trust Deed, the Conditions and the other Schedules which are expressed to be binding on it and to perform and observe the same.
- 8.3.5. *Maintaining Account*
The Trustee shall open and maintain such accounts as it deems necessary for discharging the functions of Trustee in pursuant to the provision of the Trust Deed, the Conditions, the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.
- 8.3.6. *Holding Trust Property*
The Trustee shall hold and keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time.
- 8.3.7. *Grievances of the Bondholders*
Upon receipt of a complaint from the Bondholders, the Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and it shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
- 8.3.8. *Call for Meeting of the Bondholders*
On the recommendation of the Bondholders in accordance with the provision of the Trust Deed, the Trustee shall call any meetings of the Bondholders and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of the Trust Deed;
- 8.3.9. *Compliance with the Instruction of the Bondholders*


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


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Chief Financial Officer
Finance Division
Renata Limited


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Upon instruction by the Bondholders in accordance with the Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of the Trust Deed after distribution of amounts standing to their credit;

8.3.10. *Duty to Inspect*

It is the duty of the Trustee to inspect or call for books of accounts, records, register of the Issuers and the Trust property, if required, to the extent necessary for discharging its obligation.

8.3.11. *Collection of Risk Premium*

The Trustee may, in case a downgrade of credit rating below the minimum investment grade i.e., "BBB" in the long term or "ST-3" in the short term, then the collection of risk premium from the Issuer, if required and to the extent necessary for discharging its obligation, to secure the claims of the Bondholders from the higher risk level of the Issuer in accordance with the Trust Deed.

8.3.12. *Duty to Ensure the Interest of the Bondholders*

The Trustee shall have power to insert any additional terms and conditions for the performance of the obligations under the Trust Deed for the protection of the interest of the Bondholders;

8.3.13. *Trustee's determination*

The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders.


8.3.14. *Determination of questions*

The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of the Trust Deed and/or the Conditions and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders.

8.3.15. *Trustee's discretion*

The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by the Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of the Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it


Syed S. Kalsoor Kabir
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Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


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Corporate Affairs Division
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may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing.

8.3.16. *Trustee's consent*

Any consent given by the Trustee for the purposes of the Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require.

8.3.17. *Application of proceeds*

The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it.

8.3.18. *Agents*

The Trustee may with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, provided the Trustee shall have exercised reasonable care in the selection of any such agent, the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.


8.3.19. *Delegation*


The Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of the Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by the Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate.

8.3.20. *Custodians and nominees*

The Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian the Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any Liability by reason of the misconduct, omission or default on the part of any person


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Renata Limited


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Company Secretary
Corporate Affairs Division
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appointed by it hereunder or be bound to supervise the proceedings or acts of any such person.

8.3.21. *Confidential information*

The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with the Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with the Trust Deed.

8.3.22. *General Duty*

8.3.22.1. If delay in payment of any dues by the Issuer, which is not approved by the Trustee shall be treated as final default, in such a case the Trustee shall enforce its rights over the credit enhancement or collateral securities and other securities or guarantees of the Issuer observing due legal process and thereafter the trustee shall dispose-off the same to pay the proceeds proportionately to the investors after deduction of costs related thereto;

8.3.22.2. In case the delay is approved by the Trustee for a certain period upon any reasonable ground, the Trustee shall ensure repayment of the dues within the approved delay period along with interest for the delay period at a rate of 2% (two percent) per annum above the usual rate of return of the debt instrument;

8.3.22.3. The Trustee shall submit an annual compliance report to the Commission regarding the activities of the Issuer including repayment of dues to the Bondholders;

8.3.22.4. The Trustee shall take adequate steps for redress of grievances of the investors within one month of the date of receipt of the complaints and shall keep the BSEC informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;


8.4. Trustee liable for gross negligence

None of the provisions of the Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of the Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any Liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, willful default or fraud of which it may be guilty in relation to its duties under the Trust Deed.

8.5. Indemnity

The Issuer shall, on demand by the Trustee, indemnify it and any Appointee (a) in respect of all liabilities and expenses incurred by it or by any Appointee or other


Syed S. Kaiser Kabir
CEO & Managing Director
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Mustafa Alim Aolad FCA (ICAEW)
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Finance Division
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Corporate Affairs Division
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person appointed by it to whom any trust, power, authority or discretion may be delegated by it in the execution or purported execution of the trusts, powers, authorities or discretions vested in it by the Trust Deed and (b) against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed.

Section 9: Rights and obligations of the issue manager, underwriter, or any other contractual parties


As the Renata Limited applied to issue the bond under private placement, no Issue manager or Underwriter is required.

Section 10: Rights and Obligations of the Investors


- 10.1.** Each of the Bondholders has the right to demand any information relating to the issuance of Bond and/or information relating to the Issuer, as set forth in the Trust Deed or in the Conditions, from the Issuer.
- 10.2.** Each of the Bondholders has the right to receive payment of Face Value of the Bond on the respective Redemption Date in accordance with the procedure as set out in the Condition VII (*Redemption of Bond*) of the Schedule I (*Terms and Conditions of the Bonds*) of the Trust Deed.
- 10.3.** Each of the Bondholders has the right to receive any other payment including incremental charge, whenever such payment becomes due and payable by the issuer in accordance with the procedure set forth in the Conditions contained hereunder in Schedule I (*Terms and Conditions of the Bonds*) of the Trust deed.
- 10.4.** Each of Bondholders has the right to attend meeting of the Bondholders and vote therein in accordance with the provisions of the Schedule II (*Meeting of Bondholders*) of the Trust Deed.
- 10.5.** The rights of the Bondholder under the Subscription Agreement are several and any debt or other obligation arising under that agreement at any time from the Issuer to any other Bondholder shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights arising out of this Agreement independently of any other Bondholder and it shall not be necessary for any other Bondholder to be joined as an additional party in proceedings for such purpose.
- 10.6.** Notwithstanding anything mentioned in the Trust Deed or the Conditions, the Bondholders shall not be entitled to any of the rights, benefits and privileges available to the members of the Issuer including, the right to receive notices of or to attend and vote at general meetings or to receive annual reports of the Issuer. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of the Issuer, such resolution will first be placed before the Bondholders for their authorization.



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Section 11: Description of the Issuer

Renata Limited (hereinafter also referred as 'the Company' or 'Renata'), formerly known as Pfizer Limited, stands as a prominent player in the pharmaceutical and animal health sectors within Bangladesh and abroad. The company, initiated in 1972 under the name Pfizer Laboratories (Bangladesh) Limited, underwent a transformative shift in 1993 when local stakeholders took ownership, and it was rebranded as Renata Limited. This transition underscored the company's dedication to contributing to the local economy and fostering growth within the nation.

Core Business Areas

Renata Limited operates within two key domains: human pharmaceuticals and animal health products. In the context of the dynamic pharmaceutical landscape in Bangladesh, Renata has asserted itself as the fourth-largest pharmaceutical company. It has also secured an unassailable position as the leading producer of animal health products.

Global Outreach

Renata's reach extends far beyond national borders, as its products have gained international recognition for their quality and effectiveness. These products are exported to a diverse set of countries, including Afghanistan, Belize, Cambodia, Ethiopia, Guyana, Honduras, Hong Kong, Kenya, Malaysia, Myanmar, Nepal, Philippines, Sri Lanka, Thailand, the United Kingdom, and Vietnam. The global distribution network underscores Renata's commitment to meeting global healthcare needs.

Manufacturing Sites

Renata's comprehensive infrastructure encompasses ten **fourteen manufacturing facilities** strategically positioned across **three manufacturing sites**. This expansive network allows for the production of a wide array of pharmaceutical and animal health products, all manufactured with precision and stringent adherence to quality standards. A network of **19 distribution depots** is strategically situated throughout the country to ensure broad product accessibility.


Addresses of the manufacturing sites are:


- Plot # 1, Milk Vita Road, Section-7 Mirpur, Dhaka-1216, Bangladesh
- Noyapara, Bhawal Mirzapur Rajendrapur, Gazipur, Bangladesh
- Kashor Herbal Facility, Kashor Hobirbari, Bhaluka, Mymensingh

Production Capacity

Table 10: Production Capacity

Major product group / Unit	Capacity (In '000)	2022-2023		2021-2022	
		Actual Production (In '000)	Utilization	Actual Production (In '000)	Utilization


 Syed S. Kaiser Kabir
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Sterile dry fill (injectable)/ Vials	11,830	14,056	118.82%	10,884	133.46%
Sterile liquid (inj) / Vials / Ampoules	21,183	27,560	130.10%	24,634	160.48%
Ointments / Tubes	1,500	804	53.60%	967	64.50%
Capsules and tablets /Cap/ Tab	2,646,000	3,799,654	143.60%	3,167,868	149.65%
Oral liquid & dry syrup/ Bottles	29,475	42,076	142.75%	36,928	187.93%
Water for injection/ Ampoules	10,000	11,386	113.86%	9,854	104.83%
Premix feed supplement/ Kg	7,800	10,241	131.29%	8,233	126.67%
Premix feed supplement/ Sachets	14,160	20,546	145.10%	17,378	147.27%
Oral saline/ Sachets	540,000	815,168	150.96%	401,991	74.44%
Potent Products/ Tablets	2,650,000	2,106,921	79.51%	2,382,056	89.89%
Inhalers	200	155	77.50%	-	

Dedicated Workforce

Renata's success story is driven by a dedicated workforce of over 8,000 individuals. Their unwavering commitment to excellence, coupled with the company's vision and values, propels Renata's pursuit of healthcare innovations and advancements.

Subsidiary Companies


The followings are the subsidiaries of Renata Limited:

Renata (UK) Limited: Renata (UK) Limited, a subsidiary Company of Renata Limited, was incorporated on 26 September 2013 as a private limited company under the UK Companies Act 2006. The registered office of the Company is situated at Greenway Business Centre, Harlow Business Park, Harlow, England, CM19 5QE. Renata Limited holds 100% of equity interest in Renata (UK) Limited acquired as on 9 April 2018.

Renata Pharmaceuticals (Ireland) Limited: Renata Pharmaceuticals (Ireland) Limited, a subsidiary Company of Renata Limited, was incorporated on 24 April 2019 as a private limited company under the Irish Companies Act 2014. The registered office of the Company is situated at 13/18 City Quay, D02 ED70, Ireland. Renata Limited holds 100% of equity interest in Renata Pharmaceuticals (Ireland) Limited.

Renata Limited has successfully etched its name in the pharmaceutical and animal health industries, making substantial contributions to healthcare in Bangladesh and around the world. The company's legacy of excellence, unwavering commitment to quality, and relentless pursuit of innovation position it as a dynamic and influential force in the healthcare sector, dedicated to improving lives worldwide.


Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

(a) Capital structure

Capital structure (as of June 30, 2023) of the company comprises as follows:

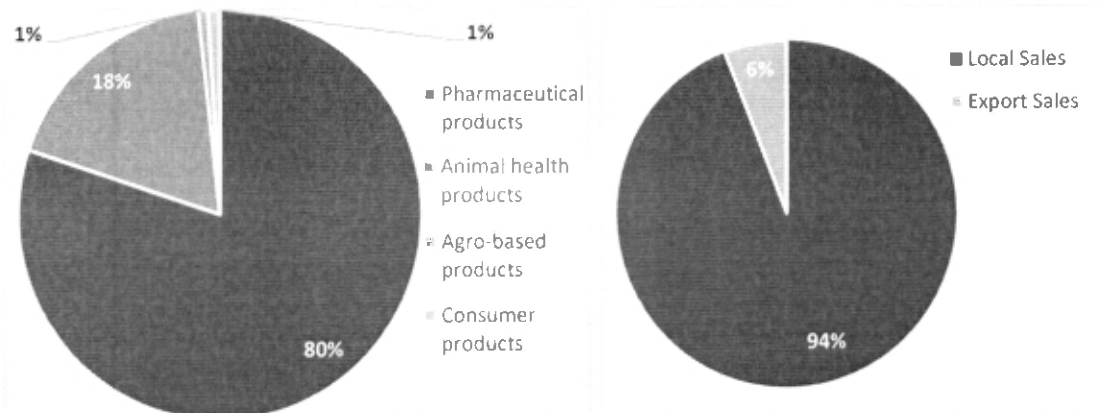
Table 11: Capital structure

Particulars	June 30, 2023	
	BDT Amount	% of Total Capital
Share capital	1,147.0	2.4%
Revaluation surplus	172.7	0.4%
Other reserves	526.9	1.1%
Fair value reserve	23.9	0.0%
Retained earnings	28,664.1	58.8%
Equity attributable to equity holders:	30,534.6	62.7%
Loans and Borrowings	3,401.9	7.0%
Deferred Tax Liability	1,189.7	2.4%
Total Non-Current Liabilities:	4,591.6	9.4%
Loans and Borrowings	10,878.8	22.3%
Trade and other payables	1,431.3	2.9%
Accruals and Provisions	853.0	1.8%
Unclaimed dividend account	26.9	0.1%
Provision for taxation	413.0	0.8%
Total Current Liabilities:	13,603.0	27.9%
Total Liabilities	18,194.5	37.3%
Total Capital	48,729.2	100.0%


(b) Business

Product Portfolio of Renata Limited

Renata Limited's revenue mix for the fiscal year 2022-2023 demonstrates a diversified portfolio encompassing pharmaceutical products as the primary revenue driver, contributing approximately 80% of total revenue. In addition to the core pharmaceutical business, the company's revenue stream is significantly bolstered by its robust performance in animal health products, constituting roughly 18% of the total revenue. Renata has also ventured into contract manufacturing and agro-based products, each contributing approximately 1% of total revenue, highlighting a strategic approach to




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diversification and expansion. Consumer products, accounting for around 1% of total revenue, represent a segment poised for potential growth. This well-rounded revenue mix underscores Renata's adaptability and strategic approach to maintaining financial strength while exploring new avenues for growth and market expansion. Notably, the company's export sales of approximately BDT 1,940.0 Mn complement the local sales of BDT 31,520.2 Mn, further demonstrating its global reach and diversified revenue sources.

(c) Management

Table 12: Management Team


SL	Name	Position
1.	Syed S Kaiser Kabir	CEO & Managing Director
2.	Dr. Sayma Ali	Director, Manufacturing
3.	Md. Sirajul Hoque	Director, Animal Health
4.	Monowarul Islam	Director, Marketing (Pharmaceutical)
5.	Mustafa Alim Aolad FCA (ICAEW)	Chief Financial Officer
6.	Syed Omar Kabir	General Manager, Pharmaceutical Business
7.	Md. Tanbir Sajib	Chief Marketing Officer, Marketing Pharma
8.	Kamrul Hasan Kenedy	General Manager, International & Institutional Business
9.	Nisbat Anwar	General Manager, Human Resources
10.	Md. Jubayer Alam	Company Secretary
11.	Zaki Chowdhury	General Manager, International Regulatory Affairs
12.	Razib Hasan	General Manager, Projects
13.	A. K. M. Zahedul Islam	Head of Quality Assurance Division I & V
14.	Md. Nezab Uddin	Head of Quality Assurance Division III & IV
15.	Md. Rakibul Huq	Head of Information Technology
16.	Md. S. Rahman Bhuiyan	General Manager, Sales Pharma Division
17.	Md. Shakawat Hossain	General Manager, Sales Pharma Division
18.	ATM Muniruzzaman	Head of Internal Audit
19.	A.S.M. Ziaul Haider	General Manager, Production

(d) Description of encumbered and unencumbered assets with value Thereof

Encumbered Assets

As at June 30, 2023 Plant & Machinery of BDT 7,391 million, Inventories of BDT 9,548 million and Trade Receivable of BDT 4,070 million of Renata Limited are Encumbered Assets. So, the total encumbered assets stood at BDT 21,009 million.

Unencumbered Assets


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


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Finance Division
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Corporate Affairs Division
Renata Limited

As at June 30, 2023 the total assets of Renata Limited stood at BDT 48,729 million. As out of these total Assets of BDT 21,009 million Assets of Renata Limited are encumbered Assets so remaining assets of BDT 27,720 million are unencumbered Assets.

(e) Brief profile of directors/owners of the Issuer

Dr. Sarwar Ali Chairman

Dr. Sarwar Ali, a distinguished figure in the fields of medicine, business, and social service, currently serves as the Chairman of the Board of Directors at Renata Limited, one of Bangladesh's leading pharmaceutical and animal health product companies. Dr. Ali's leadership extends beyond the corporate world, reflecting a deep commitment to social causes. He is a Trustee of the Liberation War Museum, where he plays a pivotal role in preserving the history of Bangladesh's independence struggle. Dr. Ali also serves as the Executive President of Chhayanaut, contributing to the promotion of cultural heritage. His responsibilities as the Chairman of the Board of Management at BIRDEM Hospital and Vice President of the Bangladesh Diabetic Association underline his dedication to healthcare and public welfare. Dr. Ali's past roles include serving as a Board Member and Managing Director at Renata Limited, as well as the Medical Director at Pfizer (Bangladesh) Limited. He has held leadership positions such as the President of the Bangladesh Employers Federation and the Secretary General of the Bangladesh Medical Association, demonstrating his multifaceted commitment to professional and societal advancement. Dr. Sarwar Ali is a learned individual, holding an MBBS degree from Dhaka Medical College, and his contributions continue to leave an indelible mark in various facets of Bangladesh's growth and development.

Syed S Kaiser Kabir CEO & Managing Director

Syed S. Kaiser Kabir, a seasoned leader with a wealth of experience in various sectors, has been at the helm of Renata Limited as CEO and Managing Director since 2002. His unwavering commitment to the company's success is underscored by this long-standing role. Beyond his current responsibilities, Mr. Kabir has also held notable positions of influence in the corporate, pharmaceutical, and social sectors. He served as the Chairman of Renata Agro Industries Limited and Purnava Limited, demonstrating his versatile leadership capabilities. His active role as Vice President of the Bangladesh Association of Pharmaceutical Industries highlights his dedication to the pharmaceutical sector's growth. As a Board Member of the Sajida Foundation and BRAC, he has been instrumental in philanthropic and social initiatives. His corporate experience extends to directorship at BRAC Bank Limited and chairmanship at Renata Oncology Limited. Additionally, his contributions to global welfare include serving on the Board of Directors at GAIN (Global Alliance for Improved Nutrition) from 2011 to 2016, where he played an essential part in the organization's financial and audit committees, as well as the nominations committee. Before joining Renata, Mr. Kabir held diverse roles, including Managing Director at BRAC-Renata Agro Industries Limited, Executive Director at the Sajida Foundation, and the prestigious position of National Macroeconomist for the Financial Sector Reform Project



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
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Md. Jubayer Alam
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Corporate Affairs Division
Renata Limited

from 1993 to 1995. His work as a consultant at The World Bank and a research officer at the Institute of Economics & Statistics at the University of Oxford reflects his global perspective and educational foundation. Mr. Kabir holds an MPhil in Economics from the University of Oxford, a Postgraduate Diploma in Economics with Distinction from the University of East Anglia, and a Bachelor of Arts in Economics and International Relations from Claremont McKenna College, USA. His extensive experience, combined with his educational background, has positioned him as a prominent figure in the pharmaceutical and corporate landscape, contributing significantly to Renata Limited's success and social initiatives.

Sajeda Farisa Kabir
Board Member


Sajeda Farisa Kabir, a multifaceted professional with a strong legal background and a commitment to social causes, currently serves as a Board Member of Renata Limited, contributing to the company's governance and strategic direction. Ms. Kabir's expertise extends beyond her corporate responsibilities, as she is also a Safeguarding and External Relations Consultant at the Sajida Foundation, where she actively contributes to promoting social welfare and safeguarding initiatives. Her past roles reflect a diverse and accomplished career. She served as the Program Head for the Human Rights and Legal Services Program at BRAC, playing a vital role in advocating for human rights and legal services. Furthermore, Ms. Kabir has established herself as a legal professional, having been a Founding Partner at Vertex Chambers in Dhaka, Bangladesh, and working as a Counsel Barrister at Temple Court Chambers Dhaka Annexe. Her experience also includes serving as a Senior Regional Manager in the Human Rights and Legal Services Program at BRAC. Her educational background is marked by excellence, with a Post Graduate Diploma in Professional Legal Skills from City University, London, UK, an LLB (Honours) from Cardiff Law School, University of Wales, UK, and her qualification as a Barrister of Lincoln's Inn, UK. Sajeda Farisa Kabir's extensive legal expertise, combined with her commitment to social causes, makes her an invaluable contributor to both the corporate and humanitarian aspects of her roles, exemplifying the multifaceted nature of her career.

Mridul Chowdhury
Board Member

Mridul Chowdhury is a distinguished figure who serves as a Board Member of Renata Limited, playing a pivotal role in shaping the company's governance and strategic direction. His extensive professional journey is marked by a dedication to social entrepreneurship and development. Mr. Chowdhury is the Founder and CEO of mPower Social Enterprises Limited, where he actively contributes to social innovation and change. He also co-founded and chairs Jeeon Limited, a company focused on improving healthcare access, and TraumaLink, an organization dedicated to providing life-saving emergency response services. In his previous roles, he made significant contributions as the Founder and CEO of ClickDiagnostics, Inc. in the USA and worked as an ICT4D Consultant for UNDP in Bangladesh. He also served as the Executive Director of Development Research Network (D.Net) and as an ICT Consultant for various organizations in Bangladesh, further underlining his commitment to development. Mr. Chowdhury's academic accomplishments are equally impressive, with an MPA in International Development and Development Economics from the Kennedy School of Government at Harvard University, a BA in Economics, Mathematics, and Political Science from The University of Texas at Austin, and executive education in social entrepreneurship from both Stanford University



Syed S. Kaleer Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

and INSEAD Business School in France. His career trajectory showcases a passionate pursuit of social impact, making him an invaluable asset to the corporate and social development sectors alike.

Zahida Fizza Kabir
Board Member

Zahida Fizza Kabir, a dedicated and experienced professional, currently serves as a Board Member of Renata Limited, contributing to the company's strategic governance. She also holds the position of CEO at the Sajida Foundation, actively engaging in social welfare and development initiatives. Ms. Kabir's commitment to humanitarian causes extends to her role as a Board Member at Action Aid Bangladesh and her position as Chairperson of Psychological Health & Wellness Clinic Ltd. Furthermore, her roles as Managing Director of Home and Community Care and Inner Circle Pvt. Ltd. underscore her dedication to healthcare and community services. In her past roles, she made significant contributions to the Sajida Foundation, where she served as the Executive Director, Director of Programs, and Senior Program Officer. Her impressive educational background includes a Master's Degree in International and Intercultural Management from Vermont, U.S.A., a Bachelor's Degree in Social Work from the University of the Philippines, and a Post Graduate Diploma in Organizational Leadership from Oxford University, U.K. Zahida Fizza Kabir's extensive professional experience and academic achievements position her as a valuable asset in the corporate, social welfare, and healthcare sectors, reflecting a multifaceted career dedicated to making a positive impact on society.

Tanya Tazeen Karim
Board Membe

Tanya Tazeen Karim is a prominent figure in the corporate and architectural world, currently serving as a Board Member of Renata Limited. Her professional journey is marked by her expertise in architecture and her commitment to social and educational initiatives. Ms. Karim is the Architect Partner at Tanya Karim NR Khan & Associates, where she actively contributes to architectural and design endeavors. She is also a member of the Bangladesh Women's Chamber of Commerce & Industry (BWCCI), demonstrating her support for women in business. Her role as a Director at Vantage Engineering & Construction Ltd. and Managing Director at Urban Bangla Ltd. reflects her involvement in the engineering and construction sectors, highlighting her multifaceted career. Ms. Karim's commitment to education is evident in her position as a Visiting Lecturer and Adjunct Faculty member at the University of Asia Pacific, where she imparts her architectural knowledge to aspiring professionals. She is also a member of the Women Architects Engineers Planners Association (WAEPA), further showcasing her dedication to her field. In her past roles, she has been a Board Member of the BWCCI and an Executive Committee Member of WAEPA. Her engagement in the development committee of the Presidency University Foundation and her role as a founder member of UW2SDA (Urban Water, Wastelands Society & Design Alliance), presently ISUS (Institute for Sustainable Urban Studies), underlines her commitment to education and sustainable development. Tanya Tazeen Karim holds a B. Arch from the Bangladesh University of Engineering & Technology and has further honed her entrepreneurial skills through a Management Course for Women Entrepreneurs from IBA. Her diverse experiences and educational background position her as a valuable contributor to Renata Limited and the architectural community at large, exemplifying her multifaceted and impactful career.


Nehal Ahmed



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Independent Board Member

Nehal Ahmed is a distinguished professional who currently serves as an Independent Director on the board of Renata Limited, bringing a wealth of international experience and expertise to the company. With an impressive career spanning various sectors, Mr. Ahmed holds key positions outside of Renata, including Director at A-CUBED PTE Ltd., Singapore, and advisory roles at Amartaka.com, SHEBA.XYZ, and Xenious International (Pvt) Ltd. His vast and varied professional journey includes high-level roles such as Senior Director (Head of Communications) and Director (Marketing) at Grameenphone, Bangladesh, Chief Marketing Officer at AUGERE Wireless Broadband Bangladesh Limited (QUBEE), and Executive Vice President at Robi Axiata Limited. His international experience encompasses roles in London, UK, where he served as Global Marketing Manager at BACARDI Global Brands Ltd., European Brand Director at MARS Snackfoods Europe, Global Marketing Manager at MARS Drinks Global, and International Brand Marketing Manager at British American Tobacco PLC. He also contributed significantly to British American Tobacco Bangladesh Ltd. as Group Brand Manager. Nehal Ahmed's advisory roles at BankCompareBD.com and iSanchay Ltd. highlight his commitment to innovative solutions. His educational background includes qualifications from renowned institutions, including the INSEAD Business School in Singapore, London Business School (LBS), and a Bachelor of Science in Industrial Engineering and Operations from The University of Massachusetts, USA. With his extensive experience and educational foundation, Nehal Ahmed plays a crucial role in driving Renata Limited's corporate governance and strategic direction, contributing his international perspective to the company's success.

Ejaj Ahmad

Independent Board Member

Ejaj Ahmad is a prominent figure with a distinguished career, currently serving as an Independent Board Member of Renata Limited. His substantial contributions extend across the corporate and educational sectors. As the President and Founder of the Bangladesh Youth Leadership Center since 2009, he has been a driving force in nurturing leadership and youth development in Bangladesh. In the realm of education, Mr. Ahmad has also held the position of Honorary Teaching Fellow at the School of Management, University of St Andrews, where he actively shared his knowledge and expertise. He began his professional journey as an Economist at Unnayan Shammunay from 2003 to 2006, showcasing his early Public Policy from Harvard University and an MA (Hons) in Economics from the University of St. Andrews, highlighting his academic prowess and foundation for his influential career. As an Independent Director of Renata Limited, Ejaj Ahmad brings his diverse experiences and educational background to the table, contributing to the company's governance and strategic direction. His commitment to youth leadership and education further underscores his multi-faceted and impactful role in both corporate and social development.


(f) Brief description of assets and liabilities

Growth of Total Assets:


The company's total assets have displayed consistent and notable growth in last 5 Financial Year. As of June 30, 2019, Renata Limited's total assets stood at BDT 24,201 Mn. Over the subsequent years, there has been a steady upward trajectory in asset growth. By June 30, 2023, the company's total assets had surged to BDT 48,729 Mn representing a remarkable increase in asset value. A closer look at the components reveals that the significant growth



Syed S. Kaiser Kabir
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Renata Limited

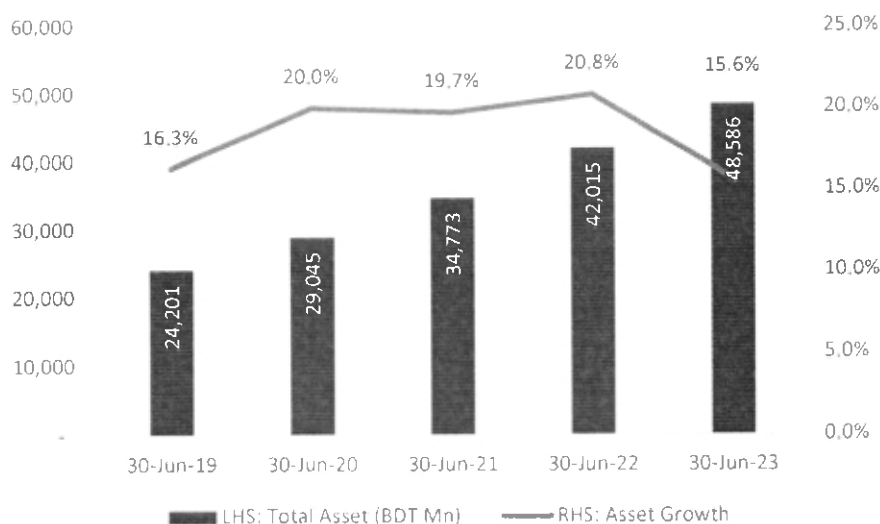


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

in non-current assets, particularly in property, plant, and equipment, as well as capital work-in-progress, has been a driving force behind the overall asset growth. Furthermore, the current assets, including inventories, trade receivables, and investments, have also witnessed substantial growth over this period.



The consistent growth in total assets over the five-year period reflects its strategic expansion and financial strength, which can be seen in the continuous investments in non-current assets and the increasing value of current assets. This growth is a positive indicator of the company's ability to generate and manage its resources effectively.


Liability Mix

There is a notable increase in Renata Limited's total liabilities from BDT 12,603 million in June 2022 to BDT 18,195 million in June 2023 which aligns with the company's substantial asset growth during this period. This increase in both non-current and current liabilities suggests a strategic financial approach to support the expansion and growth of its asset base, particularly evident in the addition of long-term loans in non-current liabilities. The rise in short-term bank loans and overdrafts is attributed to the need for short-term financing to facilitate the management of the increased inventory and trade receivables due to the supply chain disruption caused by Russia-Ukraine war, as indicated in the asset data.

Table 13: Liability Mix

Particulars	30-Jun-23		30-Jun-22	
	BDT (Million)	% of Total Liability	BDT (Million)	% of Total Liability
Loans and Borrowings	3,402	18.7%	-	0.0%
Deferred Tax Liability	1,190	6.5%	1,405	11.2%
Employee Benefit	-	0.0%	9	0.1%
Total Non-Current Liabilities:	4,592	25.2%	1,414	11.2%
Loans and Borrowings	10,879	59.8%	8,896	70.6%
Trade and other payables	1,431	7.9%	650	5.2%
Other payables	-	0.0%	-	0.0%
Accruals and Provisions	853	4.7%	615	4.9%
Unclaimed dividend account	27	0.1%	24	0.2%


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 Corporate Affairs Division
 Renata Limited

Provision for taxation	413	2.3%	1,004	8.0%
Total Current Liabilities:	13,603	74.8%	11,189	88.8%
Total Liabilities	18,195	100.0%	12,603	100.0%

Overall, this liability mix reflects the company's dynamic financial strategy and its ability to adapt to evolving business requirements while maintaining a strong asset base, contributing to its financial health and growth.

(g) Brief description of previously issued debt or equity securities or such other securities

Renata Limited is a public limited company incorporated in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Limited under the Companies Act, 1913 and subsequently duly registered under Companies Act, 1994. The Company was listed with Dhaka Stock Exchange Limited on 12 May 1979. Subsequently, the Company was renamed as Renata Limited in 1993.



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jobayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited

Auditor's Report and Financial Statements

For the year ended 30 June 2023

**Section 12: Auditors' report along with the audited financial statements
of the issuer**

S. F. AHMED & CO.
Chartered Accountants



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House # 51 (2nd Floor), Road # 09, Block # F, Banani, Dhaka-1213.

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Handwritten signature of Syed S. Kaiser Kabir.

Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited

Handwritten signature of Mustafa Alim Aoiad.

Mustafa Alim Aoiad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited

Handwritten signature of Md. Jubayer Alam.

Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited

Auditor's Report and Financial Statements

For the year ended 30 June 2023

S. F. AHMED & CO. **Chartered Accountants | since 1958**

House # 51 (2nd floor), Road # 9, Block-F
Banani, Dhaka 1213, Bangladesh

Phones: (880-2) 222294026 & 222270957

E-mails: (i) sfaco@dhaka.net; (ii) sfaco@sfaahmedco.com



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AND ACCOUNTING NETWORK

A handwritten signature in black ink, appearing to read 'Syed S. Kaiser Kabir'.

Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited

A handwritten signature in black ink, appearing to read 'Mustafa Alim Aolad'.

Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited

A handwritten signature in black ink, appearing to read 'Md. Jubayer Alam'.

Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited


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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


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Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

**Independent Auditor’s Report to the Shareholders of
Renata Limited and Its Subsidiaries**

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of Renata Limited and its subsidiaries (the Group) as well as the separate financial statements of Renata Limited (the ‘Company’), which comprise the consolidated and separate statement of financial position on as at 30 June 2023 and the consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements of the group present fairly, in all material respects, the consolidated financial position of the Group and the separate financial position of the Company as at 30 June 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

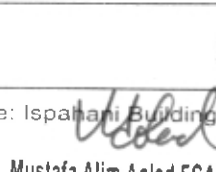
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

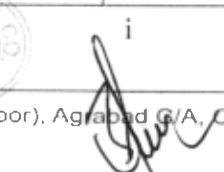
Key Audit Matters

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. For each matter below our description of how our audit addressed the matters provided in that context.

Risk	How our audit addressed the key audit matters
<p>01. Revenue Recognition</p> <p>The accompanying consolidated financial statements of the company reported revenue for the year ended 30 June 2023 amounting to Taka 32,864,696,777 and for group’s amounting to Taka 32,970,756,360.</p> <p>ISAs require that, as part of our overall response to the risk of fraud, when identifying and assessing the risks of material misstatement due to fraud, we evaluate which types of revenue or revenue transactions might give rise to potential fraud risks.</p>	<p>Our procedures included obtaining an understanding of management’s revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in Notes 3.12 and 23 and 23.1 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p>


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 Renata Limited





Chartered Office: Ispanani Building (2nd Floor), Agrabad G/A, Chattogram-4100,

Risk	How our audit addressed the key audit matters
<p>The principal activities of the Group are manufacturing, marketing and distribution of pharmaceutical, animal health products, oncology-based products, agro-based products, poultry products and consumer products across a number of geographical areas in Bangladesh and outside Bangladesh. We have specifically focused this key audit matters to cut-off and occurrence for revenue recorded within 30 June 2023. Pressures to meet stakeholders' expectations could provide incentives to record revenues where controls of the goods have not passed.</p> <p>With regard to the conformity of IFRS 15 "Revenue from Contract with Customers", the recognition and recording or revenue on the basis of assessing different types of contracts and the accuracy of the accounting policies in light of the industry specific circumstances and understanding of the business.</p> <p>The associated disclosure is included within Note 23 and 23.1. For specific details on the Company's accounting policy Note 3.12.</p>	<p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>We assessed the design and implementation of these controls. We tested a sample of individual sales transactions and traced to dispatch notes and subsequent cash receipt or other supporting documents. We performed analytical reviews to identify any unusual or one-off material revenue transactions.</p> <p>We identified and considered the impact of any credit notes or inventory returns occurring after year-end, including evaluating the impact of any material overdue debts from customers.</p> <p>We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>We verified management's conclusion from assessing different types of contracts and the accuracy of the accounting policies considering the industry specific guidelines from NBR (VAT department) Section 2 of General order no.-18/VAT/2019 dated July 23, 2019 and additional section as per General order no. 12/VAT/2020 dated June 11, 2020. Our understanding of the price determination complying with direction from Directorate General of Drug Administration. We tested the appropriateness of the accounting treatment and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p>02. Property, plant and equipment, Capital work in progress and borrowing cost</p>	
<p>At the reporting date, the carrying value of the Group and company property, plant and equipment amounting to Tk. 31,034,632,722. The valuation of property, plant and equipment was identified as a key audit matter due to the significance of this balance to the financial statements.</p> <p>Expenditures are capitalized if they create new or enhance the existing assets, and expenses if they relate to repairs or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience.</p>	<p>Our audit procedures to assess the carrying value of property, plant & equipment and capital work in progress included the following:</p> <ul style="list-style-type: none"> • We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IAS 16 and found them to be consistent; • We evaluated the assumptions made by management in the determination of useful lives to ensure that these are consistent with the principles of IAS 16-Property, Plant and Equipment and compared each class of asset in the current year to the prior year to determine whether there are any significant changes in the useful life of assets, and considered the




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 Renata Limited


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 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Risk	How our audit addressed the key audit matters
<p>The assets currently under construction or pending installation, not yet ready to use, are properly categorized as capital work-in-progress (CWIP). An effective system should be established to record all directly identifiable costs that can be capitalized, consolidating them into capital work-in-progress. Meanwhile, any expenses that do not meet the criteria for capitalization should be identified and expensed in the regular course of business. Moreover, a significant balance amounting Taka 1,265,527,884 has been transferred to property, plant and equipment from Capital work in progress during the year for the company. The interest accrued from its financing arrangements which are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset in accordance with IAS 23.</p> <p>See note no 3.5 and 05 to the accompanying financial statements.</p>	<p>reasonableness of changes based on our knowledge of the business and the industry.</p> <ul style="list-style-type: none"> • We obtained a list of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals; • We verified a sample of invoices and LC documents to determine whether the classification between capital and operating expenditure was appropriate; • We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice; • We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the acquisition and disposal; • Reclassification from capital in progress to ready for use, with the date of the act of completion of the work; • We assessed whether the costs capitalised met the recognition criteria set forth in IAS 23-Borrowing Costs, in relation to the capitalisation of borrowing costs.
<p>03. Valuation of inventory</p> <p>The balance of inventory at the year-end of both the Group and Company was Tk. 9,548,408,005.</p> <p>Inventories consisting of raw materials, work in progress and finished goods are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damage, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>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.</p> <p>The Group uses standard cost method for measurement of cost of inventory.</p> <p>See note no 3.8 and 08 to the accompanying financial statements.</p>	<p>We challenged the appropriateness of management's assumptions applied in calculating the value of the inventory and related provisions by:</p> <ul style="list-style-type: none"> • evaluating the design and implementation of key inventory controls operating across the company in respect of inventory management; • to attend the physical inventory counts and reconciling the count results to the inventory listings to test the completeness of data; • to review the inventory costing procedures and methodology; • comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories and comparison to the associated provision to assess whether inventory provisions are complete; • reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; • challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete; and • verify that the standard costs used for valuation are based on accurate and up-to-date data, including material cost, labor cost, and overheads and adjustment of the variances accordingly.



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Corporate Affairs Division
Renata Limited

Risk	How our audit addressed the key audit matters
<p>04. Measurement and recognition of deferred tax</p> <p>The balance of reported deferred tax liability of the group was Tk. 1,189,652,765 as on June 30, 2023.</p> <p>Significant judgment is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>The risk for the financial statements is that these provisions are not properly measured for all types of temporary difference as per IAS 12: Income Tax.</p> <p>See note no 3.10 and 18 to the accompanying financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved.</p> <p>We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally, we assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>
<p>05. Valuation of employee benefits schemes</p> <p>The Company operates an employee benefit scheme (Gratuity Fund) which in total are significant in the context of the overall financial position. At year end the company reported net employee benefits scheme assets of Taka 297,712,192.</p> <p>Actuarial valuation of employee benefits schemes of Renata Limited as on and for the year ended 30 June 2023 has been conducted by an independent actuarial valuer.</p> <p>Valuing End of Service Gratuities as per IAS 19 and commissioning an Actuarial Report demonstrates good corporate governance. It also helps to obtain better understanding of the amount and sensitivity of the liabilities and whether the accrued liability is under or over provisioned.</p> <p>To measure the employee benefit schemes under IAS19, an actuarial valuation is prepared based on a set of financial and demographic assumptions. The assumptions are based on the management's best estimates, supported by historical data and market information.</p> <p>See note no 3.9 (b) and 22 to the financial statements.</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</p> <ul style="list-style-type: none"> • We obtained an actuarial valuation report as on 30 June 2023 signed and approved by an independent actuarial valuer. • We have reviewed the basis including information sources, summary of membership data, assumptions and principal plan provisions by which the report has been prepared. • We have also reviewed- the disclosure of defined benefit cost for the year ending 30 June 2023, net balance sheet position as at 30 June 2023, changes in benefit obligations and assets over the year ending 30 June 2023, additional disclosure information, sensitivity analysis, and estimated defined benefit cost for the year ending 30 June 2024.



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Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited

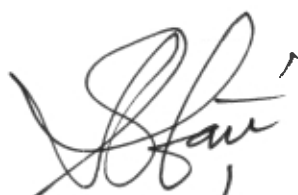

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Risk	How our audit addressed the key audit matters
<p>06. Consolidation of the financial statement</p> <p>It is mentioned here that the company has prepared a consolidated financial statements of the group as whole by taking consideration of two subsidiary named Renata UK limited and Renata Pharmaceuticals (Ireland) Limited with 100% of controlling stake of both and the carrying value shown Taka 95,000,110 and Taka 95,009,610 respectively as at 30 June 2023. The accounting year of the subsidiary companies ends on the same date as of the holding company.</p> <p>As per section-477 of UK Companies Act 2006 and as per Section 359 and 360 of Ireland Companies Act 2014, both Renata UK limited and Renata Pharmaceuticals (Ireland) Limited is exempted from audit.</p> <p>The key risk is that whether the consolidated financial statements of the company are prepared in compliance with IFRS 10: Consolidated Financial Statements and provide adequate disclosure in required standard.</p>	<p>We have obtained a good understanding of the structure of the group, the significance (i.e materiality) of each component of the group, the mechanics of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that were performed include:</p> <ul style="list-style-type: none"> • checking that figures taken into the consolidation have been accurately extracted from the financial statements of the components. • evaluating the classifications of the components of the group - for example, whether the components have been correctly identified and treated as subsidiaries, associates. • reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests. • gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: <ul style="list-style-type: none"> • cancellation of inter-company balances and transactions • Provision for unrealized profits, if any, as a result of inter-company transactions fair value adjustments needed for assets and liabilities held by the component.
<p>07. IT systems that impact financial reporting</p> <p>The IT systems within the Group form a critical component of the Group's financial reporting activities and impact all account balances.</p> <p>Our audit procedures have been focused on IT systems (Desa & Oracle) and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations (Head office, Factories and Depots) daily and the reliance on automated and IT is dependent on manual controls.</p> <p>We identified the IT systems that impact financial reporting as a key audit matter because of the:</p> <ul style="list-style-type: none"> • Pervasive reliance on complex technology that is integral to the operation of key business processes and financial reporting; • Reliance on technology which continues to increase in line with the business strategy, 	<p>Our IT audit scope is driven by the level of reliance placed on technology to obtain sufficient audit evidence within a business process. The technology deemed relevant to the audit is based on the financial data, system configured automated controls and/or key financial reports that reside within it.</p> <p>Testing over the technology deemed relevant to the audit included the following areas:</p> <ul style="list-style-type: none"> • General IT controls, including user access and change management controls; • Key financial reports and system configured automated controls; • Controls to provide assurance over the completeness and accuracy of relevant data. <p>Our risk assessment procedures included an assessment of the impact of all un-remediated IT control efficiencies to determine the impact on our audit plan. Where relevant, the audit plan was adjusted to include the testing of additional manual</p>

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Risk	How our audit addressed the key audit matters
<p>such as the increase in the use of automation across the Group;</p> <ul style="list-style-type: none"> • Importance of the IT controls in maintaining an effective control environment. A key interdependency exists between the ability to rely on IT controls and the ability to rely on financial data, system configured automated controls and system reports; • Continued remediation of IT controls supporting the application systems relevant to the Group's financial reporting activities. 	<p>business process controls to mitigate the unaddressed IT risk.</p>

Other Matter

The financial statements of the Group as at and for the year ended 30 June 2023 were audited by another auditor who expressed an unmodified opinion on these financial statements on 22 October 2022.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's and 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 consolidated and separate 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 consolidated and separate financial statements.



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As part of an audit in accordance with ISAs, we exercise professional judgment 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, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and 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 consolidated and separate 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 Group and Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and Company audit. We remain solely responsible for our audit opinion.

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 consolidated and separate 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.




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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


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Md. Jubayer Alam
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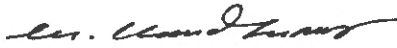
Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- i. 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;
- ii. in our opinion, proper books of account as required by law have been kept by the Group and 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;
- iii. the consolidated and separate statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditure incurred was for the purpose of the Group's and Company's business.

Signed for & on behalf of

Firm's Name : S. F. Ahmed & Co., Chartered Accountants
Firm's Registration No. : 10898 E.P, under Partnership Act 1932

Signature : 

Engagement Partner Name : Md. Enamul Haque Choudhury, FCA,
Senior Partner/Enrollment No. 471

DVC Number : 2310210471AS288392


Date : 21 October 2023




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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited
Statement of Financial Position
As at 30 June 2023

	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	5	31,034,632,722	26,342,498,135
Intangible assets	6	147,528,645	167,658,030
Investment in subsidiaries	7	190,009,720	9,720
Employee benefits	22	297,712,192	-
Total non-current assets		31,669,883,279	26,510,165,885
Current assets			
Inventories	8	9,548,408,005	8,485,601,428
Trade and other receivables	9	4,070,181,739	3,865,311,119
Advances, deposits and prepayments	10	1,048,100,331	841,243,294
Investment in shares and FDR	11	555,843,670	1,534,717,004
Cash and cash equivalents	12	1,836,745,979	778,537,319
Total current assets		17,059,279,725	15,505,410,164
Total assets		48,729,163,004	42,015,576,049
Equity and liabilities			
Shareholders' equity			
Share capital	13	1,146,964,900	1,071,929,820
Revaluation surplus		172,746,692	152,868,676
Other reserves	14	526,897,916	219,337,788
Fair value reserve	15	23,934,646	26,568,540
Retained earnings	16	28,664,069,015	27,941,598,635
Total equity		30,534,613,169	29,412,303,459
Non-current liabilities			
Loans and borrowings	17	3,401,914,023	-
Deferred tax liabilities	18	1,189,652,767	1,405,428,896
Employee benefits	22	-	8,798,751
Total non-current liabilities		4,591,566,790	1,414,227,647
Current liabilities			
Loans and borrowings	17	10,878,812,800	8,896,466,406
Trade and other payables	19	1,431,301,612	649,511,785
Accruals and provisions	20	852,954,275	615,331,770
Unclaimed dividend		26,918,621	23,895,674
Provision for taxation	21	412,995,737	1,003,839,309
Total current liabilities		13,602,983,045	11,189,044,943
Total equity and liabilities		48,729,163,004	42,015,576,049
Net asset value (NAV) per share	30	266.22	256.44

The annexed notes from 1 to 42 form an integral part of these financial statements.


CEO & Managing Director


 
Director Chief Financial Officer


Company Secretary


As per our report of same date.

Dated: Dhaka,
21 October 2023




S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2310210471AS288392


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	Amount in Taka	
		2022-2023	2021-2022
Turnover	23	32,864,696,777	31,070,554,548
Cost of sales	24	(20,185,779,122)	(16,344,582,496)
Gross profit		12,678,917,655	14,725,972,052
Administrative expenses	25	(1,062,724,356)	(747,794,593)
Selling, marketing and distribution expenses	26	(8,423,351,935)	(7,451,288,804)
Operating profit		3,192,841,364	6,526,888,655
Other income	27	258,685,850	336,457,026
Finance costs	28	(851,870,959)	(434,543,968)
Profit before contribution to workers' profit participation		2,599,656,255	6,428,801,713
Contribution to workers' profit participation		(123,793,155)	(306,133,415)
Profit before tax		2,475,863,100	6,122,668,298
Tax expenses	29		
Current tax		(450,151,392)	(975,613,222)
Deferred tax		292,246,329	(36,097,866)
		(157,905,063)	(1,011,711,088)
Net profit after tax for the year		2,317,958,037	5,110,957,210
Other comprehensive income			
Net profit after tax for the year		2,317,958,037	5,110,957,210
<i>Items those are not reclassified to profit or loss</i>			
Fair value adjustment on investment in shares, net of tax	15	(2,633,894)	1,793,358
Realised gain on disposal of shares		-	197,467
Remeasurement of defined benefit plan	22	384,450,161	-
Related deferred tax		(97,276,748)	-
Total comprehensive income for the year		2,602,497,556	5,112,948,035
Basic earnings per share (EPS)	31	20.21	44.56

The annexed notes from 1 to 42 form an integral part of these financial statements.


CEO & Managing Director


Director

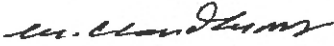

Chief Financial Officer


Company Secretary





As per our report of same date.

Dated: Dhaka,
21 October 2023


S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2310210471AS288392


Syed S. Kaiser Kabir
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Corporate Affairs Division
Renata Limited

Renata Limited
Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Attributable to equity holders of Renata Limited					Total equity Taka
	Share capital	Revaluation surplus	Other reserves	Fair value reserve	Retained earnings	
	Taka	Taka	Taka	Taka	Taka	
Balance at 01 July 2021	974,481,660	153,361,486	(43,065,180)	24,775,182	24,340,254,640	25,449,807,788
Bonus share issued	97,448,160	-	-	-	(97,448,160)	-
Final dividend (cash)	-	-	-	-	(1,412,998,407)	(1,412,998,407)
Other reserves due to merger of Renata Agro Industries Limited	-	-	426,898,535	-	-	426,898,535
Other reserves due to merger of Purnava Limited	-	-	(164,495,567)	-	-	(164,495,567)
Adjustment of deferred tax liability due to extra depreciation charged to revaluation reserve	-	143,075	-	-	-	143,075
Depreciation adjustment on revalued assets	-	(635,885)	-	-	635,885	-
Net profit after tax for the year	-	-	-	-	5,110,957,210	5,110,957,210
Fair value adjustment on investment in shares, net of tax	-	-	-	1,793,358	-	1,793,358
Realised gain on disposal of shares	-	-	-	197,467	-	197,467
Transfer between reserves- realised gain on disposal of shares	-	-	-	(197,467)	197,467	-
Balance at 30 June 2022	1,071,929,820	152,868,676	219,337,788	26,568,540	27,941,598,635	29,412,303,459
Balance at 01 July 2022	1,071,929,820	152,868,676	219,337,788	26,568,540	27,941,598,635	29,412,303,459
Bonus share issued	75,035,080	-	-	-	(75,035,080)	-
Final dividend (cash)	-	-	-	-	(1,500,701,748)	(1,500,701,748)
Remeasurement of defined benefit plan	-	-	384,450,161	-	-	384,450,161
Deferred tax liability on remeasurement of defined benefit plan	-	-	(76,890,033)	-	-	(76,890,033)
Adjustment of deferred tax liability due to change of tax rate	-	20,513,901	-	-	(20,386,715)	127,186
Depreciation adjustment on revalued assets	-	(635,885)	-	-	635,885	-
Net profit after tax for the year	-	-	-	-	2,317,958,037	2,317,958,037
Fair value adjustment on investment in shares, net of tax	-	-	-	(2,633,894)	-	(2,633,894)
Balance at 30 June 2023	1,146,964,900	172,746,692	526,897,916	23,934,646	28,664,069,015	30,534,613,168


CEO & Managing Director





Director


Chief Financial Officer


Company Secretary

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Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

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Renata Limited
Statement of Cash Flows
For the year ended 30 June 2023

	Notes	Amount in Taka	
		2022-2023	2021-2022
A. Cash flows from operating activities			
Collection from customers and other income		37,529,127,545	36,458,908,456
Payment of VAT	23	(4,782,361,433)	(4,469,630,437)
Payment to suppliers, employees and others		(28,871,868,904)	(27,378,997,096)
Cash generated by operations		3,874,897,208	4,610,280,923
Finance costs		(797,214,071)	(271,099,653)
Payment of tax	21	(1,042,373,439)	(1,329,841,519)
Net cash from operating activities		2,035,309,698	3,009,339,751
B. Cash flows from investing activities			
Acquisition of property, plant and equipment and intangibles		(5,769,644,995)	(10,099,449,998)
Proceeds from investment in shares and FDR		978,873,333	3,990,179,499
Investment in subsidiaries		(190,000,000)	-
Proceeds from sale of property, plant and equipment	5.3	171,745,896	29,049,244
Net cash used in investing activities		(4,809,025,766)	(6,080,221,255)
C. Cash flows from financing activities			
Loans and borrowings (net)		5,384,260,418	3,849,152,644
Dividend paid		(1,497,678,802)	(1,430,442,313)
Net cash from financing activities		3,886,581,616	2,418,710,331
D. Effect of exchange rate fluctuations on cash held		(54,656,888)	24,828,736
E. Net change in cash and cash equivalents (A+B+C+D)		1,058,208,661	(627,342,437)
F. Cash and cash equivalents at 01 July		778,537,319	1,356,084,645
G. Cash and cash equivalents due to merger at the beginning of the year		-	49,795,111
H. Cash and cash equivalents at 30 June (E+F+G)	12	1,836,745,979	778,537,319
Net operating cash flow per share (NOCF)	33	17.75	26.24



CEO & Managing Director

 
Director Chief Financial Officer


Company Secretary




Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited and its subsidiaries
Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	Amount in Taka	
		30 June 2023	30 June 2022
Assets			
Non-current assets			
Property, plant and equipment	5	31,034,632,722	26,342,498,135
Intangible assets	6	147,528,645	167,658,030
Employee benefits	22	297,712,192	-
Total non-current assets		31,479,873,559	26,510,156,165
Current assets			
Inventories	8	9,548,408,005	8,485,601,428
Trade and other receivables	9.1	4,065,370,412	3,865,141,782
Advances, deposits and prepayments	10.1	1,048,274,423	841,243,294
Investment in shares and FDR	11	555,843,670	1,534,717,004
Cash and cash equivalents	12.1	2,129,391,764	778,573,780
Total current assets		17,347,288,274	15,505,277,288
Total assets		48,827,161,833	42,015,433,453
Equity and liabilities			
Share capital	13	1,146,964,900	1,071,929,820
Revaluation surplus		172,746,692	152,868,676
Other reserves	14	526,897,916	219,337,788
Fair value reserve	15	23,934,646	26,568,540
Retained earnings	16.1	28,738,193,757	27,941,462,335
Equity attributable to equity holders of Renata Limited		30,608,737,911	29,412,167,159
Total equity		30,608,737,911	29,412,167,159
Non-current liabilities			
Loans and borrowings	17	3,401,914,023	-
Deferred tax liabilities	18	1,189,652,765	1,405,428,896
Employee benefits	22	-	8,798,751
Total non-current liabilities		4,591,566,788	1,414,227,647
Current liabilities			
Loans and borrowings	17	10,878,812,800	8,896,466,406
Trade and other payables	19.1	1,448,741,643	649,511,784
Accruals and provisions	20.1	853,242,281	615,325,474
Unclaimed dividend		26,918,621	23,895,674
Provision for taxation	21.1	419,141,789	1,003,839,309
Total current liabilities		13,626,857,134	11,189,038,647
Total equity and liabilities		48,827,161,833	42,015,433,453
Net asset value (NAV) per share	30.1.1	266.87	256.43

The annexed notes from 1 to 42 form an integral part of these financial statements.


CEO & Managing Director


Director


Chief Financial Officer


Company Secretary

As per our report of same date.


Dated: Dhaka,
21 October 2023





S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2310210471AS288392


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited and its subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	Amount in Taka	
		2022-2023	2021-2022
Turnover	23.1	32,970,756,360	31,070,554,548
Cost of sales	24	(20,185,779,122)	(16,344,582,496)
Gross profit		12,784,977,238	14,725,972,052
Administrative expenses	25.1	(1,128,421,782)	(747,794,593)
Selling, marketing and distribution expenses	26	(8,423,351,935)	(7,451,288,804)
Operating profit		3,233,203,521	6,526,888,655
Other income	27.1	260,227,321	336,457,026
Finance costs	28.1	(866,342,975)	(434,583,746)
Profit before contribution to workers' profit participation		2,627,087,866	6,428,761,935
Contribution to workers' profit participation		(123,793,155)	(306,133,415)
Profit before tax		2,503,294,711	6,122,628,520
Tax expenses	29.1		
Current tax		(456,297,453)	(975,613,222)
Deferred tax		292,246,329	(36,097,866)
		(164,051,124)	(1,011,711,088)
Net profit after tax for the year		2,339,243,587	5,110,917,432
Attributable to:			
Equity holders of Renata Limited		2,339,243,587	5,110,917,432
Total profit after tax for the year		2,339,243,587	5,110,917,432
Other comprehensive income			
<i>Items those are not reclassified to profit or loss</i>			
Fair value adjustment on investment in shares, net of tax	15	(2,633,894)	1,793,358
Realised gain on disposal of shares		-	197,467
Unrealised gain on exchange differences of subsidiaries		52,975,494	-
Remeasurement of defined benefit plan		384,450,161	-
Related deferred tax		(97,276,748)	-
Total comprehensive income for the year		2,676,758,600	5,112,908,257
Attributable to:			
Equity holders of Renata Limited		2,676,758,600	5,112,908,257
Basic earnings per share (EPS)	31.1	20.40	44.56

The annexed notes from 1 to 42 form an integral part of these financial statements.


CEO & Managing Director


Director



Chief Financial Officer


Company Secretary

As per our report of same date.

Dated: Dhaka,
21 October 2023




S. F. Ahmed & Co.
Chartered Accountants
DVC No.: 2310210471AS288392


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafá Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited and its Subsidiaries
Consolidated Statement of Changes in Equity
For the year ended 30 June 2023

Particulars	Attributable to equity holders of Renata Limited						Non-controlling interests	Total equity
	Share capital	Revaluation surplus	Other reserves	Fair value reserve	Retained earnings	Equity for Renata Limited		
	Taka	Taka	Taka	Taka	Taka	Taka		
Balance at 01 July 2021	974,481,660	153,361,486	(43,065,180)	24,775,183	24,601,846,926	25,711,400,075	52,711	25,711,452,786
Stock dividend issued	97,448,160	-	-	-	(97,448,160)	-	-	-
Final dividend (cash)	-	-	-	-	(1,412,998,407)	(1,412,998,407)	-	(1,412,998,407)
Transfer to Other reserves due to merger of Renata Agro Industries Limited and Purnava Limited	-	-	-	-	(262,402,968)	(262,402,968)	-	(262,402,968)
Adjustment of provision for unrealised profit due to merger of Renata Agro Industries Limited and Purnava Limited	-	-	-	-	661,449	661,449	-	661,449
Adjustment of non-controlling interests due to merger of Renata Agro Industries Limited and Purnava Limited	-	-	-	-	52,711	52,711	(52,711)	-
Other reserves due to merger of Renata Agro Industries Limited	-	-	426,898,535	-	-	426,898,535	-	426,898,535
Other reserves due to merger of Purnava Limited	-	-	(164,495,567)	-	-	(164,495,567)	-	(164,495,567)
Adjustment of deferred tax liability due to extra depreciation charged to revaluation reserve	-	143,075	-	-	-	143,075	-	143,075
Depreciation adjustment on revalued assets	-	(635,885)	-	-	635,885	-	-	-
Net profit after tax for the year	-	-	-	-	5,110,917,432	5,110,917,432	-	5,110,917,432
Fair value adjustment on investment in shares, net of tax	-	-	-	1,793,358	-	1,793,358	-	1,793,358
Realised gain on disposal of shares	-	-	-	197,467	-	197,467	-	197,467
Transfer between reserves- realised gain on disposal of shares	-	-	-	(197,467)	197,467	-	-	-
Balance at 30 June 2022	1,071,929,820	152,868,676	219,337,788	26,568,540	27,941,462,335	29,412,167,160	-	29,412,167,160
Balance at 01 July 2022	1,071,929,820	152,868,676	219,337,788	26,568,540	27,941,462,335	29,412,167,160	-	29,412,167,160
Bonus share issued	75,035,080	-	-	-	(75,035,080)	-	-	-
Final dividend (cash)	-	-	-	-	(1,500,701,748)	(1,500,701,748)	-	(1,500,701,748)
Remeasurement of defined benefit plan	-	-	384,450,161	-	-	384,450,161	-	384,450,161
Unrealised gain on exchange differences of subsidiaries	-	-	-	-	52,975,494	52,975,494	-	52,975,494
Deferred tax liability on remeasurement of defined benefit plan	-	-	(76,890,033)	-	-	(76,890,033)	-	(76,890,033)
Adjustment of deferred tax liability due to change of tax rate	-	20,513,901	-	-	(20,386,717)	127,184	-	127,184
Depreciation adjustment on revalued assets	-	(635,885)	-	-	635,885	-	-	-
Net profit after tax for the year	-	-	-	-	2,339,243,587	2,339,243,587	-	2,339,243,587
Fair value adjustment on investment in shares, net of tax	-	-	-	(2,633,894)	-	(2,633,894)	-	(2,633,894)
Balance at 30 June 2023	1,146,964,900	172,746,692	526,897,916	23,934,646	28,738,193,757	30,608,737,911	-	30,608,737,911


CEO & Managing Director




Director


Chief Financial Officer


Company Secretary

7


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

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Renata Limited and its subsidiaries
Consolidated Statement of Cash Flows
For the year ended 30 June 2023

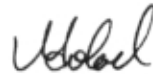
	Notes	Amount in Taka	
		2022-2023	2021-2022
A. Cash flows from operating activities			
Collection from customers and other income		37,653,974,200	36,458,908,456
Payment of VAT	23	(4,789,018,011)	(4,469,630,437)
Payment to suppliers and employees		(28,940,430,452)	(27,378,997,096)
Cash generated by operations		3,924,525,737	4,610,280,923
Finance costs		(797,214,071)	(271,136,116)
Payment of tax	21.1	(1,042,373,439)	(1,329,841,519)
Net cash flow from operating activities		2,084,938,227	3,009,303,288
B. Cash flows from investing activities			
Acquisition of property, plant and equipment and intangibles		(5,769,644,995)	(10,099,449,998)
Proceeds from investment in shares and FDR		978,873,333	3,990,179,499
Proceeds from sale of property, plant and equipment	5.3	171,745,896	29,049,244
Net cash used in investing activities		(4,619,025,766)	(6,080,221,255)
C. Cash flows from financing activities			
Loans and borrowings (net)		5,384,260,418	3,849,152,644
Dividend paid		(1,497,678,802)	(1,430,442,313)
Net cash from financing activities		3,886,581,616	2,418,710,331
D. Effect of exchange rate fluctuations on cash held		(1,676,094)	24,828,736
E. Net change in cash and cash equivalents (A+B+C+D)		1,350,817,984	(627,378,900)
F. Cash and cash equivalents at 01 July		778,573,780	1,405,952,680
G. Cash and cash equivalents at 30 June (E+F)	12.1	2,129,391,764	778,573,780
Net operating cash flow per share (NOCF)	33.1	18.18	26.24



CEO & Managing Director



Director



Chief Financial Officer



Company Secretary




Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Renata Limited
Notes to the Separate and Consolidated Financial Statements
As at and for the year ended 30 June 2023

1. Reporting Entity

1.1 Corporate information

Renata Limited (the "Company") is a public limited company incorporated in Bangladesh in 1972 as Pfizer Laboratories (Bangladesh) Limited under the Companies Act, 1913 and subsequently duly registered under Companies Act, 1994. The Company was listed with Dhaka Stock Exchange Limited on 12 May 1979. Subsequently, the Company was renamed as Renata Limited in 1993.

The registered office of the Company is situated at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka-1216.

The main activities of the Company and its subsidiaries (the "Group") are manufacturing, marketing and distribution of pharmaceutical, animal health products, oncology-based products, agro-based products, poultry products and consumer products.

For the purpose of conducting their business more efficiently and profitably, the Board of Directors of the three Companies along with due consents from minority shareholders and then approval from the Hon'ble High Court Division of the Supreme Court of Bangladesh has amalgamated Renata Agro Industries Limited and Purnava Limited with Renata Limited under provision of section 228 & 229 of the Companies Act, 1994 with effect from 01 July 2021. The audited financial statements of the Transferor Companies on 30 June 2021 have been used to account for the assets and liabilities of these Transferor Companies in the books of Renata Limited.

1.2 Subsidiaries

Subsidiaries are entities controlled by Renata Limited. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The followings are the subsidiaries of Renata Limited:

Renata (UK) Limited

Renata (UK) Limited was incorporated on 26 September 2013 as a private limited company under the UK Companies Act 2006. The registered office of the Company is situated at Greenway Business Centre, Harlow Business Park, Harlow, England, CM19 5QE. Renata Limited holds 100% of equity interest in Renata (UK) Limited acquired as on 9 April 2018.

Renata Pharmaceuticals (Ireland) Limited


Renata Pharmaceuticals (Ireland) Limited was incorporated on 24 April 2019 as a private limited company under the Irish Companies Act 2014. The registered office of the Company is situated at 13/18 City Quay, D02 ED70, Ireland. Renata Limited holds 100% of equity interest in Renata Pharmaceuticals (Ireland) Limited.


Basis of Consolidation

The Group financial statements include the financial statements of Renata Limited and subsidiaries that it controls. The Group prepares consolidated financial statements using uniform accounting policies like transactions and other events in similar circumstances and uniform year ending. Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee. Intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full. Profits or losses resulting from intra-group transactions that are recognized in assets are eliminated in full. The Group presents non-controlling interests, if present, in the consolidated statement of financial position within equity, separately from the equity of the owners of Renata Limited.




Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

2. Basis of Preparation

2.1 Statement of compliance

These financial statements are consolidated and individual financial statements of Renata Limited, and have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Where any particular requirements of the IFRS conflicts with that of the laws and regulations being in force in Bangladesh, the later supersedes.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

2.2 Authorisation for issue

The consolidated financial statements for the year ended 30 June 2023 were approved by the Board of Directors and authorized for issue on 21 October 2023.

2.3 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/Taka") 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. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

2.4 Use of estimates and judgments


The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.


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. In particular, significant 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, amortization, impairment, net realizable value of inventories, accruals, taxation and provision.

Key estimates and assumptions used in preparation of these financial statements are:

1. Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligation as at 30 June 2023.
2. Key assumptions about the likelihood and magnitude of outflow of resources have been used to recognise and measure provisions and contingencies.
3. The useful economic life of property, plant and equipment as well as intangible assets reestimated during the year.
4. The Group calculates expected credit loss (ECL) for trade receivables using a provision matrix. The provision rates are calculated using days past due for groups of different customer segments with comparable loss patterns. The provision matrix is initially based on historically observed default rates and then calibrated to adjust the historical credit loss experience with forward-looking information.
5. Inventories are reviewed to assess whether cost falls short of net realisable value and provided for following IAS 2 where necessary.
6. Current tax is calculated at a tax rate of 22.5% applicable for the year ended 30 June 2023. Deferred tax asset/liability is calculated assuming a tax rate of 20% applicable for the future years as per Finance Act, 2023.




Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

2.5 Comparative Information

The comparative figures have been regrouped, reclassified or modified from previously published interim and annual Financial Statements to facilitate any necessary presentational changes to conform to the current year's presentation. Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement. Narrative and descriptive information for comparative information has also been disclosed whenever it is relevant for the understanding of the current year's financial statements.

3. Significant accounting policies

The Group selects and applies its accounting policies consistently for similar transactions, other events and conditions, unless IFRSs and any other applicable laws & regulations specifically requires or permits categorization of items for which different policies may be appropriate. The accounting policies set out below have been applied consistently in all material respects to all period presented in these financial statements.

Set out below is an index of the significant accounting policies, the details of which are available on the current and following pages that follow:

- 3.1 Current versus non-current classification
- 3.2 Offsetting
- 3.3 Cash dividend to the equity holders
- 3.4 Cash and cash equivalents
- 3.5 Property, plant and equipment
- 3.6 Intangible assets
- 3.7 Financial instruments
- 3.8 Inventories
- 3.9 Employee benefits
- 3.10 Income tax
- 3.11 Accruals, provisions and contingencies
- 3.12 Revenue from contract with customers
- 3.13 Leases
- 3.14 Foreign currency transactions
- 3.15 Earnings per share
- 3.16 Statement of cash flows
- 3.17 Related party disclosures
- 3.18 Events after the reporting period
- 3.19 Financial risk management
- 3.20 Auditor of subsidiaries
- 3.21 Standards issued but not yet effective

3.1 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:


- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.




Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Ailm Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

3.2 Offsetting

The Group reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

3.3 Cash dividend to the equity holders

The Company recognises a liability to pay cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.

3.5 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties, non-refundable taxes, capitalisable borrowing costs 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 after deducting trade discount and rebates, if any. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located (generally called 'asset retirement obligation'). Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The Company follows revaluation model for land and buildings in accordance of IAS 16 *Property, plant and equipment*.

(b) Subsequent costs

The cost of replacing or up gradation of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) Depreciation


No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service.

Depreciation on other items of property, plant and equipment is recognised on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The range of estimated useful lives shown below depends on sub-category of the assets under the broad category. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative periods are as follows:

	<u>2023</u> <u>Years</u>	<u>2022</u> <u>Years</u>
Own assets:		
Building	20-65	20-65
Plant and Machinery	5-20	5-20
Automobiles	6	4
Office equipment	10-12.5	10-12.5
Furniture and fixtures	10	10




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Corporate Affairs Division
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(d) **Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) **Capital work in progress**

Capital work- in- progress represents the cost incurred for acquisition and construction of items of property, plant and equipment that were not ready for use at the end of 30 June 2023 and these were stated at cost. In case of imported components, capital work- in- progress is recognized when risks and rewards associated with such assets are transferred to the Group, i.e., at the time shipment is confirmed by the supplier.

(f) **Capitalisation of borrowing costs**

As per the requirements of IAS 23 *Borrowing Costs*, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Intangible assets

(a) **Recognition and measurement**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

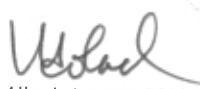
Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognised as an intangible asset when the Company can demonstrate all of the following:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.



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Other development expenditures are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is placed in service. It is amortised over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

(b) **Subsequent costs**

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

(c) **Amortisation**

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

	<u>2023</u> <u>Years</u>	<u>2022</u> <u>Years</u>
Software and others:		
Oracle Enterprise Resource Planning (ERP)	17	8
Others	5	10

Amortisation methods, useful lives and residual values are reviewed at each year-end and adjusted, if appropriate.

(d) **Derecognition**

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.

3.7 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

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 Renata Limited'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: amortised 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 host 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.



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A financial asset is measured at amortised 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 to hold assets to collect 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.

A debt investment is measured at FVOCI 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 both collecting contractual cash flows and selling financial assets; 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 OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised 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.

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 recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Trade receivables are classified as Financial assets measured at amortised cost.

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 recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, 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 recognised 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 recognised in OCI and are never reclassified to profit or loss.



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Impairment of 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 amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Renata Limited 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 Renata Limited's historical experience and informed credit assessment and including forward-looking information.

Renata Limited considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by Renata Limited to actions such as realising security (if any is held).

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.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Renata Limited uses Lifetime Expected Credit Loss method for Trade receivables.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised 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.

3.8 Inventories


Except for Goods-in-Transit, which is measured at cost, all other components of inventories are measured at lower of cost and net realizable value. Net realizable value is derived by deducting any expenses incurred to make the sale from the estimated selling price in the ordinary course of business. Any obsolete stock or abnormal loss incurred are recognized as expenses in the respective period.


The costs of inventories are comprised of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of active materials, raw materials and packing materials is assigned by using the first-in, first-out (FIFO) cost formula. Cost of work-in-progress and finished stocks are determined by using FIFO cost formula including allocation of manufacturing overheads related to bringing the inventories to their present condition. The Group uses standard cost method for measurement of cost of finished goods.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories is recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Goods-in-Transit represents the cost incurred till the reporting date for the items of inventories that are yet to be received.




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Spare goods consist of spare and replacement parts and supplies used in or to facilitate the production of finished goods in the ordinary course of business but do not include raw materials, work-in-process or packaging materials.

3.9 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 trust deeds and rules. Both of the plans are funded and are recognised/approved under Income Tax Act 2023.

(a) *Defined contribution plan (provident fund)*

The Company maintains a provident fund recognized by NBR for its permanent employees. This fund is managed by a Board of Trustees. Upon confirmation, each of the employees is required to become a member of the fund by contributing 8.33% of their basic salary. The Company makes a matching contribution. The total contribution is invested separately from the Company's assets by the Board of Trustees following the rules and regulations of the Bangladesh Labor Act, 2006 (as amended). The Company recognizes the contribution as an expense when the conditions are met. The legal and constructive obligation is limited to the amount the Company agrees to contribute to the fund.

(b) *Defined benefit plan (gratuity fund)*

The Company has established a gratuity fund as a defined benefit plan for its permanent employees that is approved by the National Board of Revenue (NBR). The Company contributes a reliably estimated amount to the fund annually. The Company recognizes the total contribution to the fund as an expense in the statement of profit or loss.

The net defined benefit liability (asset) in respect of a defined benefit plan is recognised in the statement of financial position. The net defined benefit liability (asset) is made up of:

- i) the present value of defined benefit obligation; less
- ii) the fair value of plan assets; adjusted for
- iii) any effect of limiting a net defined benefit asset to the asset ceiling.

Present value of defined benefit obligation is determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost by using mutually compatible actuarial assumptions about demographic and financial variables.

Current service cost, past service cost and gain/loss on settlement and net interest on the net defined benefit liability (asset) are recognised in profit or loss. Service cost and gain/loss on settlement are classified as personnel expense and net interest on the net defined benefit liability (asset) is classified as financial expense.

Remeasurements of the net defined liability (asset) are recognised in other comprehensive income, comprising:


- i) actuarial gains and losses;
- ii) return on plan asset, excluding amounts included in net interest on the net defined benefit liability (asset); and
- iii) any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability (asset).


Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

(c) *Short-term employee benefits*

Short-term benefits consist of wages, salaries, allowances and bonuses. These obligations are recognized and expended in the respective periods when the related services are obtained. Any amount not paid is recognized as a liability (undiscounted) at the end of the year.




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(d) **Group Insurance Policy**

The employees are insured under a group insurance policy. The Group operates a group insurance scheme for its permanent employees.

(e) **Workers Profit Participation Fund and Welfare Fund**

The Company allocates 5% of net profit before tax after charging such expenses as Allocation to Workers Profit Participation Fund and Welfare Fund in accordance with the Bangladesh Labor Act, 2006 (as amended).

3.10 Income tax

Income tax expense comprises current and deferred taxes calculated adhering the applicable Income Tax Act and related regulations and applicable IFRSs. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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 rates used for the reporting periods are as follows:

<u>Year</u>	<u>Tax rate</u>
2023	22.5%
2022	25%

Deferred tax

Deferred tax is recognised in compliance with IAS 12 *Income Taxes*, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.11 Accruals, provisions and contingencies

(a) **Accruals**

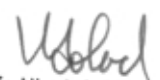
Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade payables and others.

(b) **Provisions**

As per IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, A provision is recognised 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 recognised 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 recognised as a finance cost.




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Corporate Affairs Division
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Asset Retirement Obligations (ARO) are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated expected cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The Company recognises ARO in respect of base station and office space. The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.

(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 recognised 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. We recognise any amount as an asset only if recovery of that amount is virtually certain.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company. Significant contingencies are disclosed in the notes to the financial statements.

3.12 Revenue from contract with customers

The Group receives revenue for supply of goods to external customers against orders received. The majority of contracts that the Group enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical, animal health, agro-based and consumer healthcare products.

Product revenue is recognized when control of the goods is passed to the customer. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer. Value added tax and other sales taxes are excluded from revenue.

Product revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognized in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly. The scheme has been recognized as per 5 step model of IFRS-15 "Revenue from contract with customers".


3.13 Leases

As per IFRS 16 Leases, a lessee recognizes a right-to-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e., lessors continue to classify leases as finance or operating leases. The standard is effective for annual periods beginning on or after 01 January 2019, but also with permission for early adoption.

The Group has applied the exemption for short-term leases and booked its rental payments as expenses in profit or loss given that the enforceable period of all its current contracts are cancellable in the short-term and has no purchase option.




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3.14 Foreign currency transactions

The financial statements are presented in BDT, which is Company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss as per IAS 21 The Effects of Changes in Foreign Exchange Rates. However, where any particular requirements of this standard conflicts with that of the laws and regulations being in force in Bangladesh, the later supersedes.

3.15 Earnings per share

The Group calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders of the parent entity. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders of the parent entity (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The Group presents basic earnings per share in the statement of profit or loss and other comprehensive income. The Group presents basic earnings per share with equal prominence for all periods presented. The Group presents basic earnings per share, even if the amounts are negative (i.e., a loss per share).

3.16 Statement of cash flows

Statement of cash flows has been prepared in accordance with the International Accounting Standard IAS-7, 'Statement of Cash Flows' under direct method. Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Group has presented the effect of exchange rate changes on cash and cash equivalents due to currency translation in the Statement of cash flow in accordance with IAS-7.

3.17 Related party disclosures

Relationship between a parent and its subsidiaries is disclosed irrespective of whether there have been transactions between them. The Group discloses key management personnel compensation. The Group discloses the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. The Group complies with IAS-24 "Related party disclosures" regarding these disclosures. The Group takes approval from its Board of Directors and post facto approval from the general body of its shareholders for related party transactions disclosed in the financial statements in compliance with BSEC Notification No. BSEC/CMRRCD/2009-193/2/Admin/118 dated March 22, 2021.

3.18 Events after the reporting period


Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified: adjusting events: those that provide evidence of conditions that existed at the end of the reporting period and non-adjusting events: those that are indicative of conditions that arose after the reporting period.

3.19 Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance. The Group's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practices.




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Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The senior management of the Group carefully manages its exposure to credit risk. Credit exposures arise principally in receivables from customers into the Group's asset portfolio. The credit risk management and control are controlled through the credit policies of the Group which are updated regularly. The Group is also exposed to other credit risks arising from balances with banks which are controlled through board approved counterparty limits.

Liquidity risk

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

The Group's approach toward 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 Group's reputation. Typically, management ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including the servicing of financial obligations through preparation of the cash forecast prepared based on time line of payment of the financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due date.

Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate and currency, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads and foreign exchange rates.

a) Currency risk

The Group is exposed to currency risk on certain receivables and payables such as receivables from foreign customers and payables for import of raw materials, machinery and equipment. The majority of the Group's foreign currency transactions is denominated in US Dollar and relates to procurement of raw materials, machinery and equipment from abroad.

b) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce losses in the event that unexpected movements arise.

3.20 Auditor of subsidiaries

Name of the Company	Relationship	Name of the Auditors
Renata (UK) Limited	Subsidiary	Exempted from Audit
Renata Pharmaceuticals (Ireland) Limited	Subsidiary	Exempted from Audit

As per section-477 of UK Companies Act 2006 and as per Section 359 and 360 of Ireland Companies Act 2014, both Renata UK limited and Renata Pharmaceuticals (Ireland) Limited is exempted from Audit.

3.21 Standards issued but not yet effective


The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements.


- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).

4 Director's responsibilities statement

The Board of Directors is responsible for the preparation and presentation of the separate and the consolidated financial statements.




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5 Property, plant and equipment
Separate and consolidated financial statements

Property, plant and equipment as at 30 June 2023
Reconciliation of carrying amount


<i>In Taka</i>	Freehold land (revalued)	Buildings (revalued)	Plant and machinery	Automobiles	Office equipment	Furnitures and fixtures	Capital work in progress	Total
Cost								
Balance at 1 July 2021	1,845,287,751	4,701,220,892	11,315,712,113	580,233,927	632,095,237	355,308,546	3,803,865,530	23,233,723,996
Additions	582,420,185	41,036,643	71,050,788	234,372,840	75,775,306	26,906,293	9,061,374,661	10,092,936,717
Due to merger of Renata Agro Industries Limited and Purnava Limited	121,655,045	412,555,175	262,786,978	62,431,476	13,646,355	4,556,455	85,234,411	962,865,895
Transfers from CWIP		268,635,443	866,678,480	2,466,904	10,962,534	16,977,252	(1,165,720,613)	-
Disposals/adjustment	-	(36,977,709)	(47,038,744)	(128,375,150)	(6,769,994)	(786,040)		(219,947,637)
Balance at 30 June 2022	2,549,362,981	5,386,470,445	12,469,189,616	751,129,997	725,709,439	402,962,506	11,784,753,990	34,069,578,971
Balance at 1 July 2022	2,549,362,981	5,386,470,445	12,469,189,616	751,129,997	725,709,439	402,962,506	11,784,753,990	34,069,578,974
Additions during the year	69,224,550	40,821,291	129,952,893	46,085,606	120,571,443	39,484,023	5,318,374,933	5,764,514,739
Transfers from CWIP		148,339,330	1,097,728,121		12,862,481	6,597,951	(1,265,527,884)	-
Disposals/adjustment	(28,683,183)	-	(922,536)	(48,011,497)	(104,125)	(54,200)		(77,775,542)
Balance at 30 June 2023	2,589,904,348	5,575,631,067	13,695,948,094	749,204,107	859,039,239	448,990,280	15,837,601,039	39,756,318,171
Accumulated depreciation								
Balance at 1 July 2021		945,295,209	4,591,368,259	390,701,077	347,986,291	141,120,583		6,416,471,419
Depreciation for the year		167,759,873	758,760,688	100,222,506	61,724,514	32,791,154		1,121,258,736
Due to merger of Renata Agro Industries Limited and Purnava Limited		171,838,667	164,555,002	51,623,057	12,226,580	4,197,606		404,440,912
Adjustment for disposal/transfers		(36,977,709)	(43,700,776)	(126,855,710)	(6,769,994)	(786,041)		(215,090,230)
Balance at 30 June 2022	-	1,247,916,041	5,470,983,173	415,690,931	415,167,392	177,323,302	-	7,727,080,837
Balance at 1 July 2022	-	1,247,916,041	5,470,983,173	415,690,931	415,167,392	177,323,302	-	7,727,080,839
Depreciation for the year		98,614,350	834,621,879	(9,033,585)	71,675,365	37,026,451		1,032,904,461
Adjustment for disposal/transfers		-	(922,536)	(37,288,444)	(34,671)	(54,200)		(38,299,851)
Balance at 30 June 2023	-	1,346,530,392	6,304,682,517	369,368,902	486,808,087	214,295,554	-	8,721,685,449
Carrying amounts								
Balance at 30 June 2022	2,549,362,981	4,138,554,404	6,998,206,443	335,439,066	310,542,047	225,639,204	11,784,753,990	26,342,498,135
Balance at 30 June 2023	2,589,904,348	4,229,100,675	7,391,265,577	379,835,205	372,231,152	234,694,726	15,837,601,039	31,034,632,722


a) Allocation of depreciation

<i>In Taka</i>	<i>Note</i>	30 June 2023	30 June 2022
Cost of sales		945,208,975	945,485,143
Administrative expenses		8,202,074	14,548,804
Selling, marketing and distribution expenses		79,493,423	161,224,787
		1,032,904,472	1,121,258,734

Depreciation has been allocated to cost of sales, administrative expense and selling marketing and distribution expense based on cost centre and location of the assets


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Amount in Taka	
30 June 2023	30 June 2022

5.1 Capital work-in-progress

Separate and consolidated financial statements

Opening balance

Add: Amount of Renata Agro Industries Limited as at 01 July 2021 due to merger

Add: Addition during the year

Less: Capitalized as property, plant and equipment

11,784,753,989	3,803,865,530
-	85,234,411
5,318,374,933	9,061,374,661
17,103,128,920	12,950,474,602
1,265,527,884	1,165,720,613
15,837,601,036	11,784,753,989

This represents mainly construction of buildings for Bhaluka general manufacturing facility, Bhaluka central finished goods and raw material store, Habirbari PPF-3 manufacturing facility, Rajendrapur oncology injectable facility, Oncology solid facility, Rajendrapur PPF-2 warehouse, extension of Rajendrapur general manufacturing facility, extension of Rajendrapur PPF-2 manufacturing facility, extension of Mirpur nutrition facility, Tangail depot, extension of Mirpur QC lab, Rajendrapur pellet and softgel facility, extension of Turag depot, extension of Korotoa depot, extension of Kirtonkhola depot, installation of plant and machinery, their components and other fixed assets procured from foreign and local vendors.

5.2 The break down of capitalized property, plant and equipment is as follows:

Separate and consolidated financial statements

Buildings

Plant and machinery

Office equipment

Furniture and fixtures

Automobiles

148,339,330	268,635,443
1,097,728,121	866,678,480
12,862,481	10,962,534
6,597,951	16,977,252
-	2,466,904
1,265,527,883	1,165,720,613

5.3 Gain/loss on disposal of property, plant and equipment

Separate and consolidated financial statements

					Amount in Taka	
	Cost	Accumulated depreciation	Net book value	Sale proceeds	30 June 2023	30 June 2022
Property, plant and equipment	76,853,005	37,377,315	39,475,691	171,745,896	132,270,205	24,191,834

5.4 Change in estimates

The useful life of automobile has been extended to 6 years with a 25% residual value from 4 years with no residual value, and the useful lives of the Head office as well as the Manufacturing buildings have been increased to 50 years from 20 years and 50 years from 33 years respectively. The actual impact on depreciation of the assets capitalised as at 30 June 2023 and the estimated impact on the same for the next fiscal year are set out below:

Decrease in depreciation expense


Automobile


Building

Amount in Taka	
30 June 2023	30 June 2024
141,012,988	138,959,210
74,147,997	74,147,997
215,160,985	213,107,207




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Amount in Taka	
30 June 2023	30 June 2022

6 Intangible assets

Separate and consolidated financial statements

In Taka

Cost

Balance at 1 July 2021

Additions

Balance at 30 June 2022

Balance at 1 July 2022

Additions

Balance at 30 June 2023

Accumulated amortisation

Balance at 1 July 2021

Amortisation

Balance at 30 June 2022

Balance at 1 July 2022

Amortisation

Balance at 30 June 2023

Carrying amounts

At 30 June 2022

At 30 June 2023

	Oracle-ERP	Others	Total
Balance at 1 July 2021	321,007,004	22,946,358	343,953,362
Additions	-	6,513,282	6,513,282
Balance at 30 June 2022	321,007,004	29,459,640	350,466,645
Balance at 1 July 2022	321,007,004	29,459,640	350,466,645
Additions	-	5,130,256	5,130,256
Balance at 30 June 2023	321,007,004	34,589,896	355,596,900
Balance at 1 July 2021	133,320,118	6,799,948	140,120,067
Amortisation	40,125,876	2,562,671	42,688,547
Balance at 30 June 2022	173,445,994	9,362,619	182,808,613
Balance at 1 July 2022	173,445,994	9,362,619	182,808,613
Amortisation	13,838,584	11,421,058	25,259,642
Balance at 30 June 2023	187,284,578	20,783,678	208,068,255
At 30 June 2022	147,561,010	20,097,021	167,658,030
At 30 June 2023	133,722,426	13,806,218	147,528,645

6.1 Allocation of amortization

Cost of sales

Administrative expenses

Selling, marketing and distribution expenses

Cost of sales	8,844,100	14,194,381
Administrative expenses	2,576,958	5,600,329
Selling, marketing and distribution expenses	13,838,584	22,893,836
	25,259,642	42,688,546

Amortisation has been allocated to cost of sales, administrative expense and selling marketing and distribution expense based on cost centre and location of the assets

6.2 Change in estimates

The useful life of Oracle ERP has been extended to 17 years from 8 years and the same for other intangibles are reduced to 5 years from 10 years. The actual impact on amortisation of the assets capitalised as at 30 June 2023 and the estimated impact on the same for the next fiscal year are set out below:


Decrease in amortisation expense

Amount in Taka	
30 June 2023	30 June 2024
17,945,302	17,945,302
17,945,302	17,945,302




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Amount in Taka	
30 June 2023	30 June 2022

7 Investment in subsidiaries

	No. of shares		
Renata (UK) Limited (Note-7.1)	867,379	95,000,110	110
Renata Pharmaceuticals (Ireland) Limited (Note-7.2)	1,000,079	95,009,610	9,610
		190,009,720	9,720

7.1 Investment in subsidiary company - Renata (UK) Limited

Renata Limited acquired 100% of equity interest in Renata (UK) Limited on 9 April 2018. During the year Renata (UK) Limited issued further 867,378 shares with additional purchase consideration with regard to the acquisition of the share amounted to GBP 867,378 being face value of the share. Renata Limited and Renata (UK) Limited have been operating under common control.

7.2 Investment in subsidiary company - Renata Pharmaceuticals (Ireland) Limited

Renata Limited acquired 100% of equity interest in Renata Pharmaceuticals (Ireland) Limited on 24 April 2019. During the year Renata Pharmaceuticals (Ireland) Limited issued further 999,979 shares with additional purchase consideration with regard to the acquisition of the share amounted to Euro 999,979 being face value of the share. Renata Limited and Renata Pharmaceuticals (Ireland) Limited have been operating under common control.

8 Inventories

Separate and consolidated financial statements

Finished goods			
- Pharmaceutical		1,441,364,434	1,385,865,274
- Animal health		803,885,008	777,197,665
- Consumer products		29,013,025	98,419,533
- Agro-based products		4,583,229	3,880,719
		2,278,845,696	2,265,363,191
Work-in-process		860,369,336	451,379,546
Raw materials		766,767,907	764,877,638
Raw materials- agro-based products		16,095,720	34,059,781
Bulk materials		2,626,182,676	2,731,913,856
Packing materials		822,182,082	810,309,156
Consumable stores, spares and reagent materials		966,993,162	673,578,638
Stock in transit		1,374,618,924	887,676,746
		9,712,055,501	8,619,158,552
Provision for obsolete inventories		(163,647,496)	(133,557,124)
		9,548,408,005	8,485,601,428

9 Trade and other receivables

Trade receivables		3,739,387,719	3,407,104,287
Value Added Tax (VAT) recoverable		545,026,937	515,102,604
Other receivables		77,632,646	95,873,849
		4,362,047,302	4,018,080,740
Allowances for doubtful receivables		(291,865,563)	(152,769,621)
		4,070,181,739	3,865,311,119

9.1 Consolidated trade and other receivables

Trade receivables		3,739,387,719	3,407,104,287
Value Added Tax (VAT) recoverable		545,026,937	515,102,604
Other receivables		72,821,319	95,704,511
		4,357,235,975	4,017,911,402
Allowances for doubtful receivables		(291,865,563)	(152,769,621)
		4,065,370,412	3,865,141,782

10 Advances, deposits and prepayments


Advances		885,148,231	707,002,560
Deposits		154,918,079	126,112,651
Prepayments		8,034,020	8,128,084
		1,048,100,331	841,243,294


10.1 Consolidated advances, deposits and prepayments

Advances		885,148,231	707,002,560
Deposits		155,092,172	126,112,651
Prepayments		8,034,020	8,128,084
		1,048,274,423	841,243,294




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Amount in Taka	
30 June 2023	30 June 2022

11 Investment in shares and FDR		
Separate and consolidated financial statements		
Investment in shares	84,136,459	87,063,008
Investment in FDR	471,707,212	1,447,653,996
	555,843,670	1,534,717,004
12 Cash and cash equivalents		
Cash in hand	1,075,476	3,722,525
Cash at bank	1,835,670,503	774,814,795
	1,836,745,979	778,537,319

Cash at bank as at reporting date includes Taka 28,287,839 (2022: Taka 25,316,159) equivalent to the unclaimed dividend to shareholders and is therefore treated as restricted cash balance.

12.1 Consolidated cash and cash equivalents		
Cash in hand	1,075,476	3,722,635
Cash at bank	2,128,316,288	774,851,145
	2,129,391,764	778,573,780

Consolidated cash at bank as at reporting date includes Taka 28,287,839 (2022: Taka 25,316,159) equivalent to the unclaimed dividend to shareholders and is therefore treated as restricted cash balance.

13 Share capital		
Authorized share capital		
285,000,000 ordinary shares of Tk. 10 each	2,850,000,000	2,850,000,000

During the amalgamation, as per the Judgement of the Honorable High Court Division of the Supreme Court of Bangladesh, the authorized share capital of the Transferor Companies (Renata Agro Industries Limited and Purnava Limited) stand added and be part of the authorized share capital of the Transferee Company (Renata Limited).

Issued, subscribed and paid up capital		
In issue at 01 July	1,071,929,820	974,481,660
7,503,508 (2022: 9,744,816 shares) ordinary shares of Tk.10 each issued as bonus share	75,035,080	97,448,160
	1,146,964,900	1,071,929,820

As at 30 June 2023, the shareholding position of the Company was as follows:

Name of the shareholders	Nationality/ incorporated in	Number of shares	Face value Taka	% of total shareholdings
Sajida Foundation	Bangladesh	58,598,500	585,985,000	51.09%
Business Research International Corp. Inc.	Panama	24,787,762	247,877,620	21.61%
Shadharan Bima Corporation	Bangladesh	4,749,347	47,493,470	4.14%
ICB Unit Fund	Bangladesh	3,894,016	38,940,160	3.40%
Investment Corporation of Bangladesh	Bangladesh	5,017,937	50,179,370	4.37%
Other shareholders	Bangladesh & others	17,648,928	176,489,280	15.39%
		114,696,490	1,146,964,900	100%

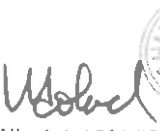
As at 30 June 2023, the classification of shareholders of the Company by holdings was as follows:

Holdings	No. of shareholders as per folio	No. of shareholders as per BOID	No. of total shareholders	No. of total shareholdings	% of total shareholdings
Less than 500 shares	80	6,756	6,836	554,509	0.48%
501 to 5000 shares	25	1,174	1,199	1,863,126	1.62%
5,001 to 10,000 shares	10	155	165	1,146,478	1.00%
10,001 to 20,000 shares	6	94	100	1,379,354	1.20%
20,001 to 30,000 shares	3	48	51	1,230,798	1.07%
30,001 to 40,000 shares	1	15	16	547,577	0.48%
40,001 to 50,000 shares	1	10	11	495,702	0.43%
50,001 to 100,000 shares	2	33	35	2,376,197	2.07%
100,001 to 1,000,000 shares	-	29	29	8,160,610	7.11%
Over 1,000,000 shares	1	5	6	96,942,139	84.52%
	129	8,319	8,448	114,696,490	100%

14 Other reserves

The deficit amounts of Tk. 43,065,180 and Tk. 164,495,567 and the surplus amount of Tk. 426,898,535 of the net assets of Renata Oncology Limited, Purnava Limited and Renata Agro Industries Limited respectively have been transferred and debited/ credited (as applicable) to 'Other reserves' in the books of Renata Limited pursuant to their Schemes of Amalgamation.


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Finance Division
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Md. Jubayer Alam
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Corporate Affairs Division
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		Amount in Taka	
		30 June 2023	30 June 2022
15	Fair value reserve Separate and consolidated financial statements		
	Opening balance	26,568,540	24,775,182
	Fair value adjustment on investment in shares, net of tax	(2,633,894)	1,793,358
	Realised gain on disposal of shares	-	197,467
	Transfer between reserves- realised gain on disposal of shares	-	(197,467)
		23,934,646	26,568,540
16	Retained earnings		
	Opening balance	27,941,598,635	24,340,254,640
	Net profit after tax for the year	2,317,958,037	5,110,957,210
	Bonus share issued	(75,035,080)	(97,448,160)
	Final dividend (cash dividend)	(1,500,701,748)	(1,412,998,407)
	Depreciation adjustment on revalued assets	635,885	635,885
	Transfer between reserves- realised gain on disposal of shares	-	197,467
	Adjustment of deferred tax liability due to change of tax rate	(20,386,715)	-
		28,664,069,015	27,941,598,635
16.1	Consolidated retained earnings		
	Opening balance	27,941,462,335	24,601,846,926
	Net profit after tax for the year	2,339,243,587	5,110,917,432
	Bonus share issued	(75,035,080)	(97,448,160)
	Final dividend (cash dividend)	(1,500,701,748)	(1,412,998,407)
	Depreciation adjustment on revalued assets	635,885	635,885
	Other comprehensive income due to exchange difference	52,975,494	-
	Adjustment of deferred tax liability due to change of tax rate	(20,386,716)	-
	Transfer to Other reserves due to merger of Renata Agro Industries Limited	-	(262,402,968)
	Adjustment of provision for unrealised profit due to merger of Renata Agro Industries Limited and Purnava Limited	-	661,449
	Adjustment of non-controlling interests due to merger of Renata Agro Industries Limited and Purnava Limited	-	52,711
	Transfer between reserves- realised gain on disposal of shares	-	197,467
		28,738,193,757	27,941,462,335

17	Loan and borrowings Separate and consolidated financial statements	30 June 2023		30 June 2022	
		Non-current	Current	Non-current	Current
	Long term loan (Note: 17.1)	3,401,914,023	1,741,451,554	-	-
	Short term bank loan (Note: 17.2)	-	8,974,187,490	-	8,840,495,635
	Overdrafts (Note: 17.2)	-	163,173,757	-	55,970,771
		3,401,914,023	10,878,812,800	-	8,896,466,406

17.1 Long term loan

17.1 (i) Standard Chartered Bank

Sanction limit: Taka 1,500,000,000

Security:

i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.

ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 Years

Purpose: Capital Machinery Purchase

17.1 (ii) Bank Asia Limited

Sanction limit: Taka 600,000,000

Security:

i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.

ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.


iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 years

Purpose: Capital Machinery Purchase




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17.1 (iii) BRAC Bank Limited

Sanction limit: Taka 1,250,000,000

Security:

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 years

Purpose: Capital Machinery Purchase

17.1 (iv) The City Bank Limited

Sanction limit: Taka 1,000,000,000

Security:

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 years

Purpose: Capital Machinery Purchase

17.1 (v) Dutch-Bangla Bank

Sanction limit: Taka 1,500,000,000

Security:

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 years

Purpose: Capital Machinery Purchase

17.1 (vi) IDLC Finance Limited

Sanction limit: Taka 236,000,000

Security:

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of the bank.

Tenure: 4 years

Purpose: Capital Machinery Purchase

17.2 Short term loan and overdrafts

17.2 (i) Eastern Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 20 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance


Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 1958.7 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


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Corporate Affairs Division
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17.2 (ii) The City Bank Limited

Letter of credit/ Acceptance (Sight/Usance)/ Import finance/ Short term loan

Purpose : To import API, excipient, packing and finished materials, to retire sight letter of credit documents opened for procurement of API, excipient, packing and finished materials, and for payment of duty and other charges related to import and VAT.
Facility limit : Combined Taka . 2,500 million.
Repayment : Within 180 days from the date of disbursement.

Overdraft

Purpose : To meet the day to day operating, promotional, and marketing expenses.
Facility limit : Taka . 100 million
Repayment : Within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited with RJSC on pari-passu security sharing basis with the existing lenders.

17.2 (iii) Standard Chartered Bank

Letter of credit/ Loan against trust receipt (LATR)/ Acceptance

Purpose : To import raw materials, packing materials, capital machinery, spares and other items required for regular course of business, for retirement of documents of only sight letter of credits, and to provide acceptance against letter of credits issued by the bank.
Facility limit : Combined Taka . 3,100 million.
Repayment : Within 180 days from the date of disbursement.

Overdraft

Purpose : For working capital purposes.
Facility limit : Taka . 150 million.
Repayment : Within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

17.2 (iv) Citibank N. A.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To open letter of credits for import of raw materials, packing materials, capital machinery, spares and other items required for regular course of business, and to refinance import letter of credits.
Facility limit : Combined Taka 3,150 million
Repayment : Within 180 days from the date of disbursement.

Short term loan

Purpose : To finance local purchase of active and raw materials, packing materials, capital machinery, spares and other items required for regular course of business.
Facility limit : Taka 510 million.
Repayment : Within 180 days from the date of disbursement.

Overdraft

Purpose : To finance regular selling, general and administrative expenses.
Facility limit : Taka 170 million.
Repayment : Within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

17.2 (v) Bank Asia Limited

Revolving letter of credit

Purpose : To import raw materials, machineries and spare parts for the Company.
Facility limit : Taka . 3,000 million.
Repayment : Within 180 days from the date of disbursement.

Revolving LATR

Purpose : Retirement of documents of only sight letter of credits.
Facility limit : Taka . 600 million.
Repayment : Within 180 days from the date of disbursement.



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Renata Limited

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Finance Division
Renata Limited

Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Overdraft

Purpose : For payment of duty VAT, taxes and operating expenses.
 Facility limit : Taka . 250 million.
 Repayment : Within 365 days from the date of disbursement.

Revolving demand loan

Purpose : For procurement of pharmaceuticals and packing materials from local sources.
 Facility limit : Taka . 150 million.
 Repayment : Within 180 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

17.2 (vi) Commercial Bank of Ceylon PLC**Revolving letter of credit**

Purpose : To import raw materials, machineries and spare parts for the Company.
 Facility limit : Combined Taka . 3,500 million.
 Repayment : Within 180/365 days from the date of disbursement.

Revolving LATR

Purpose : Retirement of documents of only sight letter of credits.
 Facility limit : Taka . 750 million.
 Repayment : Within 180 days from the date of disbursement.

Overdraft/STL

Purpose : For payment of duty VAT, taxes and operating expenses.
 Facility limit : Overdraft Taka 250 million and STL 750 million.
 Repayment : STL within 180 days and overdraft within 365 days from the date of disbursement.

Revolving demand loan

Purpose : For procurement of pharmaceuticals and packing materials from local sources.
 Facility limit : Taka . 3,250 million.
 Repayment : Within 180 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

17.2 (vii) Brac Bank Limited

Purpose : To import of raw materials, packing materials, capital machinery, spares and other items required for regular course of business, and to refinance import letter of credits.
 Facility limit : Combined Taka . 2,550 million
 Repayment : Within 180/360 days from the date of disbursement.

Revolving letter of credit

Purpose : To import raw materials, machineries and spare parts for the Company.
 Facility limit : Combined Taka . 2,500 million.
 Repayment : Within 180 days from the date of disbursement.

Revolving LATR

Purpose : Retirement of documents of only sight letter of credits.
 Facility limit : Taka . 2,500 million.
 Repayment : Within 180 days from the date of disbursement.

Overdraft/STL

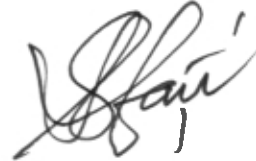
Purpose : For payment of duty VAT, taxes and operating expenses
 Facility limit : Overdraft Taka 50 million and STL 1,000 million.
 Repayment : STL within 180 days and overdraft within 365 days from the date of disbursement.


Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.

17.2 (viii) Meghna Bank Limited**Overdraft**

Purpose : To finance overhead cost and duty payment.
 Facility limit : Taka . 50 million.
 Repayment : Within 365 days from the date of disbursement.


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 Md. Jubayer Alam
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 Renata Limited

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 1663 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (ix) Mutual Trust Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 1400 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (x) National Credit & Commerce Bank Ltd

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 2500 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (xi) One Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 1400 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.


Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.




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Corporate Affairs Division
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17.2 (xii) Prime Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka , 1400 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (xiii) Dutch Bangla Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 3000 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (xiv) Dhaka Bank Limited

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 100 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 1000 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.

Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.

17.2 (xv) HSBC Bank Bangladesh

Overdraft

Purpose : To finance overhead cost and duty payment.
Facility limit : Taka . 30 million.
Repayment : Within 365 days from the date of disbursement.

Letter of credit/ Acceptance (Sight/Usance)/ Import finance

Purpose : To import plant and machinery and raw materials.
Facility limit : Combined Taka . 4400 million.
Repayment : Loan against trust receipt within 180 days and UPAS within 365 days from the date of disbursement.


Security

- i) First charge over all present and future inventories and trade receivable of Renata Limited under pari-passu security sharing agreement.
- ii) First charge over all present and future plant and machinery of Renata Limited jointly as above.
- iii) Registered hypothecation by way of pari-passu with RJSC on entire inventory book debts and other floating assets and plant and machinery of the Company in favor of Eastern Bank Limited.




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Corporate Affairs Division
Renata Limited

18 Deferred tax liabilities

Separate and consolidated financial statements

Opening balance

Amount of Renata Agro Industries Limited and Purnava Limited as at 01 July 2021 due to merger

Addition during the year

Amount in Taka	
30 June 2023	30 June 2022
1,405,428,896	1,368,214,166
-	1,060,700
(215,776,129)	36,154,030
1,189,652,767	1,405,428,896

Computation of deferred tax for the year ended 30 June 2023

	Carrying amount	Tax base	Taxable/ (deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Taka	Taka
Property, plant and equipment	12,933,788,061	6,336,417,019	6,597,371,042	1,303,814,739
Provision for doubtful debt	(291,865,563)	-	(291,865,563)	(58,373,113)
Provision for obsolete inventories	(163,647,496)	-	(163,647,496)	(32,729,499)
Earned Leave provision	(426,305,907)	-	(426,305,907)	(85,261,181)
Defined Benefit Asset	297,712,192	-	297,712,192	59,542,438
Investment in shares	84,136,460	57,542,627	26,593,833	2,659,383
Deferred tax liabilities/(assets) as at 30 June 2023				1,189,652,767
Deferred tax liabilities/(assets) as at 30 June 2022				1,405,428,896
Increase in deferred tax liabilities/(assets) during the year				(215,776,129)

Allocation of deferred tax liabilities/(assets) during the year

Charged to fair value reserve (OCI)	(292,655)
Changed for remeasurement of Actuarial Loss/(gain)-OCI	76,890,032
Adjustment for reduction of revaluation surplus due to charges of extra depreciation	(127,177)
Charged to profit or loss	(292,246,329)
	(215,776,129)

Computation of deferred tax for the year ended 30 June 2022

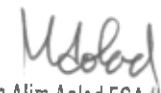
	Carrying amount	Tax base	Taxable/ (deductible) temporary difference	Deferred tax liabilities/ (assets)
	Taka	Taka	Taka	Taka
Property, plant and equipment	12,355,171,273	5,791,271,386	6,563,899,887	1,438,829,742
Provision for doubtful debt	(152,769,621)	-	(152,769,621)	(34,373,165)
Provision for gratuity	(8,798,751)	-	(8,798,751)	(1,979,719)
Investment in shares	87,063,008	57,542,628	29,520,380	2,952,038
Deferred tax liabilities/(assets) as at 30 June 2022				1,405,428,896
Deferred tax liabilities/(assets) as at 30 June 2021				1,368,214,166
Amount of Renata Agro Industries Limited and Purnava Limited as at 01 July 2021 due to merger				1,060,700
Increase in deferred tax liabilities/(assets) during the year				36,154,030


Allocation of deferred tax liabilities/(assets) during the year

Charged to fair value reserve (OCI)	199,239
Adjustment for reduction of revaluation surplus due to charges of extra depreciation	(143,075)
Charged to profit or loss	36,097,866
	36,154,030




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Corporate Affairs Division
Renata Limited

		Amount in Taka	
		30 June 2023	30 June 2022
19	Trade and other payables		
	Payable to suppliers	671,918,201	480,090,723
	Other payables	759,383,411	169,421,061
		1,431,301,612	649,511,784
19.1	Consolidated trade and other payables		
	Payable to suppliers	671,918,201	480,090,723
	VAT and other payables	776,823,442	169,421,061
		1,448,741,643	649,511,784
20	Accruals and provisions		
	Advance from customers	18,331,879	15,980,905
	Workers' participation fund	41,380,300	10,980,525
	Provident fund	47,974,278	-
	Export commission payable	94,780,686	50,154,477
	Accrued interest	175,824,819	57,342,452
	Other accruals and provisions	474,662,313	480,873,411
		852,954,275	615,331,770
	Provident fund has been transferred to Renata Provident Fund account subsequently.		
20.1	Consolidated accruals and provisions		
	Advance from customers	18,331,879	15,980,905
	Workers' participation fund	41,380,300	10,980,525
	Provident fund	47,974,278	-
	Export commission payable	94,780,686	50,157,791
	Accrued interest	175,824,801	57,342,452
	Other payable	474,652,703	480,863,801
	Accrued expenses	297,634	-
		853,242,281	615,325,474
	Provident fund has been transferred to Renata Provident Fund account subsequently.		
21	Provision for taxation		
	Opening balance	1,003,839,309	1,335,048,994
	Amount of Renata Agro Industries Limited and Purnava Limited due to merger	-	23,018,612
	Provision made during the year	450,151,392	975,613,222
		1,453,990,711	2,333,680,828
	Payment made during the year	(1,042,373,439)	(1,329,841,519)
	Adjustment made during the year	1,378,466	-
		412,995,737	1,003,839,309
21.1	Consolidated provision for taxation		
	Opening balance	1,003,839,309	1,358,067,606
	Provision made during the year	456,297,453	975,613,222
		1,460,136,762	2,333,680,828
	Payment made during the year	(1,042,373,439)	(1,329,841,519)
	Adjustment made during the year	1,378,466	-
		419,141,789	1,003,839,309




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Amount in Taka	
30 June 2023	30 June 2022

22 Employee benefits

Separate and consolidated financial statements

Amounts recognized in the statement of financial position

Defined benefit obligation	(1,186,210,222)	(1,423,607,609)
Fair value of plan assets	1,483,922,414	1,414,808,858
Net defined benefit Assets/(obligation)	<u>297,712,192</u>	<u>(8,798,751)</u>

Change in benefit obligation

Benefit obligation at end of prior year	(1,423,607,609)	(1,364,700,000)
Service cost	(101,293,949)	(109,200,000)
Interest expense	(117,447,628)	(112,600,000)
Actuarial (gain)/loss due to liability experience	(115,105,196)	(32,507,609)
Actuarial (gain)/loss - demographic assumptions	335,494,176	-
Remeasurements due to change in financial assumptions	171,259,909	129,000,000
(Return) on plan assets (excl. interest income)	64,490,075	66,400,000
Defined benefit obligation at end of year	<u>(1,186,210,222)</u>	<u>(1,423,607,609)</u>

Change in fair value of plan assets

Fair value of plan assets at end of prior year	1,414,808,858	1,357,800,000
Interest income	115,120,876	59,500,000
Employer contributions	25,681,483	45,500,000
Benefit payments from plan assets	(64,490,075)	(66,400,000)
Remeasurements for return on assets (excluding interest income)	(7,198,728)	18,408,858
Fair value of plan assets at end of year	<u>1,483,922,414</u>	<u>1,414,808,858</u>

Fair value of plan assets

Cash and cash equivalents	1,483,922,414	1,414,808,858
	<u>1,483,922,414</u>	<u>1,414,808,858</u>

Components of Defined Benefit Cost (DBO)

Service cost	101,293,949	109,200,000
Net Interest expense on DBO	2,326,751	53,100,000
Defined benefit cost included in profit or loss	<u>103,620,700</u>	<u>162,300,000</u>

Allocation of service cost

Cost of sales	25,783,268	25,100,000
Administrative expenses	4,645,397	6,500,000
Selling, marketing and distribution expenses	70,865,284	77,600,000
	<u>101,293,949</u>	<u>109,200,000</u>

Remeasurements (recognized in other comprehensive income (OCI))

Actuarial (gain)/loss due to liability experience	115,105,196	32,507,609
Actuarial (gain)/loss due to liability assumption changes	(506,754,085)	(129,000,000)
(Return) on plan assets (excl. interest income)	7,198,728	(18,408,858)
Total remeasurements in OCI	<u>(384,450,161)</u>	<u>(114,901,249)</u>


Total defined benefit cost/(income) recognized in profit or loss and OCI

	<u>(280,829,461)</u>	<u>47,398,751</u>
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Amount in Taka	
30 June 2023	30 June 2022

Note-22 Employee benefits (Continued)

Net defined benefit liability (asset) reconciliation		
Opening balance of net defined benefit liability (asset)	8,798,751	6,900,000
Defined benefit cost included in profit or loss	103,620,700	162,300,000
Total remeasurements included in OCI	(384,450,161)	(114,901,249)
Employer contributions	(25,681,483)	(45,500,000)
Net defined benefit liability (asset) as of end of year	<u>(297,712,193)</u>	<u>8,798,751</u>

Expected cash flows for following year

Expected employer contributions	116,147,864
Expected total benefit payments	
Year 1	87,000,078
Year 2	82,846,040
Year 3	94,938,837
Year 4	95,427,892
Year 5	102,238,988
Next 5 years	550,390,081

Significant actuarial assumptions

Discount rate in %	8.75%	8.25%
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Sensitivity analysis

A change of 1% basis in following significant assumptions would have increased/ (decreased) defined benefit obligation of the company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.


	As at 30 June 2023	
	1% increase BDT (000)	1% decrease BDT (000)
Discount rate in %	(96,839,737)	111,827,960

Significant characteristics of plan

Plan sponsor:	Renata Limited
Nature of benefits:	Final salary defined benefit plan
Risks associated with the plan:	Plan sponsor bears all the risks associated with the plan
Applicable salary:	Last drawn monthly basic salary
Maximum limit of benefit paid:	No upper limit on benefit
Basis of gratuity:	Accrued benefit
Normal retirement age:	60 years




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	2022-2023			2021-2022
	Gross Turnover	Less: VAT	Turnover (net)	Turnover (net)
23 Turnover				
Pharmaceutical products	30,560,665,091	4,231,942,672	26,328,722,419	24,841,673,750
Animal health products	6,505,819,243	531,529,573	5,974,289,670	5,362,101,206
Agro-based products	250,135,125	-	250,135,125	251,123,756
Consumer products	330,438,751	18,889,188	311,549,563	615,655,836
	37,647,058,210	4,782,361,433	32,864,696,777	31,070,554,548

Amount in Taka	
2022-2023	2021-2022

23.1 Consolidated turnover (net)		
Renata Limited	32,864,696,777	31,070,554,548
Renata (UK) Limited	77,117,938	-
Renata Pharmaceuticals (Ireland) Limited	28,941,645	-
	32,970,756,360	31,070,554,548


24 Cost of sales		
Separate and consolidated financial statements		
Raw materials consumed - (Note-24.1)	13,927,537,116	12,034,764,140
Factory overhead - (Note-24.2)	6,680,714,300	5,000,263,242
Manufacturing costs	20,608,251,416	17,035,027,382
Add: Opening work-in-process	451,379,546	232,605,418
	21,059,630,962	17,267,632,800
Less: Closing work-in-process	860,369,336	451,379,546
Cost of goods manufactured	20,199,261,626	16,816,253,254
Add: Opening finished goods	2,265,363,191	1,739,966,965
Add: Opening finished goods of Renata Agro Industries Limited and Purnava Limited as at 01 July 2021 due to merger	-	53,725,468
Cost of goods available for sale	22,464,624,818	18,609,945,687
Less: Closing finished goods	2,278,845,696	2,265,363,191
	20,185,779,122	16,344,582,496


24.1 Raw materials consumed		
Separate and consolidated financial statements		
Opening stock	4,341,160,431	2,970,817,716
Add: Opening stock of Transferor Companies as at 01	-	19,833,561
Add: Purchase during the year	13,817,605,069	13,385,273,294
Total materials available	18,158,765,500	16,375,924,571
Less: Closing stock	4,231,228,384	4,341,160,431
Raw materials consumed	13,927,537,116	12,034,764,140

24.2 Factory overhead		
Separate and consolidated financial statements		
Salaries and employee welfare	2,369,968,912	2,014,890,834
Travelling and conveyance	249,509,032	181,015,067
Supplies and consumables	745,742,119	301,026,075
Repairs and maintenance	758,537,942	560,813,288
Power and energy	1,295,113,557	752,649,437
Depreciation and amortisation	954,053,076	959,679,524
Other overheads	307,789,662	230,189,017
	6,680,714,300	5,000,263,242




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24.3 Purchases, issues and stocks of raw materials

Separate and consolidated financial statements

Purchases, issues and stocks of raw materials used in production of various finished goods formulations are measured and expressed in different units i.e. kilogram, activity, liter, pieces. In view of different units in use, the following table has been presented in value only.

Major material group	Amount in Taka			
	Opening stocks	Purchases	Consumption	Closing stocks
Bulk materials	2,731,913,856	7,789,617,231	7,895,348,412	2,626,182,675
Raw materials	764,877,638	2,551,664,292	2,549,774,024	766,767,906
Packing materials	810,309,156	3,258,798,475	3,246,925,551	822,182,080
Agro-based raw materials	34,059,781	217,525,071	235,489,129	16,095,723
	4,341,160,431	13,817,605,069	13,927,537,116	4,231,228,384

As per Part II of Schedule XI of the Companies Act, 1994 the quantities of raw materials, purchases and stocks should be expressed in quantitative denomination. However, this could not be provided as the Company deals with large number of products both locally made and imported.

Materials available in local market are procured from the local manufacturers. Materials are imported from the following countries either directly from the manufacturers or suppliers approved by the Drug Administration:

India	Japan	Italy	New Zealand
China	Thailand	Denmark	Indonesia
Hong Kong	South Korea	Spain	Argentina
Singapore	United States of America(USA)	Germany	Brazil
Malaysia	United Kingdom (UK)	Austria	Czech Republic

Amount in Taka	
2022-2023	2021-2022

25 Administrative expenses

Salaries and employee welfare	514,151,963	402,553,451
Travelling and conveyance	98,856,254	70,157,061
Supplies and consumables	54,561,180	14,087,437
Power and energy	24,298,964	16,018,488
Repairs and maintenance	85,602,412	74,135,751
Depreciation and amortisation	10,779,032	20,149,133
Other administrative expenses	274,474,551	150,693,272
	1,062,724,356	747,794,593

25.1 Consolidated administrative expenses


Renata Limited	1,062,724,356	747,794,593
Renata (UK) Limited	28,665,439	-
Renata Pharmaceuticals (Ireland) Limited	37,031,987	-
	1,128,421,782	747,794,593


26 Selling, marketing and distribution expenses

Separate and consolidated financial statements

Distribution expenses	1,077,091,283	875,678,393
Selling expenses	616,728,683	556,211,546
Marketing expenses	888,255,242	922,000,412
Free sample	189,197,554	159,833,820
Promotional expenses	229,493,456	169,149,313
Salaries and employee welfare	3,907,674,634	3,354,871,902
Travelling and conveyance	889,557,543	772,086,714
Supplies and consumables	102,406,092	94,458,326
Repairs and maintenance	128,528,507	110,356,063
Power and energy	35,974,378	37,086,052
Depreciation and amortisation	93,332,006	184,118,623
Other expenses	265,112,557	215,437,640
	8,423,351,935	7,451,288,804



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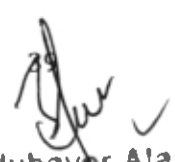

Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
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Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
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		Amount in Taka	
		2022-2023	2021-2022
27	Other income		
	Scrap sales and others	36,623,272	3,030,755
	Dividend income	5,478,833	5,045,314
	Cash incentive received against export	61,881,155	91,404,600
	Interest income	22,432,386	212,784,523
	Gain/ (loss) on disposal of property, plant and equipment (Note-5.3)	132,270,205	24,191,834
		258,685,850	336,457,026
27.1	Consolidated other income		
	Renata Limited	258,685,850	336,457,026
	Renata Pharmaceuticals (Ireland) Limited	1,541,471	-
		260,227,321	336,457,026
28	Finance costs		
	Interest expenses	567,658,018	127,933,182
	Exchange loss	235,437,636	279,125,386
	Bank charges	48,775,305	27,485,400
		851,870,959	434,543,968
28.1	Consolidated finance costs		
	Renata Limited	851,870,959	434,543,968
	Renata (UK) Limited	14,424,951	39,778
	Renata Pharmaceuticals (Ireland) Limited	47,066	-
		866,342,975	434,583,746
29	Tax expenses		
	Current tax	450,151,392	975,613,222
	Deferred tax	(292,246,329)	36,097,866
		157,905,063	1,011,711,088
29.1	Consolidated tax expenses		
	Current tax	456,297,453	975,613,222
	Deferred tax expense/(income)	(292,246,329)	36,097,866
		164,051,124	1,011,711,088
30	Net asset value (NAV) per share		
	The computation of NAV is given below:		
	Equity attributable to the ordinary shareholders	30,534,613,168	29,412,303,459
	Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
	Net asset value (NAV) per share	266.22	256.44
	Last year's NAV has been adjusted due to issuance of bonus shares.		
30.1	Weighted average number of ordinary shares outstanding during the year		
	Opening number of shares	107,192,982	
	Bonus shares issued during the year	7,503,508	
		114,696,490	


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Amount in Taka	
2022-2023	2021-2022

30.1.1 Consolidated net asset value (NAV) per share

The computation of NAV is given below:

Equity attributable to the ordinary shareholders	30,608,737,911	29,412,167,159
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Net asset value (NAV) per share	266.87	256.43

Last year's NAV has been adjusted due to issuance of bonus shares.

31 Basic earnings per share (EPS)

The computation of EPS is given below:

Earnings attributable to the ordinary shareholders (net profit after tax for the year)	2,317,958,037	5,110,957,210
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Basic earnings per share (EPS)	20.21	44.56

Last year's EPS has been adjusted as per the requirement of IAS 33 "Earnings Per Share".

31.1 Consolidated basic earnings per share (EPS)

The computation of EPS is given below:

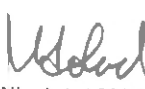
Earnings attributable to the ordinary shareholders (net profit after tax for the year)	2,339,243,587	5,110,957,210
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Basic earnings per share (EPS)	20.40	44.56

Last year's EPS has been adjusted as per the requirement of IAS 33 "Earnings Per Share".

32 Net cash flow from operating activities

Profit before tax	2,475,863,100	6,122,668,298
<i>Adjustments for:</i>		
Depreciation and amortization	1,058,164,103	1,169,034,360
Allowances for doubtful receivables	139,846,792	46,876,869
Finance costs	797,214,071	434,543,968
Gain on disposal of property, plant and equipment	(132,270,205)	(24,191,834)
Loss on agro products	-	6,404,969
Cash generated from operations before changes in working capital	4,338,817,861	7,755,336,630
<i>Adjustments for:</i>		
(Increase) in inventories	(1,062,806,578)	(2,464,242,980)
(Increase) in trade and other receivables	(204,870,620)	(185,886,702)
(Increase) in advances, deposits and prepayments	(206,857,036)	(249,277,871)
Increase in trade and other payables	772,991,076	92,093,638
Increase in accruals and provisions	237,622,505	(337,741,792)
Cash generated by operations	3,874,897,208	4,610,280,923
Finance costs	(797,214,071)	(271,099,653)
Payment of tax	(1,042,373,439)	(1,329,841,519)
Net cash flow from operating activities	2,035,309,698	3,009,339,751


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 Md. Jubayer Alam
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Amount in Taka	
2022-2023	2021-2022

32.1 Consolidated net cash flow from operating activities

Profit before tax	2,503,294,711	6,122,628,520
<i>Adjustments for:</i>		
Depreciation and amortization expenses	1,058,164,103	1,169,034,360
Allowances for doubtful receivables	139,846,792	46,876,869
Finance costs	811,686,087	434,583,746
(Gain)/ loss on disposal of property, plant and equipment	(132,270,205)	(24,191,834)
Loss on agro products	-	6,404,969
Cash generated from operations before working capital changes	4,380,721,488	7,755,336,630
<i>Adjustments for:</i>		
(Increase) in inventories	(1,062,806,578)	(2,464,242,980)
(Increase) in trade receivables	(200,228,630)	(185,886,702)
(Increase) in advances, deposits and prepayments	(207,031,129)	(249,277,871)
Increase in trade and other payables	790,431,107	92,093,638
Increase in accruals and provisions	237,911,495	(337,741,792)
Cash generated by operations	3,938,997,754	4,610,280,923
Finance costs	(811,686,087)	(271,136,116)
Payment of tax	(1,042,373,439)	(1,329,841,519)
Net cash flow from operating activities	2,084,938,228	3,009,303,288

33 Net operating cash flow per share

The computation of net operating cash flow per share is given below:

Net cash generated from operating activities	2,035,309,698	3,009,339,751
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Net operating cash flow per share	17.75	26.24

Last year's net operating cash flow per share has been adjusted due to issuance of bonus shares.


33.1 Consolidated net operating cash flow per share

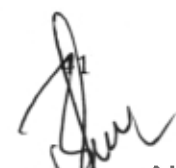
The computation of net operating cash flow per share is given below:

Net cash generated from operating activities	2,084,938,228	3,009,303,288
Weighted average number of ordinary shares outstanding during the year	114,696,490	114,696,490
Net operating cash flow per share	18.18	26.24

Last year's net operating cash flow per share has been adjusted due to issuance of bonus shares.


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

34 Financial instruments - fair values and risk management


Accounting classifications and fair values


The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount as at 30 June 2023 In Taka	Note	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
Financial assets measured at fair value					
Investment in share	11	84,136,459	-	-	84,136,459
Financial assets not measured at fair value					
Trade and other receivables	9.1	-	4,065,370,412	-	4,065,370,412
Advances, deposits and prepayments	10.1	-	1,048,274,423	-	1,048,274,423
Fixed deposit receipts (FDR)	11	-	471,707,212	-	471,707,212
Cash at bank (excluding fixed deposit)	12.1	-	2,129,391,764	-	2,129,391,764
		84,136,459	7,714,743,810	-	7,798,880,269
Financial liabilities measured at fair value					
Financial liabilities not measured at fair value					
Loan and borrowings	17	-	-	14,280,726,823	14,280,726,823
Trade and other payables	19	-	-	1,448,741,643	1,448,741,643
		-	-	15,729,468,466	15,729,468,466

Carrying amount as at 30 June 2022 In Taka	Note	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
Financial assets measured at fair value					
Investment in share	11	87,063,008	-	-	87,063,008
Financial assets not measured at fair value					
Trade and other receivables	9.1	-	3,865,141,782	-	3,865,141,782
Advances, deposits and prepayments	10.1	-	841,243,294	-	841,243,294
Cash at bank (excluding fixed deposit)	11	-	778,573,780	-	778,573,780
Fixed deposit receipts (FDR)	12.1	-	1,447,653,996	-	1,447,653,996
		87,063,008	6,932,612,852	-	7,019,675,859
Financial liabilities measured at fair value					
Financial liabilities not measured at fair value					
Loan and borrowings	17	-	-	8,896,466,406	8,896,466,406
Trade and other payables	19	-	-	649,511,784	649,511,784
		-	-	9,545,978,190	9,545,978,190


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CEO & Managing Director
Renata Limited


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35 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk mainly arises from trade receivables, interest receivables, advances, prepayments and cash at bank.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. The balances maintained with different bank represents most significant source of credit risk for the Group.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

<i>In Taka</i>	<i>Note</i>	Carrying amount	
		30 June 2023	30 June 2022
Trade and other receivables	9.1	4,065,370,412	3,865,141,782
Advances, deposits and prepayments	10.1	1,048,274,423	841,243,294
Cash and cash equivalents (excluding cash in hand)	12.1	2,129,391,764	778,573,780
		7,243,036,599	5,484,958,856


(b) Aging of trade and other receivables

At 30 June, the aging of trade and other receivables that were not impaired was as follows:

<i>In Taka</i>	Carrying amount	
	30 June 2023	30 June 2022
Neither past due nor impaired	2,485,315,549	2,253,660,027
Past due 1 - 30 days	557,144,390	365,374,729
Past due 31 - 90 days	626,510,019	605,790,886
Past due 91 - 120 days	68,709,987	88,116,907
Past due 121 - 360 days	176,862,311	223,230,798
Past due 361 + days	150,828,156	328,968,435
	4,065,370,412	3,865,141,782


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Notes-35 Financial risk management (Continued)

(ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are 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 equivalents to meet expected operational expenses, including financial obligations, through preparation of the cash flow forecasts, prepared based on time line of payment of the financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. The requirement is determined in advance through cash flow projections and credit lines.

Exposure to liquidity risk


The followings are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

30 June 2023	In Taka	Note	Carrying amount	Contractual cash flows					
				Total	2 months or less	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities									
		17	14,280,726,823	14,280,726,823	4,971,774,112	5,907,038,689	1,924,201,084	1,477,712,939	-
		19.1	1,448,741,643	1,448,741,643	1,083,557,353	358,279,444	6,904,846	-	-
		20.1	853,242,281	853,242,281	378,939,632	-	-	474,302,649	-
			16,582,710,747	16,582,710,747	6,434,271,097	6,265,318,132	1,931,105,930	1,952,015,588	-

30 June 2022	In Taka	Note	Carrying amount	Contractual cash flows					
				Total	2 months or less	2-12 months	1 - 2 years	2 - 5 years	More than 5 years
Non-derivative financial liabilities									
		17	8,896,466,406	8,896,466,406	3,788,595,149	5,107,871,257	-	-	-
		19.1	649,511,784	649,511,784	522,814,556	121,304,995	5,392,234	-	-
		20.1	615,325,474	615,325,474	138,166,925	-	-	477,158,549	-
			10,161,303,664	10,161,303,664	4,449,576,630	5,229,176,252	5,392,234	477,158,549	-




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 Md. Junayer Alam
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Notes-35 Financial risk management (Continued)

(iii) 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 of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of the company. The functional currency of the company is Bangladeshi Taka (Taka/TK/taka). The foreign currency in which these transactions are denominated is US Dollar (USD).

Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk as at balance sheet date is as follows:

<i>In USD</i>	30 June 2023	30 June 2022
Foreign currency denominated liabilities		
Current liabilities	41,874,361	49,568,584
Other non-current liabilities	-	-
Net exposure	41,874,361	49,568,584

The following significant exchange rates have been applied during the year:

<i>In Taka</i>	Average rate		Year-end spot rate	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
USD	101.50	87.73	108.12	93.45

Sensitivity analysis

A reasonably possible strengthening/(weakening) of foreign currency against functional currency at the reporting date would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecasted sales and purchase.

<i>Effect in Taka</i>	Profit/(loss)		Equity, net of tax increase/(decrease)	
	Strengthening	Weakening	Strengthening	Weakening
30 June 2023				
USD (5% movement)	(226,372,793)	226,372,793	(226,372,793)	226,372,793
30 June 2022				
USD (5% movement)	(231,609,207)	231,609,207	(231,609,207)	231,609,207

b) Interest rate risk

This risk arises due to changes in interest rates on different interest-bearing instruments.


Exposure to interest rate risk


The interest rate profile of the company's interest-bearing financial instruments as at statement of financial position date is as follows:

<i>In Taka</i>	Note	Nominal Amount	
		30 June 2023	30 June 2022
Fixed rate instruments			
<i>Financial assets</i>			
Fixed deposits	11	471,707,212	1,447,653,996
		471,707,212	1,447,653,996
Variable rate instruments			
<i>Financial assets</i>			
Cash at banks	12.1	2,129,391,764	778,573,780
		2,129,391,764	778,573,780




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36 Contingencies

36.1 Contingent assets

Renata Limited claims cash incentive against export realization which is subject to obtaining assurance certification from independent external audit firms appointed by respective scheduled banks. Certificates issued by the auditor is, in reality, considered to be the document for availing the cash incentive facility. So, for Renata Limited, the certificate issue date signifies the cut-off date for income recognition. Though, empirical data exhibits that the claims are usually certified by the auditors almost with no denial. However, auditors reserve the right to adjust the claimed amount for which Renata Limited cannot be virtually certain about (i.e. certifying the claimed amount is not 90% or more certain). As such, Renata Limited considers such claims pending for assurance certificates as contingent asset under IAS 37: Provisions, Contingent Liabilities and Contingent Assets. As of 30 June 2023, such claim pending for certification is approximately Taka 290,651,632.

36.2 Contingent liabilities:

The Commissioner of Large tax payers Unit –VAT has formed audit committee through order no-4/LTU-VAT/12/Audit (LTU)/2017/2769(1-5) dated on 23/11/2021 and selected Renata Limited for audit through ref. no. 08.01.0000.006.01.007.2023/07 dated on 08 Jan 2023 for the period from 01 July 2018 to 30 June 2022. We are in the process of compiling documentation requested by LTU-VAT. No formal demand has been made by LTU-VAT to date.

36.3 Claims by the Company not acknowledged as receivable

None as at 30 June 2023.

37 Commitments

On the statement of financial position date, the Company is enjoying unfunded credit facilities from the following banks:

	Amount in Taka	
	30 June 2023	30 June 2022
Letters of credits (Note-37.1)	2,804,660,544	3,781,347,125
Outstanding guarantees issued by the banks	238,075,392	355,494,006
Capital expenditure commitments	1,127,048,632	3,951,146,735
	4,169,784,567	8,087,987,866

37.1 Letters of credits

	Limit		
Standard Chartered Bank	3,100,000,000	492,519,039	639,862,471
Eastern Bank Limited	1,258,700,000	2,720,185	553,655,794
Citibank N.A.	2,448,000,000	134,459,723	626,151,072
Commercial Bank of Ceylon PLC	3,250,000,000	461,975,122	132,171,561
Bank Asia Limited	3,000,000,000	481,113,157	581,368,432
BRAC Bank Limited	2,500,000,000	523,258,648	714,503,139
The City Bank Limited	1,500,000,000	-	533,634,656
Mutual Trust Bank Ltd.	1,400,000,000	99,897,693	-
Prime Bank Ltd	1,400,000,000	99,000,988	-
Dhaka Bank Ltd	1,000,000,000	45,479,699	-
One Bank Ltd	1,500,000,000	15,186,873	-
National Credit and Commerce Bank Limited	2,000,000,000	179,208,984	-
Dutch Bangla Bank	1,500,000,000	269,840,432	-
	25,856,700,000	2,804,660,544	3,781,347,125

38 Dividend paid to non-resident shareholders

Final dividend paid to non-resident shareholder, Business Research International Corp. Inc. for the year 2021-2022 was Tk. 236,118,971 equivalent to USD 2,269,284 for their 23,307,989 shares.


39 Disclosure as per requirement of Schedule XI, Part II of the Companies Act, 1994

39.1 Employee position of Renata Limited as per requirement of schedule XI, part II, Para-3

The company engaged 7,119 (2022: 6,914) employees as at 30 June 2023, as permanent employees. All employees received total salary of above Tk. 36,000 per annum.




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39.2 Capacity utilization

Production capacity and current utilization as required by the Companies Act 1994, Schedule-XI, para-7. The Company operates multi-product plants. As a result plant utilization is not comparable with capacity due to variation of product mix. However, actual production and utilization for major product groups are as follows:

Major product group / Unit	Capacity (In '000)	2022-2023		2021-2022	
		Actual production (In '000)	Utilization %	Actual production (In '000)	Utilization %
Sterile dry fill (injectable) / Vials	11,830	14,056	118.81%	10,884	133.46%
Sterile liquid (inj) / Vials / Ampoules	21,183	27,560	130.10%	24,634	160.48%
Ointments / Tubes	1,500	804	53.59%	967	64.50%
Capsules and tablets / Cap / Tab	2,646,000	3,799,654	143.60%	3,167,868	149.65%
Oral liquid & dry syrup / Bottles	29,475	42,076	142.75%	36,928	187.93%
Water for injection / Ampoules	10,000	11,386	113.86%	9,854	104.83%
Premix feed supplement / Kg	7,800	10,241	131.30%	8,233	126.67%
Premix feed supplement / Sachets	14,160	20,546	145.10%	17,378	147.27%
Oral saline / Sachets	540,000	815,168	150.96%	401,991	74.44%
Potent Products / Tablets	2,650,000	2,106,921	79.51%	2,382,056	89.89%
Inhalers	200	155	77.50%	-	

40 Payments and receipts in foreign currency


40.1 During the year the following payments were made in foreign currency for imports, calculated on CIF basis of:

	2022-2023		2021-2022	
	Foreign currency USD	Local currency Taka	Foreign currency USD	Local currency Taka
Raw, bulk and packing materials	113,046,352	11,474,656,912	115,553,235	9,932,956,089
Machinery and spares	45,546,340	4,622,953,473	62,225,666	5,348,918,264
	158,592,692	16,097,610,386	177,778,901	15,281,874,354

40.2 Receipts in foreign currency in respect of the following:

	2022-2023	2021-2023
Export of goods on FOB	USD 18,600,623	14,069,426


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Finance Division
Renata Limited


Md. Jubayer Alam
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Corporate Affairs Division
Renata Limited

41 Related party disclosures

During the year the Company carried out a number of transactions with related parties in the normal course of business on an arm's length basis. Name of those related parties, nature of those transactions and their total value have been shown in the table below in accordance with IAS 24 "Related Party Disclosures".

41.1 Related party disclosures

The names of the related parties, nature of these transactions and amounts are set out below in accordance with IAS 24 (Related Party Disclosures). Nature of relationship and significance of the amounts have been considered in providing this disclosure.

41.2 Parent and ultimate controlling party

The immediate Parent company of Renata Limited is Sajida Foundation with a shareholding of 51.09%.

41.3 Transactions with Directors of Renata Limited

(i) Loans to directors

During the year, no loan is given to the directors of the Company.

(ii) Directors compensation

No payment has been made to directors other than the remuneration and board meeting fees.

41.4 Transactions with key management personnel of Renata Limited


Key management personnel compensation comprised the following:

<i>In Taka</i>	30 June 2023	30 June 2022
Short term employee benefits	262,614,313	231,925,829
Post employment benefits	230,680,660	71,377,392
	493,294,973	303,303,221

Key management personnel compensation covers the benefit of the employees graded as General Manager and above and board meeting fees paid to the directors.




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Corporate Affairs Division
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Other related party transactions of Renata Limited

<i>In Taka</i>			Transaction values for the year		Balance outstanding as at	
			30 June 2023	30 June 2022	30 June 2023	30 June 2022
<i>Name of the party</i>	<i>Relationship</i>	<i>Nature of the transactions</i>				
Sajida Foundation	Parent	Dividend paid	766,709,356	720,624,476	-	-
		Sale of land	154,337,721	-	-	-
		Sale of products	9,854,757	7,302,409	2,395,406	744,719
Renata (UK) Limited	Subsidiary	Investment in share	95,000,000	-	95,169,447	169,447
		Regulatory payment	4,665,228	-	4,665,228	-
Renata Pharmaceuticals (Ireland)	Subsidiary	Investment in share	95,000,000	-	95,009,610	9,610
Business Research International Corp.	Associates	Dividend paid	295,148,714	245,793,340	-	-

Transactions with post-employment benefit plans, Workers' Profit Participation Fund and Workers' Welfare Fund

No other transaction incurred with defined benefit plan other than those disclosed in Note 22. During the year, taka 139,677,395 (2022: taka 175,783,119) was transferred to defined contribution plan, taka 22,487,648 (2022: taka 310,928,548) was transferred to Workers' Profit Participation Fund and taka 68,866,160 (2022: 30,434,093) was transferred to Workers' Welfare Fund.

42 Events after the reporting period

Dividend declaration

The Board of Directors in their meeting held on 21 October 2023 have recommended cash dividend @ 62.5% per share of Taka 10 each aggregating Taka 716,853,063 for the year ended 30 June 2023 subject to approval of the shareholders in the Annual General Meeting scheduled to be held on 09 December 2023. The financial statements for the year ended 30 June 2023 do not include the effects of the above cash dividend which will be accounted for in the period when shareholders' right to receive the payment will be established. The declared dividend is also in compliance with section 22 of Income Tax Act 2023.

Export cash assistance:

Renata Limited claimed an amount of Taka 290,651,632 as cash assistance till 30 June 2023 against export and subsequently the auditors have issued certificates that amounts to Taka 19,137,700 till the report signing date.

Issue of redeemable preference shares and zero coupon bond:

The Board of Directors has decided to issue Redeemable Cumulative Non-Convertible and Non-Participative Preference Shares amounting up to BDT 3,500 million to refinance the existing loans subject to approval from the shareholders of the company in 50th Annual General Meeting and Bangladesh Securities and Exchange Commission.

The Board of Directors has also decided to issue Zero-Coupon Bond amounting (Issue price) up to BDT 5,000 million to refinance the existing loans subject to the approval from Bangladesh Securities and Exchange Commission."


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Financial Performance of Renata Limited by Nature of Business Activities
For the year ended 30 June 2023


	Agro-based products Taka	Other than agro-based products Taka	Total Taka
Turnover	250,135,125	32,614,561,653	32,864,696,777
Cost of sales	(237,414,415)	(19,948,364,707)	(20,185,779,122)
Gross profit	12,720,709	12,666,196,947	12,678,917,656
Administrative expenses	(9,682,035)	(1,053,042,321)	(1,062,724,356)
Selling, marketing and distribution expenses	(13,721,183)	(8,409,630,752)	(8,423,351,935)
Operating profit	(10,682,509)	3,203,523,874	3,192,841,365
Other (loss)/ income	-	258,685,850	258,685,850
Finance costs	(178,073)	(851,692,886)	(851,870,959)
Profit before contribution to workers' participation fund	(10,860,582)	2,610,516,839	2,599,656,257
Contribution to workers' participation and welfare fund	-	(123,793,155)	(123,793,155)
Profit before tax	(10,860,582)	2,486,723,684	2,475,863,102
Tax expenses			
Current tax	(883,464)	(449,267,928)	(450,151,392)
Deferred tax	-	292,246,329	292,246,329
	(883,464)	(157,021,599)	(157,905,063)
Net profit after tax for the year	(11,744,045)	2,329,702,085	2,317,958,039
Other comprehensive income			
Net profit after tax for the year	(11,744,045)	2,329,702,085	2,317,958,039
Items that will not be reclassified to profit or loss			
Fair value adjustment on investment in shares, net of tax	-	(2,633,894)	(2,633,894)
Realised gain on disposal of shares	-	-	-
Remeasurement of defined benefit plan	-	384,450,161	384,450,161
Realised gain on disposal of shares	-	(97,276,748)	(97,276,748)
Total comprehensive income for the year	(11,744,045)	2,614,241,604	2,602,497,557


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Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited


Section 13: Comparative financial statements of the issuer

Table 14: Comparative Statement of Financial Position

A. Statement of Financial Position:					
Particulars	30/Jun/2023	30/Jun/2022	30/Jun/2021	30/Jun/2020	30/Jun/2019
	Taka	Taka	Taka	Taka	Taka
Assets					
Non-Current Assets:					
Property, plant and equipment	31,034,632,722	26,342,498,135	13,690,410,915	11,753,639,042	10,227,887,020
Capital work-in-progress	-	-	3,889,099,941	1,914,471,284	1,492,889,354
Intangible Asset	147,528,645	167,658,030	-	-	-
Investment in subsidiaries	190,009,720	9,720	-	63,080,096	143,079,096
Employee Benefit	297,712,192	-	-	-	-
Total Non-Current Assets:	31,669,883,279	26,510,165,885	17,579,510,856	13,731,190,422	11,863,855,470
Current Assets:					
Inventories	9,548,408,005	8,485,601,428	6,020,650,235	5,126,624,240	4,172,321,022
Trade and other receivables	4,070,181,739	3,865,311,119	2,932,197,182	2,543,784,315	2,265,753,666
Other receivables	-	-	751,203,875	1,015,276,977	1,086,389,221
Advances, deposits and prepayments	1,048,100,331	841,243,294	619,853,101	533,580,314	433,302,071
Investment in shares and FDR	555,843,670	1,534,717,004	5,463,936,588	4,721,102,257	3,581,402,024
Cash and cash equivalents	1,836,745,979	778,537,319	1,405,952,680	1,372,995,830	798,213,039
Total Current Assets:	17,059,279,725	15,505,410,164	17,193,793,661	15,313,363,933	12,337,381,043
Total Assets	48,729,163,004	42,015,576,049	34,773,304,517	29,044,554,355	24,201,236,513
Share Holders' Equity					
Share capital	1,146,964,900	1,071,929,820	974,481,660	885,892,420	805,356,750
Revaluation surplus	172,746,692	152,868,676	153,361,486	153,854,296	154,331,208
Other reserves	526,897,916	219,337,788	-43,065,180	-43,065,180	-
Fair value reserve	23,934,646	26,568,540	24,775,183	-1,957,787	24,708,298
Retained earnings	28,664,069,015	27,941,598,635	24,601,846,926	20,544,705,799	17,300,366,985
Equity attributable to equity holders:	30,534,613,169	29,412,303,459	25,711,400,075	21,539,429,548	18,284,763,241


 Syed S. Kaiser Kabir
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 Renata Limited


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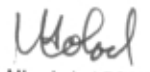

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 Corporate Affairs Division
 Renata Limited

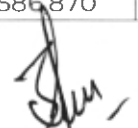
Non-controlling interests	-	-	52,711	-	-
Total equity	30,534,613,169	29,412,303,459	25,711,452,786	21,539,429,548	18,284,763,241
Liabilities					
Non-Current Liabilities:					
Loans and Borrowings	3,401,914,023	-	-	-	-
Deferred Tax Liability	1,189,652,767	1,405,428,896	1,369,274,868	1,442,915,240	1,303,839,631
Employee Benefit	-	8,798,751	-	-	-
Total Non-Current Liabilities:	4,591,566,790	1,414,227,647	1,369,274,868	1,442,915,240	1,303,839,631
Current Liabilities:					
Loans and Borrowings	10,878,812,800	8,896,466,406	4,801,509,900	2,981,137,076	2,562,606,715
Trade and other payables	1,431,301,612	649,511,785	399,760,719	508,513,913	568,382,613
Other payables	-	-	1,091,899,066	1,212,206,130	681,214,066
Accruals and Provisions	852,954,275	615,331,770	-	-	-
Unclaimed dividend account	26,918,621	23,895,674	41,339,582	-	-
Provision for taxation	412,995,737	1,003,839,309	1,358,067,596	1,360,352,448	800,430,247
Total Current Liabilities:	13,602,983,045	11,189,044,943	7,692,576,863	6,062,209,567	4,612,633,641
Total Liabilities	18,194,549,835	12,603,272,590	9,061,851,731	7,505,124,807	5,916,473,272
Total Equity and Liabilities	48,729,163,004	42,015,576,049	34,773,304,517	29,044,554,355	24,201,236,513
Net Assets Value (NAV) per share	266.22	256.44	239.86	200.94	170.58

Table 15: Comparative Statement of Profit or Loss and Other Comprehensive Income

B. Statement of Profit or Loss and Other Comprehensive Income					
Particulars	30/Jun/2023	30/Jun/2022	2020-2021	2019-2020	2018-2019
	Taka	Taka	Taka	Taka	Taka
Net Turnover	32,864,696,777	31,070,554,548	29,250,906,541	24,164,022,473	22,220,887,119
Cost of Goods Sold	20,185,779,122	16,344,582,496	15,301,410,933	12,632,907,753	11,065,965,907
Gross Profit	12,678,917,655	14,725,972,052	13,949,495,608	11,531,114,720	11,154,921,212
Operating Expenses	9,486,076,291	8,199,083,397	7,134,324,570	5,560,432,008	5,804,494,273
Administrative Expenses	1,062,724,356	729,496,527	658,662,410	457,872,424	434,332,663
Selling & Distribution Expenses	8,423,351,935	7,469,586,870	6,475,662,160	5,102,559,584	5,370,161,610


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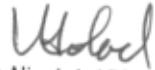

 Md. Jubayer Alam
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 Corporate Affairs Division
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Operating Profit	3,192,841,364	6,526,888,655	6,815,171,038	5,970,682,712	5,350,426,939
Finance Cost	851,870,959	434,543,968	164,452,215	223,159,798	150,846,362
Other Income	258,685,850	336,457,026	419,489,810	544,085,447	274,885,492
Profit Before WPPF and Tax	2,599,656,255	6,428,801,713	7,070,208,633	6,291,608,361	5,474,466,069
Contribution to WPPF	123,793,155	306,133,415	336,676,598	299,600,395	260,688,862
Profit After WPPF and Tax	2,475,863,100	6,122,668,298	6,733,532,035	5,992,007,966	5,213,777,207
Income Tax Expenses	157,905,063	1,011,711,088	1,698,711,125	1,862,412,163	1,390,415,077
Provision for Current Tax	450,151,392	975,613,222	1,776,239,454	1,753,720,521	1,295,568,037
Provision for Deferred Tax	-292,246,329	36,097,866	-77,528,329	108,691,642	94,847,040
Profit after Tax	2,317,958,037	5,110,957,210	5,034,820,910	4,129,595,803	3,823,362,130
Earnings per Share (EPS)	20.21	44.56	46.97	38.52	35.67

Table 16: Comparative Statements of Cash Flow

C. Statement of Cash Flows					
Particulars	30/Jun/2023	30/Jun/2022	2020-2021	2019-2020	2018-2019
	Taka	Taka	Taka	Taka	Taka
Cash Flows from Operating Activities:					
Collection from customers and other income	37,529,127,545	36,458,908,456	33,974,880,854	28,520,370,349	26,035,868,913
Payment of VAT	(4,782,361,433)	(4,469,630,437)	(3,950,115,578)	(3,511,655,536)	(3,210,746,574)
Payment to suppliers, employees and others	(28,871,868,904)	(27,378,997,096)	(23,842,513,181)	(19,132,876,697)	(17,219,025,789)
Cash generated by operations	3,874,897,208	4,610,280,923	6,182,252,095	5,875,838,116	5,606,096,550
Finance costs	(797,214,071)	(271,099,653)	(151,499,311)	(228,041,378)	(150,177,868)
Payment of tax	(1,042,373,439)	(1,329,841,519)	(1,801,542,908)	(1,194,062,327)	(1,300,676,754)
Net cash flows from operating Activities	2,035,309,698	3,009,339,751	4,229,209,876	4,453,734,411	4,155,241,928
Cash Flows from investing Activities:					
Purchase of property, plant and equipment	(5,769,644,995)	(10,099,449,998)	(4,356,158,213)	(2,492,616,740)	(1,779,769,899)



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Investment in shares and FDR	978,873,333	3,990,179,499	(712,322,038)	(1,167,885,112)	(2,046,994,460)
Advance payment to subsidiaries	(190,000,000)	-	124,474,197	145,160,110	
Sale proceeds of property, plant and equipment	171,745,896	29,049,244	31,690,465	13,932,500	7,964,558
Net cash from/(used in) investing activities:	(4,809,025,766)	(6,080,221,255)	(4,912,315,589)	(3,501,409,242)	(3,818,799,801)
Cash Flows from Financing Activities:					
Bank loan received/ (repaid) (net)	5,384,260,418	3,849,152,644	1,808,039,452	413,277,631	65,450,922
Dividend paid	(1,497,678,802)	(1,430,442,313)	(1,141,492,848)	(799,596,832)	(664,396,684)
Net cash from/(used in) financing activities	3,886,581,616	2,418,710,331	666,546,604	(386,319,201)	(598,945,762)
Effect of exchange rate changes on Cash and Cash Equivalents	(54,656,888)	24,828,736	(352,076)	1,633,925	3,364,206
Change in Cash and Cash Equivalent	1,058,208,660	(627,342,437)	(16,911,185)	567,639,893	(259,139,429)
Cash and Cash Equivalent at the beginning of the period	778,537,319	1,356,084,645	1,372,995,830	798,213,039	1,057,352,468
Cash and cash equivalents of Renata Agro Industries Limited and Purnava Limited due to merger at the beginning of the year	-	49,795,111	-	7,142,898	-
Cash and Cash Equivalent at the end of the period	1,836,745,979	778,537,319	1,356,084,645	1,372,995,830	798,213,039
NOCFPS	17.75	26.24	39.45	41.55	38.76


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 Finance Division
 Renata Limited


 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited


Section 14: Ratio analysis of the issuer

Table 17: Ratio Analysis

Particulars	30/Jun/2023	30/Jun/2022	30/Jun/2021	30/Jun/2020	30/Jun/2019
	Ratio				
I. Liquidity Ratios:					
(i) Current Ratio	1.25	1.39	2.24	2.53	2.67
(ii) Quick Ratio	0.55	0.63	1.45	1.68	1.77
II. Operating Efficiency Ratios:					
(i) Accounts Receivable Turnover Ratio	8.28	9.14	10.68	10.05	9.81
(ii) Inventory Turnover Ratio	2.24	2.25	2.75	2.72	2.65
(iii) Asset Turnover Ratio	0.72	0.81	0.92	0.91	1.84
III. Profitability Ratios:					
(i) Gross Margin Ratio	38.6%	47.4%	47.7%	47.7%	50.2%
(ii) Operating Profit Ratio	9.7%	21.0%	23.3%	24.7%	24.1%
(iii) Net Profit Ratio	7.1%	16.4%	17.2%	17.1%	17.2%
(iv) Return on Assets	5.1%	13.3%	15.8%	15.5%	31.6%
(v) Return on Equity	7.7%	18.5%	21.3%	20.7%	41.8%
(vi) Earnings Per Share (EPS)	20.21	44.56	43.90	36.00	33.33
(vii) EBITDA margin	12.9%	24.9%	26.7%	28.5%	27.7%
IV. Solvency Ratios:					
(i) Debt to Total Assets Ratio	0.29	0.21	0.14	0.10	0.11
(ii) Debt to Equity Ratio	0.48	0.32	0.20	0.15	0.28
(iii) Times Interest Earned Ratio	4.99	17.80	47.46	30.86	40.78
(iv) Debt Service Coverage Ratio	4.99	17.80	47.46	30.86	40.78
V. Cash Flow Ratios:					
(i) Diluted Net Operating Cash Flow per Share (NOCFPS)	17.75	26.24	39.45	41.55	38.76
(ii) NOCFPS to EPS Ratio	0.88	0.59	0.90	1.15	1.16

*Earning Per Share for all the years calculated considering the latest number of shares i.e. 114,696,490


 Syed S. Kalsoor Kabir
 CEO & Managing Director
 Renata Limited


 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Section 15: Rating summary with rating rationale of the issue and the issuer

Rating Summary of the Bond

Table 18: Rating Summary of the Bond


Rating Agency	Alpha Credit Rating Ltd.
Long-term	AA+
Outlook	Stable
Validity	19 th November 2023- 18 November 2024

Rating Summary of Renata

Table 19 :Rating Summary of Renata

Rating Agency	Alpha Credit Rating Ltd.
Long-term	AAA
Short-term	ST-1
Outlook	Stable
Expiry Date	29 August 2023- 28 August 2024


Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


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 Renata Limited

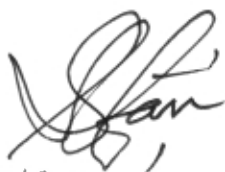

Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

**Section 16: Latest default matrix and transition statistics of CRC
Latest Default Matrix of Alpha Credit Rating Ltd.**

AlphaRating

Default Matrix

	2018	2019	2020	2021	2022	Number of default derived from other rating	Default Rate
AAA	4	6	6	9	6		0.00%
AA	24	34	38	50	52		0.00%
A	162	210	205	261	301		0.00%
BBB	425	413	371	450	393		0.00%
BB	23	19	22	18	25	1	0.93%
B	0	0	0	0	0		0.00%
C	0	0	1	0	0		0.00%
D	2	0	1	0	1		0.00%
							0.03%



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CEO & Managing Director
Renata Limited



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Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Transaction Statistics of Alpha Credit Rating Ltd.:

AlphaRating

Transition Matrix

Long Term Rating										
2019 to 2022										
2019/2022	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	5%	95%	0%	0%	0%	0%	0%	0%	0%	0%
A	0%	6%	84%	8%	2%	0%	0%	0%	0%	0%
BBB	0%	0%	10%	83%	1%	0%	0%	0%	0%	0%
BB	0%	0%	0%	57%	33%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

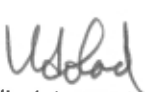
2020 to 2022										
2020/2022	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
A	0%	6%	87%	7%	0%	0%	0%	0%	0%	0%
BBB	0%	0%	12%	87%	1%	0%	0%	0%	0%	0%
BB	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

2021 to 2022										
2021/2022	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%
AA	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%
A	0%	3%	91%	6%	0%	0%	0%	0%	0%	0%
BBB	0%	0%	11%	86%	3%	0%	0%	0%	0%	0%
BB	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
B	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CCC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
C	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
D	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Short Term Rating							
2021 to 2022							
2021/2022	ST-1	ST-2	ST-3	ST-4	ST-5	ST-6	
ST-1	100%	0%	0%	0%	0%	0%	0%
ST-2	2%	92%	6%	0%	0%	0%	0%
ST-3	0%	3%	96%	1%	0%	0%	0%
ST-4	0%	0%	17%	83%	0%	0%	0%
ST-5	0%	0%	0%	0%	0%	0%	0%
ST-6	0%	0%	0%	0%	0%	0%	0%

Alpha Credit Rating Limited, Sadharan Bima Bhavan-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.
 Tel: +880-2223353025, 2223353026, 2223353027, 2223353028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd


Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Section 17: Description of the Trustee

Trustee Appointed: BRAC EPL Investments Limited

BRAC EPL Investments Limited (BEIL) is a public limited company that formally commenced operations under a new management team on October 01, 2009 after obtaining a merchant bank license from the Securities and Exchange Commission.

BRAC Bank holds majority of equity shares of BRAC EPL Investments Ltd. Its Board of Directors consists of dynamic and renowned professionals with considerable experience in some of the country's major financial industries. It has also positioned itself as a leading merchant bank to provide a wide range of investment banking solutions.

(as on 31st December 2022)

Table 20: Equity Position

Authorized Capital	BDT 2,585,000,000 (as of December 2022)
Paid-up-Capital	BDT 1,302,350,935 (as of December 2022)

Shareholding Position of the Trustee:

(as on 31st December 2022)

Table 21: Shareholding Position of the Trustee


Sl.	Name of Shareholder's	Nos. of Shares	%
1.			
2.	Abdul Majid Al-Fahim	86199	0.03335%
3.	Waheeb Maaz Ahmed	54849	0.02122%
4.	BRAC	168	0.00006%
5.	BRAC Bank Limited	258358734	99.94535%
6.	Selim R.F. Hossain	10	0.00000%
7.	Tamara Hasan Abed	10	0.00000%
8.	Asif Saleh	10	0.00000%
9.	Dr. Zahid Hussain	10	0.00000%
	Total	258500000	100.0%

Business Operations:

BEIL delivers a wide range of investment banking services including issue management, underwriting, and portfolio management. It has already established itself as one of the top portfolio managers, serving more than 4600 clients country-wide from seven locations. In discharging professional services, BEIL makes concerted efforts to show zero tolerance towards non-compliance and emphasizes strict adherence to regulatory guidelines.

In its brief history, BEIL has already earned considerable respect and a positive reputation in efficiently managing public offerings. All public issues, initial, and rights, managed by BEIL have received encouraging market response. BEIL takes pride in jointly bringing the first public issue to the Bangladesh capital market under a newly introduced Book Building Method. The corporate team at BEIL provides a full array of solutions across debt, hybrid, derivative and equity-linked products. The BEIL team focuses on originating, structuring, and executing debt financing, including syndications of both foreign and local, corporate


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bonds, bridge financing, mezzanine debt, and other debt linked products. BEIL also has a strong foothold in Mergers & Acquisitions and private equity, aligning the goals of those who seek funding for joint venture opportunities in Bangladesh.

Board of Directors of the Trustee:

Table 22: Board of Directors of the Trustee

Sl.	Name of the Director	Position
1	Mr. Selim R. F. Hussain	Nominee Director of BRAC Bank Limited
2	Ms. Tamara Hasan Abed	Nominee Director of BRAC
3	Fahima Choudhury	Independent Director nominated by BRAC Bank Ltd
4	Dr. Zahid Hussain	Independent Director nominated by BRAC Bank Ltd.
5	Mr. Mohammad Masud Rana	Member of the Board of BRAC EPL Investments Limited

Brief Profile of the Directors:

Fahima Choudhury Keya

Independent Director nominated by BRAC Bank Ltd


Ms. Fahima Choudhury was appointed as an Independent Director to the board of BRAC Bank Limited in April 2018. At present, she also serves as the member of the Board Risk Management Committee and the Board Audit Committee.

Since 2018, Ms. Choudhury also serves as a BRAC Bank Nominated Director on the boards of BRAC EPL Investments Ltd. and BRAC EPL Stock Brokerage Ltd.; and is currently the Acting Chair of the Board of both of these companies. In the end of 2021, she was nominated by BRAC Bank as a Director onto the board of Bkash Ltd.

Ms. Choudhury is a management consultant and a marketing communications & advertising specialist with over 25 years of experience in various entrepreneurial and leadership roles across multiple firms.

Ms. Choudhury started her career in Adcomm Limited (one of the oldest and most renowned advertising agencies in the country) rising to the position of Director, before moving on to establish her own integrated marketing communications agency called Marka. Later, Marka was acquired by Ogilvy & Mather Worldwide (part of the WPP Group), and Ms. Choudhury became the Managing Director (and shareholder) of Ogilvy & Mather Bangladesh. In the past she has also been a member of Ogilvy APAC regional council, as well as Assistant General Secretary in the Advertising Agencies Association of Bangladesh. Ms. Choudhury left the advertising industry in 2020 in order to focus on her consultancy business.


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Corporate Affairs Division
Renata Limited

Aside from this, Ms. Choudhury is also a Director of Adcomm Holdings which has business involvements in various other industries (including hospitality, media, and IT).

Ms. Choudhury did her B.Sc. (Hons.) Management and M.Sc. Management from the London School of Economics & Political Science in the United Kingdom.

Selim R. F. Hussain

Nominee Director of BRAC Bank Limited

Mr. Selim R. F. Hussain is the Director of BRAC EPL Investments Ltd, and Managing Director & CEO of BRAC Bank Ltd. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise. He was also the Chairman of the Board of Directors from 2010 to 2012 of IDLC Finance's two subsidiaries – IDLC Investments Limited and IDLC Securities Limited.

Mr. Hussain has an Honors degree in Accounting and an MBA (Finance) from the Institute of Business Administration, from Dhaka University. He worked in various roles with two of the largest multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank for 24 years before moving to the IDLC Group in 2010. He has worked in India and Australia for a significant period of his career. Prior to taking over the helm at IDLC Finance Limited, he was the Head of Finance & Strategy for Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also the CFO for Standard Chartered Bank, Bangladesh from 2002 to 2007. Mr. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Co Association (BLFCA) since 2012.

Tamara Hasan Abed

Nominee Director of BRAC

Tamara Hasan Abed is the managing director of BRAC Enterprises. She has been heading BRAC's 13 social enterprises, including Aarong, BRAC Dairy, BRAC Seed and Agro Enterprise as a senior director since 2014. Ms. Abed has extensive experience in investment banking, entrepreneurship, and social enterprise with a career spanning over two decades, across diverse sectors. Leading by example, she has carved a respectful position as a senior leader in the traditionally male-dominated industries and has inspired more women to come forward and make a mark. She is passionate about driving value-based business models, operating at the intersection of social good, sustainable business and inclusive growth.


Ms. Abed began her career in the corporate finance sector in 1995, at Peregrine Capital Ltd, a Hong Kong-based investment bank in Dhaka. Later she moved to New York and worked for Goldman Sachs in Mergers and Strategic Advisory.

Ms. Abed has represented Bangladesh globally and was honored by the World Economic Forum as a 'Young Global Leader' in 2010. She also represented Bangladesh during the Presidential Summit on Entrepreneurship in Washington in 2010. Ms. Abed is an Asia 21 Young Leader. She received the Outstanding Women Leadership Award from the World Women Leadership Congress in 2014.

Mohammad Masud Rana

Member of the Board of BRAC EPL Investments Limited


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Mr. Mohammad Masud Rana joined as a member of the Board of BRAC EPL Investments Limited as a shareholder director. Mr. Mohammad Masud Rana is currently working at BRAC Bank Limited as Deputy Managing Director (DMD) and Chief Financial Officer (CFO).

He has more than 23 years of diversified experience of public accounting, textile, pharmaceutical and banking. He started his career with SF Ahmed & Co. before joining BEXIMCO Garments & Textile Division in 2001 as Finance Manager. In 2004, he moved to Sanofi-Aventis as Financial Controller. He started his stint with Standard Chartered Bangladesh (SCB) in 2006 as the Financial Controller. During his tenure with SCB, he eventually went on to assume the role of CFO in 2016. Prior to joining BRAC Bank, Mr. Masud was serving the role of CFO in Dhaka Bank Limited. He is a Fellow Chartered Accountant of ICAB and completed his Honors and Masters in Accounting from University of Dhaka.

Dr. Zahid Hussain

Independent Director nominated by BRAC Bank Ltd.

Dr. Zahid Hussain has been appointed as Nominated Director to the Board of BRAC EPL Investments Limited and he is an independent director to the Board of BRAC Bank Limited. Dr. Hussain served as a Consultant in the World Bank Dhaka Office from July 01, 2019, to June 30, 2020.

He has also served as a Lead Economist in the World Bank Dhaka Office from May 01, 1995, to June 30, 2019. During this time, he was a key member of the Bank's macro, trade, and investment global practice that provides budgetary support (development support credit) and technical assistance to the government, and prepares growth diagnostics, public expenditure reviews, annual macroeconomic updates, and policy notes on macroeconomic management and structural issues. Dr. Hussain was also engaged as a Lecturer at Boston University, the University of Massachusetts Boston and Framingham State College, Framingham, Massachusetts in the USA during 1987-1992.

He got a Ph.D. in Economics from Boston University, USA, in 1992. He completed his Master of Arts in Political Economy from Boston University, USA, in 1987. He earned his MBA from the Institute of Business Administration, Dhaka University, Bangladesh, in 1979. Dr. Hussain has published numerous journals and articles in Management, Business, and Economics.


Section 18: Modus Operandi of the issue

18.1.1. Application Procedure

The Arranger shall procure that the prospective investors shall have been provided with a copy of the Information Memorandum and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the investors shall submit a letter of commitment to the Arranger with the amount of intended subscription specified. Subject to Clause 11.6 (Conditions Precedent), the closing of the issue and subscription of the Bonds shall take place on the Closing Date.

18.1.2. *The Issuer, Subscriber, Agent shall execute Subscription Agreement for the purpose of subscription of Bonds. On the Closing Date, the investor shall pay the purchase price of the Bonds set forth in the Subscription Agreement to the Issuer in Bangladesh Taka for same day value to the account prescribed in the same.*


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Mustafa Alim Aolad FCA (ICAEW)
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Corporate Affairs Division
Renata Limited

18.1.3. *Allotment:*

The Issuer shall issue Allotment Letter(s) in the name of all allottees of the Bonds in electronic form with digital signatures and credit the allotted Bonds to the respective BO accounts on the basis of allotment data via their CDBL VeDAS Terminal upon receipt of the final allotment list from the Registrar. Each of the Issuer, the Trustee and any Agent may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate holder of such Bond for all purposes.

On the Closing Date or any other day as the Exchange or CDBL Bye laws allow, the Issuer shall procure that the principal amount of Bonds subscribed for by the investor for which payment has been received in accordance with Clause 11.6.2.2 (*Payment of net issue proceeds*) are registered in name of the investor in accordance with the Subscription Agreement, the Trust Deed, the Conditions and the Agency Agreement.

18.1.4. *Refund:*

If any payment for subscription of Bonds have been made, but not allotted for whatever reason, the subscription amount to be refunded in accordance with applicable law and practice.

18.1.5. *Transfer*

Transfer of Bonds listed with the Alternative Trading Board of Exchange(s) shall be made through the trading system of the Exchange(s).

Provided that in case of transfer of Bond by the Bondholders, in any of the following circumstances, may be made outside the trading system of Alternative Trading Board:

- a) Transfer of Bond by way of gift among the family members i.e. spouse, son, daughter, father, mother, brother and sister;
- b) Transfer of Bond for execution of a Court order;
- c) Transfer of Bond for Charitable Trusts;
- d) Acquisition of Bond in consideration of other than cash;
- e) Transfer of Bond in case of confiscation/loan default; and
- f) Any other exceptional circumstances the Exchange feels appropriate.

18.1.6. *Listing with the Stock Exchange(s)*


Subject to the approval of BSEC, the Bonds shall be listed with the Alternative Trading Board of Exchange(s). The Exchange(s) as applicable shall complete the listing procedure and start of trading of the Bonds in accordance with the listing regulations and other applicable laws in force.

18.1.7. *Redemption upon payment*

Each Series of Bonds within a Lot shall be redeemed at Face Value ("**Redemption Amount**") on the respective Redemption Date ("**Scheduled Redemption Date**") calculated from the Closing Date.

18.1.8. *Coupon payment*


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

No Coupon payment shall be made in separate, as the issue is Zero-Coupon Bond.

18.1.9. *Conversion*

The Bonds are non-convertible in nature.

18.2. Conditions Precedent

The investor shall only be under obligation to subscribe and pay for the Bonds if:

18.2.1. *Closing documents: the investor receives on the Closing Date:*

- a) *Closing certificate:* a closing certificate, dated the Closing Date and addressed to the investor, signed by a director or duly authorised signatory on behalf of the Issuer and substantially in the form set out in the Subscription Agreement;
- b) *Bond Documents:* the Bond Documents are executed on or before the Closing Date by or on behalf of all parties thereto, each in a form acceptable to the investor;
- c) *No material adverse change:* there has, since the date of the Subscription Agreement up to and including the Closing Date, in the judgment of the investor, been no adverse change, or any development reasonably likely to involve an adverse change, in the financial or trading position, condition (financial or otherwise), general affairs, management or prospects of the Issuer that is material in the context of the issue of the Bonds; and
- d) *Accuracy of representations:* the representations and warranties by the Issuer in the Subscription Agreement are true and correct on the dates on which they are first made and on each date on which they are deemed to be repeated and would be true and correct if they were repeated on the Closing Date with reference to the facts and circumstances then subsisting;
- e) *Authorization:* the BSEC have granted their consent and no objection to issue Bond as per Bangladesh Securities and Exchange Commission (Debt Securities) Rule 2021, and prevailing laws of Bangladesh.


provided, however, that the investor may, at its discretion, waive satisfaction of any of the conditions specified in this Clause 11.6 (*Conditions precedent*).

Section 19: Details of Fees Structure and Expenses

Table 23: Details of Fees Structure and Expenses

Particulars	Basis of Fees	BDT in Amount
Issue Size		5,000,000,000
Face Value		6,601,500,000
BSEC Fees:		6,611,500
Application Fee	One Time	10,000


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Consent Fee	One Time	6,601,500
Trustee Fees		3,400,000
Trustee Fee	Annual	3,000,000
Trustee Application Fee	One Time	50,000
Trustee Registration Consent fee	One Time	100,000
Trustee Annual Fee to BSEC	Annual	250,000
Legal Advisor Fee		100,000
Legal Advisor Fee	One Time	100,000
Credit Rating Fee		400,000
Credit Rating Fee of the Bond	Annual	400,000
CDBL Fees and Expenses:		1,622,725
Dematerialization fee	One Time	990,225
Annual Fee	Annual	100,000
Security Deposit	Refundable	500,000
Documentation Fee	One Time	2,500
Connection Fee	Annual	30,000
Total Estimated Cost		12,134,225

*Listing fees may be added if BSEC instructs to be listed in the Alternative Trading Board


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 CEO & Managing Director
 Renata Limited


 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Additional disclosures for IM under public Issue

Not Applicable as the bond will be issued through private placement.



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Conditions imposed by the Commission in the consent letter

TO BE ADDED AFTER RECEIVING CONSENT LETTER



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Declaration and Due Diligence certificates

Annexure- I

Declaration about the responsibility of the directors, including the CEO of the issuer in respect of the information memorandum


This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit. We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment.

Yours Faithfully,


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

Annexure- II

Due Diligence Certificate of the Trustee



Head Office
 Modern Tower
 Level 04, 28 Mohakhali C/A
 Dhaka-1213, Bangladesh
 Phone : +88 0222299253, 0222298038
 Fax : +88 0222299445
 Web: www.bracepl.com

Due Diligence Certificate of the Trustee

19 November 2023

Chairman
 Bangladesh Securities and Exchange Commission
 Securities Commission Bhaban
 T-6/C, Agargaon
 Sher-e-Bangla Nagar Administrative Area
 Dhaka-1207, Bangladesh.

Sub: Issuance of Secured, Non-convertible, and Fully Redeemable, Zero-Coupon Bond of (up to) an amount of BDT 6,601,500,000 (Six Billion Six Hundred One Million Five Hundred Thousand) (Face Value) for Renata Limited.

We, the under noted trustee to the above-mentioned forthcoming issue, state as follows

1. We, while act as trustee to the above mentioned issue on behalf of the investors, have examined the draft Information Memorandum, Legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, its directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer.

WE CONFIRM THAT-

(a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;

(b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;

(c) while examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;

(d) we shall act as trustee to the issue as mentioned above as per provisions of the deed of trust to be executed with the issuer or the originator, as applicable and shall assume the duties and responsibilities as described in the deed of trust and in the IM;

(e) we shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and

(f) the above declarations are unequivocal and irrevocable.

For Trustee

Syed Rashed Hussain
 Chief Executive Officer
 BRAC EPL Investments Limited

Syed Rashed Hussain
 Chief Executive Officer
 BRAC EPL Investments Limited

A subsidiary of BRAC Bank Limited

Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited

Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Credit Rating Report of the Bond

AlphaRating

RENATA ZERO-COUPON BOND

Issuer

RENATA LIMITED


(Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka - 1216)

Disclaimer: Information used herein was obtained from sources believed to be accurate and reliable. However, Alpha Credit Rating Limited does not guarantee the accuracy, adequacy or completeness of any information and is not responsible from any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are reserved by Alpha Credit Rating Limited. The contents may be used by the news media and researchers with due acknowledgement. Under no circumstances Alpha Credit Rating Limited will be liable for any special, indirect, incidental or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages on account of the loss of profits or prospective profits, expenditures, loans or commitments, whether made in the establishment, development or maintenance of Company reputation or goodwill, cost of substitute materials, products, services or information, cost of capital, and the claims of any third party, or for any other reason whatsoever.

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Seohan Bima Bhaban-7, 139 Motijheel C/A, Dhaka-1000. Tel: +88019573026-78. Web: www.alpharating.com.bd


Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited


Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

AlphaRating

19 November, 2023

CEO & Managing Director
Renata Limited
Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka – 1216.

Subject: Credit Rating of Renata Zero-Coupon Bond

Dear Sir,

We are pleased to inform you that Alpha Credit Rating Limited (AlphaRating), vide credit rating agreement no. 26721 has assigned the following rating to **Renata Zero-Coupon Bond**.

Date of Declaration	Valid Till	Bond Rating	Outlook
19 November, 2023	18 November, 2024	AA+	Stable

The rating may be changed or revised prior to expiry, if warranted by extraordinary circumstances in the management, operations and/or performance of the entity rated.

We, Alpha Credit Rating Limited, while assigning this rating to **Renata Zero-Coupon Bond**, Hereby solemnly declare that:

- (i) We, Alpha Credit Rating Limited as well as the analysts of the rating have examined, prepared, finalized and issued this report without compromising with the matters of our conflict of interest, if there be any; and
- (ii) We have complied with all the requirements, policy and procedures of these rules as prescribed by the Bangladesh Securities and Exchange Commission in respect of this rating.

We hope the rating will serve the intended purpose of your organization.

With Kind Regards,




Abdul Mannan
Chief Executive Officer

This letter forms an Integral part of the credit rating report.

Alpha Credit Rating Limited, Sadharan Bima Bhaban-2 (2nd & 8th Floor), 139 Motijheel C/A, Dhaka-1000.
Tel: +880 2223353025, 2223353026, 2223353027, 2223353028, www.alpharating.com.bd, E-mail: info@alpharating.com.bd



Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited



Mustafa Alim Aolad FCA (ICAEW)
Chief Financial Officer
Finance Division
Renata Limited



Md. Jubayer Alam
Company Secretary
Corporate Affairs Division
Renata Limited

AlphaRating

Renata Zero-Coupon Bond

Rating Type – Initial

AA+ Rating

Date of Declaration 19 November, 2023

Valid Till 18 November, 2024

Stable Outlook

Business Risk	Liquidity Profile	Solvency	Priority	Covenant	Industry Group
Low	Sound	Good	Good	Good	Pharmaceuticals

Contact Analysts

Hasibur Rahman

hasibur@alpharating.com.bd

Nasibul Khaer

nasib@alpharating.com.bd

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Date of Incorporation:
06 December, 1972

Chairman:

Dr. Sarwar Ali

CEO & Managing Director:

Syed S Kaiser Kabir

Issue: Renata Zero-Coupon Bond

Tenure: 5 years

Lead Arranger:

City Bank Capital Resources Limited

Trustee:

BRAC EPL Investments Limited

Total Loan Limit:

BDT 48,661.70 million

Loan Outstanding:

BDT 16,526.94 million

Rationale

AlphaRating, vide credit rating agreement no. 26721 assigns rating AA+ (pronounced as 'Double A' plus) in favor of Renata Zero-Coupon Bond issued by Renata Limited (herein after referred as 'the company or RL'). AlphaRating mainly emphasizes on issue specific risk, and Transaction Dimension, which covers priority, security & covenants of the bond. Moreover, the audited financial statement for the year ended 30 June, FY 2021-2023 and other qualitative information; related business risks and management quality of the entity have also been considered while assigning the rating.

Zero Coupon Bond pays no coupons but are subject to issue at deep discount from 'face value', the amount to be paid back upon on maturity. The investor's return is the difference between the purchase price of the bond and its face value when redeemed.

Analysis of the Bond Transaction Dimension has revealed that the Redemption Amount shall not be subordinate and junior in right of payment in the manner provided in the Trust Deed to its obligations to its creditors and will rank. Apart from this, the right of the bond holder will be secured by Pari-Passu charge on underlying assets.

Issue specific risk analysis revealed that, the Issuer shall pay a late payment penalty of 2% (two per cent) higher than the discount rate which will be payable on the amount not paid on the due date up till the date of actual payment.

Apart from this, AlphaRating considered improved revenue, increasing growth of market demand, sufficient finance cost payment ability, positive CFO, increasing net asset value, updated compliances, sound liquidity position, low geared capital structure, healthy loan repayment behavior, efficient managerial effort of the directors etc. Moreover, expansion of operation and long-term experience of qualified management team of the company have also been taken into consideration during the rating procedure. In addition, Corporate Governance practice, well-structured quality control system and sound environmental risk management policy have supported the above rating positively. The rating is mainly constrained by decreased overall profitability ratios, decreased ROA & ROE and increased cash conversion cycle.

As the risk exposure of the investment in proposed Bond is extensively related to the risk exposure of the issuer of the Bond, considering the size and importance of the pharmaceutical company to the country economy, Renata Zero-Coupon Bond was assigned bond rating of AA+.

Signature

Abdul Mannan
Chief Executive Officer
Alpha Credit Rating Limited

Signature
Syed S. Kaiser Kabir
CEO & Managing Director
Renata Limited

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Company Profile	Industry Overview	Issue Overview	Business Risk
Ownership Pattern	Management Overview	Company Information	

Company Profile

Renata Limited is one of the leading fastest growing pharmaceuticals and animal health product companies in Bangladesh. RL was incorporated in Bangladesh as a Public Limited Company under The Companies Act, 1913 vide Registration No. - C-3862 dated 06 December, 1972. The company started its operation in 1972 as Pfizer (Bangladesh) limited. In 1993, Pfizer transferred the ownership of its Bangladesh operation to the local shareholders & the name of the company was changed to Renata Limited. The company was listed in 1979 in BSEC. RL electronic shares "Y" & market category "A". The authorized share capital of the company is BDT 2,850.00 million divided into 285.00 million shares of BDT 10.00 each. The issued capital is now BDT 1,146.96 million. The company has established state-of-the-art manufacturing facilities conforming to the most stringent WHO-GMP rules and regulations. Main activities of RL are Pharmaceutical and Medicine Manufacturing. The core businesses of Renata Limited are human pharmaceuticals and animal health products. In Bangladesh it is the 4th largest pharmaceutical company and the market leader in animal health products. The company is listed on the Dhaka Stock Exchange with market capitalization of approximately BDT 139,688.86 million as on 19.11.2023. The Company has eight manufacturing facilities spread over three manufacturing sites. In addition, Renata products are exported to Sri Lanka, Kenya, Afghanistan, Cambodia, Philippines, Nepal, Myanmar, Hong Kong, Vietnam, Thailand, Malaysia, Belize, Ethiopia, UK, Honduras, Somalia, Mongolia, Belarus, Burundi, Uganda, Nigeria, Denmark, Yemen, Ireland, Pakistan, Serbia and Peru. Distribution of products is carried out by 19 depots across the country. RL mission is to provide maximum value to their customers, and communities where they live and work. The registered office of the company is situated at Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka - 1216.

Ownership Pattern


Ownership pattern of the company is shown below.

Sl. No.	Name	Percentage of Shares
1.	Sponsor/Director	51.29
2.	Institute	19.62
3.	Foreign	22.67
4.	Public	6.42
Total		100.00

(Source: Dhaka Stock Exchange -As on 31.10.2023)




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Company Profile	Industry Overview	Market Overview	Business Risk
Value at Risk	Financial Risk	Management Quality	Company Performance

Product Development 2022-2023

S. No.	Brand Name	Generic	Division	Developed By
1	Alkanon OT 1000mg Tablet	Nabumeton USP	Pharmaceutical	Renata
2	Apemeg Tablet	Megestrol Acetate BP	Pharmaceutical	Renata
3	Bendopa 200mg Tablet	Levodopa USP and Benserzide Hydrochloride Ph. Eur.	Pharmaceutical	Renata
4	Diampa-M Tablet	Empagliflozin 5mg + Metformin 500mg	Pharmaceutical	Renata
5	Epiet 1500mg XR	Levetiracetam USP	Pharmaceutical	Renata
6	Gaba-P CR 82.5mg Tablet	Pregabalin	Pharmaceutical	Renata
7	Gaba-P CR 165mg Tablet	Pregabalin	Pharmaceutical	Renata
8	Gaba-P CR 330mg Tablet	Pregabalin	Pharmaceutical	Renata
9	Mycit 750mg Tablet	Myo-Inositol USP	Pharmaceutical	Renata
10	Entrovas 24/26mg Tablet	Sacubitril + Valsartan	Pharmaceutical	Renata
11	Entrovas 49/51mg Tablet	Sacubitril + Valsartan	Pharmaceutical	Renata
12	Entrovas 97/103mg Tablet	Sacubitril + Valsartan	Pharmaceutical	Renata
13	Vilazon 10mg Tablet	Vilazodone	Pharmaceutical	Renata
14	Vilazon 20mg Tablet	Vilazodone	Pharmaceutical	Renata
15	Vilazon 40mg Tablet	Vilazodone	Pharmaceutical	Renata
16	Tybar TCV	Typhoid VI Conjugate Vaccine PFS 0.5ml	Pharmaceutical	Renata
17	Fungirox Cream	Ciclopirox Olamine	Pharmaceutical	Renata
18	Escilex 20mg Tablet	Escitalopram Oxalate USP	Pharmaceutical	Renata
19	Pirfedone 267 mg	Pirfenidone BP	Pharmaceutical	Renata
20	Pirfedone 534 mg	Pirfenidone BP	Pharmaceutical	Renata
21	Pirfedone 801 mg	Pirfenidone BP	Pharmaceutical	Renata
22	Cabolin 1	Cabergolin	Pharmaceutical	Renata
23	Arde 50mg Tablet	Amisulpride	Pharmaceutical	Renata
24	Arde 100mg Tablet	Amisulpride	Pharmaceutical	Renata
25	Arde 200mg Tablet	Amisulpride	Pharmaceutical	Renata
26	Brexpa 0.5mg Tablet	Brexiprazole	Pharmaceutical	Renata
27	Brexpa 1mg Tablet	Brexiprazole	Pharmaceutical	Renata
28	Telpro 20mg Tablet	Telmisartan BP	Pharmaceutical	Renata
29	Folinic S Tablet	Folinic Acid	Pharmaceutical	Renata
30	Tresouflan 5g Powder for Infusion	Tresouflan INN 5gm	Pharmaceutical	Renata
31	Uparen-15 XR Tablet	Upadacitinib INN	Pharmaceutical	Renata
32	Deplan 25mg Tablet	Dehydroepiandrosterone INN	Pharmaceutical	Renata
33	Lura 20mg Tablet	Lurasidone Hydrochloride INN	Pharmaceutical	Renata
34	Lura 40mg Tablet	Lurasidone Hydrochloride INN	Pharmaceutical	Renata
35	Lura 60mg Tablet	Lurasidone Hydrochloride INN	Pharmaceutical	Renata




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Company Profile	Industry Overview	Asset Overview	Business Risk
Valuation	Capital Structure	Management & Key Execs	Credit Quality Information

Sl. No.	Brand Name	Generic	Division	Developed By
36	Lura 80mg Tablet	Lurasidone Hydrochloride INN	Pharmaceutical	Renata
37	Lura 120mg Tablet	Lurasidone Hydrochloride INN	Pharmaceutical	Renata
38	Oxcarb XR 150mg Tablet	Oxcarbazepine	Pharmaceutical	Renata
39	Oxcarb XR 300mg Tablet	Oxcarbazepine	Pharmaceutical	Renata
40	Oxcarb XR 600mg Tablet	Oxcarbazepine	Pharmaceutical	Renata
41	Vita D3 1000 IU Tablet	Cholecalciferol USP	Pharmaceutical	Renata
42	Vita D3 2000 IU Tablet	Cholecalciferol USP	Pharmaceutical	Renata
43	Zodef 60ml Syrup	Dellazacort	Pharmaceutical	Renata
44	Saltica HFA 25/125 mcg MDI	Salmeterol+Fluticasone Propionate BP	Pharmaceutical	Renata
45	Saltica HFA 50/250 mcg MDI	Salmeterol+Fluticasone Propionate BP	Pharmaceutical	Renata
46	Salburen HFA MDI	Salbutamol BP	Pharmaceutical	Renata
47	Lemulin Injection 150mg/15 ml	Lefamulin Acetate INN	Pharmaceutical	Renata
48	Rolac NS (Nasal Spray)	Ketorolac	Pharmaceutical	Renata
49	Renahaler (DPI Device)	Dry Powder Inhaler Device	Pharmaceutical	Renata
50	Saltica HFA 25/250 Refill	Salmeterol+Fluticasone Propionate BP	Pharmaceutical	Renata
51	Saltica Renacap 50/250	Salmeterol+Fluticasone Propionate BP	Pharmaceutical	Renata
52	Saltica Renacap 50/500	Salmeterol+Fluticasone Propionate BP	Pharmaceutical	Renata
53	Salburen HFA Refill	Salbutamol BP	Pharmaceutical	Renata
54	Salburen-I HFA	Salbutamol BP	Pharmaceutical	Renata
55	Salburen-I HFA Refill	Salbutamol BP	Pharmaceutical	Renata
56	Riluzol 50mg Tablet	Riluzole USP	Pharmaceutical	Renata
57	Riluzol 300ml Suspension	Riluzole USP	Pharmaceutical	Renata
58	Voxamin 50mg Tablet	Fluvoxamine	Pharmaceutical	Renata
59	Voxamin XR 100mg Capsule	Fluvoxamine	Pharmaceutical	Renata
60	Voxamin XR 150mg Capsule	Fluvoxamine	Pharmaceutical	Renata
61	Azicare 7/10 Extended Capsule	Memantine HCl + Donepezil HCl	Pharmaceutical	Renata
62	Azicare 14/10 Extended Capsule	Memantine HCl + Donepezil HCl	Pharmaceutical	Renata
63	Azicare 21/10 Extended Capsule	Memantine HCl + Donepezil HCl	Pharmaceutical	Renata
64	Azicare 28/10 Extended Capsule	Memantine HCl + Donepezil HCl	Pharmaceutical	Renata
65	Deroxime [®] DR 233mg Capsule	Diroximel Fumarate INN	Pharmaceutical	Renata
66	Vitlica Renacap 25/100	Vilanterol+Fluticasone Furoate	Pharmaceutical	Renata
67	Vitlica Renacap 25/100	Vilanterol+Fluticasone Furoate	Pharmaceutical	Renata



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 Corporate Affairs Division
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AlphaRating

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

S. No.	Brand Name	Generic	Division	Developed By
68	Vitica Renacap 25/200	Vilanterol+Fluticasone Furoate	Pharmaceutical	Renata
69	Vitica Renacap 25/200	Vilanterol+Fluticasone Furoate	Pharmaceutical	Renata
70	Vitica-U Renacap	Vilanterol+Fluticasone Furoate+Umeclidinium	Pharmaceutical	Renata
71	Vitica-U Renacap	Vilanterol+Fluticasone Furoate+Umeclidinium	Pharmaceutical	Renata
72	Vildium Renacap	Vilanterol-Umeclidinium	Pharmaceutical	Renata
73	Indaren-G Renacap	Indacaterol+Glycopyrronium	Pharmaceutical	Renata
74	Durevols 5mg Tablet	Tadalafil	Pharmaceutical	Renata
75	Durevols 10mg Tablet	Tadalafil	Pharmaceutical	Renata
76	Durevols 20mg Tablet	Tadalafil	Pharmaceutical	Renata
77	Telpro Plus 40mg Tablet	Telmisartan BP & Hydrochlorothiazide USP	Pharmaceutical	Renata
78	Telpro Plus 80mg Tablet	Telmisartan BP & Hydrochlorothiazide USP	Pharmaceutical	Renata
79	Dabiren 75mg Capsule	Dabigatran Etxilate Mesylate INN	Pharmaceutical	Renata
80	Dabiren 150mg Capsule	Dabigatran Etxilate Mesylate INN	Pharmaceutical	Renata
81	Rozor 10mg Tablet	Omesartan Medoxomil BP	Pharmaceutical	Renata
82	Tamiren 20mg Tablet	Tamoxifen	Pharmaceutical	Renata
83	Dexaren inj. 10ml, 50ml	Dexamethason	Animal Health	Renata
84	Rena D3 100ml, 400ml	Vitamin D3+ Propylene glycol	Animal Health	Renata
85	Rentocin inj. 10 ml	Oxytocin Hormone	Animal Health	Renata
86	Ferro Plus	Vitamin, Minarel, Amino Acid.	Animal Health	Agrochem-India
87	High Ai	Vitamin, Minarel, Amino Acid	Animal Health	Agrochem-India
88	Masti-Ren	Vitamin, Minarel, Amino Acid.	Animal Health	Agrochem-India
89	Khura Cure	Vitamin, Minarel, Amino Acid.	Animal Health	Agrochem-India
90	Renamic inj.	Tranexamic Acid	Animal Health	Renata
91	Polyfat Powder	Rumen Bypass Fat	Animal Health	Bntz Net. Sdn. Bhd-Malaysia
92	Rena- Zinc	Zinc Sulphate Mono Hydrate 10 mg/5ml	Animal Health	Renata
93	Alluren-vet	Allupearinol 50mg/gm	Animal Health	Renata
94	Lincoren-40 Vet	Lincomycin HCL USP 435.88mg/gm	Animal Health	Renata
95	Vaxxon MG live	Mycoplasma gallisepticum Strain KS831B	Animal Health	Vaxoviva- Japan



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Company Profile	Industry Overview	Issue Overview	Business Risk
Business Model	Business Risk	Management Capabilities	Company Information

Organization Value Chain

1. Primary Activities

1(a) Inbound logistics

The imported raw materials are delivered to warehouse of the company at the production facility. After passing the initial quantity checking by the warehouse department, the raw materials are then stored in the warehouse but the materials can only be issued to production if Quality Control department approves.

1(b) Production

The company produces three types of products including Tablets, Capsules and Dry Syrups which are produced through various processes and steps. Each type of products is produced through separate machineries. The transition from one process to another is done manually. The products are produced in batches. After production of a batch, a minimum of four hours are required to clean the machine in order to start another new batch. The cleaning is done by labors by the help of some equipment and WHO recommended detergent. However, some automated cleaning systems are installed in new production floor established recently.

The production process for each type of products starts from Dispensing and Granulation where raw materials are weighed as per master formula and then are sieved, mixed and crushed/sized. The Dispensing and Granulation are initial process of the production preparing the raw materials ready for processing to finished products. Dispensing is done in dedicated dispensing area by only authorized personnel.

Tablet

After the Dispensing and Granulation stage the raw materials are then transferred to Compression process where tablets are produced by machine. After Compression the tablets are transferred to Blistering process for primary packing. Some tablets are transferred to Coating machine for firm coating before transferring to Blistering. And after Pouch Packing (if required) and Final Packing the finished products are then shifted to finished goods warehouse.

Capsule

Similar to the tablet production process, Capsules are encapsulated after Dispensing and Granulation. Similarly, after Encapsulation comes Coating (if required) and Blistering stage. And after Secondary Packaging Capsules are shifted to the finished goods warehouse.

Dry Syrup

After Dispensing and Granulation, the Dry Syrups are produced by Filling, Stoppering & Capping process. After that Bottle Labeling and Cartooning process takes place before shifting the finished products to warehouse.

1(c) Outbound Logistics

After production the finished products are transferred to the packing materials warehouse. After final packaging the products are shifted to RL's own 19 depots. From depots the products are distributed to various chemists shop and hospitals by distribution employees. Overall transportation support from warehouse to depots and depots to customers are provided by RL's own transportation support.

1(d) Sales and Marketing

The company maintains a strong marketing network all over the Bangladesh with proper deployment of skilled sales, distribution and promotional employees. The sales employees continuously communicate with various doctors for products promotions. They coordinate the delivery of the products according to market demand.

1(e) Service

The company sells most of its products in cash and thereby reduces its credit control and customer relationship expenses. Even so, if any discrepancy arises after delivery, RL tries to solve it as soon as possible. On the other hand, the company maintains keep proper liaison with customers to ensure customer satisfaction.



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Company Profile	Industry Overview	Key Metrics	Business Risk
2.1	2.2	2.3	2.4

2 Secondary Activities

2 (a) Procurement

The company purchases all of its raw material from various foreign suppliers located in India, USA, Japan, China, Hong King, UK, Malaysia, Italy, Thailand, South Korea, Denmark, Spain, Germany, Austria, New Zealand, Indonesia, Argentina, Brazil, Czech Republic. The raw materials requirements are determined by Production, Planning and Inventory Control Department and forward their requirement to the commercial department who finally sources the materials and orders it. RL maintains a vendor list and normally vendors are selected after the approval of Quality Assurance (QA) department.

2 (b) Human Recourse Management (HRM)

RL ensures sufficient human resources in all and also provides necessary support to all departments. It maintains a good policy regarding recruiting employees, training them, and assessing their performance. RL believes that people is the main driving force behind any successful organization and tries to embed that value into its culture. It helps the employee to create a friendly work environment and it encourages strong teamwork.

2 (c) IT Developments

The company uses Oracle software for financial recording and reporting. All purchases, sales, payments and receipt are rerecorded in its integrated IT system. The company uses SMS system in its distribution which is the main data for determining market demand and production planning. Each and every transaction is forwarded to accounts and finance department through network except for the inventory system which is separately maintained. The company follows proper documentation in its each stage of operation.

2 (d) Infrastructure

In order to facilitate smooth operation, RL divided its operations into various departments. The company maintains strong managerial and supervisory system, sufficient financing to support the growth, good organization culture, safety and security provisions in the production plant, proper compliance and quality assurance to create value from its production.


Product List

RL has been trying to offer high quality top 20 products with zero defects by establishing very sensible and high standard manufacturing processes. It also tries to follow the stringent quality control procedures according to the management of the company. The diversification of the company has been given below:

Brand Name	Sales (NSP)
MAXPRO	5,753,957,163
ALGIN	1,136,622,399
ROLAC	978,222,576
FUROCLAV	960,210,008
FENADIN	938,389,498
ORCEF	772,949,628
ZITHRIN	634,341,180
THYROX	565,642,415
NORMENS	563,905,373
UNBRANDED	544,985,533
FEMICON	518,616,206
FUROCEF	510,753,946
RENA-BROILER	449,273,475
NEUROBEST	418,481,641
FLUSTAR	417,563,362
MICROGEST	416,905,233
UNBRANDED	349,475,221
MEROPEN	346,687,060
RENXIT	330,610,712
LETROL	327,803,550




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5. Environmental Management System

1. Security System

RL maintains a strong security system in its production facility which includes

- 24 hours plant monitoring by in-house security personnel
- 24 hours critical plant monitoring by 3rd party security personnel
- Proper fencing around the plant
- Supervising all exit points by Internet Protocol, Camera System and Digital Video Recorder
- Maintaining proper log and gate pass for passing of material and person.

2. Quality Control and Quality Assurance System

RL has a well-resourced and well-structured quality assurance and quality control system. The quality assurance department of the company has perfectly implemented proper quality control mechanism including Preventive System, Detective System and Corrective System. The Quality Assurance and Quality Control system has its hand on each activity of each department in the production facility.

3. Fire Fighting System

RL keeps provisions for its fire protections which include Fire Alarm System, Fire Hydrant System, Fire Extinguisher, and Firefighting Training. The company has both automated and manual protocol for fighting against fire.

4. Compressed Air System

RL has two non-lubricated compressed air systems. Non lubricated compressed air is fitted with dryer to protect moisture and line filters & carbon filters to protect air born particles, oil and any other particles entering with the compressed air.

3. Risk Control - Production Process

RL usually prepares plant preventive maintenance schedule on a yearly basis which includes maintenance of production equipment's, Utilities and other facilities. The company tries to follow the plan; however, in some case the timetable is changed if and when felt necessary.

3. Humidity Control System

For hygroscopic and humidity sensitive products RL has provided local dehumidifiers in QC laboratory and Production Floor.


2. Environmental Monitoring system

The environment monitoring system of the company includes the following provisions

- Checking of air borne contamination by Settle Plate Technique
- Checking of surface contamination of designated location by Contact Plates
- Controlling the air borne particle of designated location by Calibrated Particle Counter twice a year in process area, once in three months in LAF area and Microbiology Testing Room
- Reviewing overall environmental monitoring annually
- Maintaining Intensity of light
- Quarterly verification of noise level
- Quarterly sampling and testing outside air
- Monthly checking the efficiency of ETP




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Company Profile	Industry Overview	Issue Overview	Business Risk
Financials	Manufacturing	Manufacturing Quality	Corporate Information

Industry Analysis

Introduction

The pharmaceutical industry is one of the most developed technology sectors in Bangladesh. Manufacturers produce almost all type of medicine which includes high tech products like insulin, hormones, anti-cancer products etc. This sector provides 98% of the total medicinal requirement of the local market. The industry also exports medicines to 150+ countries, including USA, UK, Canada, Australia, Germany, EU etc. Pharmaceutical companies are expanding their business with the aim to expand the export market. The Pharmaceutical sector of Bangladesh has been transforming and evolving since the early 80s. The sector has grown from strength to strength over the last 5 decades. Since this is a technology and knowledge based sector; the journey was not an easy one for a LDC country faced with enormous economic challenges. Now, Bangladesh proudly stands alone as the only LDC that has a well-developed pharma sector. (Source: <http://www.bap-bd.com/bangladesh-pharma-industry/overview.html>)

Bangladesh pharmaceutical market is valued at \$3 billion. The pharma industry is the second-highest income generating industry in Bangladesh. The pharma market is dominated by majorly generics (85%), and less of patented drugs (15%). There are about 100 Bangladesh pharmaceutical companies. Top 10 manufacturing pharmaceutical companies in Bangladesh are Square, Incepta, Beximco, Opsonin, Renata, Eskayef, ACI, ACME, Aristopharma, and Drug International. (Source: https://pharmchoices.com/list-of-pharmaceutical-companies-in-bangladesh-2/?expand_article=1)

Total Pharmaceutical Market Size

Ranking (BAAI)	Ranking (OTR)	Manufacturer	Value in mBDT (BAAI)	% share (BAAI)	% Growth (BAAI)	Value in mBDT (OTR)	% share (OTR)	% G (OTR)
1	1	TOTAL MARKET	299,292	100.00	14.58	78,185	100.00	7
1	1	SQUARE	54,585	18.24	18.18	11,847	17.82	-3
2	2	INCEPTA PHARMA	35,014	11.70	17.18	8,072	11.50	-4
3	3	BEXIMCO	28,705	9.58	21.54	6,088	8.50	8
4	4	HEALTHCARE PHARMA	21,998	7.25	14.12	5,018	7.15	11
5	5	RENATA	18,787	6.28	4.74	3,557	5.07	10
6	6	OPSONIN PHARMA	13,720	4.58	4.81	3,228	4.50	9
7	7	ARISTOPHARMA	12,245	4.09	21.50	2,812	4.01	12
8	8	ESKAYEF	11,603	3.88	4.32	2,698	3.84	-4
9	9	RADIANT PHARMA	11,284	3.77	19.32	2,608	4.00	16
10	10	ACI	11,098	3.71	18.32	2,758	3.93	9
11	11	ACI	10,798	3.61	17.49	2,612	3.72	15
12	12	DRUG INTERNATIONAL	9,373	3.13	7.42	2,406	3.45	18
13	13	POPULAR PHARMA	8,957	2.99	29.04	2,153	3.21	30
14	14	UNIBEU & UNIMED LTD	8,674	2.90	8.40	1,644	2.00	9
15	15	NOVO NORDISK	4,818	1.61	5.03	1,145	1.63	9
16	16	GENERAL	4,458	1.49	15.03	1,023	1.45	7
17	17	BEACON PHARMA	4,312	1.44	11.40	998	1.42	20
18	18	ZSBA	3,304	1.10	8.34	801	1.14	13
19	19	NIPRO JAI PHARMA	3,290	1.10	18.00	817	1.16	18
20	20	GEN SIRA	3,115	1.04	10.44	855	1.22	33
21	21	SUN PHARMA	2,711	0.91	3.18	673	0.98	1
22	22	NOVARTIS	2,547	0.85	12.71	604	0.86	4
23	23	SYNDIA PHARMA PLC	2,519	0.84	29.33	675	0.92	16
24	24	NAVANA	2,254	0.75	41.03	583	0.83	22
25	25	MUVISTA PHARMA	2,228	0.74	9.43	531	0.76	-3
26	26	ROCHE	2,119	0.71	9.65	540	0.77	0
27	27	ORION PHARMA LTD	2,040	0.68	4.00	543	0.77	11
28	28	SERVIER	1,456	0.49	10.05	350	0.56	21
29	29	ELI LILLY	1,305	0.44	21.54	320	0.48	28
30	30	SANDOZ	870	0.29	-1.51	204	0.29	1

Source: <https://www.pharmaspecialists.com/2023/03/top-30-pharmaceutical-companies-in-bd.html#gsc.tab=0>



Syed S. Kaiser Kabir
Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited

Musriafa Alim Aolad
Musriafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Md. Jubayer Alam
Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

AlphaRating

Company Profile	Industry Overview	Asset Overview	Business Risk
Capital Base	Financials	Management Quality	Company Information

Credit Review

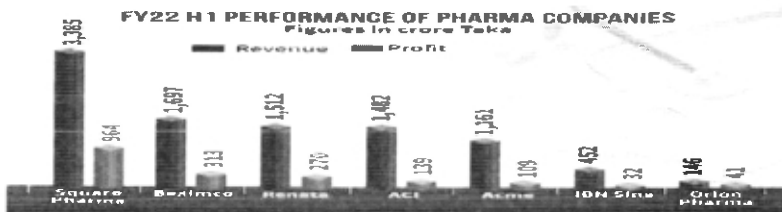
The target is ambitious but it is achievable given the facilities for production of generic medicines in the country. That the local pharmaceutical companies meet 97 per cent of the country's need for medicine surely goes to their credit as well as points to their manufacturing capacity. But to lift the production volume to a level where the 2022's export size of medicine worth \$189 million can be raised to \$1.0 billion to \$4.0 billion to \$40 billion --- albeit at different stages --- is quite challenging. For its plus point, the country has 213 pharmaceutical companies in operation with a domestic market size of \$3.32 billion. What is particularly savoring is the fact that nine companies have already received regulatory approval from highly reputed authorities like MHRA, EU countries, US FDA and WHO PQ. Eleven others are joining the club soon to make a total of 20. The existing capacity of the local 213 drug companies are not sufficient for turning all of them producers of quality medicines of international standard. Only the leading pharmaceuticals with approval from internationally reputed regulatory authorities can go for export in a big way. Even then they will have to add infrastructural facilities to their existing units if they are serious about seizing even a one per cent share of the global generic medicine market worth \$400 billion. [Source: <https://thefinancialexpress.com/ba/editorial/pharmaceutical-industrys-export-prospect>]

Market Outlook

Bangladesh's pharmaceuticals sector will grow 15 percent year-on-year to reach \$5.11 billion by 2023, propelled by high investments by local companies as they seek to grab a bigger share of the global market. By 2022, the market size will be more than doubled to \$4.44 billion from \$2.02 billion now. Bangladesh's pharmaceutical industries aim to capture 10 percent of the global generic market as 5 to 7 companies have received approval from top regulatory bodies. Local pharma market set to hit \$5.11b by 2023. Bangladesh exports medicinal products to 144 countries after meeting 97 percent of the domestic demand. Pharmaceuticals exports fetched \$103.46 million in the last fiscal year, up 16.03 percent year-on-year, according to the Export Promotion Bureau. Currently, Bangladesh has the facilities for producing advanced medicine like active pharmaceuticals ingredients, biosimilar, vaccines, and oncology products alongside medical devices. [Source: <https://www.thedailystar.net/business/local-pharma-market-set-hit-511b-2023-1614133>]

Domestic competition

Large drug manufacturers listed on the capital market have reported good growth in the business while small companies suffered a decline mainly because of the Covid-19 pandemic. Among the top drug makers, Square Pharma posted a 16% growth in sales, Beximco 18%, Renata 17%, ACI 9%, Acme 16%, IBN Sina 25% and Orion Pharma 13%. Performance of top seven manufacturers companies are as follows:



source: <https://www.tbsnews.net/economy/stocks/top-drugmakers-keep-growth-trajectory-h1-364801>



Syed S. Kaiser Kabir
 Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited

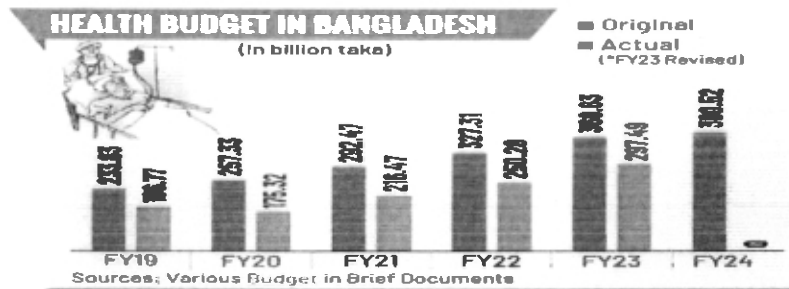
Mustafa Alim Aolad
 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Md. Jubayer Alam
 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Asset Structure	Financials
Business	Accounting	Management Discussion	Shareholder Information

Total Health Care Expenditure

The government in the proposed budget has allocated Tk 380.52 billion, 5.0 per cent out of the total budget of Tk 7.62 trillion for fiscal year (FY) 2023-24. The allocation was 5.4 per cent in last fiscal budget. This time, the government has allocated Tk 380.52 billion for the sector (operating and development budget). The allocation was Tk 368.63 billion for FY23. Bangladesh have to bear 68.5 per cent of the total health expenditure. Such conventional health budget allocation must not cut out-of-pocket expenditure and ease people's burden. We need major reform in the sector, including in the budget allocation manner. Some 6.0-million people in Bangladesh become new poor annually because of the poor healthcare system and high out-of-pocket health expenditure. This allocation will further raise the number of fresh poor. The World Health Organization recommends that countries like Bangladesh allocate 5.0 per cent of GDP to the health sector.



Source: <https://thefinancialexpress.com.bd/health/out-of-pocket-health-expenditure-to-rise-experts>

Trade-related Aspects of Intellectual Property Rights (TRIPS)

Following the enforcement of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), all WTO members were required to introduce a "TRIPS compatible patent law (including product patents)" in their countries. However, a grace period was granted to LDCs, including Bangladesh, in this regard. Today, Bangladesh is exempted from introducing product patents until 2033 owing to TRIPS' special treatment. Different from other LDCs, Bangladesh has a strong pharmaceutical industry, and domestic pharmaceutical companies occupy the majority of Bangladesh's pharmaceutical market. This study will analyze the impact of TRIPS' special treatment for LDCs on the Bangladesh pharmaceutical industry. The special exemption of TRIPS allows Bangladesh's pharmaceutical companies to imitate brand name drugs that are patent-protected in other countries, and to sell these drugs in both domestic and overseas markets. However, the level of technology in many Bangladesh pharmaceutical companies is not advanced. Only a few Bangladesh's firms can export their products to advanced markets. Moreover, rapid economic development of the Bangladesh economy might cause a reconsideration of LDC status of Bangladesh in the future. Based on statistical data analysis and a series of interviews with stakeholders in Bangladesh, this study will first observe the current status of Bangladesh's pharmaceutical industry, and thereafter analyze the impacts of TRIPS on the market. (Source: <https://ieeexplore.ieee.org/document/8481873>)

Challenges in Near Future

As a least developed country, Bangladesh would get patent exemption on pharmaceutical products till 2033 as per the TRIPS agreement with the World Trade Organization. However, since Bangladesh is looking forward to graduating from LDC by 2026, Bangladesh is likely to lose the patent exemption facility 7 years before the expiration date. Which may stop the development of the pharmaceutical industry in Bangladesh because if Bangladesh loses the benefits of the TRIPS agreement, pharmaceutical companies will have to enact new patent laws.



Syed S. Kaiser Kabir
Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited

Mustafa Alim Aolad
Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Md. Jubayer Alam
Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Track	Financials Page	Management Quality	Company Information

As a result, manufacturing of many types of generic medicine is likely to cease. If domestic manufacturers want to maintain production of these medicines, they may have to pay royalties on patents. As a result, the overall price of medicine in Bangladesh may increase. Otherwise companies will face patent violations and exports will be severely hampered. One of the biggest issues in Bangladesh's pharmaceutical industry is that the country's pharmaceutical companies are not paying much attention to research. As a result, there is a lack of innovation in the domestic pharmaceutical sector. Apart from this, one of the major threats in the pharmaceutical industry of Bangladesh is counterfeit and substandard medicines. Although there are strict standards on the quality of medicines exported abroad, there is a large supply of counterfeit medicines in the domestic market. As a result, quality producers are losing huge dividends every year. In addition, most of the raw materials used in the manufacture of medicines have to be imported from outside the country which if produced in the country, the pharmaceutical industry will be able to be more self-sufficient, and manufacturing costs can be further reduced. (Source: <https://businessinspection.com.bd/pharmaceutical-industry-of-bangladesh/#:~:text=Apart%20from%20this%2C%20one%20of,medicines%20in%20the%20domestic%20market;>)

Opportunity of Pharma Industry in Bangladesh

Bangladesh is aiming to develop 30 world-class drug makers in the next decade in order to establish a strong foothold in the global pharmaceutical markets. As a least developed country (LDC), the country is exempted from obligations to implement patents and data protection for pharmaceutical products until 2033. But as it is highly likely that the country will graduate from the LDC group by 2024, the window of opportunity for Bangladesh is thus only about 10 years. Industry people are hopeful that the country will be cultivating the 30 manufacturers within the time it can still avail of this preferential treatment.


On 6th November last year, the WTO-TRIPS Council granted the least developed countries, which include Bangladesh, an exemption from obligations to implement patents and data protection for pharmaceutical products until 2033. The Trade-Related Aspects of Intellectual Property Rights (TRIPS) decision of the World Trade Organization (WTO) has important implications for the economies of all 34 least developed member countries, as the waiver provides them with an opportunity to provide low-cost medicine to their own people, besides significant export opportunities for pharmaceutical enterprises. Within 2017, patents of some blockbuster drugs, i.e. medicines generating global sales of at least USD 1 billion annually, will expire. As a result, the global generic market will amount to over USD 400 billion. Around 80% of the world's population consumes generic products. Moreover, in many countries, new government provisions, changing demographics and lifestyle will continue to increase the use of global generic medicines. India and China are the major players in the world generic market. On the downside, the country still buys most of its raw materials from abroad. But developments are underway, with a number of firms now manufacturing raw materials locally. For example, the Active Pharmaceutical Ingredients Park in Munshiganj, around 40 km from the capital, is under construction at present. Once complete, the park will help the sector manufacture at an economy rate. With plans to establish around 40 API industries inside the park, including a central effluent treatment plant and incinerator amongst many other facilities, Bangladesh is surely on the road to attaining self-sufficiency and stellar export growth in the days to come.


Conclusion

Among the industrial sectors of Bangladesh, the pharmaceutical sector is advancing with the times. Besides meeting the demand for medicines in the country, Bangladesh is also earning a lot of foreign exchange through exports. Although the pharmaceutical industry plays a small role in the country's GDP, it is hoped that if Bangladesh can sustain this growth, the contribution from this sector to GDP will increase even further in the future. However, to maintain the growth of the country's pharmaceutical industry, Bangladesh needs policy updates.




Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Local Outlook	Business Risk
Exit Point	Key Metrics	Management (Buyers)	Company Information

Political and legal environment for Bangladesh pharmaceutical industry

(a) Entry Status of companies in Regulated Markets

US-FDA: Currently none of the pharmaceutical companies have US- Food and Drug Administration (FDA) approval. Beximco, Square and Incepta are however pursuing this while Beximco has already completed an audit and is waiting for approval.

UK-MMRA: The Medicines and Healthcare products Regulatory Agency has approved Square, Incepta, Eskayef and Renata for exporting certain products to UK.

TGA-Australia: Square, Beximco and Eskayef have approval from Australia to export medicine there.

(b) Government Initiatives in Budget

Supplementary Duty (SD) rates on 21 (twenty one) basic raw materials' are proposed for concession of duty and taxes. In addition, it has been proposed to extend the VAT exemption threshold on the export of sample medicines from BDT 30,000 to BDT 100,000 and Value Added Tax (VAT) at import stage on the inputs (Simeprevir Sodium, Lepipasvir, Sofosbuvir, Ombitasvir, Paritaprevir, Ritonavir, and Dasabuvir) for the medicament of Hepatitis-C has waived.

The government also decided to prioritize on establishing a pharmaceutical park in Munshiganj which is supposed to help the industry to become self-sufficient in API manufacturing, which it mostly imports.

(c) The WTO and TRIPS

The Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation as applied to nationals of other WTO Members.

In 2001, developing countries, concerned that developed countries were insisting on an overly narrow reading of TRIPS, initiated a round of talks that resulted in the Doha Declaration. The Doha declaration is a WTO statement that clarifies the scope of TRIPS, stating for example that TRIPS can and should be interpreted in light of the goal "to promote access to medicines for all."

According to this all signatory parties are bound to implement 20 year product patent protection for pharmaceutical products into their domestic legislation.

Because of TRIPS, Developing countries like India and China had to stop exporting patented drugs to other LDCs, after 2005. This opened a wide export opportunity for Bangladesh, since it was the only country among the 48 LDCs which had a strong manufacturing base in Pharmaceuticals. And since then, Bangladesh firms have been experiencing a surge in exports.

Bangladesh, being a Least Developed Country (LDC), was permitted to produce drugs without patent. Bangladesh mostly produces generic drugs which are formulated based on existing and expired patented drugs and can export those drugs to LDC's. It can also export to non-LDC countries based on certain conditions.

Currently the 48 LDCs are not obliged to legislate product patent rights until 2016. Until then, LDCs can provide no patent protection at all, patent protection that is less than required by TRIPS or patent protection equal to or greater than TRIPS. Some LDC countries have implemented full TRIPS patent protection or expanded TRIPS-plus patent protection in advance of the 2016 deadline. Activists say this is due to pressure from multinational pharmaceutical companies or developed country governments while MNCs say that IP laws are individual to each country and may reflect other trade and policy priorities.

(d) TRIPS Implications and Deadline

TRIPS provide Bangladesh pharmaceutical firms with patent-free production rights domestically until 2016 and limited exporting advantage. As long as Bangladesh has to import APIs however, they will have to buy these from firms which are compliant with TRIPS laws and hence will have to incorporate the higher royalty patent price for these.



Syed S. Kaiser Kobir
Syed S. Kaiser Kobir
 CEO & Managing Director
 Renata Limited

Mustafa Ailim Aolad
Mustafa Ailim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Md. Junayer Alam
Md. Junayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Value Overview	Business Risk
22.12.23	10.00.2023	10.00.2023	10.00.2023

TRIPS also allow Bangladesh to export drugs patent free. The advantages that TRIPS does offer is somewhat offset by the pace and ferociousness of the Indian and Chinese generic market, where companies can produce drugs, even including the patent costs, at an enormously competitive rate. An analysis of the potential export market under TRIPS, shown below, reveals that the opportunities are also limited.

Until 2016, Bangladesh may:

- Export to any country if the drug is not under patent. For example, most drugs on WHO's Model List of Essential Drugs are not patented as affordability is one of the criteria used in designating medicines as "essential."
- Export to another LDC or non-WTO country that has not implemented product patent protection. However, today, virtually all the LDC WTO members provide TRIPS patent protection.
- Export to a country where the patent holder has not filed for patent protection for this drug. As companies do not file patents in all countries, there are gaps in patent coverage that can be exploited. Companies tend not to file patents in countries where sales and profit prospects are low or where there is no meaningful judicial patent protection.
- Be the first one to market when a patented drug goes off patent. As previously discussed, there is great profit potential for the first generic firm to get approval for a product. This Exception of TRIPS allows any country in the world to start working on a drug before patent expiry. Thus, Bangladesh's patent-free LDC status does not offer any competitive advantages in this arena and Bangladesh will have to compete head to head in this very fierce and competitive market.

- Export to a country that has issued a compulsory license for the drug and awarded the production contract to Bangladesh. Article 31 of TRIPS grants governments the right to issue a compulsory license for public health purposes. A compulsory license is where the government overrides a patent and grants another entity the right to produce the patented product. The 6 December 2005 Decision gives countries who do not have adequate manufacturing capacity (and all LDCs are given this status) the right to import the drug for which it issues a compulsory license. Thirty three developed countries have declared they will not use this TRIPS flexibility to import and eleven countries announced they would not use it unless it was a national emergency. Article 65.5 of TRIPS says that any country availing itself of a transitional period flexibility shall not change their laws to result in a lesser degree of consistency with TRIPS. Therefore, TRIPS flexibilities offer some domestic advantages and limited export potential. In the long term, Bangladesh will have to rely on standard business practices of producing the highest quality product at the lowest price to compete on the international market.

(4) WTO's TRIPS Extension till 2021 and its implications

On 11 June 2013 WTO announced that LDCs will be getting an extension for TRIPS till 2021, titled "Extension of the Transition Period under Article 66.1 for Least Developed Members". This gave LDCs 8 more years to implement international intellectual property protection rules and threw a shroud of confusion over a parallel WTO waiver for pharmaceutical products conferred on least developed countries until 2016.

The June 2013 extension for LDCs to enforce WTO IP rules will end on 1 July 2021. It temporarily waives the obligation of least developed countries (LDCs) to apply the provisions of the WTO Agreement on TRIPS, except for articles 3 (national treatment), 4 (most-favored-nation treatment), and 5 (multilateral agreements on acquisition or maintenance of protection).



Syed S. Kalsoor Kabir
 Syed S. Kalsoor Kabir
 CEO & Managing Director
 Renata Limited

Uddod
 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited

Jubayer Alam
 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Asset Overview	Business Risk
Table 1-1	Table 1-2	Table 1-3	Table 1-4

Since the newly passed extension is for the full TRIPS agreement, it should be considered to apply to all products, including pharmaceutical products.

Meanwhile, there is also a separate extension for LDCs for pharmaceutical products. The 2001 WTO Doha Ministerial Declaration on TRIPS and Public Health established that LDCs "will not be obliged, with respect to pharmaceutical products, to implement or apply sections 5 [patents] and 7 [protection of undisclosed information] of Part II [standards concerning the availability, scope and use of intellectual property rights] of the TRIPS Agreement or to enforce rights provided for under these Sections until 1 January 2016"

The problem arises with Decision 3 of the announcement which states: "This Decision is without prejudice to the Decision of the Council for TRIPS of 27 June 2002 on "Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least-Developed Country Members for Certain Obligations with respect to Pharmaceutical Products" (IP/C/25), and to the right of least developed country Members to seek further extensions of the period provided for in paragraph 1 of Article 66 of the Agreement.

(ii) Government initiative to ensure TRIPS Extension 2022

According to a report published on The Financial Express it will be difficult for Bangladesh to get the transitional period for pharmaceuticals extended under the special TRIPS since this is not a field of common interest of the club of world's poorer nations, given that none of them have the infrastructure required for a large pharmaceutical industry.

According to the report an official from the Ministry of Commerce said that they are increasing diplomatic efforts for a united stand, and plan to submit a proposal to the LDC group Committee headed by Uganda by February 2015. The plan is to negotiate and discuss with LDC members to formulate a united position on the inclusion of the pharmaceutical sector; and then to place a demand to the TRIPS Council of WTO through the LDC forum.

Currently, under the WTO-TRIPS period till 2015, Bangladesh is manufacturing and exporting any kind of generic drugs, be it patented or not.

The benefit that LDC's, who are not producing pharmaceuticals, will get is access to drugs at a lower price and the opportunity to develop the industry within the extension period. It is also assumed that if LDC's stay united on this issue further extensions (after 2021) may be possible in future.

(g) Impact of TRIPS activation 2016

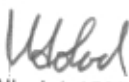
Once the advantage that LDC's, primarily Bangladesh enjoys in terms of being able to produce patented drugs without paying royalties is revoked, the cost of exporting and even selling such drugs will dramatically increase. On top of that Bangladesh is yet to be self-reliant in terms of sourcing raw materials and usually drugs are formulated at the latter stages, whereby most of the value addition stages are completed abroad since 95% of API is currently import dependent.


The change in drug rules will mostly affect the end users who will rely on newly patented drugs post-2016 in Bangladesh. However according to experts the local industry will not completely breakdown immediately even if it is implemented as most patented drugs which are in demand now will expire into expired patented drugs by 2016.[20]

Another fact that must be mentioned is that no matter the growth and success of the industry the Bangladeshi pharmaceutical industry is still not prepared to invest in discovering or inventing completely new drugs since the investment costs are much higher than the possible return from the Bangladeshi market.




Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

AlphaRating

Company Profile	Company Overview	Issue Overview	Financial Risk
Company Information	Management Team	Company Information	

Issue Overview

Issue Objective

Renata Limited has planned to issue Renata Zero-Coupon Bond of BDT 5,000.00 million. The objective of the issue is to meet partial Partial Refinancing of Existing Loan. The bond is Secured, Non-convertible, and Fully-Redeemable, Zero Coupon Bond.

Sponsor's Status

RL has plan to issue 05 years Renata Zero Coupon Bond of BDT 5,000.00 million. Investors of the issue will be Banks, NBFIs, Insurance, Institutional Investors and High net worth individuals etc. and any other eligible investors. Face value of per bond is BDT 0.10 million.

Interest

Zero Coupon Bond pays no coupons but are subject to issue at deep discount from 'face value', the amount to be paid back upon on maturity. The investor's return is the difference between the purchase price of the bond and its face value when redeemed. Since these bonds do not pay coupons, so there are no interest on coupons attached to the bond documents, hence this is called "Zero Coupon Bond".

Redemption


Payment of the redemption amount and other payment (if any) will be made on the redemption date in accordance with trust deed by the issuer to the bondholders. All such payments shall be made by the issuer by pay order/cheques drawn on bank that processes payments in BDT for the account of bondholders.

Features of Bond

Issuer	Renata Limited
Name of the Issue	Renata Zero-Coupon Bond
Issue Type	Secured, Non-convertible, and Fully-Redeemable, Zero Coupon Bond
Purpose	Partial Refinancing of Existing Loan
Face Value	BDT 5,431.00 Million - BDT 6,601.5 million
Issue Size	BDT 5,000.00 Million
Face Value of each bond	BDT 100,000.00
No. of Bonds to be Issued	64,314.00-66,015.00
Bond Per Lot	9 Bonds
Minimum Investment	BDT 900,000.00
Fund Arranger	City Bank Capital Resources Limited
Trustee	BRAC EPL Investments Limited
Investors	Banks, NBFIs, Insurance, Institutional Investors and High net worth individuals.
Security	Pari-Passu charge on underlying assets (Such pari-passu shall be created within 6 months after subscription)
Period within which securities to be issued	September 2024
Maturity	Series of Zero-Coupon Bonds with tenors ranging from 1 Year - 5 Years i.e., 12 months to 60 months from respective issue date
Discount rate	9.00% P.A.-10.00% P.A. (The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance)
Rate of Return Type	Fixed
Mode of option	Pre-Payment
Late redemption	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the discount rate which will be payable on the amount not paid on the due date up till the date of actual payment.
Offering Style	Private Offer
Conversion Option	The bonds shall be non-convertible in nature. The bond is transferable as per conditions mentioned in Modus Operandi And may be tradable in the Alternative Trading Board if Required by BSEC via Consent Letter.
Transferability	The issuer may redeem the outstanding zero-coupon bonds before maturity by paying an early repayment fee of 1% on the outstanding issue price or discounted value.
Prepayment, Call, Refunding, conversion features	




 Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

AlphaRating

Company Profile	Industry Overview	Local Operations	Business Risk
Financials	Management	Management Discussion	Company Information

Issue Specific Risk

Interest Rate Risk

Interest rate risk is the possibility of financial positions of a Company being negatively impacted by shifts in interest rates. This risk affects bonds, loans, mortgages, financial institutions, investment portfolios, and real estate. To manage it, diversification, interest rate hedging, duration management, floating-rate instruments, and active monitoring are used. Interest rate risk highlights the need to adapt to ever-changing interest rate environments in financial decision-making. The management of The Company is always aware of the interest rates at which the debts of The Company are being financed. Management finances both long-term & short-term funds at competitive rates.

Liquidity Risk

Liquidity risk entails the possibility that a company might encounter challenges in fulfilling its financial commitments within the expected time frame and without incurring excessive costs. This risk arises due to imbalances between a company's short-term financial obligations and its available liquid assets. When a company faces liquidity risk, it might struggle to access the necessary funds to meet its payment obligations, resulting in potential disruptions to its operations and reputation. The Company's strategy for liquidity management revolves around maintaining a consistent level of liquidity to effectively address its obligations, even in challenging circumstances, while avoiding detrimental losses or harm to its reputation. This primarily involves maintaining an adequate amount of cash and cash equivalents to cover anticipated operational costs, including meeting financial commitments. To achieve this, the management follows a structured approach: they analyze the timeline of payment obligations, create cash forecasts, and subsequently ensure the availability of ample funds to fulfill these obligations punctually and as expected.

Exchange Rate Risk


The Company faces the challenge of exchange rate risk due to its reliance on the import of raw materials and capital machinery. Recognizing the inherent volatility of the Bangladeshi Taka, the company has proactively devised a strategy to manage this risk. By adjusting the pricing of the final product, the company can effectively absorb and mitigate the impact of exchange rate fluctuations. This approach showcases the company's astute understanding of its exposure to currency risk and its ability to translate this awareness into a practical solution that safeguards its profitability. The deliberate alignment of product pricing with exchange rate movements not only cushions the financial impact but also underscores the company's commitment to maintaining stability and competitiveness in a dynamic market environment.


Non-Repayment Risk

Non-repayment risk refers to the possibility of either not receiving payments or receiving only partial payments from the investment or credit sales. This kind of risk typically emerges when the Company making the payment undergoes sudden alterations in its historical payment patterns, encounters delays or incompleteness in payment processing, confronts adverse conditions within its industry or the market, or deliberately defaults on its obligations. The company predominantly operates on a cash basis for product sales, with only a small fraction, ranging from 3% to 5% of the total sales, conducted on credit terms. This strategic approach significantly diminishes the company's susceptibility to non-repayment risk. By minimizing the reliance on credit transactions, the company inherently reduces its exposure to potential default situations, ensuring a more stable and secure revenue stream.




Syed S. Kaiser Kabir
 CEO & Managing Director
 Renata Limited


Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

Repayment Schedule

There shall be 9 series of Zero-Coupon bonds with different maturity dates. The maturity of the first series shall be 1 year from the respective Issue Date. For the second series, the maturity shall be 1.5 years and for the last series, the maturity shall be 5 Years. The approval from BSEC to be taken in a range of 9.00% p.a. - 10.00% p.a. to adopt any market change and to be finalized based on market conditions at the time of bond issuance. Two Repayment Schedules Considering Minimum 9% and Maximum 10% Discount Rate is shown below:

(Considering 9.00% discount rate)

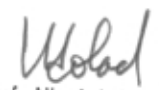
Assumptions for Bond	
Issue Size (in BDT mn)	4,997.01
Face Value (in BDT mn)	6,431.40
No of Bond to be Issued	64,314
Bond Per Lot	9
Discount Rate	9% p.a.
Minimum Subscription (in BDT)	900,000
Maturity	1 - 5.0 years


(Amount in BDT)

Years	Face Value Per Bond	Discount Factor	Issue Price Per Bond	Units to be Issued	Discounted Value of Each Series	Redemption Amount (Face Value)
0.00	-	-	-	-	-	-
0.50	-	-	-	-	-	-
1.00	100,000	0.92	91,743	7,146.00	655,596,330	714,600,000
1.50	100,000	0.88	87,874	7,146.00	627,947,398	714,600,000
2.00	100,000	0.84	84,168	7,146.00	601,464,523	714,600,000
2.50	100,000	0.81	80,618	7,146.00	576,098,530	714,600,000
3.00	100,000	0.77	77,218	7,146.00	551,802,315	714,600,000
3.50	100,000	0.74	73,962	7,146.00	528,530,761	714,600,000
4.00	100,000	0.71	70,843	7,146.00	506,240,656	714,600,000
4.50	100,000	0.68	67,855	7,146.00	484,890,607	714,600,000
5.00	100,000	0.65	64,993	7,146.00	464,440,969	714,600,000
Total	900,000	-	699,274.01	64,314.00	4,997,012,089	6,431,400,000




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 Renata Limited


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Md. Jobayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

AlphaRating

Company Profile	Industry Overview	Issue Overview	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

(Considering 10.00% discount rate)

Assumptions for Bond

Issue Size (In BDT mn)	4,987.43
Face Value (in BDT mn)	6,601.50
No of Bond to be issued	66,015
Bond Per Lot	9
Discount Rate	10% p.a.
Minimum Subscription (In BDT)	900,000
Maturity	1 - 5.0 years

(Amount in BDT)

Years	Face Value Per Bond	Discount Factor	Issue Price Per Bond	Units to be Issued	Discounted Value of Each Series	Redemption Amount (Face Value)
0.00	-	-	-	-	-	-
0.50	-	-	-	-	-	-
1.00	90,000	0.91	82,908	7,335.00	656,114,182	733,500,000
1.50	100,000	0.87	86,678	7,335.00	635,786,190	733,500,000
2.00	100,000	0.83	82,645	7,335.00	608,188,347	733,500,000
2.50	100,000	0.79	78,799	7,335.00	577,987,446	733,500,000
3.00	100,000	0.75	75,433	7,335.00	551,039,409	733,500,000
3.50	100,000	0.72	71,635	7,335.00	526,448,192	733,500,000
4.00	100,000	0.68	68,308	7,335.00	501,464,710	733,500,000
4.50	100,000	0.65	65,128	7,335.00	477,675,575	733,500,000
5.00	100,000	0.62	62,082	7,335.00	455,485,793	733,500,000
Total	900,000	-	621,313	66,025.00	4,987,484,488	6,601,500,000



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AlphaRating

Company Profile	Industry Overview	Issue Overview	Business Risk
Asset Risk	Financial Risk	Management Quality	Company Information

Bond Transaction Dimension

Priority

The indebtedness of the Issuer evidenced by the Conditions in trust deed, including Redemption Amount shall not be subordinate and junior in right of payment in the manner provided in the Trust Deed to its obligations to its creditors and will rank, in the event of the winding up of the Issuer, at least pari passu in right of payment with all other secured indebtedness, present and future, of the Issuer.

For the purposes of this Condition, "Indebtedness" shall include all liabilities, whether actual or contingent.

Security

Security can be in the form of specific collateral or a lien on all assets. For an Issue secured with specific collateral to be rated above the "nature" or "stand alone". If the security is separated from the estate of the company in the event of bankruptcy and the security will maintain value regardless of the company's fortunes, then the risk of the bond might be minimized.


Description of collateral security and type of charges to be created against Issue:

- Registered charge on pari-passu basis with RJC on the underlying assets.




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 Chief Financial Officer
 Finance Division
 Renata Limited


Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

AlphaRating

Company Profile	Rating Methodology	Issue Overview	Support List
Rating Report	Rating Report	Rating Report	Rating Report

Comments


The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid, in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in the relevant currency is immediately available freely transferable funds for redemption on Redemption Date and shall (subject to the provisions of the Conditions) until all such payment (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions, provided that:


- Every payment of Redemption Amount in respect of the Bonds or any of them made to or to the account of the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Conditions;
- If any payment of Redemption Amount in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the [seventh day] after notice has been given to the Bondholders that the full amount has been received by the Paying Agent or the Trustee except, in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and
- In any case where payment of the whole or any part of the Redemption Amount due in respect of any Bond is improperly withheld or refused, incremental charge shall accrue for the Bond on the whole or such part of such Redemption Amount from the date of such withholding or refusal until the date either on which such Redemption Amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders that the full amount payable in respect of the said Redemption Amount is available for collection by the relevant Bondholders provided that on further due presentation thereof such payment is in fact made.

The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the discount rate which will be payable on the amount not paid on the due date up till the date of actual payment.




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 Chief Financial Officer
 Finance Division
 Renata Limited


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 Corporate Affairs Division
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AlphaRating

Industry Risk	Product/Service Risk	Operational Risk	Business Risk
Medium	High	High	High

Business Risk Analysis

Market Risk

The market risk means having hard time to maintain and increase market shares. It arises mainly due to competition as the pharmaceuticals industry in Bangladesh is highly competitive. The intensified market competition also causes product line diversification cost which in turn reduces the profitability. The competition also leads to increased marketing cost. The market risk also arises due to management & operational inefficiency. However, the management efficiency of RL is at a satisfactory level.

Override Overriding of Intellectual Property Rights

AlphaRating considered the overriding of intellectual property rights as a strategic risk. In an emerging market, which branded pharmaceutical companies are banking on for growth opportunities, patent protection is either weak or non-existent. Despite improvements in several key emerging markets, a failure to enhance protection through strong enforcement may change the nature of the competition in the industry, impacting both the costs and nature of research and development (R&D) and threatening the survival of the industry.

Adverse Drug Effects

The escalating consequences of adverse drug effects are a major issue to the industry; liability lawsuits and loss of public confidence, as well as the impact this may have on a company's appetite for risk- and as a result, their investments in innovation.

War for Talent

The threat of skills shortage due to an intensifying global war for talent is increasingly apparent in this industry. Bangladesh is not free from that. Close scrutiny and more stringent requirements of scientists seeking to study or work in the USA or Euro zone are diminishing the pool of skilled talent. In addition, an increasing percentage of skilled pharmaceutical professionals are returning to India and China to work for domestic companies in those dynamic and emerging markets, particularly China and India, high attrition rates, particularly among middle management, are posing a challenge for the industry whereas in Bangladesh the fact is totally opposite.

Operational Risk


The operation risk of the company is mainly connected to the management of the company. Efficient marketing plan, proper sourcing of raw materials, proper stock management, capital and manpower are key drivers of achieving operating efficiency. Proper cost control is also a key indicator of good operation management. If the businesses fail to fulfill its operational facts it may face increased market risk. At the same time inefficient cost control will reduce the return of the businesses.


Foreign Exchange rate risk

Company is involved in import of raw materials from various foreign countries. The adverse movement of BDT against Dollar may negatively affect the production costing and as well as reduce the chance of better profitability.




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Company Profile	Industry Overview	Value Drivers	Business Risk
Valuation	Strategic Risk	Management Quality	Company Information

Cost Structure

The inability to implement an advantageous cost structure in a timely manner can significantly impact pharmaceutical companies. Financial pressure is constantly forcing the industry to reduce costs in functions across the enterprise, from marketing and sales to finance and compliance. Manufacturers need to build a more nimble and flexible cost structure, including a greater reliance on third parties to carry out certain functions currently performed in-house, for example manufacturing and accounts payable. Companies also need to re-examine the way they have done business with alliance partners in the past to determine whether efficiencies can be derived in the future.

Drug Counterfeiting

AlphaRating considers drug counterfeiting as a significant strategic risk. Companies are facing greater competition due to the growing volume of sophisticated copies. This growing also poses potential reputation risk.

Product Diversification and Parallel Trade

A further reputation and competitive risk is that is an issue for the industry is increased product diversion and possible expansion of parallel trade.

Growth vs Profitability

The main source of revenue of RL is local market sales where competition is high. So, to survive and sustain in the competitive market RL needs continuous innovation and expansion. There is no doubt that the company is committed to support its growth but the growth requires additional resources like finance and skilled human resources. Managing the resources is a challenge for the company as it is not only complicated but also costly. On the other hand, considering the level of operating cost and finance cost of the company, it is obvious that RL faces a dilemma to maintain its revenue growth and profitability growth in a sustainable level.

Regulatory Risk

The increasing intensity of regulatory requirements poses a significant threat to the industry. Regulatory challenges are expanding in scope, for example by reaching beyond approval to more post market surveillance. They are also growing in breadth to 'fourth hurdle' requirements that drug must demonstrate cost effectiveness.



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AlphaRating

Rating Agency	Rating	Rating Date	Rating Period
AlphaRating	A	2023-03-31	2021-03-31 to 2023-03-31

Liquidity Analysis

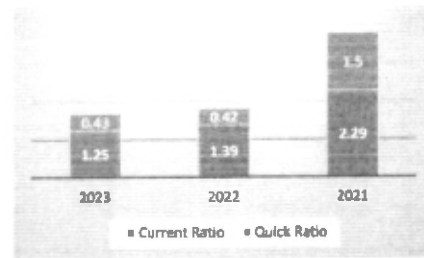
Liquidity ratios are used to determine a company's ability to meet its short-term obligations. Investors often take a close look at liquidity ratios when performing fundamental analysis on a company. Liquidity ratios are a good measure to assess whether a company will be able to comfortably pay of current liabilities with liquid assets. In FY 2023, overall liquidity ratios have been decreased than that of FY 2022. Current assets of RL has been increased by 15.97% whereas current liabilities has been increased by 21.57% in FY 2023 compared to previous year which affected the current ratio. However, In FY 2023 current ratio represents that RL could pay off its current liabilities by its current assets by more than one times. On the other hand, quick assets ratio has improved to 0.55 times mainly due to increased current assets without considering inventory. Cash & bank balances has been increased by 135.92% in FY 2023 from that of last year which captures less than 10.77% of total current assets. Additionally, cash ratio of FY 2023 reflects that the company could pay off only 13.50% of its current liabilities by its cash & bank balances. Holding extra cash is not desired as because of the opportunity cost.

Overall Cash Conversion Cycle has been increasing since FY 2021 & stood at 188 days or about 6.50 months in FY 2023. Higher Cash Conversion Cycle implies deterioration efficiency of working capital management. CCC of RL has increased mainly due to deterioration in receivable collection period by 5 days as well as inventory holding periods by 2 days. On the other hand, account payable period has improved by 4 days which is a good practice. Lower accounts payable period explains the company has maintained good relationship with its suppliers.

Exhibit 2: Selection Indicator: Renata Limited

FYE 30 June	2023	2022	2021
Current Ratio (x)	1.25	1.39	2.29
Quick Asset Ratio (x)	0.55	0.34	1.50
Cash Ratio (x)	0.14	0.07	0.18
Receivable (days)	44	39	34
Payables (days)	19	23	38
Inventory Turnover (days)	153	161	132
Cash Conversion Cycle (days)	188	177	128

Data obtained from audited financial statements of FY 2021-2023



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Company Profile	Industry Overview	Market Overview	Business Risk
Company Profile	Company Profile	Market Overview	Business Risk

Cash Flow Coverage

Positive cash flow ensures that the company has sufficient liquid assets to cover its current and near-future financial obligations and it enables a company to become solvent in the long run. CFO in FY 2023 has been decreased mainly due to increase VAT payment, payment to suppliers & employees and finance cost. However, positive operating cash flow will make the company less dependent on external finance. CFO interest coverage ratio states the company has sufficient capability to pay off its finance cost from its available cash from operating activities. Similarly, CFO Debt Coverage ratio reflects that the company is partially able to repay its debt by generated CFO.

Exhibit 3: Selection Indicator: Renata Limited

FYE 30 June	2023	2022	2021
CFO (BDT in millions)	2,035.31	3,009.34	4,229.23
CFO Interest Coverage (x)	2.59	5.93	25.77
CFO Debt Coverage (x)	0.14	0.34	0.88

Data obtained from audited financial statements of FY 2021-2023

Leverage & Capital Structure Analysis

The Debt to Equity ratio indicates how much debt a company is using to finance its assets relative to the value of shareholders' equity. Higher gearing ratios indicate a company has a higher degree of financial leverage and is more vulnerable to the downturns in the economy and the business cycle. Conversely, Low gearing ratio means that a company is financially stable and has a small proportion of debt versus equity. Even though Debt to equity ratio has slightly increased in FY 2023, as it was reported 0.47 times, this value represents low geared position of the company. On the other hand, Interest Coverage ratio shows that the company is fully able to repay its finance costs more than 3 times. Moreover, noticeable improvement has been found on Net Asset Value (NAV) of the company due to increasing of paid up capital, reserves and cumulative retained earnings.

Exhibit 4: Selection Indicator: Renata Limited

FYE 30 June	2023	2022	2021
Debt to Equity (x)	0.47	0.30	0.19
Interest Coverage Ratio (x)	3.75	14.02	41.44
Debt Service Coverage Ratio (x)	4.99	17.80	47.46
Net Asset Value (NAV) in Millions	10,514.51	29,312.30	25,449.91

Data obtained from audited financial statements of FY 2021-2023



[Signature]
Syed S. Kaiser Kabir
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 Renata Limited

[Signature]
Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
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 Renata Limited

[Signature]
Md. Jubayer Alam
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 Renata Limited

Rating Report - Renata Limited
 Bank Facilities & Credit History

Bank Facilities & Credit History

Exhibit 5: Loan Outstanding: Renata Limited

Banks & Fis	Loan Modes	Loan Limit (BDT in millions)*	Loan Outstanding (BDT in millions)*	EOI (BDT in millions)*
Bank Asia Limited (As on 01.10.2023)	Revolving LC		377.09	
	Shipping Guarantee	3000.00	-	
	Acceptance		-	
	Revolving LTR	(2000.00)	88.83	
	TL	(600.00)	510.42	
	Overdraft	250.00	23.83	
	Rev. DL	150.00	-	
	Rev. BG	700.00	235.06	
	Sub Total	4,100.00	1,235.23	
Commercial Bank of Ceylon PLC. (As on 30.06.2023)	Overdraft	250.00	257.97	7.97
	LC (Sight)		344.53	
	LC (UPAS)	3,250.00	338.48	
	Acceptance Bills (UPAS)		307.74	
	LTR (Sub Limit)	(750.00)	10.19	
	STL (Sub Limit)	(750.00)	-	
	BG (Sub Limit)	(50.00)	-	
	Sub Total	3,500.00	1,258.91	7.97
Citibank N.A. Limited (As on 30.09.2023)	Overdraft	(170.00)	-	
	LTR	(425.00)	-	
	STL	(510.00)	320.00	
	UPAS	(2448.00)	499.91	
	LC	3150.00	-	
	Sub Total	3,150.00	819.91	
Eastern Bank PLC (As on 30.09.2023)	Overdraft	20.00	-	
	Sight LC	1,258.70	51.40	
	LATR (Inner of LC)	(700.00)	21.02	
	UPAS (Inner of LC)	(1,258.70)	-	
	Time Loan (Inner of LC)	(40.00)	-	
	Demand Loan	10.00	-	
		Sub Total	1,288.70	72.42
Prime Bank Ltd. (As on 30.09.2023)	LC	1400.00	14.45	
	Acceptance (Inner of LC)	(1400.00)	-	
	UPAS (Inner of LC)	(1400.00)	54.98	
	LTR (Inner of LC)	(1400.00)	11.89	
	LC-CM (Inner of LC)	(400.00)	-	
	Acceptance (Inner of LC)	(400.00)	-	
	Time Loan (Inner of LTR)	(1000.00)	-	
	BG (Inner of LC)	(50.00)	-	
	Overdraft	100.00	-	
	Sub Total	1,500.00	81.32	



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AlphaRating

Financials Summary	Industry Outlook	ESG Overview	Summary Risk
Rating	Rating	Rating	Rating

Banks & Fis	Loan Modes	Loan Limit (BDT in millions)*	Loan Outstanding (BDT in millions)*	EOL (BDT in millions)*
The City Bank Limited (As on 30.09.2023)	SLC/U/LC	1500.00	-	
	Acceptance (Inner of SLC/U/LC)	(1500.00)	110.90	
	LTR (Sub limit of SLC)	(1500.00)	-	
	STL	1000.00	300.00	
	SLC/U/LC-2	1000.00	-	
	Acceptance	(1000.00)	-	
	Term Loan	(1000.00)	275.70	
	Overdraft	1000.00	22.80	
	OD-WCSP	171.00	175.20	4.20
	STL-Off	1000.00	-	
	Sub Total	5,671.00	884.60	4.20
BRAC Bank PLC (As on 30.09.2023)	Revolving LC (Sight/Usance/UPAS)-1	2500.00	-	
	Revolving Acceptance	(2500.00)	-	
	Revolving UPAS-1	(2500.00)	-	
	Revolving LTR	(2500.00)	589.31	
	Revolving LC-2	(1000.00)	-	
	Revolving Acceptance	(1000.00)	-	
	Revolving UPAS-2	(1000.00)	-	
	Short Term Loan	(1000.00)	46.57	
	Revolving Loan	(1000.00)	500.00	
	Overdraft	50.00	-	
	One Off LC	(500.00)	-	
	One-Off Acceptance	500.00	-	
	One-off UPAS-3	(500.00)	-	
	One-off Short Term Loan	500.00	37.18	
Term Loan	1,250.00	1,023.27		
Sub Total	4,800.00	2,196.33		
ONE Bank Limited (As on 30.09.2023)	SLC/U/LC	1500.00	29.42	
	PIF-LTR	(1000.00)	31.47	
	Time Loan-1 (Inner of PIF)	(50.00)	-	
	Time Loan-2 (Inner of PIF)	(400.00)	-	
	Overdraft (Inner of PIF)	(100.00)	-	
	BG (Inner of LC)	(0.70)	-	
Sub Total	1,500.00	60.89		
Standard Chartered Bank Limited (As on 30.09.2023)	Overdraft	150.00	150.55	0.55
	STL	1316.00	200.00	
	Term Loan	1500.00	1374.98	
	LC	3100.00	380.02	
	Acceptance	(3100.00)	4.74	
	Import Loan	(2000.00)	247.43	
	Shipping Guarantee	(2000.00)	16.72	
	Bonds and Guarantee	(20.00)	13.22	
Sub Total	6,066.00	2,387.66	0.55	



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AlphaRating

Banks & Fis	Loan Modes	Loan Limit (BDT in millions)*	Loan Outstanding (BDT in millions)*	EOL (BDT in millions)*
Dutch-Bangla Bank Limited (As on 07.10.2023)	LC	2000.00	528.87	
	LTR (Sub limit of LC)	(2000.00)	661.50	
	RSTL (Inner of LTR)	(2000.00)	691.56	
	Total O/S under LC	2000.00	1881.93	
	Term Loan (Machinery)	500.00	386.02	
	Term Loan (Machinery)	1000.00	950.42	
	LC (mach.)-One off	200.00	164.85	
	Term Loan (Machinery)	(200.00)	-	
	Sub Total	5,700.00	5,265.15	
HSBC Limited (As on 10.05.2023)	Short Term Loan	(750.00)	502.00	
	Long Term Loan	(3000.00)	-	
	Overdraft	300.00	-	
	Clean Import Loan	4300.00	7.00	
	Import Line (UPAS)	(4300.00)	78.00	
	Import Line Bill	(4300.00)	76.00	
	Guarantee	100.00	-	
	Sub Total	4,700.00	663.00	
NCC Bank Limited (As on 30.09.2023)	LC	2000.00	284.10	
	LTR (Inner of LC)	(2000.00)	303.30	
	Rev. Time Loan	500.00	-	
	Revolving OD (G)	100.00	68.20	
Sub Total	2,600.00	655.60		
IDLC Finance Limited (As on 30.09.2023)	Term Loan	236.00	236.00	
	Sub Total	236.00	236.00	
Mutual Trust Bank Ltd. (As on 30.09.2023)	LC-1 (Sight/Deferred/UPAS)	1,400.00	53.43	
	Accepted Bill (Inner of LC)		39.68	
	LTR (inner of LC-1)	(1000.00)	94.23	
	Loan General (Inner of LC-1)	(420.00)	-	
	Time Loan (Inner of LC-1)	(600.00)	-	
	BG (Inner of LC-1)	(20.00)	-	
	LC-II Machinery (Inner of LC-1)	(300.00)	-	
	Time Loan (Inner of LC-1)	(300.00)	-	
	SOD (G)	100.00	90.84	
Sub Total	1,500.00	278.18		
Dhaka Bank Limited (As on 30.09.2023)	Revolving LC (Foreign/local-sight/DP/UPAS)	1,000.00	185.14	
	Subsequent Revolving LC	(250.00)	79.92	
	Subsequent Revolving LTR	(950.00)	153.23	
	Revolving Term Loan	(600.00)	-	
	Overdraft (Others)	100.00	-	
	Sub Total	1,100.00	418.29	
Meghna Bank Limited (As on 30.09.2023)	Rev. LC-1	1,200.00	13.45	
	Rev. ABP (Inner of LC)	(1,200.00)	-	
	Rev. LTR (Inner of LC)	(1,200.00)	-	
	Rev. Time Loan (Inner of LATR)	(500.00)	-	
	Rev. LC-2	(200.00)	-	
	Rev. ABP	(200.00)	-	
	Rev. Time Loan (Inner of LATR)	(180.00)	-	
	Overdraft	50.00	-	
	Sub Total	1,250.00	13.45	
Grand Total	48,661.70	16,526.94	4.75	



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AlphaRating

Company Profile Industry Overview Asset Overview Business Risk
 Risk Rating Financial Risk Management Quality Bank Facilities & Credit History

The company has been availing banking facilities from Bank Asia Limited (Mohakhali Branch), Commercial Bank of Ceylon PLC (Head Office Branch), BRAC Bank PLC (Gulshan Branch), Citibank N.A. Limited (Gulshan Branch), Eastern Bank PLC (Head Office Branch), City Bank Limited (Head Office Branch) and Standard Chartered Bank Limited (Gulshan Branch), ONE Bank Limited, Corporate Branch, Dutch-Bangla Bank Limited, Corporate Branch, HSBC Limited, IDLC Finance Limited, Corporate Branch, Mutual Trust Bank Ltd., Gulshan Branch, Prime Bank Ltd., Head Office, Meghna Bank Ltd., Gulshan Avenue Branch, NCC Bank Ltd., Gulshan Branch, Dhaka Bank Ltd. Gulshan Corporate Branch, Dhaka. The purpose of the facility is to securitized tender/bids; assure performance, to import of raw materials, machinery/equipment & spare parts, accessories of the business, to retire documents against LC, to meet local procurements of pharmaceuticals & packaging materials of the business, to meet payments of duty, tax, vat & operating expenses of the business, to meet up the working capital requirements, only against work order, insurance, titas gas, customs etc., to book acceptance liability, provide guarantee to meet financial, custom duty & other contingent obligation, to finance retirement of sight LC, to issue of shipping guarantee for releasing goods, to finance duty payment, working capital requirement, to finance regular operational expenses, to issue open ended guarantee for regulator, to hedge foreign currency risk, to finance head office cost, duty payments, for financing ULC documents, to finance SLC opened, As per bank information, payment behavior of the RL is regular. AlphaRating only considered above mentioned banking facility availed by the company while assigning the rating

Securities/Mortgages

Securities

- Counter guarantee
- Assignment of bill receivables
- Documents of title goods
- LC related shipping documents
- Acceptance of customers
- Hypothecation of stock
- Letter of trust receipts
- Letter of guarantee
- Letter of continuity rival
- Letter of hypothecation stock & machinery
- Hypothecation of underlying assets of the customer
- Existing 1st ranking pari-passu charge created with RJSC over all fixed & floating assets (both present & future of the company)
- Basic charge documents
- Registered hypothecation of first charge over stock, book debts, plant & machinery of the company on pari-passu basis with other lender, CBC's shares being BDT 1,500.00 million.
- Demand promissory note & letter of continuity for USD 25.00 million
- 1st registered hypothecation of stock, book debts, plant & machinery of the company on pari-passu co- lender of Renata Ltd for BDT 2,250.00 million.
- 1st registered pari-passu charge with RJSC by way of hypothecation over all fixed & floating assets of RL. CBL charge amount is TK. 1,300.00 million
- Registered 1st charge over all present & future stock & book debts & plant & machinery of the company on pari-passu basis with all other existing lenders. CBC's shares is BDT 1,500.00 million & FSV is BDT 1,050.00 million.
- Agreement for advance in current account for USD 2.00 million
- STL agreement for USD 6.00 million
- Agreement & indemnity relating to the issuance of documentary
- Other statutory charge documents
- All standard charge documents
- Registered hypothecation of first charge over all present and future Stocks & Book Debts and plant & machinery of the company on pari-passu basis with other lenders, CBC's share will be BDT 3,500 million.
- 100.00% cash margin
- Additional 50.00% security deposit
- DP note




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 CEO & Managing Director
 Renata Limited


 Mustafa Alim Aolad FCA (ICAEW)
 Chief Financial Officer
 Finance Division
 Renata Limited


 Md. Jubayer Alam
 Company Secretary
 Corporate Affairs Division
 Renata Limited

Company Profile	Industry Overview	Key Information	Rating Rationale
Company Profile	Business Model	Management Quality	Company Information

Management & Other Qualitative Factors

Board of Directors

Syed S Kaiser Kabir is a CEO & Managing Director of the company; he looks after the overall company affairs and administration of the company. The Managing Director of the company manages, conducts and carries out the general supervision of the Board of Directors.

The operation of the company is highly diversified and complex. The managing board is well organized to operate the overall production process smooth and to make strong the overall marketing distribution channel.

Market & Distribution Channel

RL's Product management department has been working under marketing division. The company has employed a few well qualified Pharmacists for ensuring positive contribution towards pharmaceutical arena. The company has set its own distribution channel who directly contact with the wholesalers and retailers.

Research and Development (R&D)

RL defines progress and innovation as a Challenge to achieve continuous improvement in the increasingly competitive markets and for the better health services to the people; hence their Research & Development scientists are always devoting to do their efforts to develop new products, finding alternative source of raw materials, improving formulation and increasing stability of product's shelf.

Corporate Social Responsibility

RL is always committed to the society and aware of its social responsibilities for their employees, assisting disadvantaged members of our society, and building a sustainable environment. The Renata health program covers all permanent employees, their spouses, and children, support to charitable organizations (HOPES) & Poverty Fighter Foundation. This comprehensive program includes surgery, hospitalization, as well as routine doctor visits.

Future Expansion Plan


In order to ensure continuous growth of the company RL plans to expand its operation. The company has been working towards gaining competitive edge over the rivals by introducing high quality products in the market. The company has increased its product profile in recent years and some products are yet to be launched.

Financial Reporting and Information Disclosure

RL has initiated a plan to incorporate enterprise resource infrastructure which will increase the efficiency of the flow of information. Currently, the departments separately maintain individual databases holding their respective Information. Access to information is convenient. The company has shown reasonable transparency during the credit rating process and made relevant information for the completion of this credit rating report.




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Company Profile	Company Overview	Quality Assurance	Manufacturing
Business Model	Financial Performance	Management Quality	Company Risks

Internal Control System

The company has an internal audit team whose role is to review the existing risk management procedures for ensuring effective internal check of control system and SOP (Standard Operating Procedure).

Water System

RL Plant defines and implements appropriate specifications covering all aspects of water quality. The plant are specifying and maintaining comprehensive program and procedures to monitor control and allow ongoing evaluation of its water systems.

Water treatment plant build with EDI system where few categories of water generally available to a manufacturing plant.

HVAC System

Adequate ventilation is provided in all areas. Equipment for adequate control over microorganisms, dust, humidity & temperature are provided. Air filtration systems including air filters & particulate matter air filters are used. Sufficient numbers of air changes per hour are designed to assure the achievement and maintenance of air cleanliness levels over a long period of time. Temperature & Humidity are monitored and controlled through BMS (Building Management System).

Compliances

Every year RL spends handsome amounts to maintain its compliance requirements. It is observed that the company complies with government's rules and regulations regarding environment clearance, membership of BAPI, license of manufacturing drugs and Corporation Tax. The company also complies with the standard guideline of GMP (Good Manufacturing Practice) of WHO. It has an insurance agreement for all of its employees along with an insurance agreement for safeguard of its assets. On top of that, RL has quality and compliance approval from ISO.

Human Resource

RL is one of the quality drug manufacturers in Bangladesh. RL currently employs about 400 people in its head office in Mirpur, Dhaka.

Compliance Issues

Particulars	Status
Trade License	2023-2024
Income Tax Clearance Certificate	2022-2023
Environment Clearance	10.05 2024
License of Manufacturing Drugs	03.08 2024
IRC	2023-2024
ERC	2023-2024
Fire License	2023-2024
Factory License	2023-2024
Bangladesh Association of Pharmaceutical Industries	31.12 2023
Membership Certificate of ACCB	31.12.2023
Membership Certificate of MCCI	31.12.2023
Insurance	09.01.2024
Membership Certificate of AH CAB	2023-2024
License from Department of Livestock Service	2023-2024
Bangladesh Employers Federation	31.12.2023
Bangladesh Association of Publicly Listed Companies	31.12.2023

END OF THE REPORT



[Signature]
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 Renata Limited

[Signature]
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 Finance Division
 Renata Limited

[Signature]
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 Company Secretary
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 Renata Limited

Company Profile	Industry Overview	Risk Definition	Business Risk
Issue Risk	Financial Risk	Management Quality	Company Information

Company Information:

Board of Director

Name	Status
Dr. Sarwar Ali (Nominated by Sajida Foundation)	Chairman
Mr. Mridul Chowdhury (Nominated by Sajida Foundation)	Director
Mrs. Zahida Fizza Kabir	Director
Mrs. Sajeda Farisa Kabir	Director
Mrs. Tanya Tazeen Karim (Nominated by Sajida Foundation)	Director
Mr. Nehal Ahmed	Independent Director
Mr. Ejaj Ahmed	Independent Director
Syed S Kaiser Kabir (Nominated by Sajida Foundation)	CEO & Managing Director

Major Shareholders (As on 31.10.2023)

Sponsor/Director	51.29%
Institute	19.62%
Foreign	22.67%
Public	6.42%

Auditor

S. F. Ahmed & Co.
Chartered Accountant
 House # 51 (2nd Floor), Road # 9, Block-F, Banani, Dhaka-1213
 Phone # 02-222294026
 Email-sfaco@dhaka.net

Head Office

Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka - 1216

Manufacturing Site

Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka - 1216.
 Noyapara, Bhawal Mirzapur, Rajendrapur, Bangladesh.
 Kashor Herbal Facility Kashor, Hobarbari, Bhaluka, Mymensingh.

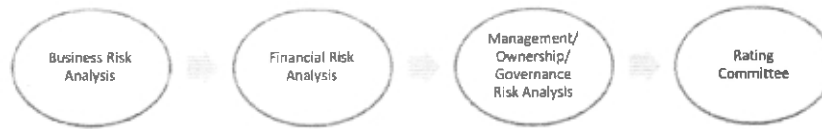


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 Corporate Affairs Division
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AlphaRating's Research Methodology for Determining Bond Rating



Analysis is segmented into two or three sub sectors:

- ▶ Industry Outlook
- ▶ Competitive Position
- ▶ Operational Analysis

Analysis is segmented into four sub sectors:

- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modeling Assumption
- ▶ Approve Company-Specific Adjustments



POSITIVE	Rating may be raised
NEGATIVE	Rating may be lowered
STABLE	Rating is likely to remain unchanged
DEVELOPING	Rating may be raised, lowered or remain unchanged.

ST-1	Superior Capacity
ST-2	Strong Capacity
ST-3	Adequate Capacity
ST-4	Inadequate Capacity
ST-5	High Likelihood of Default, with little Capacity to Address Further Adverse Changes in Financial Circumstances
ST-6	Payment in Default

AAA	Exceptionally Strong Capacity
AA	Very Strong Capacity
A	Strong Capacity
BBB	Adequate Capacity
BB	Some Obvious Weakness In Operating Practices & Key Financial Indicators
B	Fundamental Weakness In Operating Practices & Key Financial Indicators
C	Several Immediate Problems of a Serious Nature
D	Requires Sustained External Support without which its Continued Viability is in Doubt

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.



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Credit Rating Report of the Issuer

AlphaRating

RENATA LIMITED


(Plot # 1, Milk Vita Road, Section-7, Mirpur, Dhaka – 1216)

(Corporate)

Disclaimer: Information used herein was obtained from sources believed to be accurate and reliable. However, Alpha Credit Rating Limited does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. The rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities or to finance in a project. All rights of this report are observed by Alpha Credit Rating Limited. The contents may be used by the news media and researchers with due acknowledgement. Under no circumstances Alpha Credit Rating Limited will or its affiliates will be liable for any special, indirect, incidental or consequential damages of any kind, including, but not limited to, compensation, reimbursement or damages on account of the loss of present or prospective profits, expenditures, loans or commitments, whether made in the establishment, development or maintenance of Company reputation or goodwill, cost of substitute materials, products, services or information, cost of capital, and the claims of any third party, or for any other reason whatsoever.

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Sadharan Bima Bhavan-2, 139 Motijheel C/A, Dhaka-1000. Tel: +88029573026-28. Web: www.alpharating.com.bd


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AlphaRating's Research Methodology for Determining Corporate Credit Rating



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Analysis is segmented into four sub sectors:

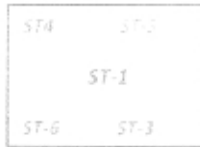
- ▶ Earnings
- ▶ Cash Flow Generating Ability & Debt Servicing Capacity
- ▶ Capital Adequacy
- ▶ Financial Flexibility

It is one of the key elements of the rating methodology since management decides what businesses to be in, what strategies should be pursued and how these activities should be financed.

Senior personnel review each company to determine the appropriate final credit rating.

- ▶ Review Modelling Assumption
- ▶ Approve Company-Specific Adjustments

Rating Outlook



POSITIVE	Rating may be raised	ST-1	Strongest ability to meet Short term financial commitments	AAA	Strongest Credit Quality
NEGATIVE	Rating may be lowered	ST-2	Above average ability to meet short term financial commitments	AA	Very Strong Credit Quality
STABLE	Rating is likely to remain unchanged	ST-3	Average ability to meet Short term financial commitments	A	Above Average Credit Quality
DEVELOPING	Rating may be raised, lowered or remain unchanged.	ST-4	Below Average ability to meet short term financial commitments	BBB	Average Credit Quality
		ST-5	Well below average ability to meet short term financial commitments	BB	Slightly Below Average Credit Quality
		ST-6	Failed to meet short term financial commitments	B	Weak Credit Quality
				CCC	Very Weak Credit Quality
				CC & C	Extremely Weak Credit Quality
				D	Failed to Meet Rated Financial Commitment On Time or When Due

Notes: Ratings from AA to B may be modified by the addition of a plus (+) or minus (-) suffix to show relative standing within the major rating categories.



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Particulars of Underwriters and Amount Underwritten, if Any

Not Applicable as the bond will be issued through private placement.

Public Issue Application Procedure

Not Applicable as the bond will be issued through private placement.

Rights option/issue application procedure


Not Applicable as the bond will be issued through private placement.

Private Issue Application Procedure

The Bond shall be offered through Private Offer to the eligible investors. Issuer and/or Arranger shall ensure that the prospective Investors shall have been provided with a copy of the Information Memorandum either in hard copy or soft copy and an invitation letter to subscribe. Based on the Information Memorandum and subsequent clarification of queries (if any), the Investors shall submit a letter of commitment to the Arranger and/or Issuer with the amount of intended subscription specified.



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